

COHEN RUTHERFORD + KNIGHT, PC
CERTIFIED PUBLIC ACCOUNTANTS
6903 ROCKLEDGE DRIVE, SUITE 500
BETHESDA, MD 20817
301-828-1008

INSTRUCTIONS FOR FILING
CARROLL HOSPITAL CENTER, INC.
FORM 8879-EO - IRS E-FILE SIGNATURE AUTHORIZATION
FOR THE PERIOD ENDED JUNE 30, 2010

SIGNATURE...

THE ORIGINAL IRS E-FILE SIGNATURE AUTHORIZATION FORM SHOULD BE
SIGNED (USE FULL NAME) AND DATED BY THE TAXPAYER.

FILING...

RETURN YOUR SIGNED FORM 8879-EO TO:

COHEN, RUTHERFORD + KNIGHT, PC
6903 ROCKLEDGE DRIVE, SUITE 500
BETHESDA MD 20817-1800

PAYMENT OF TAX...

NO PAYMENT OF TAX IS REQUIRED.

THE RETURN SHOULD BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

FORM 8879-EO SERVES AS A REPLACEMENT FOR YOUR SIGNATURE THAT WOULD BE
AFFIXED TO FORM 990 IF YOU PAPER FILED YOUR RETURN, PLEASE
DO NOT SEPARATELY FILE FORM 990 WITH THE INTERNAL REVENUE SERVICE.
DOING SO WILL DELAY THE PROCESSING OF YOUR RETURN.

WE MUST RECEIVE YOUR SIGNED FORM BEFORE WE CAN ELECTRONICALLY
TRANSMIT YOUR RETURN WHICH IS DUE ON MAY 16, 2011. WE
WOULD APPRECIATE YOUR RETURNING THIS FORM AS SOON AS POSSIBLE
AS THIS WILL EXPEDITE THE PROCESSING OF YOUR RETURN. THE INTERNAL
REVENUE SERVICE WILL NOTIFY US WHEN YOUR RETURN IS ACCEPTED.
YOUR RETURN IS NOT CONSIDERED FILED UNTIL THE INTERNAL REVENUE
SERVICE CONFIRMS THEIR ACCEPTANCE, WHICH MAY OCCUR AFTER THE DUE
DATE OF YOUR RETURN.

IF POSSIBLE, PLEASE EMAIL THE SIGNED FORM TO TECKLOFF@CRKCPA.COM OR
FAX IT TO ME AT 301-530-3625.

COHEN RUTHERFORD + KNIGHT, PC
CERTIFIED PUBLIC ACCOUNTANTS
6903 ROCKLEDGE DRIVE, SUITE 500
BETHESDA, MD 20817
301-828-1008

INSTRUCTIONS FOR FILING
CARROLL HOSPITAL CENTER, INC.
FORM 990T - EXEMPT ORGANIZATION BUSINESS RETURN
FOR THE PERIOD ENDED JUNE 30, 2010

SIGNATURE...

THE ORIGINAL RETURN SHOULD BE SIGNED (USING FULL NAME AND TITLE)
AND DATED ON PAGE 2 BY AN AUTHORIZED OFFICER OF THE ORGANIZATION.

FILING...

THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE
WITH...

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0027

PAYMENT OF TAX...

NO PAYMENT OF TAX IS REQUIRED.

THE RETURN SHOULD BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2009, or fiscal year beginning 07/01, 2009, and ending 06/30, 20 10

**▶ Do not send to the IRS. Keep for your records.
▶ See instructions on back.**

2009

Department of the Treasury
Internal Revenue Service

Name of exempt organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

Name and title of officer

KEVIN KELBLY, SR VP & CFO

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 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	196879996.
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 VI, line 5)	4b	
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2009 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 organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize COHEN, RUTHERFORD + KNIGH to enter my PIN

1	4	2	8	1
---	---	---	---	---

 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

5	2	0	5	1	5	2	0	8	1	7
---	---	---	---	---	---	---	---	---	---	---

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see back of form.

Form **8879-EO** (2009)

Return of Organization Exempt From Income Tax

2009

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning 07/01, 2009, and ending 06/30, 2010

Header section containing organization name (CARROLL HOSPITAL CENTER, INC.), employer ID number (52-1452024), principal officer (JOHN SERNULKA), and tax-exempt status (501(c)(3)).

Part I Summary

Summary table with columns for Revenue, Expenses, and Net Assets or Fund Balances. Rows include mission statement, revenue breakdown, expenses, and net assets.

