

Tax Exempt Entity Declaration and Signature for E-file

OMB No. 1545-0047

Department of the Treasury
Internal Revenue ServiceFor calendar year 2023, or tax year beginning 07/01, 2023, and ending 06/30, 20 24
For use with Forms 990, 990-EZ, 990-PF, 990-T, 1120-POL, 4720, 8868, 5227, 5330, and 8038-CP
Go to www.irs.gov/Form8453TE for the latest information.**2023**

Name of filer

CHESTER RIVER HOSPITAL CENTER, INC.

EIN or SSN

52-0679694

Part I Type of Return and Return Information

Check the box for the type of return being filed with Form 8453-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

| | | | |
|---|---|------------|------------|
| 1a Form 990 check here <input checked="" type="checkbox"/> | b Total revenue, if any (Form 990, Part VIII, column (A), line 12) | 1b | 51,659,664 |
| 2a Form 990-EZ check here <input type="checkbox"/> | b Total revenue, if any (Form 990-EZ, line 9) | 2b | |
| 3a Form 1120-POL check here <input type="checkbox"/> | b Total tax (Form 1120-POL, line 22) | 3b | |
| 4a Form 990-PF check here <input type="checkbox"/> | b Tax based on investment income (Form 990-PF, Part V, line 5) | 4b | |
| 5a Form 8868 check here <input type="checkbox"/> | b Balance due (Form 8868, line 3c) | 5b | |
| 6a Form 990-T check here <input type="checkbox"/> | b Total tax (Form 990-T, Part III, line 4) | 6b | |
| 7a Form 4720 check here <input type="checkbox"/> | b Total tax (Form 4720, Part III, line 1) | 7b | |
| 8a Form 5227 check here <input type="checkbox"/> | b FMV of assets at end of tax year (Form 5227, item D) | 8b | |
| 9a Form 5330 check here <input type="checkbox"/> | b Tax due (Form 5330, Part II, line 19) | 9b | |
| 10a Form 8038-CP check here <input type="checkbox"/> | b Amount of credit payment requested (Form 8038-CP, Part III, line 22) | 10b | |

Part II Declaration of Officer or Person Subject to Tax

- 11a** ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.
- b** ☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that ☒ I am an officer of the above named entity or ☐ I am the person subject to tax with respect to (name of entity) _____, (EIN) _____,

and that I have examined a copy of the 2023 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign Here

Signature of officer or person subject to tax

Date

SVP, FINANCE

Title, if applicable

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above return and that the entries on Form 8453-TE are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The entity officer or person subject to tax will have signed this form before I submit the return. I will give a copy of all forms and information to be filed with the IRS to the officer or person subject to tax, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

| | | | | | |
|-----------------------|--|------|--|---|-------------------|
| ERO's Use Only | ERO's signature | Date | Check if also paid preparer <input type="checkbox"/> | Check if self-employed <input type="checkbox"/> | ERO's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | | | EIN |
| | | | | | Phone no. |

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

| | | | | | |
|-------------------------------|----------------------------|---|------------|---|----------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | PTIN |
| | AMBER DOANE | | 05/09/2025 | | P01391011 |
| | Firm's name | ERNST & YOUNG U.S. LLP | | | Firm's EIN |
| | Firm's address | 1101 NEW YORK AVENUE NW, WASHINGTON, DC 20005 | | | 34-6565596 |
| | | | | | Phone no. |
| | | | | | (202) 327-6000 |

PUBLIC DISCLOSURE COPY

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

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

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

2023

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

Go to www.irs.gov/Form990 for instructions and the latest information.**Open to Public Inspection**

| | |
|--|--|
| A For the 2023 calendar year, or tax year beginning 07/01, 2023, and ending 06/30, 2024 | |
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization CHESTER RIVER HOSPITAL CENTER, INC. Doing business as UM SHORE MEDICAL CENTER AT CHESTERTOWN Number and street (or P.O. box if mail is not delivered to street address) Room/suite 100 BROWN STREET City or town, state or province, country, and ZIP or foreign postal code CHESTERTOWN, MD 21620 F Name and address of principal officer: KENNETH D. KOZEL SAME AS C ABOVE H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions. H(c) Group exemption number |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | J Website: WWW.UMMS.ORG/SHORE |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other | L Year of formation: 1935 M State of legal domicile: MD |

Part I Summary

| | | | |
|---|--|---------------------------|--------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: CHESTER RIVER HOSPITAL CENTER (CRHC) IS AN ACUTE CARE HOSPITAL THAT SERVES THE RESIDENTS OF KENT AND QUEEN ANNE'S COUNTIES AND PORTIONS OF CAROLINE AND CECIL COUNTIES. | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 22 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 16 |
| | 5 Total number of individuals employed in calendar year 2023 (Part V, line 2a) | 5 | 194 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 68 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0 |
| b Net unrelated business taxable income from Form 990-T, Part I, line 11 | 7b | 0 | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 Program service revenue (Part VIII, line 2g) | 401,522 | 236,925 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 48,386,990 | 49,637,277 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 24,816 | 556,278 |
| | 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 1,121,924 | 1,229,184 |
| | | 49,935,252 | 51,659,664 |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) | 0 | 0 |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0 | 0 |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | 13,399,172 | 14,694,962 |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0 | 0 |
| | b Total fundraising expenses (Part IX, column (D), line 25) | 0 | 0 |
| | 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | 30,378,813 | 30,279,319 |
| | 18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) | 43,777,985 | 44,974,281 |
| 19 Revenue less expenses. Subtract line 18 from line 12 | 6,157,267 | 6,685,383 | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 Total liabilities (Part X, line 26) | 78,843,769 | 79,540,694 |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 13,815,565 | 6,609,904 |
| | | 65,028,204 | 72,930,790 |

Part II Signature Block

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

Sign Here

Signature of officer

Date

PAUL NICHOLSON, SVP, FINANCE

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

AMBER DOANE

05/09/2025

P01391011

Firm's name ERNST & YOUNG U.S. LLP

Firm's EIN 34-6565596

Firm's address 1101 NEW YORK AVENUE NW, WASHINGTON, DC 20005

Phone no. (202) 327-6000

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2023)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐

- 1** Briefly describe the organization's mission:
CHESTER RIVER HOSPITAL CENTER (CRHC) IS AN ACUTE CARE HOSPITAL THAT SERVES THE RESIDENTS OF KENT
AND QUEEN ANNE'S COUNTIES AND PORTIONS OF CAROLINE AND CECIL COUNTIES
-
- 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 \$ 31,906,568 including grants of \$ 0) (Revenue \$ 50,605,928)

CHESTER RIVER HOSPITAL CENTER, INC. (DOING BUSINESS AS UNIVERSITY OF MARYLAND SHORE MEDICAL
CENTER AT CHESTERTOWN) IS A 5-BED HOSPITAL. IT IS SERVED BY APPROXIMATELY 200 ACTIVE AND
CONSULTING STAFF PHYSICIANS REPRESENTING A WIDE ARRAY OF MEDICAL SPECIALTIES. THE COMMUNITY
HOSPITAL, WHICH IS FULLY ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE
ORGANIZATIONS, PROVIDES INPATIENT MEDICAL SERVICES, 24-HOUR EMERGENCY CARE, SURGICAL SERVICES,
OUTPATIENT DIAGNOSTIC SERVICES, LABORATORY SERVICES, REHABILITATION, AND ONCOLOGY TO SERVE THE
LOCAL COMMUNITY'S NEEDS. THE HOSPITAL WAS ESTABLISHED IN 1935. IT IS STAFFED BY APPROXIMATELY
200 EMPLOYEES.

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

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

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

4e Total program service expenses 31,906,568

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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



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

| Part V Statements Regarding Other IRS Filings and Tax Compliance (continued) | | Yes | No |
|---|--|------------|-----|
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 2a | 194 |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2b | ✓ |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | ✓ |
| b | If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation on Schedule O | 3b | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | ✓ |
| b | If "Yes," enter the name of the foreign country _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | ✓ |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | ✓ |
| c | If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | 5c | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | ✓ |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | ✓ |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | ✓ |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7d | |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | ✓ |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | ✓ |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | |
| 8 | Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 8 | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| a | Did the sponsoring organization make any taxable distributions under section 4966? | 9a | |
| b | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | 9b | |
| 10 | Section 501(c)(7) organizations. Enter: | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10a | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | |
| 11 | Section 501(c)(12) organizations. Enter: | | |
| a | Gross income from members or shareholders | 11a | |
| b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | | |
| a | Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O. | 13a | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | |
| c | Enter the amount of reserves on hand | 13c | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | 14a | ✓ |
| b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O | 14b | |
| 15 | Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N. | 15 | ✓ |
| 16 | Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O. | 16 | ✓ |
| 17 | Section 501(c)(21) organizations. Did the trust, or any disqualified or other person, engage in any activities that would result in the imposition of an excise tax under section 4951, 4952, or 4953? If "Yes," complete Form 6069. | 17 | |

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

Section A. Governing Body and Management

| | Yes | No |
|--|-------------------------------------|-------------------------------------|
| 1a Enter the number of voting members of the governing body at the end of the tax year 1a <u>22</u> If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O. | | |
| b Enter the number of voting members included on line 1a, above, who are independent 1b <u>16</u> | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2 | | <input checked="" type="checkbox"/> |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? 3 | | <input checked="" type="checkbox"/> |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4 | | <input checked="" type="checkbox"/> |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5 | | <input checked="" type="checkbox"/> |
| 6 Did the organization have members or stockholders? 6 | <input checked="" type="checkbox"/> | |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7a | <input checked="" type="checkbox"/> | |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 7b | <input checked="" type="checkbox"/> | |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? 8a | <input checked="" type="checkbox"/> | |
| b Each committee with authority to act on behalf of the governing body? 8b | <input checked="" type="checkbox"/> | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O 9 | | <input checked="" type="checkbox"/> |

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed MD

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records.
JENINE WARNKE, 900 ELKRIDGE LANDING ROAD - 3 EAST, LINTHICUM, MD 21090, (443) 462-5811

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/ 1099-MISC/ 1099-NEC) | (E) Reportable compensation from related organizations (W-2/ 1099-MISC/ 1099-NEC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|--|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) MOHAN SUNTHA, MD DIRECTOR | 1.0 59.0 | ✓ | | | | | | 0 | 3,669,040 | 44,934 |
| (2) THOMAS STAUCH, MD DIRECTOR | 1.0 44.0 | ✓ | | | | | | 0 | 976,339 | 13,605 |
| (3) KENNETH D KOZEL PRESIDENT AND CEO | 1.0 46.0 | | | ✓ | | | | 0 | 693,043 | 28,416 |
| (4) KRISTIN JONES-BRYCE DIRECTOR | 1.0 44.0 | ✓ | | | | | | 0 | 513,162 | 46,054 |
| (5) WILLIAM E HUFFNER, MD SVP AND CMO | 1.0 41.0 | | | | ✓ | | | 0 | 523,974 | 28,746 |
| (6) JOSEPH E HOFFMAN, III DIRECTOR | 1.0 48.0 | ✓ | | | | | | 0 | 526,320 | 8,544 |
| (7) PAUL S NICHOLSON SVP, FINANCE | 1.0 48.0 | | | ✓ | | | | 0 | 452,158 | 43,039 |
| (8) KIM R HERMAN, MD DIRECTOR | 1.0 44.0 | ✓ | | | | | | 0 | 411,207 | 23,897 |
| (9) JOANNE R HAHEY SVP FINANCE (END 11/2023) | 1.0 46.0 | | | ✓ | | | | 0 | 388,047 | 35,039 |
| (10) RADINE M HAYNES CLINICAL NURSE | 40.0 0.0 | | | | | ✓ | | 296,911 | 0 | 15,684 |
| (11) CHRIS PARRY, DO DIRECTOR | 1.0 44.0 | ✓ | | | | | | 0 | 263,515 | 32,935 |
| (12) CASSANDRA A BILBROUGH NURSE COORDINATOR | 40.0 0.0 | | | | | ✓ | | 205,783 | 0 | 27,274 |
| (13) BRANDIE R RHODES NURSE | 40.0 0.0 | | | | | ✓ | | 192,467 | 0 | 27,761 |
| (14) DEBORAH PIPPIN SITE COORDINATOR | 40.0 0.0 | | | | | ✓ | | 162,992 | 0 | 25,663 |

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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) MARIE QUEH CLINICAL NURSE | 40.0 0.0 | | | | | ✓ | | 180,805 | 0 | 5,973 |
| (16) CHARLES CAPUTE CHAIRMAN | 1.0 5.0 | ✓ | | ✓ | | | | 0 | 0 | 0 |
| (17) KATHY DEOUDS VICE CHAIRMAN | 1.0 4.0 | ✓ | | ✓ | | | | 0 | 0 | 0 |
| (18) ART CECIL, III DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (19) CATHERINE BURTON DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (20) EUGENE NEWMIER, DO DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (21) GARRETT FALCONE DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (22) J. WAYNE HOWARD DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (23) JANE WANG DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (24) JOHN W ASHWORTH, III DIRECTOR | 1.0 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (25) (SEE STATEMENT) | | | | | | | | | | |
| 1b Subtotal | | | | | | | | 1,038,958 | 8,416,805 | 407,564 |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0 | 0 | 0 |
| d Total (add lines 1b and 1c) | | | | | | | | 1,038,958 | 8,416,805 | 407,564 |
| 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 | | | | | | | | 31 | | |

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

Section B. Independent Contractors

| (A) Name and business address | (B) Description of services | (C) Compensation |
|---|--------------------------------|---------------------|
| MD EMERGENCY MEDICINE NETWORK, 250 W PRATT STREET, BALTIMORE, MD 21201 | PHYSICIAN SERVICES | 3,138,661 |
| CHOPTANK COMMUNITY HEALTH SYSTEM, PO BOX 448, PRESTON, MD 21655-0448 | HEALTHCARE SERVICES | 1,199,828 |
| DAIKIN APPLIED AMERICAS INC, 24827 NETWORK PL, CHICAGO, IL 60673 | BUILDING MAINTENANCE | 667,878 |
| HEALTHCARE SERVICES GROUP INC, PO BOX 829677, PHILADELPHIA, PA 19182-9677 | HEALTHCARE SERVICES | 609,671 |
| GE PRECISION HEALTHCARE LLC, PO BOX 96483, CHICAGO, IL 60693 | HEALTHCARE SERVICES | 324,291 |
| 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 | 7 | |

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

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 | |
|--|--|---|---------------|----------------------|--|--------------------------------------|---|---------|
| Contributions, Gifts, Grants, and Other Similar Amounts | 1a | Federated campaigns | 1a | | | | | |
| | b | Membership dues | 1b | | | | | |
| | c | Fundraising events | 1c | | | | | |
| | d | Related organizations | 1d | 236,925 | | | | |
| | e | Government grants (contributions) | 1e | | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | | |
| | g | Noncash contributions included in lines 1a-1f | 1g | \$ | | | | |
| | h | Total. Add lines 1a-1f | | | 236,925 | | | |
| Program Service Revenue | | | Business Code | | | | | |
| | 2a | PROGRAM SERVICE REVENUE CRC | | 622110 | 49,637,277 | 49,637,277 | 0 | 0 |
| | b | | | | | | | |
| | c | | | | | | | |
| | d | | | | | | | |
| | e | | | | | | | |
| | f | All other program service revenue | | | 0 | 0 | 0 | 0 |
| | g | Total. Add lines 2a-2f | | | 49,637,277 | | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | | 93,528 | 0 | 0 | 93,528 |
| | 4 | Income from investment of tax-exempt bond proceeds | | | | | | |
| | 5 | Royalties | | | | | | |
| | 6a | Gross rents | 6a | (i) Real | 265,078 | | | |
| | b | Less: rental expenses | 6b | (ii) Personal | 4,545 | | | |
| | c | Rental income or (loss) | 6c | | 260,533 | 0 | | |
| | d | Net rental income or (loss) | | | 260,533 | 0 | 0 | 260,533 |
| | 7a | Gross amount from sales of assets other than inventory | 7a | (i) Securities | 1,191,105 | (ii) Other | 575,000 | |
| | b | Less: cost or other basis and sales expenses | 7b | | 1,123,177 | | 180,178 | |
| | c | Gain or (loss) | 7c | | 67,928 | | 394,822 | |
| | d | Net gain or (loss) | | | 462,750 | 0 | 0 | 462,750 |
| | 8a | Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 | 8a | | | | | |
| | b | Less: direct expenses | 8b | | | | | |
| | c | Net income or (loss) from fundraising events | | | | | | |
| | 9a | Gross income from gaming activities. See Part IV, line 19 | 9a | | | | | |
| | b | Less: direct expenses | 9b | | | | | |
| | c | Net income or (loss) from gaming activities | | | | | | |
| | 10a | Gross sales of inventory, less returns and allowances | 10a | | | | | |
| | b | Less: cost of goods sold | 10b | | | | | |
| | c | Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | | | Business Code | | | | | |
| | 11a | SETTLEMENT | 900099 | 852,549 | 852,549 | 0 | 0 | |
| | b | INSURANCE RECOVERIES | 900099 | 110,594 | 110,594 | 0 | 0 | |
| | c | OTHER REVENUE | 900099 | 5,508 | 5,508 | 0 | 0 | |
| | d | All other revenue | | 0 | 0 | 0 | 0 | |
| | e | Total. Add lines 11a-11d | | | 968,651 | | | |
| 12 | Total revenue. See instructions | | | 51,659,664 | 50,605,928 | 0 | 816,811 | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☒**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

| | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | 0 | 0 | | |
| 5 Compensation of current officers, directors, trustees, and key employees | | | | |
| 6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 12,142,327 | 7,262,834 | 4,879,493 | 0 |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 311,944 | 186,587 | 125,357 | 0 |
| 9 Other employee benefits | 1,373,915 | 821,796 | 552,119 | 0 |
| 10 Payroll taxes | 866,776 | 518,455 | 348,321 | 0 |
| 11 Fees for services (nonemployees): | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | | | | |
| d Lobbying | 2,129 | 0 | 2,129 | 0 |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | 6,733 | 0 | 6,733 | 0 |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.) | 7,857,245 | 7,462,793 | 394,452 | 0 |
| 12 Advertising and promotion | 11,756 | 7,032 | 4,724 | 0 |
| 13 Office expenses | 152,314 | 91,105 | 61,209 | 0 |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 1,046,418 | 625,906 | 420,512 | 0 |
| 17 Travel | 17,562 | 10,505 | 7,057 | 0 |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 6,304 | 3,771 | 2,533 | 0 |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 2,095,667 | 1,253,506 | 842,161 | 0 |
| 23 Insurance | 990,124 | 951,938 | 38,186 | 0 |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.) | | | | |
| a <u>SHARED SERVICES</u> | 11,453,912 | 6,851,064 | 4,602,848 | 0 |
| b <u>BAD DEBT</u> | 2,393,998 | 2,393,998 | 0 | 0 |
| c <u>MEDICAL SUPPLIES</u> | 2,301,305 | 2,301,305 | 0 | 0 |
| d <u>PURCHASED SERVICES - NON-MEDICAL</u> | 929,000 | 555,674 | 373,326 | 0 |
| e All other expenses | 1,014,852 | 608,299 | 406,553 | 0 |
| 25 Total functional expenses. Add lines 1 through 24e | 44,974,281 | 31,906,568 | 13,067,713 | 0 |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

| | | (A) Beginning of year | | (B) End of year |
|---|--|--|------------|--------------------|
| Assets | 1 Cash—non-interest-bearing | 0 | 1 | 115,835 |
| | 2 Savings and temporary cash investments | | 2 | |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 4,097,098 | 4 | 2,246,360 |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | 0 | 5 | 0 |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) | 0 | 6 | 0 |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 490,382 | 8 | 566,819 |
| | 9 Prepaid expenses and deferred charges | 10,565 | 9 | 0 |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 55,029,130 | | |
| | b Less: accumulated depreciation | 10b 47,190,008 | | |
| | 11 Investments—publicly traded securities | 9,769,993 | 10c | 7,839,122 |
| | 12 Investments—other securities. See Part IV, line 11 | 53,900,236 | 11 | 53,255,408 |
| | 13 Investments—program-related. See Part IV, line 11 | 1,346,000 | 12 | 1,671,000 |
| | 14 Intangible assets | 0 | 13 | 0 |
| | 15 Other assets. See Part IV, line 11 | | 14 | |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 9,229,495 | 15 | 13,846,150 | |
| | 78,843,769 | 16 | 79,540,694 | |
| Liabilities | 17 Accounts payable and accrued expenses | 8,822,294 | 17 | 1,846,206 |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | 32,820 | 19 | 29,000 |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | 0 | 22 | 0 |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17–24). Complete Part X of Schedule D | 4,960,451 | 25 | 4,734,698 |
| | 26 Total liabilities. Add lines 17 through 25 | 13,815,565 | 26 | 6,609,904 |
| | Net Assets or Fund Balances | Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33. | | |
| 27 Net assets without donor restrictions | | 58,904,151 | 27 | 66,133,175 |
| 28 Net assets with donor restrictions | | 6,124,053 | 28 | 6,797,615 |
| Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33. | | | | |
| 29 Capital stock or trust principal, or current funds | | | 29 | |
| 30 Paid-in or capital surplus, or land, building, or equipment fund | | | 30 | |
| 31 Retained earnings, endowment, accumulated income, or other funds | | | 31 | |
| 32 Total net assets or fund balances | | 65,028,204 | 32 | 72,930,790 |
| 33 Total liabilities and net assets/fund balances | 78,843,769 | 33 | 79,540,694 | |

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Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

| | | | |
|-----------|--|-----------|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 51,659,664 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 44,974,281 |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 6,685,383 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 65,028,204 |
| 5 | Net unrealized gains (losses) on investments | 5 | 275,959 |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain on Schedule O) | 9 | 941,244 |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 72,930,790 |

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

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both. <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | ✓ |
| b Were the organization's financial statements audited by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both. <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | ✓ | |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O. | ✓ | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? . . . | | ✓ |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits . | | |

Form **990** (2023)

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (Check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|--|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (25) KEITH MCMAHAN ----- DIRECTOR | 1.0 ----- 7.0 | ✓ | | | | | | 0 | 0 | 0 |
| (26) KENNY KREISER ----- DIRECTOR | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (27) MARLENE FELDMAN ----- DIRECTOR | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (28) ROBERT ROTH ----- DIRECTOR (ENDED 04/24) | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (29) STEPHEN SATCHELL ----- DIRECTOR | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (30) TOM SEIP ----- DIRECTOR | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (31) VALERIE OVERTON ----- DIRECTOR | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |
| (32) WAYNE T HOCKMEYER, PHD ----- DIRECTOR | 1.0 ----- 4.0 | ✓ | | | | | | 0 | 0 | 0 |

**SCHEDULE A
(Form 990)**

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2023

**Open to Public
Inspection**

Name of the organization

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

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

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

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

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

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

Section B. Total Support

| Calendar year (or fiscal year beginning in) | (a) 2019 | (b) 2020 | (c) 2021 | (d) 2022 | (e) 2023 | (f) Total |
|---|----------|----------|----------|----------|-----------|--------------------------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|--------------------------|
| 14 Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2022 Schedule A, Part II, line 14 | 15 | % |
| 16a 33¹/₃% support test—2023. If the organization did not check the box on line 13, and line 14 is 33 ¹ / ₃ % or more, check this box and stop here . The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 33¹/₃% support test—2022. If the organization did not check a box on line 13 or 16a, and line 15 is 33 ¹ / ₃ % or more, check this box and stop here . The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 17a 10%-facts-and-circumstances test—2023. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 10%-facts-and-circumstances test—2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | <input type="checkbox"/> |

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

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

Section A. Public Support

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

Section B. Total Support

| Calendar year (or fiscal year beginning in) | (a) 2019 | (b) 2020 | (c) 2021 | (d) 2022 | (e) 2023 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |
| 14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? 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. | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2). | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below. | | |
| 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)? If "Yes," describe in Part VI when and how the organization made the determination. | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use. | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below. | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? 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. | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? 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. | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? 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). | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI . | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990). | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990). | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI . | | |
| 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? If "Yes," provide detail in Part VI . | | |
| c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI . | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below. | | |
| b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.) | | |

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

| Section A—Adjusted Net Income | | (A) Prior Year | (B) Current Year (optional) |
|---------------------------------------|--|----------------|-----------------------------|
| 1 | Net short-term capital gain | 1 | |
| 2 | Recoveries of prior-year distributions | 2 | |
| 3 | Other gross income (see instructions) | 3 | |
| 4 | Add lines 1 through 3. | 4 | |
| 5 | Depreciation and depletion | 5 | |
| 6 | Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | |
| 7 | Other expenses (see instructions) | 7 | |
| 8 | Adjusted Net Income (subtract lines 5, 6, and 7 from line 4) | 8 | |
| Section B—Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
| 1 | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | |
| a | Average monthly value of securities | 1a | |
| b | Average monthly cash balances | 1b | |
| c | Fair market value of other non-exempt-use assets | 1c | |
| d | Total (add lines 1a, 1b, and 1c) | 1d | |
| e | Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>): | | |
| 2 | Acquisition indebtedness applicable to non-exempt-use assets | 2 | |
| 3 | Subtract line 2 from line 1d. | 3 | |
| 4 | Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions). | 4 | |
| 5 | Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | |
| 6 | Multiply line 5 by 0.035. | 6 | |
| 7 | Recoveries of prior-year distributions | 7 | |
| 8 | Minimum Asset Amount (add line 7 to line 6) | 8 | |
| Section C—Distributable Amount | | | Current Year |
| 1 | Adjusted net income for prior year (from Section A, line 8, column A) | 1 | |
| 2 | Enter 0.85 of line 1. | 2 | |
| 3 | Minimum asset amount for prior year (from Section B, line 8, column A) | 3 | |
| 4 | Enter greater of line 2 or line 3. | 4 | |
| 5 | Income tax imposed in prior year | 5 | |
| 6 | Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 | |
| 7 | <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions). | | |

Schedule A (Form 990) 2023

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

| Section D—Distributions | | Current Year |
|-------------------------|--|--------------|
| 1 | Amounts paid to supported organizations to accomplish exempt purposes | 1 |
| 2 | Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | 2 |
| 3 | Administrative expenses paid to accomplish exempt purposes of supported organizations | 3 |
| 4 | Amounts paid to acquire exempt-use assets | 4 |
| 5 | Qualified set-aside amounts (prior IRS approval required—provide details in Part VI) | 5 |
| 6 | Other distributions (describe in Part VI). See instructions. | 6 |
| 7 | Total annual distributions. Add lines 1 through 6. | 7 |
| 8 | Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. | 8 |
| 9 | Distributable amount for 2023 from Section C, line 6 | 9 |
| 10 | Line 8 amount divided by line 9 amount | 10 |

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

Schedule A (Form 990) 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.)

[illegible]

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

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

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 | | \$ 236,925 | 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

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

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

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

Name of organization

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

Part III

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

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

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

SCHEDULE C
(Form 990)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

Complete if the organization is described below. Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

**Open to Public
Inspection**

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

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

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

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

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

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

Name of organization

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

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.

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|---|---|--|------------------------------------|---------------------|-------------------------------|--|--|--|--|---|---|--------------------|--------------|--|--|
| 1a | Total lobbying expenditures to influence public opinion (grassroots lobbying) | | | | | | | | | | | | | | |
| b | Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | |
| c | Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | |
| d | Other exempt purpose expenditures | | | | | | | | | | | | | | |
| e | Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | |
| f | Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 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. | | | | | | | | | | | | | | |
| g | Grassroots nontaxable amount (enter 25% of line 1f) | | | | | | | | | | | | | | |
| h | Subtract line 1g from line 1a. If zero or less, enter -0- | | | | | | | | | | | | | | |
| i | Subtract line 1f from line 1c. If zero or less, enter -0- | | | | | | | | | | | | | | |
| j | If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | | | | | | | |

4-Year Averaging Period Under Section 501(h)

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

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

Schedule C (Form 990) 2023

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

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

| | | (a) | | (b) |
|-----------|--|-----|----|--------|
| | | Yes | No | Amount |
| 1 | During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a | Volunteers? | | ✓ | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | ✓ | |
| c | Media advertisements? | | ✓ | |
| d | Mailings to members, legislators, or the public? | | ✓ | |
| e | Publications, or published or broadcast statements? | | ✓ | |
| f | Grants to other organizations for lobbying purposes? | | ✓ | |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | | ✓ | |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | ✓ | |
| i | Other activities? | ✓ | | 2,129 |
| j | Total. Add lines 1c through 1i | | | 2,129 |
| 2a | Did the activities in line 1 cause the organization to not be described in section 501(c)(3)? | | ✓ | |
| b | If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c | If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

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

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

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

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

Part IV Supplemental Information

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

SEE NEXT PAGE

Part IV

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

| Return Reference - Identifier | Explanation |
|--|---|
| SCHEDULE C, PART II-B, LINE 1 - DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY | HE ORGANIZATION PAYS MEMBERSHIP DUES TO THE MARYLAND HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN HOSPITAL ASSOCIATION (AHA). MHA AND AHA ENGAGE IN MANY SUPPORT ACTIVITIES INCLUDING LOBBYING AND ADVOCATING FOR THEIR MEMBER HOSPITALS. THE MHA AND AHA REPORTED THAT 1.64% AND 32.00% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND AS SUCH, THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C PART II-B AS LOBBYING ACTIVITIES. |

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

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

Part II Conservation Easements

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

| | | |
|---|---|----|
| 1 | Purpose(s) of conservation easements held by the organization (check all that apply). <input type="checkbox"/> Preservation of land for public use (for example, recreation or education) <input type="checkbox"/> Preservation of a historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space | |
| 2 | Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. | |
| a | Total number of conservation easements | 2a |
| b | Total acreage restricted by conservation easements | 2b |
| c | Number of conservation easements on a certified historic structure included on line 2a | 2c |
| d | Number of conservation easements included on line 2c acquired after July 25, 2006, and not on a historic structure listed in the National Register | 2d |
| 3 | Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year | |
| 4 | Number of states where property subject to conservation easement is located | |
| 5 | Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 6 | Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year | |
| 7 | Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year | |
| 8 | Does each conservation easement reported on line 2d above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 9 | In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements. | |

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

| | | |
|----|---|----|
| 1a | If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items. | |
| b | If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items. | |
| | (i) Revenue included on Form 990, Part VIII, line 1 | \$ |
| | (ii) Assets included in Form 990, Part X | \$ |
| 2 | If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items. | |
| a | Revenue included on Form 990, Part VIII, line 1 | \$ |
| b | Assets included in Form 990, Part X | \$ |

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

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply).