Part II Signature Block

Signature block containing declaration text, officer signature, date, and preparer information (COHEN, RUTHERFORD + KNIGHT, PC).

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.* Form 990 (2009)

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

ATTACHMENT 2

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 exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 168,026,199. including grants of \$ 115,000.) (Revenue \$ 190,155,656.)

ATTACHMENT 3

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

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

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

4e Total program service expenses ▶ 168,026,199.

Part IV Checklist of Required Schedules

Table with 3 main columns: Question, Yes, No. Rows 1-20 contain various questions about organizational activities and reporting requirements. Row 12A includes a sub-table with Yes/No columns.

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question numbers (1a-12b), Yes, and No. Contains various tax compliance questions and their corresponding answers.

Part VII 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 in Schedule O. See instructions.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (16), 1b Enter the number of voting members that are independent (12), 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X), 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (X), 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (X), 5 Did the organization become aware during the year of a material diversion of the organization's assets? (X), 6 Does the organization have members or stockholders? (X), 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (X), 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (X), 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X), b Each committee with authority to act on behalf of the governing body? (X), 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (X).

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

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

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA, MD,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
[] Own website [] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: DAVID MCCORMICK 200 MEMORIAL AVE WESTMINSTER, MD 21157 410-871-6859

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

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. Use Schedule J-2 if additional space is needed.

- 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. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(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			
MARCUS LEE PRIMM DIRECTOR	1.00	X					0.	0.	0.	
CHARLES O FISHER JR DIRECTOR	1.00	X					0.	0.	0.	
CHARLES FISHER SR DIRECTOR	1.00	X					0.	0.	0.	
MIRIAM BECK DIRECTOR	1.00	X					0.	0.	0.	
PAULA LANGMEAD DIRECTOR	1.00	X					0.	0.	0.	
ETHAN SEIDEL DIRECTOR	1.00	X					0.	0.	0.	
JOHN SERNULKA PRESIDENT	40.00	X		X			303,433.	0.	329,019.	
KEVIN KELBLY SR VP FINANCE CFO	40.00	X		X			298,109.	0.	54,210.	
STEPHAN HOCHULI MD BOARD MEMBER	1.00	X					0.	0.	0.	
K WAYNE LOCKARD DIRECTOR	1.00	X					0.	0.	0.	
KIMBERLY JOHNSTON BOARD MEMBER	1.00	X					0.	0.	0.	
STANLEY H TEVIS III BOARD MEMBER	1.00	X					0.	0.	0.	
HAROLD WALSH BOARD MEMBER	1.00	X					0.	0.	0.	
HELEN W WHITEHEAD BOARD MEMBER	1.00	X					0.	0.	0.	
MOKHTAR NASSIR MD BOARD MEMBER	1.00	X					0.	0.	0.	
MICHAEL OSTER BOARD MEMBER	1.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week	(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			
JEFFREY A WOTHERS BOARD MEMBER	1.00	X					0.	0.	0.	
LESLIE SIMMONS CHIEF OPERATING OFFICER	40.00			X			267,990.	0.	44,937.	
KEVIN SMOTHERS CHIEF MEDICAL OFFICER	40.00			X			357,428.	0.	40,974.	
STEPHANIE REID ASSISTANT VICE PRESIDENT	40.00			X			158,509.	0.	16,405.	
DAVID HORN VICE PRESIDENT	40.00				X		187,786.	0.	39,067.	
M ELLEN FINNERTY MYERS VICE PRESIDENT	40.00				X		178,930.	0.	19,092.	
JOYCE ROMANS VICE PRESIDENT	40.00				X		197,064.	0.	28,521.	
TRACEY ELLISON VICE PRESIDENT	40.00				X		167,538.	0.	31,541.	
BASSAM BARAKAT PHYSICIAN	40.00					X	232,074.	0.	16,162.	
JEROME MARAVE PHYSICIAN	40.00					X	201,705.	0.	18,110.	
DANILO V SANTOS PHYSICIAN	40.00					X	197,989.	0.	11,445.	
ROBERT WACK PHYSICIAN	40.00					X	180,405.	0.	25,987.	
JEFFREY M ZALE PHYSICIAN	40.00					X	202,236.	0.	13,435.	
1b Total							3,131,196.	0.	688,905.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **102**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **28**

Part VIII Statement of Revenue

52-1452024

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	1,166,242.			
	e	Government grants (contributions) . .	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	10,000.			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶		1,176,242.			
Program Service Revenue				Business Code			
	2a	NET PATIENT SERVICE REVENUE		184,784,978.	184,784,978.		
	b	CAFETERIA/VEND.		681,314.	681,314.		
	c	LAB	621500	3,727,699.		3,727,699.	
	d	OTHER OPERATING REVENUE		1,425,228.	1,425,228.		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f ▶		190,619,219.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 5 ▶		4,311,044.		12,542.	4,298,502.
	4	Income from investment of tax-exempt bond proceeds . . . ▶		0.			
	5	Royalties ▶		0.			
			(i) Real	(ii) Personal			
	6a	Gross Rents	683,491.				
	b	Less: rental expenses					
	c	Rental income or (loss)	683,491.				
	d	Net rental income or (loss) ▶		683,491.		8,612.	674,879.
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) ▶		0.			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
c	Net income or (loss) from fundraising events ▶		0.				
9a	Gross income from gaming activities. See Part IV, line 19 a						
b	Less: direct expenses b						
c	Net income or (loss) from gaming activities ▶		0.				
10a	Gross sales of inventory, less returns and allowances a						
b	Less: cost of goods sold b						
c	Net income or (loss) from sales of inventory ▶		0.				
Miscellaneous Revenue				Business Code			
11a	CARROLL COUNTY MED SERVICES MGMT FEE	541610	90,000.		90,000.		
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d ▶		90,000.				
12	Total Revenue. See instructions ▶		196,879,996.	186,891,520.	3,838,853.	4,973,381.	

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) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	115,000.	115,000.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.	0.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.	0.		
4 Benefits paid to or for members	0.	0.		
5 Compensation of current officers, directors, trustees, and key employees	2,720,553.	2,444,884.	275,669.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	75,139,285.	67,525,543.	7,613,742.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,285,285.	3,848,741.	436,544.	
9 Other employee benefits	9,113,739.	8,185,319.	928,420.	
10 Payroll taxes	5,726,850.	5,143,454.	583,396.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	26,649.	15,487.	11,162.	
c Accounting	237,500.		237,500.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	282,918.		282,918.	
g Other	13,186,512.	8,497,516.	4,688,996.	
12 Advertising and promotion	610,545.	5,610.	604,935.	
13 Office expenses	889,399.	562,474.	326,925.	
14 Information technology	129,086.	12,921.	116,165.	
15 Royalties	0.			
16 Occupancy	3,511,452.	2,936,197.	575,255.	
17 Travel	480,260.	163,896.	316,364.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	90,103.	71,625.	18,478.	
20 Interest	6,787,739.	6,787,739.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	13,802,098.	13,802,098.		
23 Insurance	3,322,891.	2,281,440.	1,041,451.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a MEDICAL SUPPLIES -----	24,642,609.	24,640,579.	2,030.	
b FOOD -----	948,186.	897,820.	50,366.	
c OTHER -----	653,361.	428,415.	224,946.	
d MINOR EQUIPMENT -----	550,515.	428,781.	121,734.	
e SUPPLIES -----	709,297.	697,364.	11,933.	
f All other expenses -----	29,779,037.	18,533,296.	11,245,741.	
25 Total functional expenses. Add lines 1 through 24f	197,740,869.	168,026,199.	29,714,670.	0.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash - non-interest-bearing	2,075.	1	2,300.
	2 Savings and temporary cash investments	50,526,272.	2	44,351,604.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	20,239,932.	4	18,272,362.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net ATCH 6	0.	7	50,000.
	8 Inventories for sale or use	3,009,819.	8	2,920,302.
	9 Prepaid expenses and deferred charges	2,832,953.	9	2,589,854.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D 10a 243,655,778.			
	b Less: accumulated depreciation 10b 110,599,637.	126,246,689.	10c	133,056,141.
	11 Investments - publicly traded securities ATCH 8	10,120,314.	11	34,915,453.
	12 Investments - other securities. See Part IV, line 11	22,908,888.	12	20,018,231.
	13 Investments - program-related. See Part IV, line 11	25,731,385.	13	27,685,775.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	16,871,294.	15	17,105,409.
16 Total assets. Add lines 1 through 15 (must equal line 34)	278,489,621.	16	300,967,431.	
Liabilities	17 Accounts payable and accrued expenses	24,116,181.	17	25,006,392.
	18 Grants payable		18	
	19 Deferred revenue ATCH 9	221,299.	19	1,695,861.
	20 Tax-exempt bond liabilities	124,020,474.	20	135,147,684.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	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. Complete Part X of Schedule D	30,520,979.	25	44,962,736.
	26 Total liabilities. Add lines 17 through 25	178,878,933.	26	206,812,673.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	99,610,688.	27	94,154,758.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	99,610,688.	33	94,154,758.
34 Total liabilities and net assets/fund balances	278,489,621.	34	300,967,431.	