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements

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

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table.

| | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds

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

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

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

a Board designated or quasi-endowment _____%

b Permanent endowment _____%

c Term endowment _____%

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

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

(i) Unrelated organizations? ☐ Yes ☐ No

(ii) Related organizations? ☐ Yes ☐ No

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

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

Part VI Land, Buildings, and Equipment

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

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 417,951 | | 417,951 |
| b Buildings | | 36,747,588 | 30,761,963 | 5,985,625 |
| c Leasehold improvements | | | | |
| d Equipment | | 17,180,373 | 16,125,141 | 1,055,232 |
| e Other | | 683,218 | 302,904 | 380,314 |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B)) | | | | 7,839,122 |

Part VII Investments—Other Securities

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

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

Part VIII Investments—Program Related

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

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|--|
| (1) _____ | | |
| (2) _____ | | |
| (3) _____ | | |
| (4) _____ | | |
| (5) _____ | | |
| (6) _____ | | |
| (7) _____ | | |
| (8) _____ | | |
| (9) _____ | | |
| Total. (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) ECONOMIC INTEREST IN FND | 8,685,371 |
| (2) OTHER RECEIVABLES | 1,641,478 |
| (3) DUE FROM AFFILIATES | 3,497,549 |
| (4) OTHER ASSETS | 21,752 |
| (5) _____ | |
| (6) _____ | |
| (7) _____ | |
| (8) _____ | |
| (9) _____ | |
| Total. (Column (b) must equal Form 990, Part X, line 15, col. (B)) | 13,846,150 |

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) ENVIRONMENTAL REMEDIATION | 500,774 |
| (3) ADVANCES FROM THIRD PARTY PAYORS | 705,522 |
| (4) OTHER - CREDIT PATIENT AR | 228,286 |
| (5) DUE TO UMMS | 3,300,116 |
| (6) _____ | |
| (7) _____ | |
| (8) _____ | |
| (9) _____ | |
| Total. (Column (b) must equal Form 990, Part X, line 25, col. (B)) | 4,734,698 |

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

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

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

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

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

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

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

Part XIII Supplemental Information

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

[SEE STATEMENT](#)

Part XIII

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

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

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

Attach to Form 990.

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

OMB No. 1545-0047

2023

Open to Public Inspection

Name of the organization

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52 0679694

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| Financial Assistance and Means-Tested Government Programs | | | | | | |
| a Financial Assistance at cost (from Worksheet 1) | | | 433,180 | | 433,180 | 1.02 |
| b Medicaid (from Worksheet 3, column a) | | | | | 0 | 0.00 |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | 0 | 0.00 |
| d Total. Financial Assistance and Means-Tested Government Programs | 0 | 0 | 433,180 | 0 | 433,180 | 1.02 |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 611,825 | | 611,825 | 1.44 |
| f Health professions education (from Worksheet 5) | | | | | 0 | 0.00 |
| g Subsidized health services (from Worksheet 6) | | | 23,046,675 | 23,441,736 | 0 | 0.00 |
| h Research (from Worksheet 7) | | | | | 0 | 0.00 |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 5,000 | 0 | 5,000 | 0.01 |
| j Total. Other Benefits | 0 | 0 | 23,663,500 | 23,441,736 | 616,825 | 1.45 |
| k Total. Add lines 7d and 7j | 0 | 0 | 24,096,680 | 23,441,736 | 1,050,005 | 2.47 |

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

Cat. No. 50192T

Schedule H (Form 990) 2023

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

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|---|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1 Physical improvements and housing | | | | | 0 | 0.00 |
| 2 Economic development | | | 1,461 | 0 | 1,461 | 0.00 |
| 3 Community support | | | 914 | 0 | 914 | 0.00 |
| 4 Environmental improvements | | | | | 0 | 0.00 |
| 5 Leadership development and training for community members | | | | | 0 | 0.00 |
| 6 Coalition building | | | 2,970 | 0 | 2,970 | 0.01 |
| 7 Community health improvement advocacy | | | | | 0 | 0.00 |
| 8 Workforce development | | | | | 0 | 0.00 |
| 9 Other | | | | | 0 | 0.00 |
| 10 Total | 0 | 0 | 5,345 | 0 | 5,345 | 0.01 |

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

| | | Yes | No |
|---|---|-------------------------------------|--------------------------|
| 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | 1 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount | 2 | 1,714,103 | |
| 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debts as community benefit | 3 | 0 | |
| 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements. | | | |

Section B. Medicare

| | | |
|---|---|------------|
| 5 Enter total revenue received from Medicare (including DSH and IME) | 5 | 19,153,818 |
| 6 Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 13,380,919 |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) | 7 | 5,772,899 |
| 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 checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | | |

Section C. Collection Practices

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

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

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

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 [UM SHORE MEDICAL CENTER AT CHESTERTOWN](#)
[100 BROWN STREET, CHESTERTOWN, MD 21620](#)
[WWW.UMMS.ORG/SHORE](#) STATE LICENSE NO. : 14-002

| | 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> | ✓ | ✓ | | | | | ✓ | | | <u>1</u> |
| <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: 1Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

| | Yes | No |
|---|------------|----|
| Community Health Needs Assessment | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | 1 | ✓ |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | 2 | ✓ |
| 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply): | 3 | ✓ |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s) | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>21</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 5 | ✓ |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | 6a | ✓ |
| b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | 6b | ✓ |
| 7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply): | 7 | ✓ |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>(SEE STATEMENT)</u> | | |
| b <input type="checkbox"/> Other website (list url): _____ | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | 8 | ✓ |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>21</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | 10 | ✓ |
| a If "Yes," (list url): <u>https://www.umms.org/shore/community/assessment-implementation-plan</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | 10b | |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 12a | ✓ |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | 12b | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____ | | |

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group: 1

| | Yes | No |
|--|-------------|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | |
| 13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP: | 13 ✓ | |
| a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>2</u> <u>0</u> <u>0</u> % and FPG family income limit for eligibility for discounted care of <u>3</u> <u>0</u> <u>0</u> % | | |
| b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c <input checked="" type="checkbox"/> Asset level | | |
| d <input checked="" type="checkbox"/> Medical indigency | | |
| e <input checked="" type="checkbox"/> Insurance status | | |
| f <input checked="" type="checkbox"/> Underinsurance status | | |
| g <input type="checkbox"/> Residency | | |
| h <input type="checkbox"/> Other (describe in Section C) | | |
| 14 Explained the basis for calculating amounts charged to patients? | 14 ✓ | |
| 15 Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply): | 15 ✓ | |
| a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application | | |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | |
| c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| 16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | 16 ✓ | |
| a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u> | | |
| b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u> | | |
| c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u> | | |
| d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations | | |
| j <input checked="" type="checkbox"/> Other (describe in Section C) | | |

Schedule H (Form 990) 2023

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group: 1

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group: 1

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

Schedule H (Form 990) 2023

Part V, Section C

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

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

| Return Reference - Identifier | Explanation |
|---|---|
| SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED | <p>FACILITY NAME: CHESTER RIVER HOSPITAL CENTER</p> <p>DESCRIPTION: UM SHORE REGIONAL HEALTH (SHS) CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR FY2023-FY2025 (BOARD APPROVED 5/25/2022) FOR THE FIVE COUNTIES OF MARYLAND'S MID-SHORE: TALBOT, CAROLINE, QUEEN ANNE'S, DORCHESTER, AND KENT. UM SRH USED PRIMARY AND SECONDARY SOURCES OF DATA AS WELL AS QUANTITATIVE AND QUALITATIVE DATA AND CONSULTED WITH NUMEROUS INDIVIDUALS AND ORGANIZATIONS DURING THE CHNA, INCLUDING COMMUNITY LEADERS, COMMUNITY PARTNERS, THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM COMMUNITY HEALTH IMPROVEMENT COMMITTEE, THE GENERAL PUBLIC, LOCAL HEALTH EXPERTS, AND THE HEALTH OFFICERS REPRESENTING THE FIVE COUNTIES OF THE MID-SHORE. FEEDBACK FROM CUSTOMERS INCLUDES DATA COLLECTED FROM SURVEYS, ADVISORY GROUPS AND FROM OUR COMMUNITY OUTREACH AND EDUCATION SESSIONS. SECONDARY DATA RESOURCES REFERENCED TO IDENTIFY COMMUNITY HEALTH NEEDS INCLUDE COUNTY HEALTH RANKINGS (HTTP://WWW.COUNTYHEALTHRANKINGS.ORG) AND MARYLAND DEPARTMENT OF HEALTH STATE HEALTH IMPROVEMENT PROCESS (SHIP) HTTPS://POPHEALTH.HEALTH.MARYLAND.GOV/PAGES/SHIP-LITE-HOME.ASPX , AND MARYLAND STATE HEALTH IMPROVEMENT MEASURES AS RELATED TO ACTIVITIES IN RURAL COMMUNITIES AND WORKFORCE DEVELOPMENT (HTTP://WWW.MDRURALHEALTH.ORG/WP-CONTENT/UPLOADS). SHORE REGIONAL HEALTH PARTICIPATES ON THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) COMMUNITY HEALTH IMPROVEMENT COMMITTEE TO STUDY DEMOGRAPHICS, ASSESS COMMUNITY HEALTH DISPARITIES, INVENTORY RESOURCES AND ESTABLISH COMMUNITY BENEFIT GOALS FOR BOTH UM SHORE REGIONAL HEALTH AND UMMS.</p> <p>UM SHORE REGIONAL HEALTH CONSULTED WITH COMMUNITY PARTNERS AND ORGANIZATIONS TO DISCUSS COMMUNITY NEEDS RELATED TO HEALTH IMPROVEMENT AND ACCESS TO CARE. THE FOLLOWING LIST OF PARTNER AGENCIES PARTICIPATED AS MEMBERS OF THE RURAL HEALTH COLLABORATIVE: EXECUTIVE COMMITTEE</p> <ol style="list-style-type: none"> 1.APRIL SHARP, CONSUMER 2.BETH ANNE LANGRELL, EXECUTIVE DIRECTOR, FOR ALL SEASONS, INC. 3.HEALTH OFFICER, TALBOT COUNTY HEALTH DEPARTMENT 4.JAMES CHAMBERLAIN, MARYLAND PRIMARY CARE PHYSICIANS 5. JOSEPH CIOTOLA, HEALTH OFFICER, QUEEN ANNE'S COUNTY HEALTH DEPARTMENT 6.KEN KOZEL, PRESIDENT AND CEO, UM SHORE REGIONAL HEALTH 7.WILLIAM WEBB, HEALTH OFFICER, KENT COUNTY HEALTH DEPARTMENT 8.ROGER HARRELL, HEALTH OFFICER, DORCHESTER COUNTY HEALTH DEPARTMENT 9.SARA RICH, PRESIDENT AND CEO, CHOPTANK COMMUNITY HEALTH SYSTEMS 10.HEALTH OFFICER, CAROLINE COUNTY HEALTH DEPARTMENT 11.TIMOTHY SHANAHAN, MEDICAL DIRECTOR, UM COMMUNITY MEDICAL GROUP 12.VICTORIA BAYLESS, PRESIDENT AND CEO, ANNE ARUNDEL MEDICAL CENTER 13.ANNA SIERRA, EXECUTIVE DIRECTOR, DORCHESTER COUNTY DEPARTMENT OF EMERGENCY SERVICES 14.CHILDLENE BROOKS, MANAGER, TALBOT SENIOR CENTER 15.DR. DEREK SIMMONS, DIRECTOR OF STUDENT SERVICES, CAROLINE COUNTY PUBLIC SCHOOLS 16.JIM BOGDEN, SELFEMPLOYED POLICY CONSULTANT 17.KATELIN HALEY, CHIEF MEDICAL OFFICER, CHOPTANK COMMUNITY HEALTH SYSTEMS 18.MARIA MAGUIRE, PEDIATRICIAN, UM SHORE HEALTH SYSTEM & TALBOT COUNTY'S CHILD ADVOCACY CTR. 19.MARY BOURBON, NURSE PRACTITIONER, WHITSITT CENTER 20.MARY THOMPSON, RETIRED DIRECTOR OF NURSING, QUEEN ANNE'S COUNTY HEALTH DEPARTMENT 21.MAURA MANLEY, SELFEMPLOYED TUTORING AGENCY 22.MICHAEL CLARK, DIRECTOR, QUEEN ANNE'S COUNTY LOCAL MANAGEMENT BOARD 23.SANTO GRANDE, PRESIDENT AND CEO, DELMARVA COMMUNITY SERVICES, INC. 24.SARA VISINTAINER, CHIEF OF STAFF, CAROLINE COUNTY COMMISSIONERS 25.SHELLY NEALEDDWARDS, DIRECTOR, KENT COUNTY DEPARTMENT OF SOCIAL SERVICES 26.SONIA SOLANO TORRES, HISPANIC OUTREACH COORDINATOR, CHESAPEAKE MULTICULTURAL RESOURCE CTR. 27.TERESA SCHAEFER, PSYCHOLOGIST, CHESTER RIVER BEHAVIORAL HEALTH <p>SHORE REGIONAL HEALTH HOSTED A SERIES OF COMMUNITY LISTENING FORUMS TO GATHER COMMUNITY INPUT FOR A REGIONALIZATION STUDY THAT EXPLORES THE BENEFITS OF A REGIONAL APPROACH TO PROVIDING HEALTH CARE FOR CAROLINE, DORCHESTER, KENT, QUEEN ANNE'S, AND TALBOT COUNTIES. IN ADDITION, SHORE HEALTH MEETS REGULARLY WITH MEMBERS OF THE LOCAL HEALTH DEPARTMENTS AND COMMUNITY LEADERS, INCLUDING: CHOPTANK COMMUNITY HEALTH SYSTEM SARA RICH HEALTH DEPARTMENTS HEALTH OFFICERS MID SHORE BEHAVIORAL HEALTH, INC.KATIE DILLEY</p> <p>IN ADDITION, THE FOLLOWING AGENCIES/ORGANIZATIONS ARE REFERENCED IN GATHERING INFORMATION AND DATA: *MARYLAND DEPARTMENT OF HEALTH *MARYLAND DEPARTMENT OF PLANNING *MARYLAND VITAL STATISTICS ADMINISTRATION *COUNTY HEALTH RANKINGS *MID SHORE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY CEDS</p> <p>OUR CHNA IDENTIFIED THE FOLLOWING LIST OF PRIORITIES FOR OUR COMMUNITY: HEALTH PRIORITIES FY2023-2025 THE TOP FIVE PRIORITIES: 1.MENTAL HEALTH/SUBSTANCE ABUSE 2.ACCESS TO CARE 3.CHRONIC DISEASE MANAGEMENT 4.PREVENTIVE/WEELLNESS PROGRAMS 5.CANCER</p> <p>OVERARCHING THEME FOR ADDRESSING HEALTH PRIORITIES: 1.REDUCE BARRIERS TO CARE 2.IMPROVE CARE COORDINATION 3.FOCUS ON HEALTH OUTREACH AND EDUCATION</p> |

| Return Reference - Identifier | Explanation |
|---|--|
| | <p>MARYLAND HEALTH CARE COMMISSION (MHCC) RURAL HEALTH STUDY THE STUDY ASSESSED THE HEALTH CARE OF THE RESIDENTS OF THE MID-SHORE AND THE CAPACITY OF THE HEALTH SYSTEM IN THE REGION AND PROPOSED OPTIONS FOR ENHANCING HEALTH AND HEALTH CARE DELIVERY ON THE MID-SHORE. THE RESEARCH TEAM WAS ASKED TO CONSIDER: (1) THE LIMITED AVAILABILITY OF HEALTH CARE PROVIDERS AND SERVICES; (2) THE SPECIAL NEEDS OF VULNERABLE POPULATIONS, INCLUDING THE FRAIL AND ELDERLY, RACIAL AND ETHNIC MINORITIES, IMMIGRANTS AND PATIENTS WITH PERSISTENT BEHAVIORAL ILLNESSES; (3) BARRIERS TO ACCESS CAUSED BY TRANSPORTATION LIMITATIONS; AND (4) THE ECONOMIC IMPACT OF CLOSURES, PARTIAL CLOSURES OR CONVERSIONS OF HEALTH CARE FACILITIES. ADDITIONALLY, FINDINGS FROM MARYLAND'S RURAL HEALTH PLAN DESCRIBES CONCERNS ABOUT THE UNIQUE NEEDS OF RURAL HOSPITALS AND COMMUNITIES. SUMMARIES OF THE REPORTS PROVIDES HIGHLIGHTS OF FINDINGS WITH KEY RECOMMENDATIONS. METHODS AND FINDINGS ARE DETAILED FOR REVIEW AT: HTTPS://RURAL.MARYLAND.GOV/WP-CONTENT/UPLOADS/SITES/4/2020/12/PLR_MD_RURAL_HEALTH_MODELS.PDF HTTPS://RURAL.MARYLAND.GOV/2018/02/13/MARYLAND-RURAL-HEALTH-PLAN-SERVES-AS-ROADMAP-TO-CREATE-HEALTHIER-RURAL-COMMUNITIES/</p> |
| SCHEDULE H, PART V, SECTION B, LINE 6A - CHNA CONDUCTED WITH ONE OR MORE OTHER HOSPITAL FACILITIES | <p>FACILITY NAME: CHESTER RIVER HOSPITAL CENTER</p> <p>DESCRIPTION: UM SHORE REGIONAL HEALTH (UMSRH) CONDUCTED A CHNA FOR THE UMSRH NETWORK WHICH SERVES THE MID-SHORE REGION, INCLUDING CHESTER RIVER HOSPITAL CENTER (DBA SHORE MEDICAL CENTER AT CHESTERTOWN) AND SHORE HEALTH SYSTEM (DBA SHORE MEDICAL CENTER AT DORCHESTER AND SHORE MEDICAL CENTER AT EASTON.</p> |
| SCHEDULE H, PART V, SECTION B, LINE 7 - HOSPITAL FACILITY'S WEBSITE (LIST URL) | <p>HTTPS://WWW.UMMS.ORG/SHORE/COMMUNITY/ASSESSMENT-IMPLEMENTATION-PLAN</p> |
| SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA | <p>FACILITY NAME: CHESTER RIVER HOSPITAL CENTER</p> <p>DESCRIPTION: ALL PRIMARY HEALTH NEEDS ARE BEING ADDRESSED TO THE EXTENT THAT AVAILABLE RESOURCES AND CLINICAL EXPERTISE ALLOW. THE COMMUNITY BENEFITS PLAN IS ABLE TO ADEQUATELY ADDRESS HEART DISEASE, CANCER, DIABETES, HYPERTENSION, HIGH CHOLESTEROL, ISSUES ASSOCIATED WITH AGING POPULATION. NUTRITION, WEIGHT MANAGEMENT/OBESITY IS ADDRESSED THROUGH EDUCATIONAL CLASSES AND/OR SEMINARS. TOBACCO USE/SMOKING AND ALCOHOL/BINGE DRINKING/UNDERAGE DRINKING ARE BEING ADDRESSED BY OTHER COUNTY AGENCIES AND ORGANIZATIONS AND THROUGH PARTNERSHIPS, INCLUDING THE COUNTY HEALTH DEPARTMENTS. UMSRH HOSPITALS DO NOT POSSESS THE RESOURCES AND EXPERTISE REQUIRED FOR ENVIRONMENTAL HEALTH CONCERNS AND ISSUES. MENTAL HEALTH IS BEING ADDRESSED THROUGH THE MID-SHORE MENTAL HEALTH SYSTEMS, INC., WHICH IS A PRIVATE, NOT-FOR-PROFIT ORGANIZATION SERVING THE FIVE MID-SHORE COUNTIES: CAROLINE, DORCHESTER, KENT, QUEEN ANNE'S AND TALBOT. SEVERAL ADDITIONAL TOPIC AREAS WERE IDENTIFIED BY THE COMMUNITY HEALTH PLANNING COUNCIL INCLUDING: SAFE HOUSING, TRANSPORTATION, AND SUBSTANCE ABUSE. THE UNMET NEEDS NOT ADDRESSED BY UMC AT EATON, UMC AT DORCHESTER, NOR UMC AT CHESTERTOWN WILL CONTINUE TO BE ADDRESSED BY KEY GOVERNMENTAL AGENCIES AND EXISTING COMMUNITY- BASED ORGANIZATIONS. WHILE UMSRH HOSPITALS WILL FOCUS THE MAJORITY OF OUR EFFORTS ON THE IDENTIFIED PRIORITIES OUTLINED IN THE CHNA ACTION PLAN, WE WILL REVIEW THE COMPLETE SET OF NEEDS IDENTIFIED IN THE CHNA FOR FUTURE COLLABORATION AND WORK. THESE AREAS, WHILE STILL IMPORTANT TO THE HEALTH OF THE COMMUNITY, WILL BE MET THROUGH OTHER HEALTH CARE ORGANIZATIONS WITH OUR ASSISTANCE AS AVAILABLE.</p> |
| SCHEDULE H, PART V, SECTION B, LINE 13B - ELIGIBILITY FOR FREE OR DISCOUNTED CARE | <p>FACILITY NAME: CHESTER RIVER HOSPITAL CENTER</p> <p>DESCRIPTION: THE FINANCIAL ASSISTANCE POLICY EXPLAINS SEVERAL ELIGIBILITY CRITERIA, INCLUDING PARTICIPATION IN MEDICAID/MEDICARE PROGRAMS AS WELL AS ELIGIBILITY UNDER VARIOUS STATE REGULATIONS. IN ADDITION TO FPG, THE INCOME LEVELS DEFINED BY THE MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (MD DHMH) ARE USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE. THE MD DHMH INCOME LEVELS ARE MORE GENEROUS THAT THE FPG INCOME LEVELS.</p> |
| SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE | <p>HTTPS://WWW.UMMS.ORG/PATIENTS-VISITORS/UMMS-FINANCIAL-ASSISTANCE</p> |
| SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE | <p>HTTPS://WWW.UMMS.ORG/PATIENTS-VISITORS/UMMS-FINANCIAL-ASSISTANCE</p> |
| SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE | <p>HTTPS://WWW.UMMS.ORG/PATIENTS-VISITORS/UMMS-FINANCIAL-ASSISTANCE</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) |
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Provide the following information.

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

| Return Reference - Identifier | Explanation |
|---|---|
| SCHEDULE H, PART I, LINE 3C - CRITERIA FOR FREE OR DISCOUNTED CARE | CRHC IS COMMITTED TO PROVIDING FINANCIAL ASSISTANCE TO PERSONS WHO HAVE HEALTH CARE NEEDS AND ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR A GOVERNMENT PROGRAM, OR OTHERWISE UNABLE TO PAY, FOR MEDICALLY NECESSARY CARE BASED ON THEIR INDIVIDUAL FINANCIAL SITUATION. IN ADDITION TO FPG, THE INCOME LEVELS DEFINED BY THE MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (MD DHMH) ARE USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE. THE MD DHMH INCOME LEVELS ARE MORE GENEROUS THAN THE FPG INCOME LEVELS. THE FAP ALSO USES A FINANCIAL HARDSHIP THRESHOLD WHEN DETERMINING ELIGIBILITY. A PATIENT WITH MEDICAL DEBT EXCEEDING 25% OF FAMILY ANNUAL HOUSEHOLD INCOME MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE. |
| SCHEDULE H, PART I, LINE 6B - PART I, LINE 6B | THE ORGANIZATION ANNUALLY FILES A COMMUNITY BENEFIT REPORT AS REQUIRED BY THE MARYLAND HSCRC. THE REPORT CAN BE FOUND AT HTTPS://HSCRC.STATE.MD.US/PAGES/INIT_CB.ASPX |
| SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE | MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. ADDITIONALLY, NET REVENUES FOR MEDICAID SHOULD REFLECT THE FULL IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. |
| SCHEDULE H, PART I, LINE 7, COL (F) - BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION | 2,393,998 |
| SCHEDULE H, PART II - DESCRIBE HOW COMMUNITY BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY | <p>THROUGH A VARIETY OF COMMUNITY BUILDING ACTIVITIES, UM SHORE REGIONAL HEALTH PROMOTES HEALTH AND WELLNESS IN THE COMMUNITY IT SERVES. THESE ACTIVITIES INCLUDE ACTIVE ENGAGEMENT AND COLLABORATION WITH LOCAL HEALTH DEPARTMENTS, CHAMBERS OF COMMERCE, AND ORGANIZATIONS THAT WORK TO IMPROVE THE QUALITY OF LIFE FOR THE RESIDENTS OF THE MID-SHORE (TALBOT, CAROLINE, DORCHESTER, QUEEN ANNE'S, AND KENT COUNTIES)</p> <p>BECAUSE LOCAL ACTION IS ESSENTIAL TO PUBLIC HEALTH PROGRESS, UM SHORE REGIONAL HEALTH WORKS IN PARTNERSHIP WITH PUBLIC SECTOR AGENCIES, HEALTH CARE PROVIDERS AND COMMUNITY-BASED PARTNERS. IN ADDITION, A VARIETY OF CLINICAL AND NON-CLINICAL UM SRH ASSOCIATES SERVE ON VARIOUS COALITION WORKGROUPS.</p> <p>THE WORK OF UM SRH AND COMMUNITY-BASED PARTNERS CONTINUES TO ADDRESS THE IDENTIFIED PRIORITIES AND OBJECTIVES OF THE MARYLAND DEPARTMENT OF HEALTH (MDH) STATE HEALTH IMPROVEMENT PLAN (SHIP). SHIP FOCUSES ON IMPROVING THE HEALTH OF MARYLAND RESIDENTS IN FIVE PRIORITY AREAS: CHRONIC DISEASE, HEALTH CARE ACCESS, WOMEN'S HEALTH, VIOLENCE, BEHAVIORAL HEALTH. UNDER SHIP'S UMBRELLA, THE COALITION DEVELOPS AND IMPLEMENTS STRATEGIES THAT WILL IMPROVE LOCAL PUBLIC HEALTH.</p> <p>UM SRH MAINTAINS OPEN COMMUNICATION WITH THE HEALTH DEPARTMENTS OF TALBOT, CAROLINE, DORCHESTER, QUEEN ANNE'S, AND KENT COUNTIES, MID-SHORE MENTAL HEALTH SYSTEM, CHOPTANK COMMUNITY HEALTH SYSTEM, LOCAL GOVERNMENT, AND SCHOOLS. UM SRH'S COMMUNITY OUTREACH PROGRAMS CAN BE FOUND IN COUNTY SCHOOLS, SENIOR CENTERS, COMMUNITY CENTERS AND CHURCHES THROUGHOUT THE MID-SHORE.</p> <p>UM SRH'S DIRECTOR OF COMMUNITY OUTREACH PARTICIPATES IN COMMITTEES AND ADVISORY COUNCILS, PROMOTING CONTINUOUS DIALOGUE BETWEEN THE MEDICAL CENTER AND COMMUNITY STAKEHOLDERS. THIS PROVIDES OPPORTUNITIES FOR NEW IDEAS AND PROGRAMS TO BE EXCHANGED, ALLOWING UM SRH TO MAXIMIZE COMMUNITY OUTREACH EFFORTS. UM SRH SEEKS INSIGHT FROM COMMUNITY MEMBERS ATTENDING EDUCATIONAL PROGRAMS THROUGH ITS OUTREACH EVENTS. PROGRAM PARTICIPANTS ARE ASKED TO COMPLETE A BRIEF SURVEY EVALUATION, PROVIDING FEEDBACK AND COMMENTS ABOUT THE PROGRAM THEY ATTENDED, AS WELL AS PROVIDING SUGGESTIONS FOR FUTURE PROGRAM TOPICS.</p> |

| Return Reference - Identifier | Explanation |
|---|--|
| SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT | <p>THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) STARTED SETTING HOSPITAL RATES IN 1974. AT THAT TIME, THE HSCRC APPROVED RATES APPLIED ONLY TO COMMERCIAL INSURERS. IN 1977, THE HSCRC NEGOTIATED A WAIVER FROM MEDICARE HOSPITAL PAYMENT RULES FOR MARYLAND HOSPITALS TO BRING THE FEDERAL MEDICARE PAYMENTS UNDER HSCRC CONTROL.</p> <p>IN 2014, MARYLAND'S WAIVER WITH MEDICARE WAS RENEGOTIATED AND UPDATED TO REFLECT THE CURRENT HEALTHCARE ENVIRONMENT. UNDER THIS NEW WAIVER, SEVERAL CRITERIA WERE ESTABLISHED TO MONITOR THE SUCCESS OF THE SYSTEM IN CONTROLLING HEALTHCARE COSTS AND THE CONTINUANCE OF THE WAIVER ITSELF:</p> <ol style="list-style-type: none"> 1. REVENUE GROWTH PER CAPITA 2. MEDICARE HOSPITAL REVENUE PER BENEFICIARY 3. MEDICARE ALL PROVIDER REVENUE GROWTH PER BENEFICIARY 4. MEDICARE READMISSION RATES 5. HOSPITAL ACQUIRED CONDITION RATE |
| SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY | BECAUSE OF THE UNIQUE PAYMENT SYSTEM DESCRIBED ON LINE 2 (ABOVE), THE HOSPITAL IS UNABLE TO ESTIMATE HOW MUCH OF THE AMOUNT REPORTED IN LINE 2 IS ATTRIBUTED TO PATIENTS WHO WOULD APPLY UNDER THE FAP. |
| SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT | <p>THE CORPORATION RECORDS REVENUES AND ACCOUNTS RECEIVABLE FROM PATIENTS AND THIRD-PARTY PAYORS AT THEIR ESTIMATED NET REALIZABLE VALUE. REVENUE IS REDUCED FOR ANTICIPATED DISCOUNTS UNDER CONTRACTUAL ARRANGEMENTS AND FOR CHARITY CARE. AN ESTIMATED PROVISION FOR BAD DEBTS IS RECORDED IN THE PERIOD THE RELATED SERVICES ARE PROVIDED BASED UPON ANTICIPATED UNCOMPENSATED CARE, AND IS ADJUSTED AS ADDITIONAL INFORMATION BECOMES AVAILABLE.</p> <p>THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS. PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE MODIFICATIONS TO THE PROVISION FOR BAD DEBTS AND TO ESTABLISH AN ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES. AFTER COLLECTION OF AMOUNTS DUE FROM INSURERS, THE CORPORATION FOLLOWS INTERNAL GUIDELINES FOR PLACING CERTAIN PAST DUE BALANCES WITH COLLECTION AGENCIES.</p> <p>FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR BAD DEBTS, ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS, PROVISION FOR BAD DEBTS, AND CONTRACTUAL ADJUSTMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS OR WITH BALANCES REMAINING AFTER THE THIRD-PARTY COVERAGE HAD ALREADY PAID, THE CORPORATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS HISTORICAL COLLECTIONS, WHICH INDICATES THAT MANY PATIENTS ULTIMATELY DO NOT PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE DISCOUNTED RATES AND THE AMOUNTS COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.</p> |
| SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED | THE ORGANIZATION FILES ANNUALLY A COMMUNITY BENEFIT REPORT WITH THE STATE OF MARYLAND'S HEALTH SERVICES COST REVIEW COMMISSION (HSCRC). THE HSCRC, WHICH OPERATES UNDER A MEDICARE WAIVER, DOES NOT CONSIDER MEDICARE SHORTFALL AS COMMUNITY BENEFIT. THE COSTING METHODOLOGY USED BY THE ORGANIZATION IS A COST-TO-CHARGE RATIO. |
| SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE | <p>THE ORGANIZATION EXPECTS PAYMENT AT THE TIME THE SERVICE IS PROVIDED. OUR POLICY IS TO COMPLY WITH ALL STATE AND FEDERAL LAW AND THIRD PARTY REGULATIONS AND TO PERFORM ALL CREDIT AND COLLECTION FUNCTIONS IN A DIGNIFIED AND RESPECTFUL MANNER. EMERGENCY SERVICES WILL BE PROVIDED TO ALL PATIENTS REGARDLESS OF ABILITY TO PAY. FINANCIAL ASSISTANCE IS AVAILABLE FOR PATIENTS BASED ON FINANCIAL NEED AS DEFINED IN THE FINANCIAL ASSISTANCE POLICY. THE ORGANIZATION DOES NOT DISCRIMINATE ON THE BASIS OF AGE, RACE, CREED, SEX OR ABILITY TO PAY.</p> <p>PATIENTS WHO ARE UNABLE TO PAY MAY REQUEST A FINANCIAL ASSISTANCE APPLICATION AT ANY TIME PRIOR TO SERVICE OR DURING THE BILLING AND COLLECTION PROCESS, EVEN IN EXCESS OF 240 DAYS FOLLOWING THE FIRST POST-DISCHARGE BILLING STATEMENT. THE ORGANIZATION MAY REQUEST THE PATIENT TO APPLY FOR MEDICAL ASSISTANCE PRIOR TO APPLYING FOR FINANCIAL ASSISTANCE. THE ACCOUNT WILL NOT BE FORWARDED FOR COLLECTION DURING THE MEDICAL ASSISTANCE APPLICATION PROCESS OR THE FINANCIAL ASSISTANCE APPLICATION PROCESS. NO EXTRAORDINARY COLLECTION ACTIONS (ECAS) WILL OCCUR EARLIER THAN 120 DAYS FROM SUBMISSION OF FIRST BILL TO THE PATIENT AND WILL BE PRECEDED BY NOTICE 30 DAYS PRIOR TO COMMENCEMENT OF THE ACTION. AVAILABILITY OF FINANCIAL ASSISTANCE WILL BE COMMUNICATED TO THEPATIENT AND A PRESUMPTIVE ELIGIBILITY REVIEW WILL OCCUR PRIOR TO ANY ACTION BEING TAKEN. IF A PATIENT IS DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE AFTER AN ECA IS INITIATED, THE ORGANIZATION WILL TAKE REASONABLE MEASURES TO REVERSE THE ECAS AGAINST THE PATIENT ACCOUNT.</p> |
| SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT | UM SHORE REGIONAL HEALTH (SHS) PRIMARILY RELIES ON ITS COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) TO ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES. PLEASE SEE PART V, SECTION B OF THIS SCHEDULE H FOR MORE INFORMATION ABOUT THE ORGANIZATION'S MOST RECENT CHNA. |