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- 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 in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

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

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.)

Section A. Public Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 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; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2009; 15 Public support percentage from 2008 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2009; 16b 33 1/3% support test - 2008; 17a 10%-facts-and-circumstances test - 2009; 17b 10%-facts-and-circumstances test - 2008; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

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, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33¹/₃ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution 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 a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to 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. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

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

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
---	---

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	CARROLL HOSPITAL CENTER FOUNDATION 200 MEMORIAL AVE. WESTMINSTER, MD 21157	\$ 1,166,242.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	CONTRIBUTIONS LESS THAN \$5000 200 MEMORIAL AVENUE WESTMINSTER, MD 21157	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities
For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, 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," to 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," to Form 990, Part IV, line 5 (Proxy Tax), then

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

Name of organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
---	--

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ▶ \$ _____

3 Volunteer hours _____

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 payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

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

- A** Check if the filing organization belongs to an affiliated group.
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												
1 a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2 a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

Table with columns (a) Yes/No and (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; a Volunteers?; b Paid staff or management...; 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?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; b If "Yes," enter the amount of any tax incurred under section 4912; c If "Yes," enter the amount of any tax incurred by organization managers under section 4912; d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?.

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

Table with columns Yes/No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members?; 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?; 3 Did the organization agree to carryover lobbying and political expenditures from the prior year?.

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

Table with columns 1-5. Rows include: 1 Dues, assessments and similar amounts from members; 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; b Carryover from last year; c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (see instructions).

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

Series of horizontal dashed lines for providing supplemental information.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: Total number at end of year, Aggregate contributions, Aggregate grants, Aggregate value, and two questions about donor advisement.

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

Form with multiple sections: Purpose(s) of conservation easements, table for held at end of year (2a-2d), and various questions about monitoring, expenses, and reporting.

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

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

Form with questions 1a, 1b, 2, and 2a, 2b regarding reporting of art, historical treasures, and similar assets.

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 are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

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

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" to 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 XIV and complete the following table:

Table with 2 columns: Description (1c-1f) and Amount

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

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

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows 1a-1g.

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment 84.0000%
b Permanent endowment 15.0000%
c Term endowment 1.0000%

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

Table with 2 columns: Yes, No. Rows 3a(i), 3a(ii), 3b.

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

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

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows 1a-1e and Total.

Part VII Investments - Other Securities. 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
Financial derivatives		
Closely-held equity interests		
Other LONG-TERM INVESTMENTS OTHER	2,190,683.	COST
LONG TERM INVESTMENTS	4,682,328.	FMV
CD	3,000,000.	COST
SHORT TERM INVESTMENTS	6,804,814.	FMV
MONEY MARKET ACCT	3,340,406.	FMV
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	20,018,231.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
INVESTMENT IN SUBSIDIARIES	24,770,685.	COST
INVESTMENT IN PREMIER	231,287.	COST
INVESTMENT IN ONCOLOGY CTR	100,000.	COST
INVESTMENT IN MT AIRY HLTH SER	517,094.	COST
INVESTMENT IN CMOA	2,066,709.	COST
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)	27,685,775.	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
DUE FROM AFFILIATES	803,691.
UMAMORTIZED BOND ISSUANCE COST	1,921,702.
OTHER RECEIVABLES	557,122.
FUNDS HELD BY TRUSTEE	13,577,154.
ASSETS LIMITED TO USE	245,740.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	17,105,409.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
ADVANCES FROM THIRD PARTY	4,453,690.
ACCRUED PENSION	15,877,222.
OTHER LIABILITIES	338,841.
MERRILL LYNCH SWAP RATE	7,905,243.
CAPITAL LEASE	554,742.
MOB	15,832,998.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	44,962,736.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV.)	8
9	Total adjustments (net). Add lines 4 through 8	9
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
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 on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV.)	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 XIV.)	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 XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
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 XIV.)	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 XIV.)	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 XIV Supplemental Information

Complete this part to 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV Supplemental Information *(continued)*

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2009

Open to Public Inspection

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

Part I Charity Care and Certain Other Community Benefits at Cost

		Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a	1a	X	
b If "Yes," is it a written policy?	1b	X	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals			
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.			
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>300.0000</u> %	3a	X	
b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>375.0000</u> %	3b	X	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4 Does the organization's policy provide free or discounted care to the "medically indigent"?	4	X	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		X
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
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?	5c		
6a Does the organization prepare an annual community benefit report?	6a	X	
b If "Yes," does the organization make it available to the public?	6b	X	

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(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
a Charity care at cost (from Worksheets 1 and 2)			4,291,095.		4,291,095.	2.17
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			4,291,095.		4,291,095.	2.17
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,692,889.	32,634.	1,660,255.	.84
f Health professions education (from Worksheet 5)			379,411.		379,411.	.19
g Subsidized health services (from Worksheet 6)			28,541,040.	17,050,759.	11,490,281.	5.81
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			201,918.		201,918.	.10
j Total. Other Benefits			30,815,258.	17,083,393.	13,731,865.	6.94
k Total. Add lines 7d and 7j			35,106,353.	17,083,393.	18,022,960.	9.11

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

Schedule H (Form 990) 2009

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			451,455.	116,263.	335,192.	.17
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			450,759.		450,759.	.23
8 Workforce development						
9 Other						
10 Total			902,214.	116,263.	785,951.	.40

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- 2 Enter the amount of the organization's bad debt expense (at cost)
- 3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.

	Yes	No
1	X	
2		
3		
5		
6		
7		
9a	X	
9b	X	

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME)
- 6 Enter Medicare allowable costs of care relating to payments on line 5
- 7 Subtract line 6 from line 5. This is the surplus or (shortfall)

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:

Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- 9a Does the organization have a written debt collection policy?
- 9b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.

Part IV Management Companies and Joint Ventures

	(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					
14					

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3B

FOR PATIENTS THAT EXPERIENCE A MEDICAL HARSHIP (MEDICAL DEBT THAT EXCEEDS 25% OF HOUSEHOLD INCOME), CARROLL HOSPITAL CENTER ALSO PROVIDES DISCOUNTED CARE FOR INDIVIDUALS EARNING UP TO 500% OF THE FEDERAL POVERTY GUIDELINES.

PART I, LINE 5A

CARROLL HOSPITAL CENTER DOES NOT DENY FINANCIAL ASSISTANCE TO ANY PATIENT ELIGIBLE FOR FREE OR DISCOUNTED CARE UNDER ITS FINANCIAL ASSISTANCE POLICY REGARDLESS OF WHETHER OR NOT THE FINANCIAL ASSISTANCE BUDGET WAS EXCEEDED.

PART I, LINE 6B

MARYLAND HOSPITALS ARE REQUIRED TO SUBMIT AN ANNUAL COMMUNITY BENEFIT REPORT TO THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) THAT DESCRIBES THE PROGRAMS AND SERVICES OFFERED THAT ARE DESIGNED TO PROMOTE THE HEALTH AND WELLNESS OF THE COMMUNITIES SERVED. THESE REPORTS ARE AVAILABLE TO THE PUBLIC ON THE HSCRC WEBSITE (WWW.HSCRC.STATE.MD.US).

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ADDITIONALLY, CARROLL HOSPITAL CENTER MAKES AVAILABLE ITS COMMUNITY

BENEFIT REPORT ON ITS WEBSITE (WWW.CARROLLHOSPITALCENTER.ORG)

PART I, LINE 7A COLUMN C

THE METHODOLOGY USED TO CALCULATE CHARITY CARE COST WAS A COST-TO-CHARGE

RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES.

PART I, LINE 7A

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 HOSPITAL. MARYLAND'S

UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED

CARE IN EACH PAYOR'S RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO

BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7B

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 HOSPITAL. MARYLAND'S
 UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED
 CARE IN EACH PAYOR'S RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO
 BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY
 BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE
 NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL
 FOR ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS THE STATE OF
 MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING
 HOSPITALS THROUGH THE RATE-SETTING SYSTEM. FOR TAX YEAR 2009, CARROLL
 HOSPITAL CENTER'S MEDICAID BUDGET DEFICIT UNFUNDED ASSESSMENT AMOUNTED TO
 \$412,000.