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| <p>SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION</p> | <p>IT IS THE POLICY OF UM SHORE REGIONAL HEALTH TO WORK WITH OUR PATIENTS TO IDENTIFY AVAILABLE RESOURCES TO PAY FOR THEIR CARE. ALL PATIENTS PRESENTING AS SELF PAY AND REQUESTING CHARITY RELIEF FROM THEIR BILL WILL BE SCREENED AT ALL POINTS OF ENTRY, FOR POSSIBLE COVERAGE THROUGH STATE PROGRAMS AND A PROBABLE DETERMINATION FOR COVERAGE FOR EITHER MEDICAL ASSISTANCE OR FINANCIAL ASSISTANCE (CHARITY CARE) FROM THE HOSPITAL IS IMMEDIATELY GIVEN TO THE PATIENT. THE PROCESS IS RESOURCE INTENSIVE AND TIME CONSUMING FOR PATIENTS AND THE HOSPITAL; HOWEVER, IF PATIENTS QUALIFY FOR ONE OF THESE PROGRAMS, THEN THEY WILL HAVE HEALTH BENEFITS THAT THEY WILL CARRY WITH THEM BEYOND THEIR CURRENT HOSPITAL BILLS AND ALLOW THEM TO ACCESS PREVENTIVE CARE SERVICES AS WELL.</p> <p>UM SHORE REGIONAL HEALTH WORKS WITH A BUSINESS PARTNER WHO WILL WORK WITH OUR PATIENTS TO ASSIST THEM WITH THE STATE ASSISTANCE PROGRAMS, WHICH IS FREE TO OUR PATIENTS.</p> <p>IF A PATIENT DOES NOT QUALIFY FOR MEDICAID OR ANOTHER PROGRAM, UM SHORE REGIONAL HEALTH OFFERS OUR FINANCIAL ASSISTANCE PROGRAM. UM SHORE REGIONAL HEALTH POSTS NOTICES OF OUR POLICY IN CONSPICUOUS PLACES THROUGHOUT THE HOSPITALS- INCLUDING THE EMERGENCY DEPARTMENT, HAS INFORMATION WITHIN OUR HOSPITAL BILLING BROCHURE, EDUCATES ALL NEW EMPLOYEES THOROUGHLY ON THE PROCESS DURING ORIENTATION, AND DOES A YEARLY RE- EDUCATION TO ALL EXISTING STAFF. ALL STAFF HAVE COPIES OF THE FINANCIAL ASSISTANCE APPLICATION, BOTH IN ENGLISH AND SPANISH, TO SUPPLY TO PATIENTS WHO, AFTER SCREENING, HAVE A NEED FOR ASSISTANCE. UM SHORE REGIONAL HEALTH HAS A DEDICATED FINANCIAL ASSISTANCE LIAISON TO WORK WITH OUR PATIENTS TO ASSIST THEM WITH THIS PROCESS AND EXPEDITE THE DECISION PROCESS.</p> <p>SHORE HEALTH NOTIFIES PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE FUNDS PRIOR TO SERVICE DURING OUR CALLS TO PATIENTS, THROUGH SIGNAGE AT ALL REGISTRATION LOCATIONS, THROUGH OUR PATIENT BILLING BROCHURE AND THROUGH OUR DISCUSSIONS WITH PATIENTS DURING REGISTRATION. IN ADDITION, THE PATIENT INFORMATION SHEET IS MAILED TO PATIENTS WITH ALL STATEMENTS AND/OR HANDED TO THEM IF NEEDED.</p> <ul style="list-style-type: none"> •SHORE HEALTH PREPARES ITS FINANCIAL ASSISTANCE POLICY (FAP) IN A CULTURALLY SENSITIVE MANNER, AT A READING COMPREHENSION LEVEL APPROPRIATE TO THE CBSA'S POPULATION, AND IN SPANISH. •SHORE HEALTH POSTS ITS FAP AND FINANCIAL ASSISTANCE CONTACT INFORMATION IN ADMISSIONS AREAS, EMERGENCY ROOMS, AND OTHER AREAS OF OUR FACILITIES IN WHICH ELIGIBLE PATIENTS ARE LIKELY TO PRESENT. •SHORE HEALTH PROVIDES A COPY OF THE FAP AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO PATIENTS OR THEIR FAMILIES AS PART OF THE INTAKE PROCESS; •SHORE HEALTH PROVIDES A COPY OF THE FAP AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO PATIENTS WITH DISCHARGE MATERIALS. •A COPY OF SHORE HEALTH'S FAP ALONG WITH FINANCIAL ASSISTANCE CONTACT INFORMATION, IS PROVIDED IN PATIENT BILLS; AND/OR •SHORE HEALTH DISCUSSES WITH PATIENTS OR THEIR FAMILIES THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS, SUCH AS MEDICAID OR STATE PROGRAMS, AND ASSISTS PATIENTS WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE. •AN ABBREVIATED STATEMENT ADVISING OF SHORE HEALTH'S FINANCIAL ASSISTANCE POLICY, INCLUDING A PHONE NUMBER TO CALL FOR MORE INFORMATION, IS RUN ANNUALLY IN THE LOCAL NEWSPAPER (STAR DEMOCRAT) |

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| SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION | <p>SITUATED ON MARYLAND'S EASTERN SHORE, SHORE REGIONAL HEALTH'S TWO HOSPITALS, UNIVERSITY OF MARYLAND MEDICAL CENTER AT EASTON (UMC AT EASTON), UNIVERSITY OF MARYLAND MEDICAL CENTER AT CHESTERTOWN (UMC AT CHESTERTOWN) ARE NOT- FOR-PROFIT HOSPITALS OFFERING A COMPLETE RANGE OF INPATIENT AND OUTPATIENT SERVICES TO OVER 170,000 PEOPLE THROUGHOUT THE MID-SHORE OF MARYLAND.</p> <p>SHORE REGIONAL HEALTH'S SERVICE AREA IS DEFINED AS THE MARYLAND COUNTIES OF CAROLINE, DORCHESTER, TALBOT, QUEEN ANNE'S AND KENT.</p> <p>UMC AT EASTON IS SITUATED AT THE CENTER OF THE MID-SHORE AREA AND THUS SERVES A LARGE RURAL GEOGRAPHICAL AREA (ALL FIVE COUNTIES OF THE MID-SHORE). UMC AT CHESTERTOWN LOCATED IN CHESTERTOWN, IN KENT COUNTY MERGED WITH SHORE REGIONAL HEALTH IN JULY 2013. UMC AT CHESTERTOWN SERVES THE RESIDENTS OF KENT COUNTY, PORTIONS OF QUEEN ANNE'S AND CAROLINE COUNTIES AND THE SURROUNDING AREAS.</p> <p>THE FIVE COUNTIES OF THE MID-SHORE COMPRISE 20% OF THE LANDMASS OF THE STATE OF MARYLAND AND 2% OF THE POPULATION. THE ENTIRE REGION HAS OVER 4,400 EMPLOYERS WITH NEARLY 45,000 WORKERS. ONLY 50 OF THOSE EMPLOYERS EMPLOY 100 OR MORE WORKERS.</p> <p>THE ECONOMIC CONDITION VARIES SIGNIFICANTLY THROUGHOUT THE REGION, ESPECIALLY FOR CAROLINE, DORCHESTER, AND KENT COUNTIES. IT SHOULD BE NOTED THAT TALBOT COUNTY APPEARS TO HAVE A SIGNIFICANTLY HIGHER MEDIAN INCOME THAN CAROLINE AND DORCHESTER; HOWEVER, A LARGE PERCENTAGE OF THE POPULATION HAS INCOMES IN LINE WITH THOSE OF CAROLINE AND DORCHESTER. THE FIGURES FOR TALBOT ARE SOMEWHAT SKEWED DUE TO LARGE INCOMES OF A FEW INDIVIDUAL FAMILIES AND HIGH NET WORTH INDIVIDUALS.</p> <p>SHORE REGIONAL HEALTH'S SERVICE AREA HAS A HIGHER PERCENTAGE OF POPULATION AGED 65 AND OLDER AS COMPARED TO MARYLAND OVERALL. TALBOT COUNTY HAS A 27.2% RATE FOR THIS AGE GROUP AND KENT COUNTY HAS 25.3% OF ITS RESIDENTS AGE 65 YEARS OR OLDER. THESE RATES ARE 65% HIGHER THAN MARYLAND'S AVERAGE PERCENTAGES, AND HIGHER THAN OTHER RURAL AREAS IN THE STATE BY ALMOST A QUARTER. TODAY, MORE THAN TWO-THIRDS OF ALL HEALTH CARE COSTS ARE FOR TREATING CHRONIC ILLNESSES. AMONG HEALTH CARE COSTS FOR OLDER AMERICANS, 95% ARE FOR CHRONIC DISEASES. THE COST OF PROVIDING HEALTH CARE FOR ONE PERSON AGED 65 OR OLDER IS THREE TO FIVE TIMES HIGHER THAN THE COST FOR SOMEONE YOUNGER THAN 65. SOURCE: HTTP://WWW.CDC.GOV/FEATURES/AGINGANDHEALTH/STATE_OF_AGING_AND_HEALTH_IN_AMERICA_2013.PDF HOFFMAN C, RICE D, SUNG HY. PERSONS WITH CHRONIC CONDITIONS: THEIR PREVALENCE AND COSTS. JAMA. 1996;276(18):1473-1479</p> <p>WHILE PROGRESS IS BEING MADE, CHALLENGES PERSIST THAT INCLUDE LIMITED ACCESS TO AFFORDABLE HIGH SPEED BROADBAND SERVICES, A SHORTAGE OF AFFORDABLE HOUSING, AN INADEQUATE SUPPLY OF SKILLED WORKERS, LOW PER CAPITA INCOME, AND MORE LAYOFFS IN THE MANUFACTURING SECTOR. (SOURCE: MID SHORE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY CEDS)</p> <p>COUNTY HEALTH RANKINGS FOR THE MID-SHORE COUNTIES ALSO REVEAL THE LARGE DISPARITIES BETWEEN COUNTIES FOR HEALTH OUTCOMES IN THE SERVICE AREA.</p> <p>OVERALL, QUEEN ANNE'S COUNTY RANKS 6TH; TALBOT COUNTY RANKS 9TH; DORCHESTER RANKS 23RD, CAROLINE RANKS 17TH, KENT RANKS 14TH (OUT OF 24 COUNTIES INCLUDING BALTIMORE CITY) IN HEALTH OUTCOMES THAT INDICATE THE OVERALL HEALTH OF THE COUNTY (SOURCE: HTTP://WWW.COUNTYHEALTHRANKINGS.ORG/MARYLAND/ 2023).</p> <p>SERVICE AREAS: UMC AT EASTON'S PRIMARY SERVICE AREA: 21601, 21613, 21629, 21632, 21655, 21639, 21643, 21613, 21643, 21631</p> <p>UMC AT CHESTERTOWN'S PRIMARY SERVICE AREA: 21620, 21661, 21651, 21678 COMMUNITY BENEFIT SERVICE AREA (CBSA) TARGET POPULATION: 170,000+ TALBOT COUNTY TOTAL POPULATION: 37,932 MALE: 47.4%, FEMALE: 52.6% WHITE, NOT HISPANIC (NH): 83.3% BLACK, NH: 13.0% HISPANIC: 6.6% ASIAN, NH: 1.4% AMERICAN INDIAN, NH: 0.4% MEDIAN AGE: 43.3 MEDIAN HOUSEHOLD INCOME: \$81,667</p> <p>DORCHESTER COUNTY TOTAL POPULATION: 32,726 MALE: 47.5%, FEMALE: 52.5% WHITE, NOT HISPANIC (NH): 67.4% BLACK, NH: 28.7% HISPANIC: 5.3% ASIAN, NH: 1.2% AMERICAN INDIAN, NH: 0.5% MEDIAN AGE: 40.7 MEDIAN HOUSEHOLD INCOME: \$57,490</p> <p>CAROLINE COUNTY TOTAL POPULATION: 33,433 MALE: 48.8%, FEMALE: 51.2% WHITE, NOT HISPANIC (NH): 81.3% BLACK, NH: 14.0% HISPANIC: 7.2% ASIAN, NH: 1.1% AMERICAN INDIAN, NH: 0.3% MEDIAN AGE: 37</p> |

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| | <p>MEDIAN HOUSEHOLD INCOME: \$65,326</p> <p>QUEEN ANNE'S COUNTY TOTAL POPULATION: 51,711 MALE: 49.7%, FEMALE: 50.3% WHITE, NOT HISPANIC (NH): 89.7% BLACK, NH: 6.6% HISPANIC: 3.6% ASIAN, NH: 0.5% AMERICAN INDIAN, NH: 0.3% MEDIAN AGE: 38.8 MEDIAN HOUSEHOLD INCOME: \$108,332</p> <p>KENT COUNTY TOTAL POPULATION: 19,320 MALE: 47.9%, FEMALE: 52.1% WHITE, NOT HISPANIC (NH): 81.3% BLACK, NH: 15.3% HISPANIC: 4.5% ASIAN, NH: 1.2% AMERICAN INDIAN, NH: 0.3% MEDIAN AGE: 45.6 MEDIAN HOUSEHOLD INCOME: \$71,635 (SOURCE: HTTPS://WWW.CENSUS.GOV/QUICKFACTS/US /)</p> <p>PERCENTAGE OF HOUSEHOLDS WITH INCOMES BELOW THE FEDERAL POVERTY GUIDELINES WITHIN THE CBSA: TALBOT 10.2%, DORCHESTER 15.1%, CAROLINE 12.9%, QUEEN ANNE'S 6.5%, KENT 12.1% SOURCE: HTTPS://WWW.CENSUS.GOV/QUICKFACTS/FACT/TABLE/US</p> <p>PERCENTAGE OF UNINSURED PEOPLE BY COUNTY WITHIN THE CBSA: TALBOT 7%, DORCHESTER 8%, CAROLINE 8%, QUEEN ANNE'S 7%, KENT 8% SOURCE: HTTP://WWW.TOWNCHARTS.COM/MARYLAND/MARYLAND-STATE-HEALTHCARE-DATA.HTML</p> <p>PERCENTAGE OF MEDICAID RECIPIENTS BY COUNTY WITHIN THE CBSA: TALBOT 16%, DORCHESTER 27%, CAROLINE 26%, QUEEN ANNE'S 11%, KENT 19% SOURCE: HTTP://WWW.TOWNCHARTS.COM/MARYLAND/MARYLAND-STATE-HEALTHCARE-DATA.HTML</p> <p>LIFE EXPECTANCY BY COUNTY WITHIN THE CBSA: TALBOT COUNTY: ALL RACES 80.8 WHITE 81.6, BLACK 76.5 DORCHESTER COUNTY: ALL RACES 77.6, WHITE 78.2, BLACK 75.7 CAROLINE COUNTY: ALL RACES 76.1, WHITE 76.3, BLACK 75.4 QUEEN ANNE'S COUNTY: ALL RACES 79.6, WHITE 79.7, BLACK 77.2 KENT COUNTY: ALL RACES 79.5, WHITE 80.6, BLACK 74.5 (SOURCE: HTTP://DHHM.MARYLAND.GOV)</p> <p>ACCESS TO HEALTHY FOOD, POPULATION THAT IS FOOD INSECURE: TALBOT COUNTY: 10.5% DORCHESTER COUNTY: 15.8% CAROLINE COUNTY: 12.1% QUEEN ANNE'S COUNTY: 7.5% KENT COUNTY: 11.5% (SOURCE: URL: HTTP://WWW.MDFOODSYSTEMMAP.ORG)</p> <p>QUALITY OF HOUSING HOME OWNERSHIP RATE: TALBOT COUNTY: 68.6% DORCHESTER COUNTY: 65.6% CAROLINE COUNTY: 70.5% QUEEN ANNE'S COUNTY: 83.8% KENT COUNTY: 71.9%</p> <p>SOURCE: MID SHORE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY CEDS SOURCE: HTTPS://MSA.MARYLAND.GOV/MEGAFILE/MSA/SPECCOL/SC5300/SC5339/000113/021000/021351/UNRESTRICTED/20151517E.PDF</p> <p>ACCESS TO TRANSPORTATION WITHIN THE CBSA: TRANSIT SERVICES IN THE FIVE COUNTIES ARE PROVIDED UNDER CONTRACT BY DELMARVA COMMUNITY TRANSIT. SERVICES INCLUDE MEDICAL AND SENIOR CITIZEN DEMAND SERVICES AND FIXED ROUTE COUNTY AND REGIONAL SERVICE. WHILE MOST OF THE REGION IS SERVED BY THE FIXED ROUTES, THERE ARE GAPS IN COVERAGE IN THE LESS POPULATED AREAS OF THE COUNTIES. THE REGIONAL SYSTEM, MARYLAND UPPER SHORE TRANSIT (MUST), PROVIDES LOW COST SERVICE FOR THE GENERAL PUBLIC FROM KENT ISLAND TO OCEAN CITY WITH CONVENIENT FREE TRANSFER POINTS AT KEY LOCATIONS ON THE SHORE. MUST IS A COORDINATED EFFORT OF SEVERAL UPPER SHORE AGENCIES AND GOVERNMENTS TO PROVIDE A REGIONAL TRANSIT SYSTEM FOR KENT, QUEEN ANNE'S, TALBOT, CAROLINE, AND DORCHESTER COUNTIES. TRANSIT SERVICES ARE PROVIDED BY QUEEN ANNE'S COUNTY RIDE (OPERATED BY THE COUNTY) AND DELMARVA COMMUNITY TRANSIT (DCT), A PRIVATE COMPANY UNDER CONTRACT TO THE COUNTIES. THE SYSTEM ALSO INCLUDES SHORE TRANSIT, WHICH PROVIDES SCHEDULED ROUTES ON THE LOWER SHORE. THE MTA AND THE MARYLAND DEPARTMENT OF HUMAN RESOURCES HAVE PROVIDED FUNDING. OVERALL MANAGEMENT OF THE REGIONAL SYSTEM IS THE RESPONSIBILITY OF THE TRANSPORTATION ADVISORY GROUP (TAG). THE COUNTY COMMISSIONERS OF THE FIVE UPPER SHORE COUNTIES APPOINT THE MEMBERS OF THE TAG. (SOURCE: MID SHORE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY CEDS(REVISED MARCH 2012) HTTP://WWW.MIDSHORE.ORG/REPORTS)</p> |

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| | <p>ANNUAL AVERAGE CBSA UNEMPLOYMENT RATE: TALBOT 3.4%, DORCHESTER 3.6%, CAROLINE 3.1%, QUEEN ANNE'S 2.8%, KENT 3.6%</p> <p>DATA SOURCE: HTTPS://MSA.MARYLAND.GOV/MSA/MDMANUAL/01GLANCE/ECONOMY/HTML/UNEMPLOYRATES.HTML</p> <p>ACCESS TO QUALITY HEALTH CARE: HOSPITALS: UM SHORE REGIONAL HEALTH TIDAL HEALTH (PENINSULA REGIONAL MEDICAL CENTER) LUMINUS HEALTH (ANNE ARUNDEL MEDICAL CENTER) FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs): CHOPTANK COMMUNITY HEALTH</p> <p>(SOURCE: HTTP://WWW.DHMF.STATE.MD/US/GETHEALTHCARE/FQHC.PDF)</p> |

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| <p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p> | <p>BASED ON QUALITATIVE AND QUANTITATIVE DATA COLLECTED AND ANALYZED -SPECIFICALLY RELATED TO RACIAL, ETHNIC AND OTHER DEMOGRAPHIC AND GEOGRAPHIC-RELATED HEALTH DISPARITIES DURING THE CHNA PROCESS, UM SRH'S IMPLEMENTATION PLAN IS COMMITTED TO THE GOALS AND STRATEGIES IDENTIFIED IN THE CNHA AND TO EXAMINING WHAT EVIDENCE-BASED INITIATIVES CAN IMPROVE THE COUNTY'S HEALTH.</p> <p>MARYLAND'S STATE HEALTH IMPROVEMENT PROCESS (SHIP) PROVIDES A FRAMEWORK FOR CONTINUAL PROGRESS TOWARD A HEALTHIER MARYLAND. MARYLAND'S STATE HEALTH IMPROVEMENT PROCESS (SHIP) BEGAN WITH NATIONAL, STATE AND LOCAL DATA BEING REVIEWED AND ANALYZED BY THE MARYLAND DEPARTMENT OF HEALTH AND OFFICE OF POPULATION HEALTH AS WELL AS BY THE FIVE DEPARTMENTS OF HEALTH (TALBOT, CAROLINE, DORCHESTER, QUEEN ANNE'S, KENT). IT HAS THREE MAIN COMPONENTS: ACCOUNTABILITY, LOCAL ACTION AND PUBLIC ENGAGEMENT.</p> <p>UM SRH'S PRIORITIES ARE ALIGNED WITH THE MARYLAND STATE HEALTH IMPROVEMENT PLAN PRIORITY AREAS AND THOSE OBJECTIVES OUTLINED BY THE LOCAL HEALTH IMPROVEMENT COALITION.</p> <p>HEALTH PRIORITIES FY2023-2025</p> <p>THE TOP FIVE PRIORITIES:</p> <ol style="list-style-type: none"> 1.MENTAL HEALTH/SUBSTANCE ABUSE 2.ACCESS TO CARE 3.CHRONIC DISEASE MANAGEMENT 4.PREVENTIVE/WEELLNESS PROGRAMS 5.CANCER <p>SEVERAL ADDITIONAL TOPIC AREAS WERE IDENTIFIED BY UM SRH: SAFE HOUSING, TRANSPORTATION, AND SUBSTANCE ABUSE. THE UNMET NEEDS NOT ADDRESSED BY UM SRH WILL CONTINUE TO BE ADDRESSED BY KEY GOVERNMENTAL AGENCIES AND EXISTING COMMUNITY- BASED ORGANIZATIONS. WHILE UM SRH WILL FOCUS THE MAJORITY OF OUR EFFORTS ON THE IDENTIFIED PRIORITIES OUTLINED IN THE CHNA IMPLEMENTATION PLAN, WE WILL REVIEW THE COMPLETE SET OF NEEDS IDENTIFIED IN THE CHNA FOR FUTURE COLLABORATION AND WORK. THESE AREAS, WHILE STILL IMPORTANT TO THE HEALTH OF THE COMMUNITY, WILL BE MET THROUGH OTHER HEALTH CARE ORGANIZATIONS WITH OUR ASSISTANCE AS AVAILABLE.</p> <p>INITIATIVE 1</p> <p>TITLE OF INITIATIVE: UM SRH SHORE COMMUNITY OUTREACH TEAM</p> <p>DESCRIBE THE PROGRAM:</p> <p>UM SHORE REGIONAL HEALTH SHORE COMMUNITY OUTREACH TEAM (SCOT) IS A WELLNESS PROGRAM THAT INCREASES COMMUNITY MEMBERS' ACCESS TO CARE AND CONNECTS INDIVIDUALS NEEDING ASSISTANCE WITH CHRONIC DISEASE MANAGEMENT TO COMMUNITY SERVICES AND TO LOCAL MENTAL HEALTH RESOURCES.</p> <p>SCOT IS PART OF SHORE MEDICAL CENTER AT CHESTERTOWN'S MARYLAND RURAL HOSPITAL MODEL. SCOT REDUCES BARRIERS TO CARE BY WORKING WITH PATIENTS IN THEIR HOMES. THE SCOT RN OR MSW PERFORM AN IN-HOME ASSESSMENT TO DETERMINE EACH PATIENT'S INDIVIDUALIZED NEEDS AND THEN CONNECTS THE PATIENT TO THE NEEDED RESOURCES TO BETTER SUPPORT THEIR HEALTH AND WELLNESS. SCOT PROVIDES EDUCATION TO PATIENTS IN THEIR HOMES AND EDUCATIONAL PROGRAMS AND SCREENINGS IN THE COMMUNITY.</p> <p>PRIMARY OBJECTIVE OF THE INITIATIVE:</p> <ul style="list-style-type: none"> *CHNA PRIORITY 4, PREVENTIVE/WEELLNESS PROGRAM *CHNA PRIORITY 2, ACCESS TO CARE *CHNA PRIORITY 3, CHRONIC DISEASE MANAGEMENT *CHNA PRIORITY 1, MENTAL HEALTH * <p>SCOT SERVES KENT AND NORTHERN QUEEN ANNE'S COUNTY RESIDENTS. THE TEAM INCLUDES A REGISTERED NURSE, A LICENSED SOCIAL WORKER, AND TWO COMMUNITY HEALTH WORKERS. THE MISSION OF SCOT IS TO IMPROVE THE COMMUNITY'S HEALTH BY COLLABORATING WITH LOCAL PARTNERS TO BRING HEALTHCARE ACCESS AND SUPPORT SERVICES TO RESIDENTS IN THEIR HOMES AND COMMUNITY SETTINGS. SCOT ACCEPTS REFERRALS FOR PATIENTS IN THE COMMUNITY NEEDING SUPPORT AND ASSISTANCE NAVIGATING THEIR HEALTHCARE AND ACCESSING AVAILABLE RESOURCES. SCOT MAKES HOME VISITS TO IDENTIFY THE HEALTH AND SOCIAL ISSUES CONTRIBUTING TO THE PATIENT'S DIFFICULTIES MANAGING THEIR HEALTH IN THE COMMUNITY AND SETS HEALTH AND WELLNESS GOALS AND SUPPORTS THE PATIENT IN ACHIEVING THESE GOALS.</p> <p>SCOT PERFORMS DIABETES RISK TESTS AND FREE HBA1C SCREENINGS IN THE COMMUNITY, RAISING PARTICIPANT AWARENESS OF THEIR RISK OF HAVING OR DEVELOPING DIABETES. SCOT PROVIDES INFORMATION ON REGIONAL DPP PROGRAMS AND HOW TO REGISTER FOR THESE PROGRAMS AND HAS ALSO OFFERED A DIABETES AND HEALTHY EATING LUNCH AND LEARN WITH THE DIXON GROUP, A MAJOR EMPLOYER IN KENT COUNTY, MD.</p> <p>KEY COLLABORATORS IN DELIVERY OF THE INITIATIVE:</p> <p>ADULT MULTI-DISCIPLINARY TEAM (KENT COUNTY HEALTH DEPARTMENT, KENT COUNTY DEPARTMENT OF SOCIAL SERVICES, KENT COUNTY BEHAVIORAL HEALTH, MID-SHORE BEHAVIORAL HEALTH, UPPER SHORE AGING) MID-SHORE HEALTH IMPROVEMENT COALITION, KENT COUNTY HEALTH DEPARTMENT</p> <p>INITIATIVE OUTCOMES OBSERVED</p> <p>COMMUNITY CASE MANAGEMENT DATA:</p> <ul style="list-style-type: none"> *ENROLLED PATIENTS: 120 *HOME VISITS: 950 *REFERRALS RECEIVED FOR SCOT PROGRAM: 175 *PATIENTS CONNECTED TO PCP: 46 *PATIENTS CONNECTED TO MENTAL HEALTH SERVICES: 38 *REFERRALS MADE TO TRANSITIONS PHARMACIST FOR MEDICATION REVIEW AND RECONCILIATION: 25 *ADVANCE DIRECTIVES COMPLETED: 30 <p>THE SCOT PROGRAM HAS SHOWN A REDUCTION IN PARTICIPANT HOSPITAL VISITS, CHARGE PER MEMBER, AND CHARGE PER VISIT ONE MONTH, 3 MONTHS, AND SIX MONTHS AFTER PROGRAM ENROLLMENT.</p> <p>COMMUNITY OUTREACH DATA:</p> <ul style="list-style-type: none"> *SCOT COMMUNITY BLOOD PRESSURE AND DIABETES SCREENING EVENTS HELD: 25 *SCOT HEALTH AND WELLNESS EDUCATION AND OUTREACH EVENTS HELD: 25 *COMMUNITY GARDENS LOCATIONS: ROCK HALL, EDESVILLE, BUTLERTOWN, AND COLEMAN *COLLABORATION WITH KENT COUNTY EMERGENCY SERVICES OFFICE TO ESTABLISH THE VULNERABLE |