PART I, LINE 3C:

N/A

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
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- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

MARYLAND HOSPITALS ARE REQUIRED TO SUBMIT AN ANNUAL COMMUNITY BENEFIT

REPORT TO THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) THAT

DESCRIBES THE PROGRAMS AND SERVICES OFFERED THAT ARE DESIGNED TO

PROMOTE THE HEALTH AND WELLNESS OF THE COMMUNITIES SERVED. THESE

REPORTS ARE AVAILABLE TO THE PUBLIC ON THE HSCRC WEBSITE

(WWW.HSCRC.STATE.MD.US). ADDITIONALLY, CARROLL HOSPITAL CENTER

MAKES AVAILABLE ITS COMMUNITY BENEFIT REPORT ON ITS WEBSITE

(WWW.CARROLLHOSPITALCENTER.ORG)

PART I, LINE 7G:

CARROLL HOSPITAL CENTER PROVIDED \$11,490,281 OF NET COMMUNITY BENEFIT

THROUGH SUBSIDIZED HEALTH SERVICES. THIS INCLUDES PHYSICIAN SUPPORT

SPENDING INCURRED BY THE HOSPITAL (\$4.0 MILLION) TO PROVIDE ON-SITE

PHYSICIAN COVERAGE TO HOSPITAL OBSTETRICAL, PEDIATRIC, CRITICAL CARE,

AND MEDICAL/SURGICAL PATIENTS, AS WELL AS EMERGENCY DEPARTMENT

ON-CALL COVERAGE. ADDITIONALLY, CARROLL HOSPITAL CENTER INDIRECTLY

SUBSIDIZES THE OPERATING LOSSES ASSOCIATED WITH ITS WHOLLY-OWNED

CORPORATE SUBSIDIARY'S (CARROLL COUNTY MED-SERVICES) EMPLOYED

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
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- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PHYSICIAN ENTERPRISES (ELEVEN WHOLLY-OWNED PHYSICIAN PRACTICE LIMITED
 LIABILITY COMPANIES DISREGARDED FOR TAX PURPOSES). CARROLL HOSPITAL
 CENTER FUNDS THE OPERATING LOSSES (\$6.6 MILLION) THAT ARE INCURRED
 DIRECTLY BY CARROLL COUNTY MED-SERVICES. AS A RESULT, CARROLL
 HOSPITAL CENTER HAS INCLUDED THE \$6.6 MILLION OPERATING LOSS
 ASSOCIATED WITH THE FUNDING OF THE PHYSICIAN ENTERPRISES AS A
 COMMUNITY BENEFIT ON SCHEDULE H.

PART I, LINE 7, COLUMN F:

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.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4:

CARROLL HOSPITAL CENTER INCURRED \$3,626,000 IN BAD DEBT EXPENSE

DURING TAX YEAR 2009. THIS REFLECTS THE AMOUNT OF GROSS PATIENT

CHARGES (\$4,064,000) UNCOLLECTED FROM PATIENTS THAT DID NOT QUALIFY

FOR FINANCIAL ASSISTANCE DISCOUNTED BY CHC'S HSCRC APPROVED MARK-UP

FACTOR OF 1.1206 IN EFFECT FOR THE YEAR.

CARROLL HOSPITAL CENTER INC. DETERMINES ELIGIBILITY FOR FINANCIAL

ASSISTANCE THROUGH OTHER VARIOUS MEANS (CREDIT REPORTS, DEBT AND

ASSET REVIEWS, AND REFERRALS FROM THE HOSPITAL'S BILLING AGENTS) WHEN

THE PATIENT HAS NOT COMPLETED THE FINANCIAL ASSISTANCE APPLICATION.

IF A DETERMINATION IS MADE REGARDING THE PATIENT'S INABILITY TO PAY,

THE ACCOUNT CAN BE APPROVED FOR FINANCIAL ASSISTANCE ON A PRESUMPTIVE

BASIS RATHER THAN BE REFLECTED AS BAD DEBT EXPENSE. AS SUCH, CHC

ESTIMATES THAT 10% OF REPORTED BAD DEBT EXPENSE (\$362,000 AT COST)

MAY BE ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE /

CHARITY CARE.

PER AUDIT REPORT (1M): "NET PATIENT SERVICE FOR THE HOSPITAL

Part VI Supplemental Information

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- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

REFLECTS ACTUAL CHARGES TO PATIENTS BASED ON RATES ESTABLISHED BY THE
 STATE OF MARYLAND HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) IN
 EFFECT DURING THE PERIODS IN WHICH SERVICES ARE RENDERED, NET OF
 CONTRACTUAL ADJUSTMENTS. CONTRACTUAL ADJUSTMENTS REPRESENTS
 REPRESENT THE DIFFERENCE BETWEEN AMOUNTS BILLED BY THE HOSPITAL AND
 AMOUNTS PAID BY THIRD-PARTY PAYORS. BECAUSE THE HOSPITAL DOES NOT
 PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE,
 SUCH AMOUNTS ARE NOT REPORTED AS REVENUE".

BAD DEBT EXPENSE REFLECTS ACTUAL PATIENT CHARGES THAT HAVE BEEN
 DETERMINED TO BE UNCOLLECTIBLE FOR PATIENTS THAT HAVE NOT QUALIFIED
 FOR CHARITY CARE. BAD DEBT EXPENSE MAY ALSO INCLUDE ADDITIONAL "BAD
 DEBT PROVISIONS" FOR DOUBTFUL ACCOUNTS BASED ON MANAGEMENT'S
 ESTIMATES OF FUTURE ACCOUNT COLLECTIONS BASED ON CHANGES IN SERVICE
 MIX AND PAYOR MIX.

CARROLL HOSPITAL CENTER INC. DETERMINES ELIGIBILITY FOR
 FINANCIAL ASSISTANCE THROUGH OTHER VARIOUS MEANS (CREDIT REPORTS,
 DEBT AND ASSET REVIEWS, AND REFERRALS FROM THE HOSPITAL'S BILLING

Part VI Supplemental Information

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AGENTS) WHEN THE PATIENT HAS NOT COMPLETED THE FINANCIAL ASSISTANCE

APPLICATION. IF A DETERMINATION IS MADE REGARDING THE PATIENT'S

INABILITY TO PAY, THE ACCOUNT CAN BE APPROVED FOR FINANCIAL

ASSISTANCE ON A PRESUMPTIVE BASIS RATHER THAN BE REFLECTED AS BAD

DEBT EXPENSE. AS SUCH, CHC ESTIMATES THAT 10% OF REPORTED BAD DEBT

EXPENSE (\$362,000 AT COST) MAY BE ATTRIBUTABLE TO PATIENTS ELIGIBLE

FOR FINANCIAL ASSISTANCE / CHARITY CARE.

PART III, LINE 8:

CARROLL HOSPITAL CENTER'S TAX YEAR 2009 (FISCAL YEAR 2010) MEDICARE

COST REPORT SUBMISSION WAS UTILIZED AS THE SOURCE DOCUMENT TO REPORT

MEDICARE ALLOWABLE COSTS OF CARE (PART III, LINE 6) RELATING TO

PAYMENTS ON (PART III, LINE 5)

NEEDS ASSESSMENT:

THROUGH OUR COMMUNITY ADVOCACY ARM, THE PARTNERSHIP FOR A HEALTHIER

CARROLL COUNTY, CHC HAS BEEN INVOLVED IN NUMEROUS HEALTH STATUS

Part VI Supplemental Information

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ASSESSMENT PROJECTS SPECIFIC TO OUR COMMUNITY. AN ORIGINAL CARROLL

COMMUNITY HEALTH ASSESSMENT IN 1997 PRIORITIZED EIGHT BROAD AREAS

WHERE IMPROVEMENT OPPORTUNITIES EXISTED. LATER, FOLLOWING SUCCESSIVE

ASSESSMENTS, THAT NUMBER WAS EXPANDED TO 11. UPDATES TO THE ORIGINAL

ASSESSMENT WERE ALSO COMPLETED IN 2005 AND INCLUDED TWO UPDATES, ONE

SPECIFIC TO HOUSEHOLDS WITHOUT CHILDREN UNDER THE AGE OF 18 AND THOSE

WITH CHILDREN UNDER THE AGE OF 18.

OUR RESULTS WERE STRIKINGLY SIMILAR TO THE LEADING INDICATORS IN THE

U.S. GOVERNMENT'S HEALTHY PEOPLE 2010 PROJECT. OPERATING UNDER THE

GUIDANCE OF THE SURGEON GENERAL'S OFFICE AND THE SECRETARY OF THE

DEPARTMENT OF HEALTH AND HUMAN SERVICES, HEALTHY PEOPLE 2010 IS THE

PREVENTION AGENDA FOR THE NATION.

ONCE THE NATIONAL HEALTHY PEOPLE 2020 OBJECTIVES ARE FINALIZED, ALL

IDENTIFIED IMPROVEMENT AREAS WILL BE REVIEWED AND INCORPORATED INTO

OUR COMMUNITY BENEFIT PLAN AS FEASIBLE AND APPROPRIATE.

IN COOPERATION WITH OUR COMMUNITY PARTNERS, WE SEEK TO MAKE

MEASURABLE, SUSTAINABLE, LONG-TERM PROGRESS. WE GAUGE OUR PROGRESS

Part VI Supplemental Information

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RELATED TO OUR EFFECT ON THE UNDERLYING ROOT CAUSES ASSOCIATED WITH
 THESE ISSUES, AND AGAIN, WITH AND THROUGH OUR MANY PARTNERS, WE
 STRIVE TO ADDRESS ROOT CAUSES.