| Return Reference - Identifier | Explanation |
|-------------------------------|--|
| | <p>POPULATION ASSISTANCE PROGRAM (VPAP). VPAP IS A VOLUNTARY REGISTRY THAT ENABLES FIRST RESPONDERS TO ASSIST MEMBERS OF OUR VULNERABLE POPULATIONS BETTER. *CONTINUED PARTICIPATION IN THE AFRICAN AMERICAN WOMEN'S HEALTH ADVISORY COMMITTEE (AAWHAC) FOUNDED BY SCOT 4/23. *HEALTH AND WELLNESS ACTIVITIES AND EDUCATION WITH DIXON GROUP EMPLOYEES</p> <p>INITIATIVE 2 NAME OF HOSPITAL INITIATIVE: COMMUNITY CARE COORDINATION- TRANSITIONAL NURSE NAVIGATORS</p> <p>HOW WAS THE NEED IDENTIFIED: IDENTIFIED THROUGH THE CHNA PROCESS *CHNA PRIORITY 4, PREVENTIVE/WEALTH PROGRAM *CHNA PRIORITY 2, ACCESS TO CARE *CHNA PRIORITY 3, CHRONIC DISEASE MANAGEMENT</p> <p>TARGET POPULATION: POPULATION INCLUDES THOSE WITH CHF, COPD, DIABETES AND OTHER CHRONIC DISEASES AS WELL AS THOSE WITH COMPLEX MEDICAL NEEDS AND/OR LACKING SOCIAL SUPPORT.</p> <p>TOTAL NUMBER OF PEOPLE REACHED BY THE INITIATIVE: SERVED 1,100 PATIENTS- IMPROVED ACCESS TO OUTPATIENT SERVICES THROUGH FOLLOW-UP AND REFERRAL TO COMMUNITY RESOURCES.</p> <p>PRIMARY OBJECTIVE OF INITIATIVE: ACCESS TO CARE AND CARE COORDINATION WERE IDENTIFIED IN THE 2022 CHNA. THIS PROGRAM ADDRESSES THESE NEEDS THROUGH NAVIGATORS WHO REFER PATIENTS AT DISCHARGE FROM THE IN-PATIENT SETTING TO COMMUNITY BASED PROGRAMS WHO CAN ADDRESS HEALTH NEEDS AND SOCIAL DETERMINANTS OF HEALTH. PATIENTS ARE FOLLOWED THROUGH AN OUT-PATIENT CARE COORDINATION PROCESS TO ADDRESS MEDICAL AND NON-MEDICAL NEEDS. UM SRH IMPLEMENTED A FOLLOW UP SYSTEM FOR ALL DISCHARGED PATIENTS AND HAS EXPANDED SERVICES TO THE COMMUNITY TO DETERMINE IF ADDITIONAL HEALTH SERVICES ARE REQUIRED TO ADDRESS MEDICAL AND NON-MEDICAL NEEDS (E.G., APPOINTMENT SETTING, OBTAINING MEDICATIONS, AND UNDERSTANDING CARE INSTRUCTIONS. UM SRH ALSO PAYS FOR MEDICAL TRANSPORTATION AND SOME MEDICATIONS FOR PATIENTS WITH MEDICAL AND FINANCIAL NEEDS KEY COLLABORATORS IN DELIVERY: *QUEEN ANNE'S COUNTY DEPARTMENT OF HEALTH *DEPARTMENT OF AGING UPPER SHORE</p> <p>IMPACT OF HOSPITAL INITIATIVE: REDUCTION OF UTILIZATION OF EMERGENCY ROOM SERVICES FOR ONGOING TREATMENT.</p> <p>EVALUATION OF OUTCOME: IMPROVED CHRONIC DISEASE MANAGEMENT</p> |

| Return Reference - Identifier | Explanation |
|--|---|
| <p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH (CONT.)</p> | <p>INITIATIVE 3</p> <p>PROVIDE OUTREACH FOR EDUCATION OPPORTUNITIES TO THE COMMUNITY FOR CHRONIC DISEASE AWARENESS AND MANAGEMENT. HOW WAS THE NEED IDENTIFIED: IDENTIFIED THROUGH THE CHNA PROCESS *CHNA PRIORITY 4, PREVENTIVE/WEELLNESS PROGRAM *CHNA PRIORITY 2, ACCESS TO CARE *CHNA PRIORITY 3, CHRONIC DISEASE MANAGEMENT</p> <p>NAME OF HOSPITAL INITIATIVE: WELLNESS PROGRAMS DIABETES, STROKE, HEART EDUCATION PROGRAMS EDUCATION SERIES SUPPORT GROUPS RADIO BROADCASTS HEART WELLNESS NEWSLETTER AND PRESENTATIONS STROKE EDUCATION/PRESENTATIONS BLOOD PRESSURE SCREENINGS TOTAL NUMBER OF PEOPLE WITHIN TARGET POPULATION: 5 COUNTY POPULATION (SEE BELOW FOR PREVALENCE OF DISEASE) PREVALENCE OF DIABETES IN THIS COMMUNITY IS HIGHER THAN AVERAGE WITHIN MARYLAND. DIAGNOSED DIABETES AMONG ADULTS: CAROLINE COUNTY: PREVALENCE=12.2 2,856 INDIVIDUALS DORCHESTER COUNTY: PREVALENCE=14.7 3,893 INDIVIDUALS KENT COUNTY: PREVALENCE=8.9 1,549 INDIVIDUALS QUEEN ANNE'S COUNTY: PREVALENCE=9.4 3,603 INDIVIDUALS TALBOT COUNTY: PREVALENCE=9.5 3,434 INDIVIDUALS MARYLAND: PREVALENCE=9.4 SOURCE: PREVALENCE DATA PRESENTED HERE INCLUDE NUMBER OF EXISTING CASES AND RATES PER 100 OVERALL AND BY AGE, SEX, AND LEVEL OF EDUCATION HTTPS://WWW.CDC.GOV/DIABETES/ATLAS/OBESITYRISK/24/ATLAS.HTM</p> <p>PREVALENCE OF AGE-ADJUSTED MORTALITY RATE FROM HEART DISEASE (PER 100,000 POPULATION). HEART DISEASE IS THE LEADING CAUSE OF DEATH IN MARYLAND ACCOUNTING FOR 25% OF ALL DEATHS. PREVALENCE FOR MARYLAND= 169.4: 2017 GOAL= 166.3 CAROLINE COUNTY: PREVALENCE=195.6 DORCHESTER COUNTY: PREVALENCE=190.9 KENT COUNTY: PREVALENCE=154.3 QUEEN ANNE'S COUNTY: PREVALENCE=159.8 TALBOT COUNTY: PREVALENCE=143.0</p> <p>IN MARYLAND, 30% OF ALL DEATHS WERE ATTRIBUTED TO HEART DISEASE AND STROKE. HEART DISEASE AND STROKE CAN BE PREVENTED BY CONTROL OF HIGH BLOOD PRESSURE. THE RATE OF EMERGENCY DEPARTMENT VISITS DUE TO HYPERTENSION (PER 100,000 POPULATION) IN MARYLAND= 252.2 2017 GOAL=234 CAROLINE COUNTY: RATE=257.8 DORCHESTER COUNTY: RATE=465.4 KENT COUNTY: RATE=334.7 QUEEN ANNE'S COUNTY: RATE=187.8 TALBOT COUNTY: PREVALENCE=265.1</p> <p>TOTAL NUMBER OF PEOPLE REACHED BY THE INITIATIVE: TOTAL COMMUNITY BENEFIT ENCOUNTERS OR "TOUCHPOINTS" IN FY2024 WAS OVER 3,000 FOR DIABETES, STROKE, HEART WELLNESS RELATED EDUCATION AND SUPPORT GROUPS.</p> <p>PRIMARY OBJECTIVE OF INITIATIVE: REDUCE INCIDENCE OF DIABETES, STROKE, CARDIOVASCULAR DISEASE IMPROVE MANAGEMENT OF DIABETES AND HYPERTENSION, LUNG AND HEART HEALTH, SUPPORT FOR POPULATION MANAGING DIABETES, STROKE, CANCER PROVIDE EDUCATIONAL MATERIAL TO PROMOTE A FOCUS ON PERSONAL HEALTH</p> <p>KEY COLLABORATORS IN DELIVERY: COMMUNITY SENIOR CENTERS UM CENTER FOR DIABETES AND ENDOCRINOLOGY UM CENTER AT EASTON PRIMARY STROKE CENTER HEALTH DEPARTMENTS IMPACT OF HOSPITAL INITIATIVE: RAISED/IMPROVED THE LEVEL OF DIABETES AWARENESS, STROKE, AND HEART WELLNESS EDUCATION AND MANAGEMENT IN THE COMMUNITY.</p> <p>EDUCATION AND SUPPORT EDUCATION AND SUPPORT GROUPS: (1) WEEKLY DIABETES SELF-MANAGEMENT CLASSES OFFERED IN CHESTERTOWN AND EASTON, THIS PROGRAM PROVIDES MEDICAL INFORMATION AND STRATEGIES, ENABLING PATIENTS TO MANAGE THEIR DIABETES FOR OPTIMAL WELLNESS (2) INDIVIDUALIZED INSTRUCTION AND SUPPORT SERVICES PROVIDES SUPPORT FOR PATIENTS ON THE TOPICS LISTED BELOW: TOPICS INCLUDE: CARB COUNTING; MEDICAL NUTRITION THERAPY, PROVIDING AN INDIVIDUALIZED COMPREHENSIVE NUTRITION PLAN; GLUCOSE METERS, INJECTABLE MEDICATIONS, CONTINUOUS GLUCOSE MONITORING (CGM) AND INSULIN PUMP MANAGEMENT; AND GESTATIONAL DIABETES - CARE DURING PREGNANCY AND WHAT TO EXPECT AFTERWARD (3) DIABETES SUPPORT GROUPS STROKE AWARENESS AND WARNING SIGNS-EDUCATION/ PRESENTATIONS INFORM ADULTS OF SIGNS AND SYMPTOMS, RISK FACTORS, AND PREVENTION METHODS FOR STROKE.</p> <p>COMMUNITY EDUCATION RADIO BROADCASTS - 200+ LISTENERS FOR HEALTH SHOW. MARYLAND HEALTH MATTERS- PUBLISHED 3X YEAR, MAILED TO 77,000 HOUSEHOLDS. "LET'S TALK ABOUT HEALTH" - MONTHLY WEBEX EVENT ON DIFFERENT HEALTH TOPICS.</p> <p>UM SRH OPERATES UNDER A UNIQUE REGULATORY SYSTEM THAT CAPS HOSPITAL REVENUES AND</p> |

| Return Reference - Identifier | Explanation |
|--|--|
| | <p>PROVIDES ADJUSTMENTS TO ALLOW FOR POPULATION HEALTH IMPROVEMENT INVESTMENTS. UNDER MARYLAND'S GLOBAL BUDGET REVENUE MODEL, UM SRH REPORTS ON A REGULAR BASIS HOW IT IS INVESTING IN EFFORTS TO IMPROVE POPULATION HEALTH. UM SRH PROVIDES ON-GOING SERVICES THAT ARE FUNDAMENTAL TO ADDRESSING THE IDENTIFIED COMMUNITY HEALTH NEEDS THAT DEMONSTRATE THE EXTENT TO WHICH OUR COMMITMENT TO SERVE OUR COMMUNITY IS INTEGRATED INTO OUR CARE DELIVERY MODEL.</p> <p>WE HAVE A STRONG FOCUS ON TREATING PATIENTS WITH CHRONIC CONDITIONS. UM SHORE REGIONAL HEALTH WORKS TO COORDINATE CARE, ENSURE SMOOTH TRANSITIONS AND PROMOTE DISEASE SELF-MANAGEMENT STRATEGIES AT EVERY STEP OF A PATIENT'S JOURNEY - WHETHER AT HOME, IN THE COMMUNITY, OR WITHIN OUR HOSPITAL.</p> <p>WE OPERATE SPECIALIZED CLINICS TO ENABLE ACCESS TO ROUTINE OUTPATIENT CARE. OUR TRANSITIONAL CARE SERVICES HELP PATIENTS NEWLY DIAGNOSED OR THOSE THAT HAVE HAD A RECENT HOSPITALIZATION TRANSITION SAFELY BACK TO THE COMMUNITY. TRANSITIONAL NURSE NAVIGATORS PROVIDE PATIENTS WITH DISEASE EDUCATION AND SELF-MANAGEMENT STRATEGIES, CONNECT THEM TO PRIMARY CARE PROVIDERS AND SPECIALISTS, AND HELP THEM OVERCOME ANY BARRIERS TO MAKING FOLLOW UP APPOINTMENTS. AN URGENT CARE CENTER TO ADDRESS OFF HOURS VISITS AND LOW ACUITY EMERGENCIES IS ALSO AVAILABLE.</p> <p>OUR COUDAMIN CLINIC PROVIDES ANTICOAGULATION MEDICATION MANAGEMENT, SPECIFICALLY MANAGING AND MONITORING WARFARIN (COUMADIN®) THERAPY UPON PHYSICIAN REFERRAL. IT ALSO PROVIDES PATIENTS WITH ONGOING MONITORING OF THEIR ANTICOAGULATION THERAPY TO ENSURE DESIRED OUTCOMES AND DECREASE ADVERSE EVENTS. ADDITIONALLY, OUR BEHAVIORAL HEALTH CLINIC PROVIDES A COMMUNITY ACCESS POINT FOR THOSE IN NEED OF OUTPATIENT MENTAL HEALTH SERVICES.</p> <p>RESOURCES ARE EMBEDDED THROUGHOUT THE HOSPITAL AND IN THE COMMUNITY SO THAT EVERY PATIENT RECEIVES THE SAME LEVEL OF CARE COORDINATION. CARE MANAGERS ARE EMBEDDED WITHIN OUR EMERGENCY DEPARTMENT AND HOSPITAL, AND PROVIDE IN-HOME VISITS AS NEEDED. COMMUNITY HEALTH WORKERS REACH OUT TO PATIENTS WHO ARE IDENTIFIED AS BEING HIGH RISK FOR READMISSION OR IN NEED OF CRITICAL RESOURCES. CLOSE RELATIONSHIPS ARE MAINTAINED WITH SKILLED NURSING FACILITIES AND HOME HEALTH AGENCIES SO THAT TRANSFERS FROM THE HOSPITAL TO THESE FACILITIES ARE SMOOTH, AND THE HIGHEST QUALITY OF CARE IS CONSTANTLY DELIVERED.</p> <p>STRONG RELATIONSHIPS EXIST WITH LOCAL EMERGENCY MEDICAL SERVICE (EMS) PROVIDERS THROUGH OUR MOBILE INTEGRATED HEALTH PROGRAM, WHICH DELIVERS EFFECTIVE AND EFFICIENT CARE TO PATIENTS OUTSIDE OF THE HOSPITAL. NURSES AND COMMUNITY HEALTH WORKERS FUNCTION OUTSIDE TRADITIONAL EMERGENCY RESPONSE ROLES, WITH A FOCUS ON MAINTAINING INDIVIDUALS' HEALTH AT THEIR HOMES WHILE ALSO PROVIDING CONVENIENT ACCESS TO CARE IN THE COMMUNITY. ADDITIONAL CARE PARTNERS INCLUDE PRIMARY CARE PROVIDERS, SPECIALISTS, LOCAL DEPARTMENT OF HEALTH, OFFICE ON AGING AND OTHER COMMUNITY BASED PARTNERS.</p> <p>WE ARE PROUD TO SERVE OUR COMMUNITY AND APPRECIATE OUR PARTNERS WHO ALLOW US TO FULFILL OUR MISSION. WE WILL ALWAYS DO WHAT IS RIGHT FOR THE PATIENT, NO MATTER WHERE THEY ARE IN THEIR HEALTH JOURNEY, AND WILL ALWAYS STRIVE TO HAVE OUR PATIENTS RECEIVE CARE IN THE COMMUNITY THEY RESIDE. AS A PART OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) WE ARE SHAPING A NEW PARADIGM IN CARE DELIVERY THAT WE BELIEVE SHOULD BE THE FUTURE STANDARD OF CARE.</p> |
| SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP | <p>UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS) IS A PRIVATE, NOT-FOR-PROFIT CORPORATION PROVIDING COMPREHENSIVE HEALTHCARE SERVICES THROUGH AN INTEGRATED REGIONAL NETWORK OF HOSPITALS AND RELATED CLINICAL ENTERPRISES. UMMS WAS CREATED IN 1984 WHEN ITS FOUNDING HOSPITAL WAS PRIVATIZED BY THE STATE OF MARYLAND. OVER ITS 30-YEAR HISTORY, UMMS EVOLVED INTO A MULTI-HOSPITAL SYSTEM WITH ACADEMIC, COMMUNITY AND SPECIALTY SERVICE MISSIONS REACHING PRIMARILY ACROSS MARYLAND. AS PART OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS), SHORE REGIONAL HEALTH UNDERSTANDS THAT HEALTH CARE GOES BEYOND THE WALLS OF THE HOSPITAL AND INTO THE COMMUNITY IT SERVES. UMMS HOSPITALS ARE COMMITTED TO STRENGTHENING THEIR NEIGHBORING COMMUNITIES. IN DOING SO, UM SHORE REGIONAL MEDICAL CENTER ASSESSES THE COMMUNITY'S HEALTH NEEDS, IDENTIFIES KEY PRIORITIES, AND RESPONDS WITH SERVICES, PROGRAMS AND INITIATIVES WHICH MAKE A POSITIVE, SUSTAINED IMPACT ON THE HEALTH OF THE COMMUNITY. WITH REPRESENTATION FROM ALL UMMS HOSPITALS, THE MEDICAL SYSTEM'S COMMUNITY HEALTH IMPROVEMENT COUNCIL COORDINATES THE EFFECTIVE AND EFFICIENT UTILIZATION AND DEPLOYMENT OF RESOURCES FOR COMMUNITY-BASED ACTIVITIES AND EVALUATES HOW SERVICES AND ACTIVITIES MEET TARGETED COMMUNITY NEEDS WITHIN DEFINED GEOGRAPHIC AREAS. UM SHORE REGIONAL HEALTH IS COMMITTED TO HEALTH EDUCATION, ADVOCACY, COMMUNITY PARTNERSHIPS, AND ENGAGING PROGRAMS WHICH FOCUS ON HEALTH AND WELLNESS WITH THE GOAL OF ELIMINATING HEALTH CARE DISPARITIES ON MARYLAND'S MID-EASTERN SHORE.</p> |
| SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT | MD |
| SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT | <p>AS REQUIRED BY MARYLAND STATUTE FOR ALL HOSPITALS, UNIVERSITY OF MARYLAND MEDICAL CENTER SUBMITS A DETAILED, ANNUAL COMMUNITY BENEFIT REPORT, WHICH PROVIDES INFORMATION RELATED TO PROGRAMS, SERVICES, CONTRIBUTIONS, ETC. THAT THE HOSPITAL MAKES WITH NO OR LITTLE EXPECTATION OF FINANCIAL RETURN, TO THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION (HSCRC), A STATE REGULATORY AGENCY, BY JANUARY 31 EACH YEAR.</p> |

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Compensation Information

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

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

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

OMB No. 1545-0047

2023

**Open to Public
Inspection**

CHESTER RIVER HOSPITAL CENTER INC

Employer identification number

52-0679694

Part I Questions Regarding Compensation

| | Yes | No |
|--|-----------|----|
| 1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) | | |
| b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain | 1b | |
| 2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? | 2 | |
| 3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <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? | 4a | ✓ |
| b Participate in or receive payment from a supplemental nonqualified retirement plan? | 4b | ✓ |
| c Participate in or receive payment from an equity-based compensation arrangement? If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III. | 4c | ✓ |
| Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9. | | |
| 5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: | | |
| a The organization? | 5a | ✓ |
| b Any related organization? If "Yes" on line 5a or 5b, describe in Part III. | 5b | ✓ |
| 6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: | | |
| a The organization? | 6a | ✓ |
| b Any related organization? If "Yes" on line 6a or 6b, describe in Part III. | 6b | ✓ |
| 7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III | 7 | ✓ |
| 8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III | 8 | ✓ |
| 9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | 9 | |

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

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

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)–(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--------------------|---------------------------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 | PAUL S NICHOLSON | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SVP, FINANCE | (ii) 324,180 | 72,958 | 55,020 | 13,200 | 29,839 | 495,197 | 0 |
| 2 | MOHAN SUNTHA, MD | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DIRECTOR | (ii) 1,943,849 | 1,359,996 | 365,195 | 13,200 | 31,734 | 3,713,974 | 0 |
| 3 | THOMAS STAUCH, MD | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DIRECTOR | (ii) 976,339 | 0 | 0 | 0 | 13,605 | 989,944 | 0 |
| 4 | KENNETH D KOZEL | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | PRESIDENT AND CEO | (ii) 476,559 | 106,483 | 110,001 | 13,200 | 15,216 | 721,459 | 0 |
| 5 | KRISTIN JONES-BRYCE | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DIRECTOR | (ii) 344,389 | 95,200 | 73,573 | 13,200 | 32,854 | 559,216 | 0 |
| 6 | WILLIAM E HUFFNER, MD | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SVP AND CMO | (ii) 391,649 | 61,789 | 70,536 | 13,200 | 15,546 | 552,720 | 0 |
| 7 | JOSEPH E HOFFMAN, III | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DIRECTOR | (ii) 453,670 | 70,000 | 2,650 | 0 | 8,544 | 534,864 | 0 |
| 8 | KIM R HERMAN, MD | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DIRECTOR | (ii) 267,005 | 125,020 | 19,182 | 11,400 | 12,497 | 435,104 | 0 |
| 9 | JOANNE R HAHEY | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SVP FINANCE (END 11/2023) | (ii) 291,351 | 56,283 | 40,413 | 12,024 | 23,015 | 423,086 | 0 |
| 10 | RADINE M HAYNES | (i) 218,898 | 77,902 | 111 | 1,932 | 13,752 | 312,595 | 0 |
| | CLINICAL NURSE | (ii) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | CHRIS PARRY, DO | (i) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DIRECTOR | (ii) 258,636 | 0 | 4,879 | 10,600 | 22,335 | 296,450 | 0 |
| 12 | CASSANDRA A BILBROUGH | (i) 169,632 | 36,042 | 109 | 5,787 | 21,487 | 233,057 | 0 |
| | NURSE COORDINATOR | (ii) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | BRANDE R RHODES | (i) 146,459 | 45,980 | 28 | 6,113 | 21,648 | 220,228 | 0 |
| | NURSE | (ii) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | DEBORAH PIPPIN | (i) 162,424 | 0 | 568 | 5,742 | 19,921 | 188,655 | 0 |
| | SITE COORDINATOR | (ii) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | MARIE QUEH | (i) 147,977 | 32,760 | 68 | 5,919 | 54 | 186,778 | 0 |
| | CLINICAL NURSE | (ii) 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | | (i) | | | | | | |
| | | (ii) | | | | | | |

Schedule J (Form 990) 2023

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 | ALL COMPENSATION TO OFFICERS, DIRECTORS, AND KEY EMPLOYEES REPORTED ON PART VII OF THE FORM 990 WAS DETERMINED BY A RELATED ORGANIZATION, UMMS. THE RELATED ENTITY CHECKS THE FOLLOWING BOXES FOR SCHEDULE J, QUESTION 3 ON ITS FORM 990: -COMPENSATION COMMITTEE -INDEPENDENT COMPENSATION CONSULTANT -COMPENSATION SURVEY OR STUDY -APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE. |
| SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN | DURING THE FISCAL YEAR ENDED JUNE 30, 2024, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UMMS SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE INDIVIDUAL LISTED BELOW HAS VESTED IN THE PLAN IN THE REPORTING TAX YEAR, THEREFORE THE FULL VALUE OF THE PLAN, INCLUDING ANY CONTRIBUTIONS TO THE PLAN FOR THE CURRENT FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION. PRIOR YEAR CONTRIBUTIONS TO THE PLAN WERE PREVIOUSLY REPORTED ON FORM 990 AND ARE INDICATED ON SCHEDULE J, PART II, COLUMN (F). PAMELA ADDY, \$51,019 DURING THE FISCAL YEAR-ENDED JUNE 30, 2024, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE INDIVIDUALS LISTED BELOW HAVE VESTED IN THE PLAN IN A PRIOR YEAR, THEREFORE THE CONTRIBUTIONS TO THE PLAN FOR THE FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B (III), OTHER REPORTABLE COMPENSATION: KENNETH D KOZEL, \$82,560 MOHAN SUNTHA, MD, \$357,713 JOANNE R. HAHEY, \$36,071 WILLIAM HUFFNER, MD, \$52,141 KRISTIN JONES BRYCE, \$47,195 |
| SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS | BONUSES PAID ARE BASED ON A NUMBER OF VARIABLES INCLUDING BUT NOT LIMITED TO INDIVIDUAL GOAL ACHIEVEMENTS AS WELL AS ORGANIZATION OPERATION ACHIEVEMENTS. THE FINAL DETERMINATION OF THE BONUS AMOUNT IS DETERMINED AND APPROVED BY THE BOARD AS PART OF THE OVERALL COMPENSATION REVIEW OF THE OFFICERS AND KEY EMPLOYEES. |

| | | |
|---|---|---|
| SCHEDULE O (Form 990) Department of Treasury Internal Revenue Service | Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Go to www.irs.gov/Form990 for the latest information. | OMB No. 1545-0047 <div style="border: 2px solid black; padding: 5px; display: inline-block;"> <b style="font-size: 24pt;">2023 Open to Public Inspection </div> |
| Name of the Organization CHESTER RIVER HOSPITAL CENTER INC | | Employer Identification Number 52-0679694 |

| Return Reference - Identifier | Explanation |
|---|--|
| FORM 990, PART IV, LINE 24A - TAX EXEMPT BOND ISSUE | <p>PURSUANT TO A MASTER LOAN AGREEMENT DATED DECEMBER 1, 2017 (THE "MASTER LOAN AGREEMENT"), AS AMENDED, THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE "CORPORATION") AND SEVERAL OF ITS SUBSIDIARIES HAVE ISSUED DEBT THROUGH THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY"). AS SECURITY FOR THE PERFORMANCE OF THE BOND OBLIGATION UNDER THE MASTER LOAN AGREEMENT, THE AUTHORITY MAINTAINS A SECURITY INTEREST IN THE REVENUE OF THE OBLIGORS. THE MASTER LOAN AGREEMENT CONTAINS CERTAIN RESTRICTIVE COVENANTS. THESE COVENANTS REQUIRE THAT RATES AND CHARGES BE SET AT CERTAIN LEVELS, LIMIT INCURRENCE OF ADDITIONAL DEBT, REQUIRE COMPLIANCE WITH CERTAIN OPERATING RATIOS AND RESTRICT THE DISPOSITION OF ASSETS.</p> <p>THE OBLIGATED GROUP UNDER THE MASTER LOAN AGREEMENT INCLUDES THE CORPORATION, UM ROI, UM MIDTOWN, UM BALTIMORE WASHINGTON, SHORE HEALTH (UM MEMORIAL AND UM DORCHESTER), UM CHESTER RIVER, UM CHARLES REGIONAL, UM ST. JOSEPH, UM UPPER CHESAPEAKE, UM HARFORD MEMORIAL, UM LAUREL, UM CAPITAL REGION, BOWIE HEALTH CENTER (BOWIE), AND THE UM MEDICINE FOUNDATION. EACH MEMBER OF THE OBLIGATED GROUP IS JOINTLY AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE OBLIGATIONS UNDER THE MASTER LOAN AGREEMENT OF THE CORPORATION'S \$1,736,659,000 OF OUTSTANDING AUTHORITY BONDS ON JUNE 30, 2024. ALL OF THE BONDS WERE ISSUED IN THE NAME OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990.</p> |
| FORM 990, PART V, LINE 1A - TAX COMPLIANCE | <p>PAYMENTS TO INDEPENDENT CONTRACTORS OF THE FILING ORGANIZATION ARE REPORTED BY THE PARENT CORPORATION, UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS). UMMS ISSUES THE FORMS 1099 FOR THESE VENDOR PAYMENTS, WHILE THE FILING ORGANIZATION REPORTS THE EXPENSES FOR ITS INDEPENDENT CONTRACTORS ON PART VII, SECTION B, LINE 1 ON ITS FORM 990.</p> |
| FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS | <p>UM SHORE REGIONAL HEALTH (UMSRH) IS THE SOLE MEMBER OF CRHC.</p> |
| FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY | <p>UMSRH & UMMS MAY ELECT MEMBERS OF CRHC.</p> |
| FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS | <p>THE FOLLOWING DECISIONS OF THE GOVERNING BODY ARE AMONG THOSE SUBJECT TO THE APPROVAL OF THE MEMBER: AMENDMENT OF CHARTER DOCUMENTS; DISSOLUTION OF THE ORGANIZATION; STRATEGIC PLANS; PARTICIPATION IN JOINT VENTURES; AND LEASES OR INTERCOMPANY TRANSFERS OF ASSETS, SUBJECT TO CERTAIN DOLLAR THRESHOLDS.</p> <p>IN ADDITION, THE FOLLOWING DECISIONS OF THE GOVERNING BODY ARE SUBJECT TO THE APPROVAL OF THE MEMBER AND UMMS: ANNUAL OPERATING AND CAPITAL BUDGETS; ACQUISITION OR DISPOSITION OF AN ENTITY OR SUBSTANTIALLY ALL ASSETS; MERGER OR CONSOLIDATION OF ENTITY; MORTGAGE, PLEDGE OR DISPOSITION OF PROPERTY; INCURRENCE OF DEBT OR REAL PROPERTY, SUBJECT TO CERTAIN DOLLAR THRESHOLDS.</p> |
| FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY | <p>THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM ("UMMS") PREPARES THE IRS FORM 990 FOR UMMS AND ITS AFFILIATES. INFORMATION NEEDED TO COMPLETE THE RETURN IS GATHERED BY ACCOUNTING PERSONNEL IN THE FINANCE SHARED SERVICES DEPARTMENT UNDER THE SUPERVISION OF THE UMMS TAX DIRECTOR. DRAFT RETURNS ARE PREPARED USING IRS-APPROVED TAX SOFTWARE.</p> <p>ONCE A DRAFT RETURN IS PREPARED, IT UNDERGOES MULTIPLE LEVELS OF REVIEW BOTH INTERNALLY BY UMMS TAX & FINANCE PERSONNEL, AND EXTERNALLY BY ERNST & YOUNG LLP. FOLLOWING ANY NECESSARY CHANGES TO THE RETURN, A FINAL DRAFT IS REVIEWED BY EACH AFFILIATE'S VICE PRESIDENT OF FINANCE AND/OR CFO.</p> <p>PRIOR TO FILING THE IRS FORM 990, THE ORGANIZATION'S BOARD CHAIRMAN, TREASURER, GOVERNANCE COMMITTEE, FINANCE COMMITTEE OR OTHER MEMBER(S) OF THE BOARD WITH SIMILAR AUTHORITY WILL REVIEW THE IRS FORM 990. ALL BOARD MEMBERS ARE PROVIDED WITH A COPY OF THE FINAL IRS FORM 990 BEFORE FILING.</p> |

| Return Reference - Identifier | Explanation |
|---|--|
| FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY | <p>THE FILING ORGANIZATION FOLLOWS THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) CONFLICTS OF INTEREST POLICY, WHICH REQUIRES THAT ALL COVERED PERSONS DISCLOSE CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST BETWEEN THEIR PERSONAL INTERESTS AND THE INTERESTS OF THE ORGANIZATION, OR ANY ENTITY CONTROLLED BY OR OWNED IN SUBSTANTIAL PART BY THE ORGANIZATION. COVERED PERSONS MEANS ANY MEMBER OF THE ORGANIZATION'S BOARD OF DIRECTORS, A MEMBER OF A COMMITTEE OF THE BOARD, AN OFFICER, OR AN EMPLOYEE OF ORGANIZATION (INCLUDING SUBSIDIARIES) AT THE VP LEVEL OR ABOVE.</p> <p>THE ORGANIZATION (OR ITS SOLE MEMBER) IS RESPONSIBLE FOR ADMINISTERING AND ENFORCING THE CONFLICTS OF INTEREST POLICY (POLICY). THE GOVERNANCE COMMITTEE (OR OTHER BOARD COMMITTEE HAVING SIMILAR AUTHORITY) REVIEWS ANY AND ALL CONFLICTS, SHALL REPORT ANNUALLY TO THE FULL BOARD ON THE ADMINISTRATION, INFRACTIONS, AND ENFORCEMENT OF THE POLICY AND SHALL REPORT AT THE EARLIEST OPPORTUNITY ALL MATTERS OF CONCERN TO THE FULL BOARD IN EXECUTIVE SESSION WHILE INTERESTED PARTIES ARE RECUSED.</p> <p>THE ORGANIZATION OR ITS SOLE MEMBER'S COMPLIANCE OFFICER IS THE RESPONSIBLE ADMINISTRATIVE AUTHORITY TO ASSIST THE BOARD IN ADMINISTERING AND ENFORCING THE CONFLICTS OF INTEREST POLICY AND BRINGING CONCERNS TO THE OVERSIGHT COMMITTEE. A QUESTIONNAIRE WHICH DISCLOSES POTENTIAL CONFLICTS OF INTEREST IS DISTRIBUTED ANNUALLY TO COVERED PERSONS. THE CHIEF COMPLIANCE OFFICER OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS) DISTRIBUTES AND COLLECTS THE RESPONSES FOR UMMS AND OTHER AFFILIATES, AND MAY BE CALLED FOR CONSULT WHEN POTENTIAL CONFLICTS ARE DISCLOSED.</p> <p>IF THE OVERSIGHT COMMITTEE DETERMINES THAT A CONFLICT OF INTEREST EXISTS, THE COMMITTEE SHALL NOTIFY THE COVERED PERSON AND THE ORGANIZATION'S BOARD CHAIR, AND FURTHER WILL NOTIFY THE FULL BOARD AT ITS NEXT MEETING. FURTHERMORE, IN THE EVENT THE COMMITTEE DETERMINES THAT AN ACTUAL OR PERCEIVED CONFLICT OF INTEREST EXISTS, THE COMMITTEE SHALL DECIDE HOW TO ADDRESS THE CONFLICT OF INTEREST. IF THE COMMITTEE DETERMINES THAT A CONFLICT OF INTEREST EXISTS BUT THAT THE ORGANIZATION MAY ENTER INTO THE SUBJECT TRANSACTION OR ARRANGEMENT, THE INTERESTED COVERED PERSON SHALL BE RECUSED FROM ALL DELIBERATIONS AND DECISIONS CONCERNING SAID TRANSACTION OR ARRANGEMENT, ANY ARRANGEMENTS WITH THAT ENTITY, AND COMPENSATION OR BENEFITS FOR OFFICERS, DIRECTORS, AND TRUSTEES. FURTHERMORE, THE CHAIR OF THE BOARD AND THE CHAIRS OF THE OVERSIGHT COMMITTEE AND THE AUDIT AND COMPLIANCE COMMITTEE SHALL NOT HAVE ANY BUSINESS TRANSACTIONS WITH UMMS, NOR SHALL THEIR FAMILY MEMBERS.</p> <p>IF THE OVERSIGHT COMMITTEE DETERMINES THAT A COVERED PERSON HAS USED THEIR POSITION TO ACCRUE EXCESS BENEFITS OR TO KNOWINGLY ASSIST OTHERS IN ACCRUING EXCESS BENEFITS IN ANY WAY AT THE EXPENSE OF THE ORGANIZATION, THE COMMITTEE SHALL RECOMMEND TO THE EXECUTIVE COMMITTEE APPROPRIATE CORRECTIVE ACTION TO BE TAKEN.</p> |
| FORM 990, PART VI, LINE 15 - PROCESS FOR DETERMINING COMPENSATION | <p>THE ORGANIZATION DID NOT COMPENSATE ITS EXECUTIVES DIRECTLY, BUT RATHER, THE EXECUTIVES RECEIVED COMPENSATION FROM A RELATED ORGANIZATION. THE ORGANIZATION DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER PRESCRIBED IN THE IRS REGULATIONS:</p> <p>EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMMITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTEREST. THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATION PACKAGES OF SIMILARLY SITUATED EXECUTIVES. THE COMMITTEE CAREFULLY REVIEWS THAT DATA, THE EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKING PROCESS. THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND ADOPTED AT THE NEXT-FOLLOWING MEETING.</p> <p>THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HAS MET THE REQUIREMENTS OF THE IRS INTERMEDIATE SANCTIONS REGULATIONS. THIS PROCESS IS USED TO DETERMINE THE COMPENSATION PACKAGES FOR ALL MANAGEMENT EMPLOYEES FROM THE VICE PRESIDENT LEVEL AND UP.</p> |
| FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC | <p>THE ORGANIZATION'S GOVERNING DOCUMENTS ARE MADE PUBLICLY AVAILABLE THROUGH THE STATE OF MARYLAND VIA THE SECRETARY OF STATE'S OFFICE. THE CONFLICT OF INTEREST POLICY IS GENERALLY AVAILABLE ON THE ORGANIZATION'S OR AFFILIATE'S WEBSITE. FINANCIAL STATEMENTS ARE MADE PUBLICLY AVAILABLE ON A QUARTERLY BASIS THROUGH FILINGS ON THE ELECTRONIC MUNICIPAL MARKET ACCESS ("EMMA") SYSTEM.</p> |
| FORM 990, PART VII, SECTION A - HOURS ON RELATED ENTITIES | <p>UMMS IS A MULTI-ENTITY HEALTH CARE SYSTEM THAT INCLUDES 11 ACUTE CARE HOSPITALS, 1 ACUTE CARE HOSPITAL OWNED IN A JOINT VENTURE ARRANGEMENT AND VARIOUS SUPPORTING ENTITIES. A NUMBER OF INDIVIDUALS PROVIDE SERVICES TO VARIOUS ENTITIES WITHIN THE SYSTEM. IN GENERAL, THE OFFICERS AND KEY EMPLOYEES OF UMMS AVERAGE IN EXCESS OF 40 HOURS PER WEEK SERVING THE DIFFERENT ENTITIES THAT COMPRISE UMMS.</p> |

| Return Reference - Identifier | Explanation | | | | |
|--|---------------------------------------|-----------------------|------------------------------------|---|-----------------------------|
| FORM 990, PART IX, LINE 11G - OTHER FEES FOR SERVICES | (a) Description | (b) Total Expenses | (c) Program Service Expenses | (d) Management and General Expenses | (e) Fundraising Expenses |
| | PHYSICIAN SERVICES | 5,424,500 | 5,424,500 | 0 | 0 |
| | TEMP LABOR | 835,317 | 835,317 | 0 | 0 |
| | CONTRACT SERVICES | 804,520 | 481,217 | 323,303 | 0 |
| | PURCHASED SERVICES MEDICAL | 287,829 | 287,829 | 0 | 0 |
| | LABORATORY TESTING | 244,588 | 218,322 | 26,266 | 0 |
| | ALL OTHER PROFESSIONAL EXPENSES | 260,491 | 215,608 | 44,883 | 0 |
| | Total | 7,857,245 | 7,462,793 | 394,452 | 0 |
| FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES | (a) Description | | | | (b) Amount |
| | CHANGE IN BENEFICIAL INTEREST | | | | 709,514 |
| | CORPORATE CAPITAL TRANSFERS | | | | 237,457 |
| | INTERCOMPANY TRANSFERS | | | | - 5,727 |

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

CHESTER RIVER HOSPITAL CENTER INC

Related Organizations and Unrelated Partnerships

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

Attach to Form 990.

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

OMB No. 1545-0047

2023

**Open to Public
Inspection**

Employer identification number

52-0679694

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) BALTIMORE WASHINGTON EMERGENCY PHYS INC (52-1756326) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE I | BWHS | | ✓ |
| (2) BALTIMORE WASHINGTON HEALTHCARE SERVICES (52-1830243) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE I | UMBWMS | | ✓ |
| (3) BALTIMORE WASHINGTON MEDICAL CENTER INC (52-0689917) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | HEALTHCARE | MD | 501(C)(3) | 3 | UMBWMS | | ✓ |
| (4) UM BALTIMORE WASHINGTON MEDICAL SYSTEM (52-1830242) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE I | UMMSC | | ✓ |
| (5) NORTH ARUNDEL DEVELOPMENT CORPORATION (52-1318404) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | REAL ESTATE | MD | 501(C)(2) | | NCC | | ✓ |
| (6) NORTH COUNTY CORPORATION (52-1591355) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | REAL ESTATE | MD | 501(C)(2) | | UMBWMS | | ✓ |
| (7) (SEE STATEMENT) | | | | | | | |

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

Cat. No. 50135Y

Schedule R (Form 990) 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) (SEE STATEMENT) | | | | | | | | | | | | |
| (2) | | | | | | | | | | | | |
| (3) | | | | | | | | | | | | |
| (4) | | | | | | | | | | | | |
| (5) | | | | | | | | | | | | |
| (6) | | | | | | | | | | | | |
| (7) | | | | | | | | | | | | |

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

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

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

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

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

| (a) Name of related organization | (b) Transaction type (a–s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|--|
| (1) | | | |
| (2) | | | |
| (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 II
Identification of Related Tax-Exempt Organizations (continued)

| (a) Name, address and EIN of related organization | (b) Primary Activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|---|----------------------|---|-------------------------|--|-------------------------------|---|----|
| | | | | | | Yes | No |
| (7) CHESTER RIVER HEALTH FOUNDATION INC (52-1338861) 100 BROWN STREET, CHESTERTOWN, MD 21620 | FUNDRAISING | MD | 501(C)(3) | 8 | UMSRH | | ✓ |
| (8) UNIV OF MD SHORE REGIONAL HEALTH, INC (52-2046500) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE I | UMMSC | | ✓ |
| (9) CHESTER RIVER MANOR INC (52-6070333) 100 BROWN STREET, CHESTERTOWN, MD 21620 | HEALTHCARE | MD | 501(C)(3) | 10 | UMSRH | | ✓ |
| (10) MARYLAND GENERAL CLINICAL PRACTICE GROUP (52-1566211) 827 LINDEN AVENUE, BALTIMORE, MD 21201 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE II | UMMTH | | ✓ |
| (11) UNIVERSITY OF MARYLAND MIDTOWN HEALTH, INC (52-1175337) 827 LINDEN AVENUE, BALTIMORE, MD 21201 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE II | UMMSC | | ✓ |
| (12) MARYLAND GENERAL HOSPITAL INC (52-0591667) 827 LINDEN AVENUE, BALTIMORE, MD 21201 | HEALTHCARE | MD | 501(C)(3) | 3 | UMMTH | | ✓ |
| (13) CARE HEALTH SERVICES INC (52-1510269) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601 | HEALTHCARE | MD | 501(C)(3) | 10 | SHS | | ✓ |
| (14) MEMORIAL HOSPITAL FOUNDATION INC (52-1282080) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601 | FUNDRAISING | MD | 501(C)(3) | 12 TYPE I | SHS | | ✓ |
| (15) UNIVERSITY OF MARYLAND COMMUNITY MEDICAL (52-1874111) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601 | HEALTHCARE | MD | 501(C)(3) | 3 | UMSRH | | ✓ |
| (16) SHORE HEALTH SYSTEM INC (52-0610538) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601 | HEALTHCARE | MD | 501(C)(3) | 3 | UMSRH | | ✓ |
| (17) JAMES LAWRENCE KERNAN HOSPITAL INC (52-0591639) 2200 KERNAN DRIVE, BALTIMORE, MD 21207 | HEALTHCARE | MD | 501(C)(3) | 3 | UMMSC | | ✓ |
| (18) UMMS FOUNDATION, INC (52-2238893) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201 | FUNDRAISING | MD | 501(C)(3) | 12 TYPE I | UMMSC | | ✓ |
| (19) UNIVERSITY OF MD MEDICAL SYSTEM CORP (52-1362793) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201 | HEALTHCARE | MD | 501(C)(3) | 3 | N/A | | ✓ |
| (20) UNIVERSITY OF MARYLAND CHARLES REGIONAL (52-2155576) PO BOX 1070, LA PLATA, MD 20646 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE III-FI | UMMSC | | ✓ |
| (21) CIVISTA MEDICAL CENTER, INC (52-0445374) PO BOX 1070, LA PLATA, MD 20646 | HEALTHCARE | MD | 501(C)(3) | 3 | UMCRH | | ✓ |
| (22) CHARLES REGIONAL MEDICAL CENTER FOUNDATION (52-1414564) PO BOX 1070, LA PLATA, MD 20646 | FUNDRAISING | MD | 501(C)(3) | 12 TYPE I | UMCRH | | ✓ |
| (23) UNIV OF MD ST. JOSEPH FOUNDATION, INC (52-1681044) 7601 OSLER DRIVE, TOWSON, MD 21204 | FUNDRAISING | MD | 501(C)(3) | 12 TYPE I | UMSJHS | | ✓ |
| (24) UMSJ HEALTH SYSTEM, LLC (46-2097818) 7601 OSLER DRIVE, TOWSON, MD 21204 | HEALTHCARE | MD | 501(C)(3) | 3 | UMMSC | | ✓ |
| (25) HARFORD MEMORIAL HOSPITAL, INC (52-0591484) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HEALTHCARE | MD | 501(C)(3) | 3 | UMUCHS | | ✓ |
| (26) UM UPPER CHESAPEAKE HEALTH SYSTEM, INC (52-1398513) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE III-O | UMMSC | | ✓ |
| (27) UPPER CHESAPEAKE HEALTH FOUNDATION, INC (52-1398507) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | FUNDRAISING | MD | 501(C)(3) | 12 TYPE I | UMUCHS | | ✓ |
| (28) UPPER CHESAPEAKE MEDICAL CENTER, INC (52-1253920) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HEALTHCARE | MD | 501(C)(3) | 3 | UMUCHS | | ✓ |
| (29) UPPER CHESAPEAKE MEDICAL SERVICES, INC (52-1501734) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HEALTHCARE | MD | 501(C)(3) | 10 | UMUCHS | | ✓ |

| (a) Name, address and EIN of related organization | (b) Primary Activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|---|----------------------|---|-------------------------|--|-------------------------------|---|----|
| | | | | | | Yes | No |
| (30) UPPER CHESAPEAKE PROPERTIES, INC (52-1907237) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | REAL ESTATE | MD | 501(C)(2) | | UMUCHS | | ✓ |
| (31) UPPER CHES RESIDENTIAL HOSPICE HOUSE, INC (26-4737028) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HOSPICE | MD | 501(C)(3) | 10 | UMUCHS | | ✓ |
| (32) HARFORD CRISIS CENTER, INC. (52-1229742) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HOME CARE | MD | 501(C)(3) | 12 TYPE II | UMUCHS | | ✓ |
| (33) UM CAPITAL REGION HEALTH, INC (82-3596114) 250 W PRATT ST, STE 2400, BALTIMORE, MD 21201 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE I | UMMSC | | ✓ |
| (34) DIMENSIONS HEALTH CORPORATION (52-1289729) 901 HARRY S. TRUMAN DR. N., UPPER MARLBORO, MD 20785 | HEALTHCARE | MD | 501(C)(3) | 3 | UMMSC | | ✓ |
| (35) DIMENSIONS HEALTHCARE ASSOCIATES (52-1902711) 901 HARRY S. TRUMAN DRIVE N, UPPER MARLBORO, MD 20785 | HEALTHCARE | MD | 501(C)(3) | 12 TYPE I | UMCAPRH | | ✓ |

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

| (a) Name, address and EIN of related organization | (b) Primary Activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income related, unrelated, excluded from tax under sections 512-514 | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|----------------------|--|-------------------------------|--|---------------------------|---------------------------------|-----------------------------------|----|---|----------------------------------|----|--------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| (1) BALTIMORE WASHINGTON IMAGING (20-0806027) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | HEALTHCARE | MD | UMBWMS | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (2) UNIVERSITYCARE LLC (52-1914892) 419 W. REDWOOD ST., STE 220, BALTIMORE, MD 21201 | HEALTHCARE | MD | UMMSC | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (3) O'DEA MEDICAL ARTS LIMITED PAR (52-1682964) 7601 OSLER DRIVE, TOWSON, MD 21204 | RENTAL | MD | SJMC PROP. | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (4) ADVANCED IMAGING AT ST JOSEPH (52-1958002) 7601 OSLER DRIVE, TOWSON, MD 21204 | HEALTHCARE | MD | UMSJMC | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (5) UNIVERSITY OF MARYLAND CHARLES (30-0956382) PO BOX 1070, LAPLATA, MD 20646 | HEALTHCARE | MD | UMCRCP | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (6) BALTIMORE ASC VENTURES, LLC (82-4133899) 7620 YORK ROAD, TOWSON, MD 21204 | HEALTHCARE | DE | UMSJMC | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (7) UCHS/UMMS REAL ESTATE TRUST (27-6803540) 520 UPPER CHESAPEAKE DRIVE, BEL AIR, MD 21014 | HOLDING CO | MD | UMMSC | N/A | N/A | N/A | | ✓ | | | ✓ | |
| (8) UM CHESAPEAKE SURGERY CENTER, LLC (87-3038857) 515 SOUTH TOLLGATE ROAD, BEL AIR, MD 21014 | HEALTHCARE | MD | UCHV | N/A | N/A | N/A | | ✓ | | | ✓ | |

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) NA EXECUTIVE BUILDING CONDO ASSN, INC 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061 | REAL ESTATE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (2) UM CHARLES REGIONAL CARE PARTNERS (52-2176314) PO BOX 1070, LA PLATA, MD 20646 | HEALTHCARE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (3) UNIVERSITY MIDTOWN PROF CENTER (52-1891126) 827 LINDEN AVENUE, BALTIMORE, MD 21201 | REAL ESTATE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (4) UNIVERSITY OF MARYLAND MEDICAL SYSTEM HE (45-2815722) 900 ELKRIDGE LANDING RD, LINTHICUM, MD 21090 | INSURANCE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (5) UPPER CHESAPEAKE HEALTH VENTURES, INC (52-2031264) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | HEALTHCARE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (6) UPPER CHESAPEAKE MEDICAL CENTER LAND CON (77-0674478) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | REAL ESTATE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (7) UPPER CHESAPEAKE MEDICAL OFFICE BUILDING (52-1946829) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014 | REAL ESTATE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (8) SHORE ORTHOPEDICS, INC (37-1817262) 219 S WASHINGTON STREET, EASTON, MD 21601 | HEALTHCARE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (9) MADISON MANOR, INC (52-1269059) 5801 42ND AVE, HYATTSVILLE, MD 20781 | HEALTHCARE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (10) AFFILIATED ENTERPRISES, INC (52-1542144) 901 HARRY S. TRUMAN DR. N., UPPER MARLBORO, MD 20785 | HEALTHCARE | MD | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (11) RIVERSIDE HEALTH OF DELAWARE, INC (46-3205820) 900 ELKRIDGE LANDING RD, LINTHICUM, MD 21090 | HEALTHCARE | DE | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |
| (12) RIVERSIDE HEALTH OF DC, INC (46-1411713) 900 ELKRIDGE LANDING RD, LINTHICUM, MD 21090 | HEALTHCARE | DC | N/A | C CORPORATION | N/A | N/A | N/A | | ✓ |

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

| Return Reference - Identifier | Explanation |
|---|------------------------------------|
| SCHEDULE R, PART V, LINE 1C - CHESTER RIVER FOUNDATION INC. | RELATED ORGANIZATION CONTRIBUTION. |

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

University of Maryland Medical System Corporation and Subsidiaries
Years Ended June 30, 2024 and 2023
With Report of Independent Auditors

Ernst & Young LLP



University of Maryland Medical System Corporation and Subsidiaries

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2024 and 2023

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Report of Independent Auditors

The Board of Directors
University of Maryland Medical System Corporation

Opinion

We have audited the consolidated financial statements of University of Maryland Medical System Corporation and Subsidiaries (the Corporation), 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 (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation at June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free of material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary consolidating and combining/combined information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst + Young LLP

October 28, 2024

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

| | June 30 | |
|---|--------------|--------------|
| | 2024 | 2023 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 165,649 | \$ 274,721 |
| Assets limited as to use, current portion | 150,074 | 67,049 |
| Accounts receivable: | | |
| Patient accounts receivable, net | 839,158 | 634,459 |
| Other | 127,346 | 92,543 |
| Inventories | 98,409 | 100,781 |
| Prepaid expenses and other current assets | 84,440 | 35,542 |
| Total current assets | 1,465,076 | 1,205,095 |
| Investments | 1,612,389 | 1,490,962 |
| Assets limited as to use, less current portion | 666,572 | 750,672 |
| Property and equipment, net | 2,949,564 | 2,876,463 |
| Investments in joint ventures | 145,096 | 134,642 |
| Other assets | 577,985 | 559,429 |
| Total assets | \$ 7,416,682 | \$ 7,017,263 |
| Liabilities and net assets | | |
| Current liabilities: | | |
| Trade accounts payable | \$ 372,943 | \$ 294,022 |
| Accrued payroll and benefits | 359,083 | 314,725 |
| Advances from third-party payors | 181,919 | 186,984 |
| Lines of credit | — | 80,000 |
| Other current liabilities | 201,160 | 160,256 |
| Long-term debt subject to short-term refinancing agreements | 91,390 | — |
| Current portion of long-term debt | 34,059 | 32,115 |
| Total current liabilities | 1,240,554 | 1,068,102 |
| Long-term debt, less current portion | 1,736,659 | 1,864,194 |
| Other long-term liabilities | 583,405 | 547,832 |
| Interest rate swap liabilities | 55,170 | 70,350 |
| Total liabilities | 3,615,788 | 3,550,478 |
| Net assets: | | |
| Without donor restrictions | 3,445,024 | 3,226,247 |
| With donor restrictions | 355,870 | 240,538 |
| Total net assets | 3,800,894 | 3,466,785 |
| Total liabilities and net assets | \$ 7,416,682 | \$ 7,017,263 |

See accompanying notes to consolidated financial statements.

University of Maryland Medical System Corporation and Subsidiaries

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

| | Year Ended June 30 | |
|--|--------------------|--------------|
| | 2024 | 2023 |
| Operating revenue, gains, and other support: | | |
| Net patient service revenue | \$ 4,863,479 | \$ 4,682,343 |
| State and county support | 20,922 | 13,700 |
| Other revenue | 359,556 | 372,557 |
| Total operating revenue, gains, and other support | 5,243,957 | 5,068,600 |
| Operating expenses: | | |
| Salaries, wages, and benefits | 2,736,955 | 2,693,388 |
| Expendable supplies | 1,001,582 | 924,459 |
| Purchased services | 791,085 | 768,454 |
| Contracted services | 365,713 | 328,588 |
| Depreciation and amortization | 275,808 | 277,955 |
| Interest expense | 65,803 | 57,942 |
| Total operating expenses | 5,236,946 | 5,050,786 |
| Operating income | 7,011 | 17,814 |
| Nonoperating income and expenses, net: | | |
| Unrestricted contributions | 2,122 | 7,434 |
| Equity in net income of joint ventures | 7,194 | 5,209 |
| Investment income, net | 61,348 | 13,378 |
| Change in fair value of investments | 119,536 | 108,297 |
| Change in fair value of undesignated interest rate swaps | 13,916 | 35,020 |
| Other nonoperating losses, net | (38,894) | (25,859) |
| Excess of revenues over expenses | \$ 172,233 | \$ 161,293 |

Continued on page 6

University of Maryland Medical System Corporation and Subsidiaries

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

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|----------------------------------|-------------------------------|--------------|
| Balance at June 30, 2022 | \$ 3,041,971 | \$ 234,092 | \$ 3,276,063 |
| Excess of revenues over expenses | 161,293 | — | 161,293 |
| Investment gains, net | — | 4,565 | 4,565 |
| State support for capital | 17,094 | — | 17,094 |
| Contributions, net | 2,027 | 19,558 | 21,585 |
| Net assets released from restrictions used for operations and nonoperating activities | — | (9,473) | (9,473) |
| Net assets released from restrictions used for purchase of property and equipment | 3,948 | (3,948) | — |
| Change in economic and beneficial interests in the net assets of related organizations | 1,058 | (7,672) | (6,614) |
| Change in funded status of defined benefit pension plans | 11,300 | — | 11,300 |
| Other | (12,444) | 3,416 | (9,028) |
| Increase in net assets | 184,276 | 6,446 | 190,722 |
| Balance at June 30, 2023 | 3,226,247 | 240,538 | 3,466,785 |
| Excess of revenues over expenses | 172,233 | — | 172,233 |
| Investment gains, net | — | 17,646 | 17,646 |
| State support for capital | 27,000 | 75,795 | 102,795 |
| Contributions, net | — | 31,423 | 31,423 |
| Net assets released from restrictions used for operations and nonoperating activities | — | (8,435) | (8,435) |
| Net assets released from restrictions used for purchase of property and equipment | 10,265 | (10,265) | — |
| Change in economic and beneficial interests in the net assets of related organizations | 114 | 7,355 | 7,469 |
| Change in funded status of defined benefit pension plans | 6,065 | — | 6,065 |
| Other | 3,100 | 1,813 | 4,913 |
| Increase in net assets | 218,777 | 115,332 | 334,109 |
| Balance at June 30, 2024 | \$ 3,445,024 | \$ 355,870 | \$ 3,800,894 |

See accompanying notes to consolidated financial statements.

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Statements of Cash Flows (In Thousands)

| | Year Ended June 30 | |
|--|---------------------------|------------------|
| | 2024 | 2023 |
| Operating activities | | |
| Increase in net assets | \$ 334,109 | \$ 190,722 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 275,808 | 277,955 |
| Amortization of bond premium and deferred financing costs | (2,226) | (2,366) |
| Net realized gains and change in fair value of investments | (180,884) | (121,675) |
| Equity in net income of joint ventures | (7,194) | (5,209) |
| Change in economic and beneficial interests in net assets of related organizations | (5,873) | 6,163 |
| Change in fair value of interest rate swaps | (13,916) | (35,020) |
| Change in funded status of defined benefit pension plans | (6,065) | (11,300) |
| Restricted contributions, grants and other support, net | (151,864) | (24,123) |
| Gain on sale of home health agency | — | (3,500) |
| Change in operating assets and liabilities: | | |
| Patient accounts receivable | (204,699) | (62,850) |
| Other receivables, prepaid expenses, other current assets, and other assets | (104,463) | 133,453 |
| Inventories | 2,372 | (3,328) |
| Trade accounts payable, accrued payroll and benefits, other current liabilities, and other long-term liabilities | 155,368 | (104,168) |
| Advances from third-party payors | (5,065) | (79,137) |
| Net cash provided by operating activities | <u>85,408</u> | <u>155,617</u> |
| Investing activities | | |
| Purchases and sales of investments and assets limited as to use, net | 286,377 | 237,903 |
| Purchases of alternative investments | (144,855) | (169,987) |
| Sales of alternative investments | 58,312 | 139,103 |
| Purchases of property and equipment | (357,117) | (326,313) |
| Sale of home health agency, net cash proceeds | — | 4,753 |
| Contributions to joint ventures, net | (1,054) | (29,808) |
| Net cash used in investing activities | <u>(158,337)</u> | <u>(144,349)</u> |

Continued on page 8

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Statements of Cash Flows (continued)

(In Thousands)

| | Year Ended June 30 | |
|--|--------------------|-------------------|
| | 2024 | 2023 |
| Financing activities | | |
| Repayment of long-term debt and finance leases | \$ (31,975) | \$ (39,958) |
| Repayments of lines of credit, net | (80,000) | (1,000) |
| Restricted contributions, grants, and other support | 151,864 | 24,123 |
| Funds administered for others | 57,397 | — |
| UM Health Plan, LLC earnout proceeds | — | 939 |
| Net cash provided by (used in) financing activities | <u>97,286</u> | <u>(15,896)</u> |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | 24,357 | (4,628) |
| Cash, cash equivalents, and restricted cash, beginning of year | <u>369,795</u> | <u>374,423</u> |
| Cash, cash equivalents, and restricted cash, end of year | <u>\$ 394,152</u> | <u>\$ 369,795</u> |
| Cash and cash equivalents | \$ 165,649 | \$ 274,721 |
| Restricted cash included in assets limited as to use | <u>228,503</u> | <u>95,074</u> |
| Cash, cash equivalents, and restricted cash, end of year | <u>\$ 394,152</u> | <u>\$ 369,795</u> |
| Supplemental disclosures of cash flow information | | |
| Cash paid during the year for interest, net of amounts capitalized | <u>\$ 67,107</u> | <u>\$ 58,809</u> |
| Amount included in accounts payable for construction in progress | <u>\$ 40,556</u> | <u>\$ 48,764</u> |

See accompanying notes to consolidated financial statements.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements

(In Thousands)

June 30, 2024

1. Organization and Summary of Significant Accounting Policies

Organization

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

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

The accompanying consolidated financial statements include the accounts of the Corporation, its wholly owned subsidiaries, and entities controlled by the Corporation. In addition, the Corporation maintains equity interests in various unconsolidated joint ventures, which are described in Note 4.

The significant operating divisions of the Corporation are described in further detail below.

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

University of Maryland Medical Center (Medical Center)

The Medical Center, which is a major component of UMMS, is a 710-bed academic medical center located in Baltimore. The Medical Center has served as the teaching hospital of the School of Medicine of the University System of Maryland, Baltimore since 1823. As part of the privatization in 1984, only clinical faculty members of the School of Medicine may serve as medical staff of the Medical Center.

University of Maryland Medical System Corporation and Subsidiaries

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

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

The Medical Center is comprised of two operating divisions: University Hospital, which includes the Greenebaum Cancer Center, and Shock Trauma Center. University Hospital, which generates approximately 85% of the Medical Center's admissions and patient days, is a tertiary teaching hospital providing over 70 clinical services and programs. The Greenebaum Cancer Center specializes in the treatment of cancer patients and is a site for clinical cancer research. The Shock Trauma Center, which specializes in emergency treatment of patients suffering severe trauma, generates approximately 15% of admissions and patient days. The Medical Center also operates 36 South Paca Street, LLC, a wholly owned subsidiary that operates a residential apartment building.

The Corporation has certain agreements with various departments of the University of Maryland School of Medicine concerning the provision of professional and administrative services to the Corporation and its patients. Total expense under these agreements in the years ended June 30, 2024 and 2023 was approximately \$212,707 and \$201,509, respectively.

University of Maryland Rehabilitation and Orthopaedic Institute (ROI)

ROI is comprised of a medical/surgical and rehabilitation hospital in Baltimore with 138 licensed beds, which includes rehabilitation beds, chronic care beds, medical/surgical beds, and off-site physical therapy facilities.

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

University of Maryland Medical Center Midtown Campus (Midtown)

Midtown is located in Baltimore city and is comprised of University of Maryland Midtown Hospital (UM Midtown), with 138 licensed beds, including 116 acute care beds and 22 chronic care beds and a wholly owned subsidiary providing primary care.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

University of Maryland Baltimore Washington Medical System (Baltimore Washington)

Baltimore Washington is located in Anne Arundel County, a suburb of Baltimore city, and is a health system comprised of University of Maryland Baltimore Washington Medical Center (UM Baltimore Washington), a 307-bed acute care hospital providing a broad range of services, and several wholly owned subsidiaries providing emergency physician and other services.

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

University of Maryland Shore Regional Health (Shore Regional)

Shore Regional is a health system located on the Eastern Shore of Maryland. Shore Regional owns and operates University of Maryland Shore Medical Center at Easton (UM Easton), a 98-bed acute care hospital providing inpatient and outpatient services in Easton, Maryland; University of Maryland Shore Medical Center at Cambridge (UM Cambridge), a freestanding medical facility, providing outpatient services in Cambridge, Maryland; University of Maryland Shore Medical Center at Chestertown (UM Chester River), a 5-bed acute care hospital providing inpatient and outpatient services to the residents of Kent and Queen Anne's counties; Shore Emergency Center at Queenstown (Shore Emergency Center), a free-standing emergency center; and several other subsidiaries providing various outpatient and home care services.

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

University of Maryland Charles Regional Health (Charles Regional)

Charles Regional owns and operates University of Maryland Charles Regional Medical Center (UM Charles Regional), which is comprised of a 104-bed acute care hospital and other community healthcare resources providing inpatient and outpatient services to the residents of Charles County in Southern Maryland.

University of Maryland St. Joseph Health System (St. Joseph)

St. Joseph owns and operates University of Maryland St. Joseph Medical Center (UM St. Joseph), a 221-bed, Catholic acute care hospital located in Towson, Maryland, as well as other subsidiaries providing inpatient and outpatient services to the residents of Baltimore County.

University of Maryland Upper Chesapeake Health System (Upper Chesapeake)

Upper Chesapeake is a health system located in Harford County, Maryland. Upper Chesapeake's healthcare delivery system includes two acute care hospitals, University of Maryland Upper Chesapeake Medical Center (UM Upper Chesapeake), a 203-bed acute care hospital and University of Maryland Harford Memorial Hospital (UM Harford Memorial), a free-standing emergency and medical facility; a physician practice; and a land holding company. During fiscal year 2024, UM Harford Memorial was closed, and a new freestanding medical facility was opened, with inpatient activity transferring to UM Upper Chesapeake.

University of Maryland Capital Region Health (Capital Region)

Capital Region is a health system located in Prince George's County. Capital Region owns and operates UM Capital Region Medical Center (UM Capital Region), a 233-bed acute care teaching hospital and Level II Trauma Center; UM Laurel Medical Center (UM Laurel), a free standing medical facility providing emergency medicine and outpatient surgery; and UM Bowie Health Center (UM Bowie), a free standing medical facility providing emergency medicine and diagnostic imaging and lab services.

University of Maryland Medical System Foundation (UM Medicine Foundation)

The UM Medicine Foundation, a not-for-profit foundation, was established for the purpose of soliciting contributions on behalf of the Medical Center and certain other subsidiaries of UMMS.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

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.

Cash and Cash Equivalents

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

Investments and Assets Limited as to Use

The Corporation's investment portfolios, except alternative investments, are classified as trading and are reported in the consolidated balance sheets as long-term assets at June 30, 2024 and 2023. Investment income earnings on cash and short-term investments associated with business operations are recorded in other operating revenues. Unrealized holding gains and losses on trading securities with readily determinable market values, as well as alternative investments, are included in nonoperating income. Investment income related to long-term investments, including realized gains and losses, is included in nonoperating income in the accompanying consolidated statements of operations and changes in net assets.

Assets limited as to use include investments set aside for the replacement or acquisition of property and equipment, investments held by trustees under bond indenture agreements and self-insurance trust arrangements, and assets whose use is restricted by donors. Restricted investments are recorded in net assets with donor restrictions unless otherwise required by the donor or state law. UMMS serves as the Paymaster for the Maryland Health Services Cost Review Commission (HSCRC)'s Episode Quality Improvement Program, whereby UMMS receives and disburses awards earned under the Program. At June 30, 2024, the Corporation held \$81,024 of funds that are pending disbursement to Program beneficiaries, an amount that is included in current portion of assets limited as to use (Note 2) with an equal and offsetting liability recorded in other current liabilities. Assets limited as to use also includes the Corporation's economic interests in financially interrelated organizations (Note 11).

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

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

Fair Value Measurements

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

Cash and cash equivalents, accounts receivable, assets limited as to use, investments, trade accounts payable, accrued payroll and benefits, other accrued expenses, and advances from third-party payors – The carrying amounts reported in the consolidated balance sheets approximate the related fair values. Assets limited as to use and investments include managed funds, which include hedge funds, hedge fund-of-funds, multi-strategy commingled funds, private equity investments and other investments (collectively “alternative investments”) which do not have readily ascertainable fair values and may be subject to withdrawal restrictions. The Corporation applies Accounting Standards Update 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)*, to its alternative investments and pension plan assets. The guidance permits, as a practical expedient, fair value of investments within its scope to be estimated using the net asset value (NAV) or its equivalent. The alternative investments classified within the fair value hierarchy have been recorded using the NAV. These amounts are not required to be categorized in the fair value hierarchy. Fair value is based on the proportionate share of the NAV based on the most recent statements received for the fund managers.

The Corporation discloses its financial assets, financial liabilities, and fair value measurements of nonfinancial items according to the fair value hierarchy required by accounting principles generally accepted in the United States of America that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted

University of Maryland Medical System Corporation and Subsidiaries

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

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

quoted market prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices including within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

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

As of June 30, 2024 and 2023, the Level 2 assets and liabilities listed in the fair value hierarchy tables presented in Notes 2 and 10 utilize the following valuation techniques and inputs:

U.S. Government and agency securities

The fair value of investments in U.S. Government, state, and municipal obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads. U.S. Government and agency securities also include treasury notes that are based on quoted market prices in active markets.

University of Maryland Medical System Corporation and Subsidiaries

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

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

Corporate obligations

The fair value of investments in U.S. and international corporate bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options. The fair value of collateralized corporate obligations is primarily determined using techniques consistent with the income approach, such as a discounted cash flow model. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes. Corporate obligations also include commercial paper that is based on quoted market prices in active markets.

Derivative liabilities

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

Net Patient Service Revenue and Patient Accounts Receivable

In accordance with Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, net patient service revenue, which includes hospital inpatient services, hospital outpatient services, physician services, and other patient services revenue, is recorded at the transaction price estimated by the Corporation to reflect the total consideration due from patients and third-party payors (including commercial payors and government programs) and others. Revenue is recognized over time as performance obligations are satisfied in exchange for providing goods and services in patient care. Revenue is recorded as these goods and services are provided. The services provided to a patient during an inpatient stay or outpatient visit represent a bundle of goods and services that are distinct and accounted for as a single performance obligation.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

The Corporation's estimate of the transaction price includes the Corporation's standard charges for the goods and services provided, with a reduction recorded related to explicit price concessions for such items as contractual allowances, charity care, adjustments that may arise from payment and other reviews, and implicit price concessions, such as uncollectible amounts. The price concessions are determined using the portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. Based on historical experience, a significant portion of the self-pay population will be unable or unwilling to pay for services and only the amount anticipated to be collected is recognized in the transactions price. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenue in the period of change. Subsequent changes that are determined to be the result of an adverse change in the payor's or patient's ability to pay are considered bad debt expense and recorded within operating expenses in the Consolidated Statements of Operations and Changes in Net Assets and was not material for the years ended June 30, 2024 and 2023. Estimates for uncollectible amounts are based on the historical collections experience for similar payors and patients, current market conditions, and other relevant factors. The Corporation recognizes a significant amount of patient service revenue even though it does not assess the patient's ability to pay.

The standard charges for goods and services for the Medical Center, ROI, Midtown, Baltimore Washington, Shore Regional, Charles Regional, St. Joseph, Upper Chesapeake, and Capital Region reflects actual charges to patients based on rates regulated by the State of Maryland Health Services Cost Review Commission (HSCRC) in effect during the period in which the services are rendered. See Note 17 for further discussion on the HSCRC and regulated rates.

Patient accounts receivable consist primarily of amounts owed by various governmental agencies, insurance companies and patients and are recorded at the net realizable value based on certain assumptions determined by each payor. The Corporation reports patient accounts receivable at an amount equal to the consideration it expects to receive in exchange for providing healthcare services to its patients, which is estimated using contractual provisions associated with specific payors, historical reimbursement rates and analysis of past experience to estimate potential adjustments.

University of Maryland Medical System Corporation and Subsidiaries

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

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

The Corporation has elected to apply the optional exemption in ASC 606-10-50-14a, as all performance obligations relate to contracts with a duration of less than one year. Under this exemption, the Corporation was not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Any unsatisfied or partially unsatisfied performance obligations at the end of the year are completed within days or weeks of the end of the year.

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

| | Year Ended June 30 | |
|--|---------------------------|---------------------|
| | 2024 | 2023 |
| Hospital inpatient and outpatient services | \$ 4,520,934 | \$ 4,367,049 |
| Physician services | 326,722 | 305,467 |
| Other | 15,823 | 9,827 |
| Net patient service revenue | <u>\$ 4,863,479</u> | <u>\$ 4,682,343</u> |

Other Accounts Receivable

Other accounts receivable primarily includes receivables related to the hospital outpatient pharmacies, pharmacy rebate accruals, grants, and third-party contracts.

Inventories

Inventories, consisting primarily of drugs and medical/surgical supplies, are carried at the lower of cost or net realizable value.

Economic Interests in Financially Interrelated Organizations

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

Property and Equipment

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

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

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

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

Impairment of Long-Lived Assets

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

Investments in Joint Ventures

When the Corporation does not have controlling interest over the operating and financial policies of the investee, but has significant influence over an entity, the Corporation applies the equity method of accounting, and operating results flow through equity in net income of joint ventures in the nonoperating income and expenses, net section of the consolidated Statement of Operations and Changes in Net Assets. Dividends received are recorded as a reduction in the carrying amount of the investment. Investments in joint ventures are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the investment might not be recoverable.

Other Assets

Other Assets primarily includes reinsurance receivables (Note 15), Operating lease right of use (ROU) assets (Note 5), prepaid expenses, retirement plan assets and intangible assets, net of accumulated amortization.

Accrued Vacation

The Corporation's employees earn vacation days at varying rates depending on years of service. Vacation time accumulates up to certain limits, at which time no additional vacation hours can be earned. The Corporation records a liability within accrued payroll and benefits in the Consolidated Balance Sheets for amounts due to employees for future absences which are attributable to services performed in the current and prior periods.

Advances From Third-Party Payors

The Corporation receives advances from some of its third-party payors so that those payors can receive the stated prompt pay discount allowed for hospitals in the State of Maryland. Advances are recorded as a current liability in the consolidated balance sheets

Deferred Financing Costs

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

Derivative Financial Instruments

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

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

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

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

Self-Insurance

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

Net Assets

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

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the promise becomes unconditional. Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Such amounts are classified as other revenue or transfers and additions to property and equipment. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions on the accompanying consolidated statements of operations and changes in net assets. Contributed nonfinancial assets received from donors are subsequently monetized. Net assets also include endowments that are subject to donor-imposed restrictions that are to be maintained permanently by the Corporation.

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

University of Maryland Medical System Corporation and Subsidiaries

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

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

Charity Care

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

The amounts reported as charity care represent the cost of rendering such services. Costs incurred are estimated based on the cost to charge ratio for each hospital and applied to charity care charges. The Corporation estimates the total direct and indirect costs to provide charity care were approximately \$52,818 and \$51,325 for the years ended June 30, 2024 and 2023, respectively.

Other Operating Revenue

Other operating revenue consists of pharmacy prescription sales, cafeteria sales, grant revenues, net assets released from restriction, and other non-patient service revenue.

Nonoperating Income and Expenses, Net

Other activities that are only indirectly related to the Corporation's primary business of delivering healthcare services are recorded as nonoperating income and expenses, and include income earned on long-term investments, equity in the net income of joint ventures, general donations and fund-raising activities, changes in fair value of investments, changes in fair value of undesignated interest rate swaps, and settlement payments on interest rate swaps that do not qualify for hedge accounting treatment.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

Excess of Revenue over Expenses

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

Income Taxes

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

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

Commitments and Contingencies

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

Going Concern

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

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

Use of Estimates

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

Reclassifications

Certain prior year amounts in the footnotes to the consolidated financial statements have been reclassified to conform to the current year presentation.

New and Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*. The previous standard delays the recognition of a credit loss on a financial asset until the loss is probable of occurring. The new standard removes the requirement that a credit loss be probable of occurring for it to be recognized, and requires entities to use historical experience, current conditions, and reasonable and supportable forecasts to estimate their future expected credit losses. The standard is required to be applied using the modified retrospective approach with a cumulative-effect adjustment to net assets, if any, upon adoption. ASU 2016-13 was effective for the Corporation July 1, 2023. There was no significant impact on the Corporation's consolidated financial statements during the year ended June 30, 2024.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Investments and Assets Limited as to Use

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

| | June 30 | |
|--|------------|------------|
| | 2024 | 2023 |
| Investments held for collateral | \$ 4,419 | \$ 5,667 |
| Debt service and reserve funds | 55,845 | 54,279 |
| Construction funds – held by trustee | 91,906 | 195,843 |
| Construction funds – held by the Corporation | 52,262 | 102,828 |
| Board designated funds | – | 30,000 |
| Self-insurance trust funds | 289,634 | 245,536 |
| Funds restricted by donors | 182,353 | 130,238 |
| Economic and beneficial interests in the net assets of related organizations (Note 11) | 59,203 | 53,330 |
| Other assets limited as to use | 81,024 | – |
| Total assets limited as to use | 816,646 | 817,721 |
| Less amounts available for current liabilities | (150,074) | (67,049) |
| Total assets limited as to use, less current portion | \$ 666,572 | \$ 750,672 |

Assets limited as to use (short and long term) consisted of the following:

| | June 30 | |
|---------------------------------------|------------|------------|
| | 2024 | 2023 |
| Cash and cash equivalents | \$ 267,578 | \$ 183,526 |
| Corporate obligations | 15,336 | 73,129 |
| Fixed income funds | 21,904 | 21,235 |
| U.S. Government and agency securities | 48,950 | 135,043 |
| Common stocks, including mutual funds | 67,483 | 61,092 |
| Alternative investments | 49,894 | 48,012 |
| Assets held by other organizations | 345,501 | 295,684 |
| Total assets limited as to use | \$ 816,646 | \$ 817,721 |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Investments and Assets Limited as to Use (continued)

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

The related restricted cash and cash equivalents included in investments held for collateral, debt service and reserve funds, construction funds (held by trustee), funds restricted by donors, and other restricted use funds are included in the accompanying consolidated statements of cash flows for the years ended June 30, 2024 and 2023.

The carrying values of investments were as follows:

| | June 30 | |
|---------------------------------------|---------------------|---------------------|
| | 2024 | 2023 |
| Cash and cash equivalents | \$ 99,805 | \$ 204,856 |
| Corporate obligations | 35,604 | 41,764 |
| Fixed income funds | 114,145 | 51,589 |
| U.S. Government and agency securities | 123,270 | 131,370 |
| Common stocks | 488,734 | 471,822 |
| Alternative investments: | | |
| Hedge funds/private equity | 62,674 | 52,843 |
| Commingled funds | 688,157 | 536,718 |
| | <u>\$ 1,612,389</u> | <u>\$ 1,490,962</u> |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Investments and Assets Limited as to Use (continued)

Alternative investments include hedge fund, private equity, and commingled investment funds, which are valued using NAV as a practical expedient. As of June 30, 2024 and 2023, the majority of these alternative investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis. Approximately \$229,795 and \$91,619 of the alternative investments were subject to 31–60-day notice requirements and can only be redeemed monthly, quarterly, or annually as of June 30, 2024, and 2023, respectively. Other funds as of June 30, 2024, and 2023, totaling approximately \$88,985, and \$ 75,897, respectively, are subject to over 60-day notice requirements and can only be redeemed quarterly or annually. There is approximately \$38,455 and \$29,968 of other funds that are subject to lockup restrictions and are not available to be redeemed until certain time restrictions are met, which range from three to ten years as of June 30, 2024, and 2023, respectively. The Corporation had approximately \$76,928 and \$53,294 of unfunded commitments in alternative investments as of June 30, 2024 and 2023, respectively.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Investments and Assets Limited as to Use (continued)

The following table presents investments and assets limited as to use that are measured at fair value on a recurring basis at June 30, 2024:

| | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|------------------|------------------|---------------------|
| Assets | | | | |
| Investments: | | | | |
| Cash and cash equivalents | \$ 99,805 | \$ — | \$ — | \$ 99,805 |
| Corporate obligations | — | 35,604 | — | 35,604 |
| Fixed income funds | 114,145 | — | — | 114,145 |
| U.S. Government and agency securities | 79,441 | 43,829 | — | 123,270 |
| Common stocks, including mutual funds | 488,734 | — | — | 488,734 |
| | <u>\$ 782,125</u> | <u>\$ 79,433</u> | <u>\$ —</u> | <u>\$ 861,558</u> |
| Alternative investments, reported using NAV: | | | | |
| Hedge funds/private equity | | | | 62,674 |
| Commingled funds | | | | 688,157 |
| Total investments | | | | <u>\$ 1,612,389</u> |
| Assets limited as to use: | | | | |
| Cash and cash equivalents | \$ 267,578 | \$ — | \$ — | \$ 267,578 |
| Corporate obligations | 2,027 | 13,309 | — | 15,336 |
| Fixed income funds | 21,904 | — | — | 21,904 |
| U.S. Government and agency securities | 47,898 | 1,052 | — | 48,950 |
| Common stocks, including mutual funds | 67,483 | — | — | 67,483 |
| Economic and beneficial interests | — | — | 59,203 | 59,203 |
| | <u>\$ 406,890</u> | <u>\$ 14,361</u> | <u>\$ 59,203</u> | <u>\$ 480,454</u> |
| Alternative investments, reported using NAV: | | | | |
| Investments held by other organizations* | | | | 286,298 |
| Hedge funds/private equity | | | | 13,121 |
| Commingled funds | | | | 36,773 |
| | | | | <u>\$ 816,646</u> |

*“Investments held by other organizations” recorded using the NAV as a practical expedient include assets of the MMCIP Self-insurance Trust, which holds Level 1, Level 2 and alternative investments within its portfolios. Alternative investments include hedge fund, private equity, and commingled investment funds. As of June 30, 2024, the majority of these alternative investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Investments and Assets Limited as to Use (continued)

The following table presents investments and assets limited as to use that are measured at fair value on a recurring basis at June 30, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|------------------|------------------|------------------|
| Assets | | | | |
| Investments: | | | | |
| Cash and cash equivalents | \$ 204,856 | \$ — | \$ — | \$ 204,856 |
| Corporate obligations | 17,960 | 23,804 | — | 41,764 |
| Fixed income funds | 51,589 | — | — | 51,589 |
| U.S. Government and agency securities | 95,759 | 35,611 | — | 131,370 |
| Common stocks, including mutual funds | 471,822 | — | — | 471,822 |
| | <u>\$ 841,986</u> | <u>\$ 59,415</u> | <u>\$ —</u> | <u>901,401</u> |
| Alternative investments, reported using NAV: | | | | |
| Hedge funds/private equity | | | | 52,843 |
| Commingled funds | | | | 536,718 |
| Total investments | | | <u>\$</u> | <u>1,490,962</u> |
| Assets limited as to use: | | | | |
| Cash and cash equivalents | \$ 183,526 | \$ — | \$ — | \$ 183,526 |
| Corporate obligations | 16,945 | 56,184 | — | 73,129 |
| Fixed income funds | 21,235 | — | — | 21,235 |
| U.S. Government and agency securities | 134,680 | 363 | — | 135,043 |
| Common stocks, including mutual funds | 61,092 | — | — | 61,092 |
| Economic and beneficial interests | — | — | 53,330 | 53,330 |
| | <u>\$ 417,478</u> | <u>\$ 56,547</u> | <u>\$ 53,330</u> | <u>527,355</u> |
| Alternative investments, reported using NAV: | | | | |
| Investments held by other organizations* | | | | 242,354 |
| Hedge funds/private equity | | | | 15,643 |
| Commingled funds | | | | 32,369 |
| | | | <u>\$</u> | <u>817,721</u> |

*“Investments held by other organizations” recorded using the NAV as a practical expedient include assets of the MMCIP Self-insurance Trust, which holds Level 1, Level 2 and alternative investments within its portfolios. Alternative investments include hedge fund, private equity, and commingled investment funds. As of June 30, 2023, the majority of these alternative investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Investments and Assets Limited as to Use (continued)

Changes to Level 1 and Level 2 securities between June 30, 2024 and 2023 were the result of strategic investments and reinvestments, interest income earnings, and changes in the fair value of investments.

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

| | Year Ended June 30 | |
|---|---------------------------|-------------------|
| | 2024 | 2023 |
| Dividends and interest, net of fees | \$ 44,180 | \$ 30,823 |
| Net realized (losses) gains | 37,846 | (13,329) |
| Change in fair value of trading securities and alternative investments | 120,665 | 112,488 |
| Total investment return | <u>\$ 202,691</u> | <u>\$ 129,982</u> |

Total investment return is classified in the accompanying consolidated statements of operations and changes in net assets as follows:

| | Year Ended June 30 | |
|--|---------------------------|-------------------|
| | 2024 | 2023 |
| Other operating revenue | \$ 4,161 | \$ 3,742 |
| Nonoperating investment income, net | 61,348 | 13,378 |
| Change in fair value of unrestricted investments | 119,536 | 108,297 |
| Investment gains (losses) on net assets with donor restrictions | 17,646 | 4,565 |
| Total investment return | <u>\$ 202,691</u> | <u>\$ 129,982</u> |

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

3. Property and Equipment

The following is a summary of property and equipment:

| | June 30 | |
|--|---------------------|---------------------|
| | 2024 | 2023 |
| Land | \$ 206,705 | \$ 204,676 |
| Buildings | 2,377,325 | 2,123,014 |
| Building and leasehold improvements | 1,085,106 | 1,265,355 |
| Equipment | 1,892,095 | 2,479,644 |
| Construction in progress | 283,363 | 367,056 |
| | <u>5,844,594</u> | <u>6,439,745</u> |
| Less accumulated depreciation and amortization | (2,895,030) | (3,563,282) |
| | <u>\$ 2,949,564</u> | <u>\$ 2,876,463</u> |

During the year ended June 30, 2024 and 2023, the Corporation retired long-lived assets determined to have no future value. During 2024, the original cost and corresponding accumulated depreciation of these long-lived assets was \$963,174 and \$956,821, respectively. During 2023, the original cost and corresponding accumulated depreciation of these long-lived assets was \$10,237 and \$6,993, respectively. No proceeds from retirement were received in 2024 or 2023.

Interest cost capitalized was \$8,782 and \$11,552 for the years ended June 30, 2024 and 2023, respectively. Remaining contractual commitments on construction projects were approximately \$185,842 at June 30, 2024.

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

4. Investments in Joint Ventures

The Corporation has equity method investments valued at approximately \$145,096 and \$134,642 at June 30, 2024 and 2023, respectively, in the following unconsolidated joint ventures:

| | Ownership % | 2024 | 2023 |
|---|-------------|-------------------|-------------------|
| Mt. Washington Pediatric Hospital, Inc. (Mt. Washington) | 50% | \$ 79,581 | \$ 76,305 |
| Terrapin Insurance (Terrapin) | 50% | 975 | 975 |
| Other investments | Various | 64,540 | 57,362 |
| | | <u>\$ 145,096</u> | <u>\$ 134,642</u> |

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

| | 2024 | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Mt. Washington | Terrapin | Others | Total |
| Current assets | \$ 18,051 | \$ 459,871 | \$ 57,141 | \$ 535,063 |
| Noncurrent assets | 146,477 | — | 112,556 | 259,033 |
| Total assets | <u>\$ 164,528</u> | <u>\$ 459,871</u> | <u>\$ 169,697</u> | <u>\$ 794,096</u> |
| Current liabilities | \$ 19,077 | \$ 966 | \$ 13,111 | \$ 33,154 |
| Noncurrent liabilities | 2,810 | 456,955 | 26,915 | 486,680 |
| Net assets | 142,641 | 1,950 | 129,671 | 274,262 |
| Total liabilities and net assets | <u>\$ 164,528</u> | <u>\$ 459,871</u> | <u>\$ 169,697</u> | <u>\$ 794,096</u> |
| Total operating revenue | \$ 66,412 | \$ 37,342 | \$ 143,632 | \$ 247,386 |
| Total operating expenses | (70,798) | (63,193) | (120,775) | (254,766) |
| Total nonoperating (losses) gains, net | 8,647 | 25,851 | (3,225) | 31,273 |
| Contributions from (to) owners | — | — | 43,484 | 43,484 |
| Other changes in net assets, net | 1,833 | — | (3,721) | (1,888) |
| Increase in net assets | <u>\$ 6,094</u> | <u>\$ —</u> | <u>\$ 59,395</u> | <u>\$ 65,489</u> |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

4. Investments in Joint Ventures (continued)

| | 2023 | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Mt. Washington | Terrapin | Others | Total |
| Current assets | \$ 15,230 | \$ 439 | \$ 50,799 | \$ 66,468 |
| Noncurrent assets | 142,885 | 417,714 | 49,590 | 610,189 |
| Total assets | <u>\$ 158,115</u> | <u>\$ 418,153</u> | <u>\$ 100,389</u> | <u>\$ 676,657</u> |
| Current liabilities | \$ 14,754 | \$ 2,518 | \$ 7,491 | \$ 24,763 |
| Noncurrent liabilities | 6,659 | 413,685 | 22,622 | 442,966 |
| Net assets | 136,702 | 1,950 | 70,276 | 208,928 |
| Total liabilities and net assets | <u>\$ 158,115</u> | <u>\$ 418,153</u> | <u>\$ 100,389</u> | <u>\$ 676,657</u> |
| Total operating revenue | \$ 65,570 | \$ 48,408 | \$ 111,790 | \$ 225,768 |
| Total operating expenses | (68,508) | (58,379) | (92,806) | (219,693) |
| Total nonoperating (losses) gains, net | 5,657 | 9,971 | (2,838) | 12,790 |
| Contributions from (to) owners | — | — | (8,343) | (8,343) |
| Other changes in net assets, net | 2,675 | — | 1,077 | 3,752 |
| Increase in net assets | <u>\$ 5,394</u> | <u>\$ —</u> | <u>\$ 8,880</u> | <u>\$ 14,274</u> |

5. Leases

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

University of Maryland Medical System Corporation and Subsidiaries

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

5. Leases (continued)

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

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

The following table summarizes the components of operating and finance lease assets and liabilities classified as current and noncurrent on the accompanying consolidated balance sheets:

| | Consolidated Balance Sheet Classification | | June 30 2024 | 2023 |
|--------------------------------------|---|----|-----------------|-----------|
| Operating leases | | | | |
| Operating lease ROU assets | Other assets | \$ | 108,621 | \$ 92,700 |
| Operating lease obligation current | Other current liabilities | | (16,550) | (16,092) |
| Operating lease obligation long-term | Other long-term liabilities | | (94,054) | (80,473) |
| Finance leases | | | | |
| Finance lease ROU assets | Property and equipment, net | \$ | 36,581 | \$ 37,860 |
| Current finance lease liabilities | Other current liabilities | | (1,083) | (1,055) |
| Long-term finance lease liabilities | Other long-term liabilities | | (43,489) | (44,572) |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

5. Leases (continued)

The components of lease expense were as follows:

| | Year Ended June 30 | |
|-----------------------------------|---------------------------|-------------|
| | 2024 | 2023 |
| Finance lease expense: | | |
| Amortization of ROU assets | \$ 1,279 | \$ 1,065 |
| Interest on lease liabilities | 1,570 | 1,564 |
| Total finance lease expense | 2,849 | 2,629 |
| Operating lease expense | 19,928 | 19,681 |
| Short-term/variable lease expense | 12,909 | 15,370 |
| Total lease expense | \$ 35,686 | \$ 37,680 |

Commitments related to noncancelable operating and finance leases for each of the next five years and thereafter as of June 30, 2024 are as follows:

| | Operating | Finance |
|------------------------------|------------------|----------------|
| 2025 | \$ 20,091 | \$ 2,625 |
| 2026 | 19,472 | 2,522 |
| 2027 | 15,817 | 2,006 |
| 2028 | 13,430 | 2,006 |
| 2029 | 11,548 | 2,006 |
| Thereafter | 48,618 | 43,037 |
| Total | 128,976 | 54,202 |
| Less: Present value discount | (18,372) | (9,630) |
| Lease liabilities | \$ 110,604 | \$ 44,572 |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

5. Leases (continued)

The following table provides the cash paid for amounts included in the measurement of lease obligations:

| | Year Ended June 30 | |
|------------------|---------------------------|------------------|
| | 2024 | 2023 |
| Operating leases | \$ 19,837 | \$ 19,222 |
| Financing leases | 2,625 | 2,109 |
| Total cash paid | <u>\$ 22,462</u> | <u>\$ 21,331</u> |

Other information is as follows:

| | Year Ended June 30 | |
|--|---------------------------|-------------|
| | 2024 | 2023 |
| Weighted average remaining lease terms (in years): | | |
| Finance leases | 6.40 | 7.34 |
| Operating leases | 8.51 | 8.83 |
| Weighted average discount rate: | | |
| Finance leases | 3.50% | 3.48% |
| Operating leases | 3.52% | 2.79% |

During fiscal year 2024, the Corporation entered into a lease agreement with an expected commencement date effective in fiscal year 2025. The lease has a 15-year term with annual base rental payments starting at \$4,793 for the initial lease year, increasing at 3% per year.

6. Line of Credit

For the years ended June 30, 2024 and 2023, the Corporation had a \$250,000 revolving line of credit in place with a syndicate of banking partners. The line of credit has a three year term, and its current expiration date is August 23, 2025. Interest is calculated based on a variable rate option, at either a daily Base Rate or a 30-day term percentage based on the Secured Overnight Financing Rate (SOFR) plus a credit spread. As of June 30, 2024 and 2023, the amount outstanding on the line of credit was \$0 and \$80,000, respectively.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

7. Long-Term Debt and Other Borrowings

Long-term debt consists of the following:

| | Interest Rate | Payable in Fiscal Year(s) | June 30 2024 | 2023 |
|--|---------------|------------------------------|---------------------|---------------------|
| MHHEFA project revenue bonds: | | | | |
| Corporation issue, payments due annually: | | | | |
| Series 2021A/B Bonds | Variable rate | 2023–2043 ⁽¹⁾ | \$ 254,340 | \$ 262,405 |
| Series 2020B/D Bonds | 3.05%–5.00% | 2041–2051 ⁽¹⁾ | 752,680 | 752,680 |
| Series 2017D/E Bonds | 4.00%–4.17% | 2045–2049 | 189,965 | 189,965 |
| Series 2017B/C Bonds | 1.98%–5.00% | 2018–2040 | 202,845 | 219,405 |
| Series 2016A–F Bonds | Variable rate | 2017–2042 ⁽¹⁾ | 186,180 | 190,060 |
| Series 2015 Bonds | 3.00%–5.00% | 2016–2042 | 67,265 | 68,965 |
| Series 2013 Bonds | 4.00%–5.00% | 2014–2044 | 115,055 | 115,055 |
| Series 2008D/ Bonds | Variable rate | 2025–2042 | 50,000 | 50,000 |
| MHHEFA Pooled Loan Program | Variable rate | 2017–2035 | 12,350 | 13,300 |
| Other long-term debt: | | | | |
| Other loans, mortgages and notes payable | 3.25%–6.50% | Monthly, 2001–2026 | 6,892 | 7,714 |
| Total debt | | | 1,837,572 | 1,869,549 |
| Less current portion of long-term debt | | | (34,059) | (32,115) |
| Less long-term debt subject to short-term refinancing, due to mandatory tender in next 12 months | | | (91,390) | – |
| | | | 1,712,123 | 1,837,434 |
| Plus unamortized premiums | | | 34,842 | 37,935 |
| Less unamortized deferred financing costs | | | (10,306) | (11,175) |
| | | | <u>\$ 1,736,659</u> | <u>\$ 1,864,194</u> |

⁽¹⁾ Mandatory bond tender is scheduled to occur in the following fiscal years, unless extended or refinanced: 2016B (2027), 2016C (2029), 2016E (2027) 2016F (2029), 2020B-1 (2026), 2020B-2 (2028), 2021A (2028) and 2021B (2025).

University of Maryland Medical System Corporation and Subsidiaries

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

7. Long-Term Debt and Other Borrowings (continued)

Pursuant to an Amended and Restated Master Loan Agreement, dated August 1, 2022 (UMMS Master Loan Agreement), the Corporation and several of its subsidiaries have issued debt through Maryland Health and Higher Educational Facilities Authority (MHHEFA or the Authority). As security for the performance of the bond obligation under the Master Loan Agreement, the The Obligated Group under the UMMS Master Loan Agreement includes the Medical Center, ROI, UM Midtown, UM Baltimore Washington, Shore Health (UM Easton and UM Cambridge), UM Chester River, UM Charles Regional, UM St. Joseph, UM Upper Chesapeake, UM Harford Memorial, UM Capital Region, UM Laurel, UM Bowie, and the UM Medicine Foundation. Each member of the Obligated Group is jointly and severally liable for the repayment of the obligations under the UMMS Master Loan Agreement.

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

| | |
|------------|---------------------|
| 2025 | \$ 125,449 |
| 2026 | 113,408 |
| 2027 | 162,950 |
| 2028 | 248,575 |
| 2029 | 112,220 |
| Thereafter | <u>1,074,970</u> |
| | <u>\$ 1,837,572</u> |

The Corporation's Series 2008D Bonds are variable rate demand bonds requiring a remarketing agent to purchase and remarket any bonds tendered before the stated maturity date. The reimbursement obligations with respect to the letters of credit are evidenced and secured by the bonds. To provide liquidity support for the timely payment of any bonds that are not successfully remarketed, the Corporation has entered into a letter-of-credit agreement with a banking institution. The agreement has a term that expires in 2027. If the bonds are not successfully

University of Maryland Medical System Corporation and Subsidiaries

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

7. Long-Term Debt and Other Borrowings (continued)

remarketed, the Corporation is required to pay an interest rate specified in the letter-of-credit agreement, and the principal repayment of bonds may be accelerated to require repayment in 48 months from the date of the failed remarketing. The Corporation has reflected the amount of its long-term debt that is subject to these short-term remarketing arrangements within the consolidated balance sheet according to the maturity of the bond's related letter of credit agreements. In the event that bonds are not remarketed, the Corporation maintains available letters of credit and has the ability to access other sources to obtain the necessary liquidity to comply with accelerated repayment terms. All variable rate demand bonds were successfully remarketed as of June 30, 2024 and 2023.

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

| | June 30 | |
|----------------------------|---------|-------|
| | 2024 | 2023 |
| Series 2008D Bonds | 4.95% | 3.60% |
| Series 2016B Bonds | 4.79 | 4.59 |
| Series 2016C Bonds | 4.78 | 4.56 |
| Series 2016E Bonds | 5.02 | 4.89 |
| Series 2016F Bonds | 4.78 | 4.56 |
| Series 2021A Bonds | 4.42 | 4.55 |
| Series 2021B Bonds | 4.16 | 4.29 |
| MHHEFA Pooled Loan Program | 3.75 | 4.00 |

8. Interest Rate Risk Management

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

8. Interest Rate Risk Management (continued)

At June 30, 2024 and 2023, the Corporation's notional values of outstanding interest rate swaps and the corresponding mark-to-market values are as follows:

| | Notional Amount | Pay Rate | Receive Rate | Maturity Date | Mark to Market |
|-----------------------|--------------------|----------|-----------------------|------------------|--------------------|
| June 30, 2024 | | | | | |
| Swap #1 | \$ 59,423 | 3.59% | 70% of SOFR | 7/1/2031 | \$ (914) |
| Swap #2 | 84,000 | 3.93 | 68% of SOFR | 7/1/2041 | (9,502) |
| Swap #3 | 21,000 | 4.24 | 68% of SOFR | 7/1/2041 | (3,043) |
| Swap #4 | 25,275 | 3.99 | 67% of SOFR | 7/1/2034 | (1,477) |
| Swap #5 | 18,470 | 3.54 | 70% of SOFR | 7/1/2031 | (260) |
| Swap #6 | 196,000 | 3.93 | 68% of SOFR | 7/1/2041 | (14,327) |
| Swap #7 | 49,000 | 4.24 | 68% of SOFR | 7/1/2041 | (4,486) |
| Swap #8 | 58,950 | 4.00 | 67% of SOFR | 7/1/2034 | (1,395) |
| Swap #9 | 1,245 | 3.63 | 67% of SOFR | 7/1/2032 | (17) |
| Swap #10 | 82,500 | 3.92 | 67% of SOFR | 1/1/2043 | (4,267) |
| Swap #11 | - | 0.51 | 67% of SOFR + 0.5133% | 1/1/2038 | - |
| Swap #12 | 196,000 | 4.02 | 68% of SOFR | 10/1/2028 | (8,495) |
| Swap #13 | 49,000 | 4.33 | 68% of SOFR | 10/1/2028 | (2,781) |
| Swap #14 | 58,950 | 4.09 | 67% of SOFR | 10/1/2028 | (2,235) |
| Swap #15 | 82,500 | 3.99 | 67% of SOFR | 11/3/2028 | (3,420) |
| | | | | | (56,619) |
| Valuation adjustments | | | | | 1,449 |
| Total | | | | | <u>\$ (55,170)</u> |
| June 30, 2023 | | | | | |
| Swap #1 | \$ 70,512 | 3.59% | 70% of SOFR | 7/1/2031 | \$ (1,465) |
| Swap #2 | 84,000 | 3.93 | 68% of SOFR | 7/1/2041 | (12,758) |
| Swap #3 | 21,000 | 4.24 | 68% of SOFR | 7/1/2041 | (3,907) |
| Swap #4 | 27,225 | 3.99 | 67% of SOFR | 7/1/2034 | (2,004) |
| Swap #5 | 21,870 | 3.54 | 70% of SOFR | 7/1/2031 | (424) |
| Swap #6 | 196,000 | 3.93 | 68% of SOFR | 7/1/2041 | (18,612) |
| Swap #7 | 49,000 | 4.24 | 68% of SOFR | 7/1/2041 | (5,539) |
| Swap #8 | 63,550 | 4.00 | 67% of SOFR | 7/1/2034 | (1,722) |
| Swap #9 | 1,375 | 3.63 | 67% of SOFR | 7/1/2032 | (27) |
| Swap #10 | 85,950 | 3.92 | 67% of SOFR | 1/1/2043 | (5,452) |
| Swap #11 | 67,490 | 0.51 | 67% of SOFR + 0.5133% | 1/1/2038 | (467) |
| Swap #12 | 196,000 | 4.02 | 68% of SOFR | 10/1/2028 | (11,948) |
| Swap #13 | 49,000 | 4.33 | 68% of SOFR | 10/1/2028 | (3,780) |
| Swap #14 | 63,550 | 4.09 | 67% of SOFR | 10/1/2028 | (3,183) |
| Swap #15 | 85,950 | 3.99 | 67% of SOFR | 11/3/2028 | (4,883) |
| | | | | | (76,171) |
| Valuation adjustments | | | | | 5,821 |
| Total | | | | | <u>\$ (70,350)</u> |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

8. Interest Rate Risk Management (continued)

Swaps #6, #7, #8 and #10 are forward starting swaps, whereas cash settlements do not commence until their effective dates in October and November 2028.

As of July 1, 2023, swap payments based on the 1-month London Interbank Offered Rate (LIBOR) have transitioned to the applicable SOFR fallback rate. For 1-month LIBOR, the fallback rate is calculated as daily SOFR compounded over 30 days plus 0.11448%. UMMS implemented this transition with all of its swap counterparties by adhering to the International Swap and Derivatives Association 2020 LIBOR fallbacks protocol.

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

The Corporation recorded a net nonoperating gain on changes in the fair value of nonqualifying interest rate swaps of \$13,916 and \$35,020 for the years ended June 30, 2024 and 2023, respectively.

The swap agreements are included in the consolidated balance sheets at their fair value of \$55,170 and \$70,350 as of June 30, 2024 and 2023, respectively, an amount that is based on observable inputs other than quoted market prices in active markets for identical liabilities (Level 2 in the fair value hierarchy).

The Corporation is subject to a collateral posting requirement with two of its swap counterparties. Collateral posting requirements are based on the Corporation's long-term debt credit ratings, as well as the net liability position of total interest rate swap agreements outstanding with that counterparty. The amount of such posted collateral was \$4,419 and \$5,667 at June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, the Corporation met its collateral posting requirement through the use of collateralized investments and cash equivalents, which were selected and purchased by the Corporation and subsequently transferred to the custody of the swap counterparty. The amount of posted investments that is required to meet the collateral requirement is computed daily and is accounted for as a component of the Corporation's assets limited as to use on the accompanying consolidated balance sheets as of that date. Any excess investment value is considered a component of the Corporation's unrestricted investment portfolio and is included in investments on the accompanying consolidated balance sheets as of that date.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans

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

Defined Benefit Plans

The Corporation's defined benefit plans include the following:

University of Maryland Medical Center Midtown Campus Retirement Plan for Non-Union Employees (Midtown Plan) – A noncontributory defined benefit plan covering substantially all nonunion employees. In 2006, Midtown froze the defined benefit pension plan.

Civista Health Inc. Retirement Plan and Trust (Charles Regional Plan) – A noncontributory defined benefit pension plan covering employees that have worked at least one thousand hours per year during three or more plan years.

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

On June 30, 2015, the Corporation amended the Baltimore Washington Medical Center Pension Plan to provide for the merger of the Midtown Plan and the Charles Regional Plan into the Baltimore Washington Plan and to change the name of the newly consolidated plan to the University of Maryland Medical System Corporate Pension Plan (the Corporate Plan). All provisions of the respective previous plans shall continue to apply to the respective applicable participants. All of the assets of the three formerly separate plans are now available to pay benefits for all participants under the newly consolidated Corporate Plan. In 2018, Baltimore Washington closed the defined benefit pension plan to new hires.

Effective December 31, 2022, the benefit accruals in both the Baltimore Washington and Charles Regional (non-union only) plans were frozen.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans (continued)

Dimensions Health Corporation Pension Plan (Capital Region Pension Plan) – A noncontributory defined benefit pension plan covering substantially all employees. For employees not covered under collective-bargaining agreements and employees who are represented by the 1199 SEIU Health Care Workers East – Health Care Workers union (formerly District 1199E-DC, SEIU union and formerly Local No. 63 union), the Plan operates as a cash balance plan. On December 31, 2007, the Capital Region Pension Plan was frozen. Effective August 30, 2023, all non-union Capital Region Pension Plan participants were spun off into a separate plan. In February 2024, UMMS terminated the non-union Capital Region Pension Plan and incurred a \$11,100 settlement charge recorded in other nonoperating losses on the consolidated statement of operations and changes in net assets.

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans (continued)

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

| | June 30 | |
|--|-------------------|-------------------|
| | 2024 | 2023 |
| Change in projected benefit obligations | | |
| Benefit obligations at beginning of year | \$ 331,858 | \$ 360,582 |
| Settlements | (182,243) | (1,258) |
| Service cost | 331 | 1,333 |
| Interest cost | 14,407 | 17,214 |
| Actuarial (gain) and other | (240) | (21,770) |
| Benefit payments | (17,417) | (24,243) |
| Projected benefit obligations at end of year | <u>\$ 146,696</u> | <u>\$ 331,858</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ 355,759 | \$ 374,003 |
| Actual return on plan assets | 6,440 | (1,114) |
| Settlements | (184,797) | — |
| Employer contributions | 4,308 | 7,114 |
| Benefit payments | (17,417) | (24,244) |
| Fair value of plan assets at end of year | <u>\$ 164,293</u> | <u>\$ 355,759</u> |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans (continued)

The funded status of the plans and amounts recognized as other assets in the accompanying consolidated balance sheets are as follows:

| | June 30 | |
|---|--------------------|--------------------|
| | 2024 | 2023 |
| Funded status, end of period: | | |
| Fair value of plan assets | \$ 164,293 | \$ 355,759 |
| Projected benefit obligations | 146,696 | 331,858 |
| Net funded status | <u>\$ 17,597</u> | <u>\$ 23,901</u> |
| Accumulated benefit obligation at end of year | <u>\$ 146,538</u> | <u>\$ 331,767</u> |
| Amounts recognized in consolidated balance sheets at June 30: | | |
| Accrued pension asset | \$ 17,597 | \$ 23,901 |
| | <u>\$ 17,597</u> | <u>\$ 23,901</u> |
| Amounts recognized in net assets without donor restrictions at June 30: | | |
| Net actuarial loss | \$ (36,190) | \$ (42,255) |
| Prior service cost | — | — |
| | <u>\$ (36,190)</u> | <u>\$ (42,255)</u> |

The estimated amounts that will be amortized from net assets without donor restrictions into net periodic pension cost in fiscal year 2025 are as follows:

| | |
|--------------------|-----------------|
| Net actuarial loss | \$ 3,877 |
| Prior service cost | — |
| | <u>\$ 3,877</u> |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans (continued)

The components of net periodic benefit cost are as follows:

| | Year Ended June 30 | |
|--------------------------------|---------------------------|-----------------|
| | 2024 | 2023 |
| Service cost | \$ 331 | \$ 1,333 |
| Interest cost | 14,407 | 17,214 |
| Expected return on plan assets | (11,661) | (15,051) |
| Prior service cost recognized | — | 841 |
| Recognized losses | 13,601 | 3,596 |
| Net periodic benefit cost | <u>\$ 16,678</u> | <u>\$ 7,933</u> |

Components of net benefit cost other than the service cost of \$331 and \$1,333 in 2024 and 2023, respectively, were recorded in other nonoperating losses, net in the accompanying consolidated statements of operations and changes in net assets for the years ended June 30, 2024 and 2023. Service cost is included as a component of fringe benefits, which is recorded as salaries, wages, and benefits in the accompanying consolidated statements of operations and changes in net assets.

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

| | June 30 | |
|--|----------------|-------------|
| | 2024 | 2023 |
| Discount rate | 5.49–5.78% | 5.53%–5.67% |
| Rate of compensation increase (for nonfrozen plan) | — | 3.00% |
| Interest crediting rate | 3.00–5.05% | 3.00%–5.00% |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans (continued)

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

| | Year Ended June 30 | |
|--|---------------------------|-------------|
| | 2024 | 2023 |
| Discount rate | 5.53–5.67% | 4.37%–5.55% |
| Rate of compensation increase (for nonfrozen plan) | 0.00–3.00% | 0.00–3.00% |
| Expected long-term return on plan assets | 4.00–4.50% | 4.15% |

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

The Corporation's pension plans' target allocation and weighted average asset allocations at the measurement date of June 30, 2024 and 2023, by asset category, are as follows:

| Asset Category | Target Allocation | Percentage of Plan Assets as of June 30 | |
|----------------------------|--------------------------|--|-------------|
| | | 2024 | 2023 |
| Cash and cash equivalents | 0%–20% | 14.59% | 18.15% |
| Fixed income securities | 75%–90% | 80.13 | 76.93 |
| Equity securities | 0%–10% | 5.27 | 4.87 |
| Hedge funds/private equity | 0%–20% | 0.01 | 0.05 |
| | | 100.00% | 100.00% |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Retirement Plans (continued)

The target allocations for equity and fixed income securities include investments in commingled funds that are categorized in accordance with each fund's respective investment holdings.

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

| | Level 1 | Level 2 | Level 3 | Investments Reported at NAV* | Total |
|--|------------------|-------------|-------------|------------------------------------|-------------------|
| June 30, 2024 | | | | | |
| Cash and cash equivalents | \$ 24,945 | \$ — | \$ — | \$ — | \$ 24,945 |
| Fixed income funds | 5,570 | — | — | — | 5,570 |
| Common stocks, including mutual funds | 7,691 | — | — | — | 7,691 |
| Alternative investments: | | | | | |
| Hedge funds/private equity | — | — | — | 22 | 22 |
| Commingled funds | — | — | — | 126,065 | 126,065 |
| | <u>\$ 38,206</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 126,087</u> | <u>\$ 164,293</u> |
| June 30, 2023 | | | | | |
| Cash and cash equivalents | \$ 66,776 | \$ — | \$ — | \$ — | \$ 66,776 |
| Common stocks, including mutual funds | 14,900 | — | — | — | 14,900 |
| Alternative investments: | | | | | |
| Hedge funds/private equity | — | — | — | 188 | 188 |
| Commingled funds | — | — | — | 273,895 | 273,895 |
| | <u>\$ 81,676</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 274,083</u> | <u>\$ 355,759</u> |

*Fund investments reported at NAV as practical expedient.

University of Maryland Medical System Corporation and Subsidiaries

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

9. Retirement Plans (continued)

Alternative investments include hedge funds and commingled investment funds. The majority of these alternative investments held as of June 30, 2024 are subject to notice requirements of 30 days or less and are available to be redeemed on at least a monthly basis. The Corporation had no unfunded commitments as of June 30, 2024 and 2023.

The Corporation expects to contribute \$195 to its defined benefit pension plans for the fiscal year ended June 30, 2025.

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

| | | |
|-----------|----|--------|
| 2025 | \$ | 11,816 |
| 2026 | | 12,087 |
| 2027 | | 11,849 |
| 2028 | | 11,944 |
| 2029 | | 11,588 |
| 2030–2034 | | 52,479 |

The expected benefits to be paid are based on the same assumptions used to measure the Corporation's benefit obligation at June 30, 2024.

Defined Contribution Plans

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

Total annual retirement costs incurred by the Corporation for the previously discussed defined contribution plans were \$60,810 and \$54,237 for the years ended June 30, 2024 and 2023, respectively. Such amounts are included in salaries, wages, and benefits in the accompanying consolidated statements of operations and changes in net assets.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

10. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30 are restricted to:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Subject to expenditures for a specified purpose: | | |
| Facility construction and renovations, research, education, and other | \$ 241,308 | \$ 131,849 |
| Economic and beneficial interests in the net assets of related organizations | 59,203 | 53,330 |
| Total subject to expenditure for a specified purpose | <u>300,511</u> | <u>185,179</u> |
| Funds, cash and securities held into perpetuity: | | |
| Health care services | 55,359 | 55,359 |
| Total held into perpetuity | <u>55,359</u> | <u>55,359</u> |
| Total net assets with donor restrictions | <u>\$ 355,870</u> | <u>\$ 240,538</u> |

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

| | Year Ended June 30 | |
|--|---------------------------|------------------|
| | 2024 | 2023 |
| Purchases of equipment and construction costs | \$ 10,265 | \$ 3,948 |
| Research, education, uncompensated care, and other | 8,435 | 9,473 |
| | <u>\$ 18,700</u> | <u>\$ 13,421</u> |

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted Uniform Prudent Management of Institutional Funds Act (UPMIFA) in the State of Maryland as requiring the preservation of the fair value of the original gift as the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as net assets with donor restrictions (a) the original value of gifts donated to the

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

11. Economic and Beneficial Interests in the Net Assets of Related Organizations

endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

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

| | June 30 | |
|---|-----------|-----------|
| | 2024 | 2023 |
| Economic interests in: | | |
| The James Lawrence Kernan Hospital Endowment Fund, Incorporated | \$ 43,028 | \$ 37,636 |
| Baltimore Washington Medical Center Foundation, Inc. | 10,491 | 10,316 |
| Total economic interests | 53,519 | 47,952 |
| Beneficial interest in the net assets of: | | |
| Dorchester General Hospital Foundation, Inc. | 4,355 | 4,049 |
| University of Maryland Capital Region Health Foundation, Inc. | 1,267 | 1,267 |
| Laurel Regional Hospital Auxiliary, Inc. | 62 | 62 |
| | \$ 59,203 | \$ 53,330 |

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

11. Economic and Beneficial Interests in the Net Assets of Related Organizations (continued)

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

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

University of Maryland Capital Region Health Foundation, Inc. and the Laurel Regional Hospital Auxiliary, Inc. were established to solicit contributions from the general public solely for the funding of capital acquisitions and operations of the associated Capital Region hospitals. Capital Region does not have control over the policies or decisions of these entities.

12. State and County Support

The Corporation received \$9,910 and \$3,700 in support for the Shock Trauma Center operations from the State of Maryland for the years ended June 30, 2024 and 2023, respectively.

The Corporation received \$11,012 and \$10,000 in support for Capital Region operations from the State of Maryland for the years ended June 30, 2024 and 2023, respectively.

The State of Maryland appropriates funds for construction costs incurred, equipment purchases made, and other capital support. The Corporation recorded \$102,795 and \$17,094 during the years ended June 30, 2024 and 2023, respectively within state support for capital on the statement of changes in net assets.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

13. Functional Expenses

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

| | Healthcare Services | | | Shared | | |
|---------------------------------|--------------------------|--------------------|------------------------|-----------------------|-----------------------|---------------------|
| | Hospital & Ambulatory | Retail Pharmacy | Physician Practices | Services and Other | Eliminations | Total |
| Year ended June 30, 2024 | | | | | | |
| Operating expenses: | | | | | | |
| Salaries, wages, and benefits | \$ 2,005,243 | \$ 9,714 | \$ 351,770 | \$ 599,426 | \$ (229,198) | \$ 2,736,955 |
| Expendable supplies | 756,100 | 171,555 | 67,695 | 13,667 | (7,435) | 1,001,582 |
| Purchased services: | | | | | | |
| Purchased services | 1,083,383 | 18,209 | 74,861 | 339,353 | (724,721) | 791,085 |
| Contracted services | 392,175 | — | 35,650 | 66 | (62,178) | 365,713 |
| Depreciation and amortization | 267,634 | — | 2,057 | 6,117 | — | 275,808 |
| Interest expense | 65,803 | — | — | — | — | 65,803 |
| Total operating expenses | <u>\$ 4,570,338</u> | <u>\$ 199,478</u> | <u>\$ 532,033</u> | <u>\$ 958,629</u> | <u>\$ (1,023,532)</u> | <u>\$ 5,236,946</u> |

| | Healthcare Services | | | Shared | | |
|---------------------------------|--------------------------|--------------------|------------------------|-----------------------|---------------------|---------------------|
| | Hospital & Ambulatory | Retail Pharmacy | Physician Practices | Services and Other | Eliminations | Total |
| Year ended June 30, 2023 | | | | | | |
| Operating expenses: | | | | | | |
| Salaries, wages, and benefits | \$ 2,003,080 | \$ 8,846 | \$ 334,076 | \$ 567,457 | \$ (220,071) | \$ 2,693,388 |
| Expendable supplies | 716,372 | 145,694 | 54,466 | 10,650 | (2,723) | 924,459 |
| Purchased services: | | | | | | |
| Purchased services | 1,010,343 | 17,515 | 71,724 | 337,978 | (669,106) | 768,454 |
| Contracted services | 353,736 | — | 31,344 | 8 | (56,500) | 328,588 |
| Depreciation and amortization | 264,626 | — | 2,305 | 11,024 | — | 277,955 |
| Interest expense | 57,942 | — | — | — | — | 57,942 |
| Total operating expenses | <u>\$ 4,406,099</u> | <u>\$ 172,055</u> | <u>\$ 493,915</u> | <u>\$ 927,117</u> | <u>\$ (948,400)</u> | <u>\$ 5,050,786</u> |

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

14. Liquidity and Availability of Resources

The Corporation had financial assets available to management for general expenditure within one year of the financial reporting date, or June 30, 2024 and 2023, as follows:

| | 2024 | 2023 |
|--|--------------|--------------|
| Cash and cash equivalents | \$ 165,649 | \$ 274,721 |
| Receivables, net | 966,504 | 727,002 |
| Assets limited as to use – board designated | – | 30,000 |
| Investments | 1,612,389 | 1,490,962 |
| Total financial assets available within one year | 2,744,542 | 2,522,685 |
| Less: | | |
| Amounts unavailable for general expenditures within one year due to: | | |
| Alternative investments subject to lockup restrictions | 38,455 | 29,968 |
| Total financial assets available to management for general expenditure within one year | \$ 2,706,087 | \$ 2,492,717 |

15. Insurance

The Corporation maintains self-insurance programs for professional and general liability risks, employee health, employee long-term disability, and workers' compensation with accrued liabilities included in other liabilities on the accompanying consolidated balance sheets. The accrued liabilities for these programs were as follows:

| | June 30 | |
|--------------------------------------|------------|------------|
| | 2024 | 2023 |
| Professional and general liabilities | \$ 451,024 | \$ 425,660 |
| Employee health | 23,870 | 14,417 |
| Employee long-term disability | 1,645 | 2,185 |
| Workers' compensation | 24,576 | 26,854 |
| Total self-insured liabilities | 501,115 | 469,116 |
| Less: current portion | (63,335) | (56,295) |
| | \$ 437,780 | \$ 412,821 |

University of Maryland Medical System Corporation and Subsidiaries

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

15. Insurance (continued)

The Corporation provides for and funds the present value of the costs for professional and general liability claims and insurance coverage related to the projected liability from asserted and unasserted incidents, which the Corporation believes may ultimately result in a loss. In management's opinion, these accruals provide an adequate and appropriate loss reserve. The professional and general malpractice liabilities presented above include \$321,739 and \$297,272 as of June 30, 2024 and 2023, respectively, for which related insurance receivables have been recorded within other assets on the accompanying consolidated balance sheets.

The Corporation and each of its affiliates are self-insured for professional and general liability claims up to the limits of \$1,000 on individual claims and \$3,000 in the aggregate on an annual basis. For amounts in excess of these limits, the risk of loss has been transferred to Terrapin, an unconsolidated joint venture. Terrapin provides insurance for claims in excess of \$1,000 individually and \$3,000 in the aggregate up to \$164,000 individually and \$227,000 in the aggregate under claims made policies between the Corporation and Terrapin. For claims in excess of Terrapin's coverage limits, if any, the Corporation retains the risk of loss.

As discussed in Note 4, Terrapin is a joint venture corporation in which a 50% equity interest is owned by the Corporation and a 50% equity interest is owned by University of Maryland Faculty Physicians, Inc.

Total malpractice insurance expense, net of investment return on self-insurance trust funds, for the Corporation during the years ended June 30, 2024 and 2023, was approximately \$44,492 and \$63,970, respectively.

16. Business and Credit Concentrations

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

16. Business and Credit Concentrations (continued)

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

The Corporation had receivables from patients and third-party payors as follows:

| | June 30 | |
|-------------------------------|----------------|-------------|
| | 2024 | 2023 |
| Medicare | 32% | 29% |
| Medicaid | 26 | 29 |
| Commercial insurance and HMOs | 32 | 33 |
| Self-pay and others | 10 | 9 |
| | 100% | 100% |

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

| | Year Ended June 30 | |
|-------------------------------|---------------------------|-------------|
| | 2024 | 2023 |
| Medicare | 42% | 42% |
| Medicaid | 23 | 23 |
| Commercial insurance and HMOs | 31 | 30 |
| Self-pay and others | 4 | 5 |
| | 100% | 100% |

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

17. Certain Significant Risks and Uncertainties

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

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

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

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

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

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

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

17. Certain Significant Risks and Uncertainties (continued)

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

The Corporation recognizes the increasing importance of cybersecurity in today's digital landscape. As a result, the Corporation has implemented various measures to mitigate the risk of cyber threats and protect our systems and data as well as monitor the risks that our vendors have. However, we understand that no system is completely immune to cyberattacks, and there is a possibility that an unauthorized access, data breach, or other cybersecurity incident may occur at either one of our systems or at one of vendors' systems. In the event of a significant cyber incident, there could be a significant impact to the Corporation's future operating results, financial condition, or liquidity. However, to mitigate the potential impact to the Corporation if such an event were to occur, the Corporation maintains cyber insurance coverage. While we believe our cybersecurity measures and our vendors' measures are robust, there can be no assurance that they will prevent all cyber threats or that there will not be a cyber incident in the future that may not have a significant adverse effect on our financial condition, liquidity, or results of operations.

In February 2024, one of the Corporation's vendors, Change Healthcare, experienced a cybersecurity event. Change Healthcare provides billing process assistance to the Corporation. Upon learning of this event, the Corporation immediately ceased all digital communications and connections with Change Healthcare, which hindered the Corporation's ability to transmit billing information to its patients and relevant third-party payors. Consequently, this disruption led to an increase in the Corporation's accounts receivables and a decline in cash flows.

To mitigate the impact on operational cash flows, the Corporation accessed its revolving line of credit periodically during the disruption, ensuring that all disbursements were made in a timely manner. As of June 30, 2024, no outstanding balances remained on the revolving line of credit. The Corporation has included provisions for the financial impact of these events in its consolidated financial statements and, while the Corporation incurred operational interruptions associated with the event, it believes that the resolution of this matter, based on the facts available to us at this

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

17. Certain Significant Risks and Uncertainties (continued)

time, will not have a material adverse effect on the consolidated financial statements. This disclosure does not account for any potential future developments, such as fines, claims, or other unforeseen issues related to this event.

18. Maryland Health Services Cost Review Commission

Effective July 1, 2013, the Health System and the HSCRC agreed to implement the Global Budget Revenue (GBR) methodology for the following hospitals: Medical Center, ROI, UM Midtown, UM Baltimore Washington, UM Charles Regional, UM St. Joseph, UM Easton, UM Cambridge, UM Chester River, Shore Emergency Center, UM Upper Chesapeake, UM Harford Memorial, UM Upper Chesapeake Medical Center Aberdeen, UM Capital Region, UM Laurel, and UM Bowie. The agreements will continue each year and on July 1 of each year thereafter; the agreements will renew for a one-year period unless they are canceled by the HSCRC or by the Corporation. The agreements were in place for the years ended June 30, 2024 and 2023. The GBR model is a revenue constraint and quality improvement system designed by the HSCRC to provide hospitals with strong financial incentives to manage their resources efficiently and effectively in order to slow the rate of increase in healthcare costs and improve healthcare delivery processes and outcomes. The GBR model is consistent with the Corporation's mission to provide the highest value of care possible to its patients and the communities it serves.

The GBR agreements establish a prospective, fixed revenue base "GBR cap" for the upcoming year. This includes both inpatient and outpatient regulated services. Under GBR, a hospital's revenue for all HSCRC regulated services is predetermined for the upcoming year, regardless of changes in volume, service mix intensity, or mix of inpatient or outpatient services that occurred during the year. The GBR agreement allows the Corporation to adjust unit rates, within certain limits, to achieve the overall revenue base for the Corporation at year-end. Any overcharge or undercharge versus the GBR cap is prospectively subtracted from the subsequent year's GBR cap. Although the GBR cap is fixed each year, it does not adjust for changes in volume or service mix. The GBR cap is also adjusted annually for inflation, and for changes in payor mix and uncompensated care. The Corporation will receive an annual adjustment to its cap for the change in population in the Corporation's service areas. GBR is designed to encourage hospitals to operate efficiently by reducing excess utilization and managing patients in the appropriate care delivery setting. The HSCRC also may impose various other revenue adjustments, which could be significant in the future.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

19. Subsequent Events

The Corporation evaluated all events and transactions that occurred after June 30, 2024 and through October 28, 2024, the date the consolidated financial statements were issued. The Corporation did not have any material subsequent events during the period.

Supplementary Information

University of Maryland Medical System Corporation and Subsidiaries

Consolidating Balance Sheet by Division
(In Thousands)

June 30, 2024

| | Medical Center & Affiliates | Rehabilitation & Orthopaedic Institute | Baltimore Washington | Shore Regional | St. Joseph | Charles Regional | Upper Chesapeake | Capital Region | Shared Services and Other | Eliminations | Consolidated Total |
|---|--------------------------------|--|-------------------------|-------------------|------------|---------------------|---------------------|-------------------|---------------------------------|--------------|-----------------------|
| Assets | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 19,896 | \$ 6,802 | \$ 3,337 | \$ 56,630 | \$ 4,081 | \$ 11,108 | \$ 3,041 | \$ 4,151 | \$ 56,603 | \$ — | \$ 165,649 |
| Assets limited as to use, current portion | 81,024 | — | — | — | — | — | — | — | 69,050 | — | 150,074 |
| Accounts receivable: | | | | | | | | | | | |
| Patient accounts receivable, net | 476,888 | 19,986 | 66,976 | 54,434 | 63,536 | 26,367 | 67,386 | 63,433 | — | (1,848) | 839,158 |
| Other | 60,065 | — | 2,448 | 4,137 | 3,218 | 1,997 | 3,244 | 16,364 | 345,468 | (309,395) | 127,346 |
| Inventories | 56,724 | 1,815 | 6,591 | 4,003 | 4,929 | 1,743 | 8,560 | 8,292 | 5,752 | — | 98,409 |
| Prepaid expenses and other current assets | 4,952 | 319 | 2,436 | 332 | 493 | 163 | 503 | 14,720 | 60,522 | — | 84,440 |
| Total current assets | 699,549 | 28,922 | 81,788 | 119,536 | 78,257 | 41,378 | 82,734 | 106,960 | 537,395 | (311,443) | 1,463,076 |
| Investments | 543,523 | 55,279 | 223,267 | 215,626 | 21,832 | 32,837 | 385,623 | 3,459 | 130,943 | — | 1,612,389 |
| Assets limited as to use, less current portion | 132,096 | 51,994 | 10,491 | 85,929 | 27,352 | 8,878 | 55,953 | 3,906 | 298,135 | (8,162) | 666,572 |
| Property and equipment, net | 811,427 | 36,763 | 256,485 | 176,159 | 243,088 | 111,836 | 441,252 | 626,172 | 246,412 | — | 2,949,564 |
| Investments in joint ventures | — | 16,977 | — | 960 | 13,399 | 4,600 | 6,396 | 15,010 | 86,276 | (522) | 145,096 |
| Other assets | 173,686 | 10,486 | 1,710 | 36,682 | 33,210 | 5,846 | 74,132 | 7,234 | 411,095 | (176,096) | 577,985 |
| Total assets | \$ 2,360,281 | \$ 200,421 | \$ 573,741 | \$ 634,892 | \$ 419,108 | \$ 205,375 | \$ 1,046,090 | \$ 762,741 | \$ 1,710,256 | \$ (496,223) | \$ 7,416,682 |
| Liabilities and net assets | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | |
| Trade accounts payable | \$ 84,746 | \$ 6,643 | \$ 11,551 | \$ 9,094 | \$ 15,502 | \$ 6,733 | \$ 16,792 | \$ 26,915 | \$ 194,967 | \$ — | \$ 372,943 |
| Accrued payroll and benefits | 32,116 | 1,011 | 8,200 | 8,029 | 12,984 | 2,961 | 10,688 | 6,200 | 276,894 | — | 359,083 |
| Advances from third-party payors | 105,352 | 5,558 | 14,366 | 9,064 | 13,231 | 5,263 | 11,356 | 17,730 | (1) | — | 181,919 |
| Lines of credit | — | — | — | — | — | — | — | — | — | — | — |
| Other current liabilities | 246,576 | 1,277 | 4,306 | 14,002 | 29,795 | 13,302 | 39,313 | 108,829 | 55,725 | (311,965) | 201,160 |
| Long-term debt subject to short-term refinancing agreements | — | — | — | — | — | — | — | — | 91,390 | — | 91,390 |
| Current portion of long-term debt | 13,118 | 377 | 4,261 | 2,547 | 4,772 | 1,024 | 9,112 | 5,028 | — | (6,180) | 34,059 |
| Total current liabilities | 481,908 | 14,866 | 42,684 | 42,736 | 76,284 | 29,283 | 87,261 | 164,702 | 618,975 | (318,145) | 1,240,554 |
| Long-term debt, less current portion | 573,370 | 16,477 | 186,260 | 111,312 | 190,849 | 40,148 | 398,302 | 207,602 | 12,339 | — | 1,736,659 |
| Other long-term liabilities | 16,760 | 38 | 7,287 | 32,792 | 125,669 | 4,324 | 9,385 | 65,893 | 497,553 | (176,096) | 583,405 |
| Interest rate swap liabilities | — | — | — | — | — | — | — | — | 55,170 | — | 55,170 |
| Total liabilities | 1,072,038 | 31,381 | 236,231 | 186,840 | 392,802 | 73,755 | 494,948 | 438,197 | 1,183,837 | (494,241) | 3,613,788 |
| Net assets: | | | | | | | | | | | |
| Without donor restrictions | 1,125,922 | 124,006 | 325,119 | 388,063 | (10,131) | 130,262 | 526,289 | 319,440 | 516,054 | — | 3,445,024 |
| With donor restrictions | 162,521 | 45,034 | 12,391 | 59,989 | 36,437 | 1,358 | 24,853 | 5,104 | 10,365 | (1,982) | 355,870 |
| Total net assets | 1,288,243 | 169,040 | 337,510 | 448,052 | 26,306 | 131,620 | 551,142 | 324,544 | 526,419 | (1,982) | 3,800,894 |
| Total liabilities and net assets | \$ 2,360,281 | \$ 200,421 | \$ 573,741 | \$ 634,892 | \$ 419,108 | \$ 205,375 | \$ 1,046,090 | \$ 762,741 | \$ 1,710,256 | \$ (496,223) | \$ 7,416,682 |

University of Maryland Medical System Corporation and Subsidiaries

Consolidating Statement of Operations by Division
(In Thousands)

Year Ended June 30, 2024

| | Medical Center & Affiliates | Rehabilitation & Orthopaedic Institute | Baltimore Washington | Shore Regional | St. Joseph | Charles Regional | Upper Chesapeake | Capital Region | Shared Services and Other | Eliminations | Consolidated Total |
|--|--------------------------------|--|-------------------------|-------------------|------------|---------------------|---------------------|-------------------|---------------------------------|--------------|-----------------------|
| Operating revenue, gains and other support: | | | | | | | | | | | |
| Net patient service revenue | \$ 2,139,151 | \$ 124,908 | \$ 551,474 | \$ 395,233 | \$ 510,083 | \$ 179,623 | \$ 502,094 | \$ 434,788 | \$ 30,742 | \$ (4,617) | \$ 4,863,479 |
| State support | 9,910 | — | — | — | — | — | — | 11,012 | — | — | 20,922 |
| Other revenue | 291,224 | 1,388 | 5,756 | 9,977 | 10,380 | 1,358 | 11,361 | 6,983 | 934,583 | (913,454) | 359,556 |
| Total operating revenue, gains, and other support | 2,440,285 | 126,296 | 557,230 | 405,210 | 520,463 | 180,981 | 513,455 | 452,783 | 965,325 | (918,071) | 5,243,957 |
| Operating expenses: | | | | | | | | | | | |
| Salaries, wages and fringe benefits | 916,475 | 72,643 | 305,332 | 219,092 | 284,874 | 81,408 | 268,235 | 228,644 | 588,307 | (228,055) | 2,736,955 |
| Expendable supplies | 607,866 | 14,338 | 84,408 | 46,779 | 77,806 | 20,708 | 85,606 | 53,691 | 17,815 | (7,455) | 1,001,582 |
| Purchased services | 543,528 | 24,534 | 110,841 | 97,399 | 116,105 | 45,982 | 97,090 | 103,789 | 330,300 | (678,483) | 791,085 |
| Contracted services | 217,540 | 10,283 | 21,246 | 27,272 | 8,459 | 14,793 | 22,458 | 47,758 | 2 | (4,098) | 365,713 |
| Depreciation and amortization | 102,625 | 7,615 | 31,846 | 19,807 | 27,278 | 9,026 | 32,306 | 42,000 | 3,305 | — | 275,808 |
| Interest expense | 20,439 | 453 | 7,830 | 4,878 | 9,304 | 1,713 | 15,131 | 8,011 | (1,956) | — | 63,803 |
| Total operating expenses | 2,408,473 | 129,866 | 561,503 | 415,227 | 523,826 | 173,630 | 520,826 | 483,893 | 937,773 | (918,071) | 5,236,946 |
| Operating income (loss) | 31,812 | (3,570) | (4,273) | (10,017) | (3,363) | 7,351 | (7,371) | (31,110) | 27,552 | — | 7,011 |
| Nonoperating income and expenses, net: | | | | | | | | | | | |
| Unrestricted contributions | 2,932 | — | — | (705) | (160) | 101 | (74) | — | 28 | — | 2,122 |
| Equity in net income of joint ventures | 492 | 439 | — | 185 | 2,052 | 38 | 804 | 1,254 | 1,930 | — | 7,194 |
| Investment income, net | 21,071 | 2,117 | 7,880 | 6,416 | 796 | 1,906 | 13,505 | 218 | 7,439 | — | 61,348 |
| Change in fair value of investments | 38,347 | 4,415 | 16,908 | 19,022 | 1,262 | 2,763 | 26,513 | 262 | 10,044 | — | 119,536 |
| Change in fair value of undesignated interest rate swaps | — | (2) | — | — | — | — | — | — | 13,916 | — | 13,916 |
| Other nonoperating gains and losses, net | (11,595) | (3,399) | (3,090) | (6,341) | (3,012) | (1,168) | (2,936) | (12,105) | 1,355 | — | (38,894) |
| Excess (deficiency) of revenues over expenses | \$ 83,059 | \$ 3,399 | \$ 17,423 | \$ 8,560 | \$ (2,425) | \$ 10,991 | \$ 30,441 | \$ (41,481) | \$ 62,264 | \$ — | \$ 172,233 |

University of Maryland Medical System Corporation and Subsidiaries

Consolidating Balance Sheet – Obligated Group
(In Thousands)

June 30, 2024

| | Medical Center & Affiliates* | Rehabilitation & Orthopaedic Institute | UM Baltimore Washington | Shore Regional Hospitals** | UM St. Joseph | UM Charles Regional | Upper Chesapeake Hospitals*** | UM Capital Region | Shared Services**** | Eliminations | Obligated Group Total |
|---|------------------------------|--|-------------------------|----------------------------|---------------|---------------------|-------------------------------|-------------------|---------------------|--------------|-----------------------|
| Assets | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 13,900 | \$ 6,802 | \$ 5,504 | \$ 50,277 | \$ 369 | \$ 9,450 | \$ 194 | \$ — | \$ 56,673 | \$ — | \$ 143,169 |
| Assets limited as to use, current portion | 81,024 | — | — | — | — | — | — | — | 69,050 | — | 150,074 |
| Accounts receivable: | | | | | | | | | | | |
| Patient accounts receivable, net | 475,695 | 19,986 | 57,877 | 49,707 | 57,210 | 25,293 | 62,242 | 61,031 | 68 | — | 899,109 |
| Other | 59,383 | — | 33,611 | 22,198 | 580 | 1,818 | 522 | 11,241 | 443,167 | (287,510) | 285,010 |
| Inventories | 56,724 | 1,815 | 6,558 | 4,003 | 4,859 | 1,743 | 7,553 | 8,292 | 5,236 | — | 96,783 |
| Prepaid expenses and other current assets | 4,367 | 319 | 2,319 | 70 | 205 | 159 | 140 | 14,155 | 60,522 | — | 82,256 |
| Total current assets | 691,093 | 28,922 | 105,869 | 126,255 | 63,223 | 38,463 | 70,651 | 94,719 | 634,716 | (287,510) | 1,566,401 |
| Investments | 543,463 | 55,279 | 223,267 | 161,928 | 20,192 | 31,318 | 360,409 | 3,459 | 130,943 | — | 1,530,258 |
| Assets limited as to use, less current portion | 132,096 | 51,994 | 10,491 | 150,793 | 37,271 | 13,431 | 87,352 | 3,906 | 298,135 | (8,162) | 777,307 |
| Property and equipment, net | 802,751 | 36,763 | 235,996 | 173,028 | 231,187 | 85,029 | 411,013 | 624,027 | 242,603 | — | 2,842,397 |
| Investments in joint ventures | 4,002 | 16,977 | — | 960 | 15,399 | 4,860 | — | 11,223 | 79,381 | (522) | 132,480 |
| Other assets | 169,885 | 10,486 | 1,711 | 33,481 | 23,873 | 4,658 | 66,418 | 7,234 | 405,716 | (175,574) | 547,888 |
| Total assets | \$ 2,343,290 | \$ 200,421 | \$ 577,334 | \$ 646,445 | \$ 391,145 | \$ 177,759 | \$ 995,843 | \$ 744,568 | \$ 1,791,694 | \$ (471,768) | \$ 7,396,731 |
| Liabilities and net assets | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | |
| Trade accounts payable | \$ 84,317 | \$ 6,643 | \$ 7,083 | \$ 7,929 | \$ 12,925 | \$ 6,292 | \$ 15,065 | \$ 24,719 | \$ 191,074 | \$ — | \$ 356,047 |
| Accrued payroll and benefits | 32,094 | 1,011 | 4,043 | 4,415 | 5,308 | 1,929 | 7,293 | 6,022 | 276,661 | — | 338,776 |
| Advances from third-party payors | 105,352 | 5,558 | 14,366 | 9,064 | 13,231 | 5,263 | 11,356 | 17,730 | — | — | 181,920 |
| Lines of credit | — | — | — | — | — | — | — | — | — | — | — |
| Other current liabilities | 243,480 | 1,277 | 2,663 | 5,252 | 27,222 | 12,880 | 35,021 | 107,687 | 48,594 | (287,510) | 196,566 |
| Long-term debt subject to short-term refinancing agreements | — | — | — | — | — | — | — | — | 91,390 | — | 91,390 |
| Current portion of long-term debt | 13,118 | 377 | 4,261 | 2,547 | 4,234 | 916 | 9,112 | 4,745 | — | (6,180) | 33,130 |
| Total current liabilities | 478,361 | 14,866 | 32,416 | 29,207 | 62,920 | 27,280 | 77,847 | 160,903 | 607,719 | (293,690) | 1,197,829 |
| Long-term debt, less current portion | 573,370 | 16,477 | 186,260 | 111,312 | 185,048 | 40,130 | 398,302 | 207,457 | 12,341 | — | 1,730,697 |
| Other long-term liabilities | 16,759 | 38 | 1,110 | 32,793 | 125,668 | 4,182 | 9,381 | 65,893 | 490,393 | (176,096) | 570,121 |
| Interest rate swap liabilities | — | — | — | — | — | — | — | — | 55,170 | — | 55,170 |
| Total liabilities | 1,068,490 | 31,381 | 219,786 | 173,312 | 373,636 | 71,592 | 488,530 | 434,253 | 1,165,623 | (469,786) | 3,553,817 |
| Net assets: | | | | | | | | | | | |
| Without donor restrictions | 1,112,479 | 124,006 | 345,157 | 414,408 | (18,618) | 105,462 | 460,206 | 305,224 | 615,707 | — | 3,464,031 |
| With donor restrictions | 162,321 | 45,034 | 12,391 | 58,725 | 36,127 | 705 | 50,107 | 5,091 | 10,364 | (1,982) | 378,883 |
| Total net assets | 1,274,800 | 169,040 | 357,548 | 473,133 | 17,509 | 106,167 | 510,313 | 310,315 | 626,071 | (1,982) | 3,842,914 |
| Total liabilities and net assets | \$ 2,343,290 | \$ 200,421 | \$ 577,334 | \$ 646,445 | \$ 391,145 | \$ 177,759 | \$ 995,843 | \$ 744,568 | \$ 1,791,694 | \$ (471,768) | \$ 7,396,731 |

* Includes Medical Center, UM Midtown and UM Medicine Foundation
** Includes Shore Health System and UM Chester River
*** Includes UM Upper Chesapeake and UM Harford Memorial
**** Includes University of Maryland Medical System Corporation (Parent)

University of Maryland Medical System Corporation and Subsidiaries

Consolidating Statements of Operations and Changes in Net Assets Without Donor Restrictions – Obligated Group
(In Thousands)

June 30, 2024

| | Medical Center & Affiliates* | Rehabilitation & Orthopaedic Institute | UM Baltimore Washington | Shore Regional Hospitals** | UM St. Joseph | UM Charles Regional | Upper Chesapeake Hospitals*** | UM Capital Region | Shared Services**** | Eliminations | Obligated Group Total |
|--|------------------------------------|--|----------------------------|----------------------------------|---------------|------------------------|-------------------------------------|----------------------|------------------------|--------------|--------------------------|
| Operating revenue, gains, and other support: | | | | | | | | | | | |
| Net patient service revenue | \$ 2,132,495 | \$ 124,892 | \$ 463,393 | \$ 336,365 | \$ 416,346 | \$ 167,272 | \$ 424,907 | \$ 422,692 | \$ 2,191 | \$ (4,617) | \$ 4,485,936 |
| State and county support | 9,910 | — | — | — | — | — | — | 1,012 | — | — | 10,922 |
| Other revenue | 289,046 | 1,345 | 3,375 | 12,239 | 4,125 | 1,193 | 3,431 | 6,137 | 922,056 | (900,832) | 342,115 |
| Total operating revenue, gains, and other support | 2,431,451 | 126,237 | 466,768 | 348,604 | 420,471 | 168,465 | 428,338 | 429,841 | 924,247 | (905,449) | 4,838,973 |
| Operating expenses: | | | | | | | | | | | |
| Salaries, wages, and benefits | 911,804 | 72,570 | 217,776 | 150,816 | 169,863 | 70,452 | 192,255 | 212,670 | 567,396 | (228,055) | 2,337,547 |
| Expendable supplies | 607,446 | 14,338 | 58,330 | 39,804 | 73,929 | 20,102 | 54,902 | 53,037 | 5,542 | — | 927,430 |
| Purchased services | 539,469 | 24,487 | 104,649 | 86,343 | 85,942 | 42,936 | 97,200 | 108,580 | 315,672 | (677,394) | 727,884 |
| Contracted services | 212,892 | 10,283 | 31,048 | 31,246 | 34,194 | 14,513 | 24,851 | 32,441 | — | — | 391,468 |
| Depreciation and amortization | 102,052 | 7,615 | 30,166 | 19,292 | 25,936 | 8,639 | 28,960 | 41,721 | 2,390 | — | 266,771 |
| Interest expense | 20,272 | 453 | 7,830 | 4,878 | 9,035 | 1,704 | 13,967 | 7,991 | (1,955) | — | 64,175 |
| Total operating expenses | 2,393,935 | 129,746 | 449,799 | 332,379 | 398,899 | 158,346 | 412,135 | 456,440 | 889,045 | (905,449) | 4,715,275 |
| Operating income | 37,516 | (3,509) | 16,969 | 16,225 | 21,572 | 10,119 | 16,203 | (26,599) | 35,202 | — | 123,698 |
| Nonoperating income and expenses, net: | | | | | | | | | | | |
| Unrestricted contributions | 2,932 | — | — | — | — | 15 | — | — | — | — | 2,947 |
| Equity in net income of joint ventures | 492 | 439 | — | 185 | 2,052 | (55) | — | 259 | 1,693 | — | 5,065 |
| Investment income, net | 21,071 | 2,117 | 7,880 | 4,767 | 700 | 1,803 | 12,748 | 120 | 7,438 | — | 58,644 |
| Change in fair value of investments | 38,347 | 4,415 | 16,908 | 13,210 | 1,531 | 2,377 | 26,388 | 262 | 10,042 | — | 113,480 |
| Change in fair value of undesignated interest rate swaps | — | — | — | — | — | — | — | — | 13,916 | — | 13,916 |
| Other nonoperating losses, net | (11,595) | (2) | (2,331) | (31) | (174) | (930) | (13,540) | (10,994) | (2) | — | (39,599) |
| Excess (deficiency) of revenues over expenses | 88,763 | 3,460 | 39,426 | 34,356 | 25,681 | 13,329 | 41,799 | (36,952) | 68,289 | — | 278,151 |
| State support for capital | — | — | — | — | — | — | — | 27,000 | — | — | 27,000 |
| Net assets released from restrictions used for purchase of property and equipment | 70 | — | — | — | — | — | — | — | 10,195 | — | 10,265 |
| Change in economic and beneficial interests in the net assets of related organizations | — | — | — | 1,701 | — | — | — | — | 115 | — | 1,816 |
| Capital transfers (to) from member organization | (2,081) | (48) | (23,703) | (16,628) | (27,730) | (5,189) | (16,327) | (12,422) | (18,060) | — | (122,188) |
| Change in funded status of defined benefit pension plans | 872 | — | 1,624 | — | — | (1,880) | — | 5,449 | — | — | 6,065 |
| Other | (943) | (100) | (251) | 305 | 3,142 | (100) | (244) | (2,651) | 5,325 | — | 4,483 |
| Increase (decrease) net assets without donor restrictions | \$ 86,681 | \$ 3,312 | \$ 17,096 | \$ 19,734 | \$ 1,093 | \$ 6,160 | \$ 25,228 | \$ (19,576) | \$ 65,864 | \$ — | \$ 205,592 |

* Includes Medical Center, UM Midtown and UM Medicine Foundation

** Includes Shore Health System and UM Chester River

*** Includes UM Upper Chesapeake and UM Hartford Memorial

**** Includes University of Maryland Medical System Corporation (Parent)

University of Maryland Medical System Corporation and Subsidiaries

Consolidating Balance Sheet – Hospital Format
(In Thousands)

June 30, 2024

| | Medical Center | Rehabilitation & Orthopaedic Institute | UM Midtown | UM Baltimore Washington | Shore Health System | UM Chester River | UM St. Joseph | UM Charles Regional | Upper Chesapeake Hospitals | | | UM Capital Region | All Other Entities | Eliminations | Consolidated Total |
|---|----------------|--|------------|-------------------------|---------------------|------------------|---------------|---------------------|----------------------------|---------------------|------------|-------------------|--------------------|--------------|--------------------|
| | | | | | | | | | UM Upper Chesapeake | UM Harford Memorial | | | | | |
| Assets | | | | | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 5,381 | \$ 6,802 | \$ 1,210 | \$ 5,504 | \$ — | \$ 50,277 | \$ 369 | \$ 9,450 | \$ 194 | \$ — | \$ — | \$ 86,462 | \$ — | \$ — | \$ 165,649 |
| Assets limited as to use, current portion | 81,024 | — | — | — | — | — | — | — | — | — | — | 69,050 | — | — | 150,074 |
| Accounts receivable: | | | | | | | | | | | | | | | |
| Patient accounts receivable, net | 440,858 | 19,986 | 34,837 | 57,877 | 47,461 | 2,246 | 57,210 | 25,293 | 60,703 | 1,539 | 61,031 | 30,117 | — | — | 839,158 |
| Other | 45,659 | — | 9,047 | 36,365 | 475 | 6,173 | 580 | 1,818 | 438 | 84 | 11,241 | 305,353 | (289,887) | — | 127,346 |
| Inventories | 52,838 | 1,815 | 3,886 | 6,558 | 3,436 | 567 | 4,859 | 1,743 | 7,553 | — | 8,292 | 6,862 | — | — | 98,409 |
| Prepaid expenses and other current assets | 2,362 | 319 | 2,005 | 2,319 | 70 | — | 205 | 159 | 140 | — | 14,155 | 62,706 | — | — | 84,440 |
| Total current assets | 628,122 | 28,922 | 50,985 | 108,623 | 51,442 | 59,263 | 63,223 | 38,463 | 69,028 | 1,623 | 94,719 | 560,550 | (289,887) | (289,887) | 1,465,076 |
| Investments | 532,162 | 55,279 | 5,365 | 223,267 | 158,196 | 3,732 | 20,192 | 31,318 | 214,029 | 146,380 | 3,459 | 219,010 | — | — | 1,612,389 |
| Assets limited as to use, less current portion | 156,490 | 51,594 | 1,029 | 10,491 | 142,108 | 8,685 | 37,271 | 13,431 | 87,352 | — | 3,906 | 467,034 | (313,219) | (313,219) | 666,572 |
| Property and equipment, net | 664,803 | 36,763 | 137,947 | 235,996 | 165,189 | 7,839 | 231,187 | 85,029 | 411,013 | — | 624,027 | 349,771 | — | — | 2,949,564 |
| Investments in joint ventures | 3,479 | 16,977 | — | — | 960 | — | 15,399 | 4,860 | — | — | 11,223 | 98,133 | (5,935) | (5,935) | 145,096 |
| Other assets | 161,123 | 10,486 | 556 | 1,711 | 33,480 | — | 23,873 | 4,658 | 66,418 | — | 7,234 | 444,542 | (176,096) | (176,096) | 577,985 |
| Total assets | \$ 2,146,179 | \$ 200,421 | \$ 195,882 | \$ 580,088 | \$ 551,375 | \$ 79,519 | \$ 391,145 | \$ 177,759 | \$ 847,840 | \$ 148,003 | \$ 744,568 | \$ 2,139,040 | \$ — | \$ (785,137) | \$ 7,416,682 |
| Liabilities and net assets | | | | | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | | | | | |
| Trade accounts payable | \$ 74,555 | \$ 6,643 | \$ 9,258 | \$ 7,083 | \$ 6,399 | \$ 1,529 | \$ 12,925 | \$ 6,292 | \$ 15,007 | \$ 58 | \$ 24,719 | \$ 208,475 | \$ — | \$ — | \$ 372,943 |
| Accrued payroll and benefits | 27,728 | 1,011 | 4,040 | 4,043 | 4,098 | 317 | 5,308 | 1,929 | 7,293 | — | 6,022 | 297,294 | — | — | 359,083 |
| Advances from third-party payors | 98,311 | 5,558 | 7,041 | 14,366 | 8,358 | 706 | 13,231 | 5,263 | 9,109 | 2,247 | 17,730 | (1) | — | — | 181,919 |
| Lines of credit | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other current liabilities | 238,822 | 1,277 | 3,706 | 2,663 | 13,534 | 425 | 26,644 | 12,731 | 30,986 | 1,731 | 101,455 | 57,073 | (289,887) | (289,887) | 201,160 |
| Long-term debt subject to short-term refinancing agreements | — | — | — | — | — | — | — | — | — | — | — | 91,390 | — | — | 91,390 |
| Current portion of long-term debt | 12,536 | 377 | 582 | 4,261 | 2,473 | 75 | 4,234 | 916 | 9,112 | — | 4,745 | — | (5,252) | (5,252) | 34,059 |
| Total current liabilities | 451,952 | 14,866 | 24,627 | 32,416 | 34,862 | 3,052 | 62,342 | 27,131 | 71,507 | 4,036 | 154,671 | 654,231 | (295,139) | (295,139) | 1,240,554 |
| Long-term debt, less current portion | 547,922 | 16,477 | 25,448 | 186,260 | 108,087 | 3,225 | 185,048 | 40,130 | 398,302 | — | 207,457 | 18,303 | — | — | 1,736,659 |
| Other long-term liabilities | 16,425 | 38 | 333 | 1,110 | 32,480 | 311 | 125,668 | 4,182 | 8,185 | 1,196 | 65,893 | 503,680 | (176,096) | (176,096) | 583,405 |
| Interest rate swap liabilities | — | — | — | — | — | — | — | — | — | — | — | 55,170 | — | — | 55,170 |
| Total liabilities | 1,016,299 | 31,381 | 50,408 | 219,786 | 175,429 | 6,588 | 373,058 | 71,443 | 477,994 | 5,232 | 428,021 | 1,231,384 | (471,235) | (471,235) | 3,615,788 |
| Net assets: | | | | | | | | | | | | | | | |
| Without donor restrictions | 991,766 | 124,006 | 99,102 | 347,911 | 324,018 | 66,133 | (18,040) | 105,611 | 319,739 | 142,771 | 311,456 | 707,187 | (76,636) | (76,636) | 3,445,024 |
| With donor restrictions | 138,114 | 45,034 | 46,372 | 12,391 | 51,928 | 6,798 | 36,127 | 705 | 50,107 | — | 5,091 | 200,469 | (237,266) | (237,266) | 355,870 |
| Total net assets | 1,129,880 | 169,040 | 145,474 | 360,302 | 375,946 | 72,931 | 18,087 | 106,316 | 369,846 | 142,771 | 316,547 | 907,656 | (313,902) | (313,902) | 3,800,894 |
| Total liabilities and net assets | \$ 2,146,179 | \$ 200,421 | \$ 195,882 | \$ 580,088 | \$ 551,375 | \$ 79,519 | \$ 391,145 | \$ 177,759 | \$ 847,840 | \$ 148,003 | \$ 744,568 | \$ 2,139,040 | \$ — | \$ (785,137) | \$ 7,416,682 |

June 30, 2024

Nonoperating income and expenses, net:
 Unrestricted contributions
 Equity in net income of joint ventures
 Investment income, net
 Change in fair value of investments
 Change in fair value of undesignated
 interest rate swaps
 Other nonoperating gains and losses, net
 Excess (deficiency) of revenues over expenses

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