TO TRACK AND TREND OUR PROGRESS AS A COMMUNITY, THE PARTNERSHIP HAS
 ORGANIZED HEALTHY CARROLL VITAL SIGNS - MEASURES OF COMMUNITY HEALTH.

THIS DATA IS PROVIDED BY VARIOUS SOURCES INCLUDING THE CARROLL
 COUNTY HEALTH DEPARTMENT AND OTHER BRANCHES OF THE CARROLL COUNTY
 GOVERNMENT AS WELL AS THROUGH HOSPITAL-BASED COMMUNITY OUTREACH

ACTIVITIES AND EDUCATION. (DATA CHARTS AVAILABLE ON-LINE AT
 WWW.HEALTHYCARROLL.ORG) SINCE NOT ALL OF THE DATA CHARTS ARE UPDATED

EACH YEAR, THE PARTNERSHIP DEVELOPED A DASHBOARD REPORT TO TRACK
 PROGRESS AND OUTCOMES OF KEY INDICATORS (DASHBOARD AVAILABLE ON-LINE
 AT WWW.HEALTHYCARROLL.ORG AND PROVIDED AS SUPPORT IN QUESTION 5).

OTHER ASSESSMENTS USED INCLUDE:

ELDER NEEDS HEALTH ASSESSMENT: COMPLETED IN FEBRUARY 2008, (REPORT
 AVAILABLE IN ITS ENTIRETY ON-LINE AT WWW.HEALTHYCARROLL.ORG)

COMMUNITY BENEFIT PROGRAM INITIATIVES ARE DECIDED UPON PRIMARILY BY
 THE INPUT, WORK AND ANNUAL STRATEGY PLANNING OF THE FOLLOWING:

* PATIENTS

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* THE PARTNERSHIP FOR A HEALTHIER CARROLL COUNTY (WITH OUR COMMUNITY
 PARTNERS INCLUDING THE CARROLL COUNTY HEALTH DEPARTMENT)

* THE LEARNING CENTER

* THE WOMEN'S PLACE

* THE HOSPITAL'S MULTIDISCIPLINARY COMMUNITY BENEFIT PLANNING AND
 REVIEW TEAM

* THE HOSPITAL'S EXECUTIVE TEAM AND BOARD OF DIRECTORS

IN ADDITION, TO KEEP OUR FINGER ON THE PULSE OF PERTINENT ISSUES AND
 CONTINUE TO BE PROACTIVE IN IDENTIFYING AND CREATIVELY MEETING THE
 UNIQUE NEEDS OF OUR COMMUNITY ON AN ONGOING BASIS, THE HOSPITAL HAS
 DEVELOPED AND FACILITATES THE FOLLOWING LEADERSHIP TEAMS FOCUSED ON
 THE 11 CORE HEALTH IMPROVEMENT AREAS IDENTIFIED IN OUR ORIGINAL
 COMMUNITY HEALTH ASSESSMENT:

* ACCESS TO HEALTH CARE - COLLABORATES WITH COMMUNITY PARTNERS TO
 IMPROVE ACCESS TO HEALTH CARE FOR THE UNINSURED AND UNDERINSURED.

* CANCER: AMERICAN CANCER SOCIETY LEADERSHIP COUNCIL - WORKS TO
 REDUCE CANCER INCIDENCE AND MORTALITY IN CARROLL COUNTY.

* INTERPERSONAL VIOLENCE: DOMESTIC VIOLENCE COORDINATING COUNCIL -

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FOCUSES ON ISSUES OF DOMESTIC VIOLENCE IN COUNTY. AFFILIATED

WITH FAMILY AND CHILDREN'S SERVICES OF CENTRAL MARYLAND, CARROLL

COUNTY

* ELDER HEALTH - SEEKS TO INCREASE QUALITY AND YEARS OF HEALTHY LIFE

FOR CARROLL COUNTIANS OVER AGE 65.

* HEART HEALTH IMPROVEMENT -SEEKS TO IMPROVE THE CARDIOVASCULAR

HEALTH AND QUALITY OF LIFE OF ADULTS AND CHILDREN THROUGH

PREVENTION, DETECTION, AND TREATMENT OF RISK FACTORS.

* L.E.A.N. CARROLL - MULTI-DISCIPLINARY HOSPITAL/COMMUNITY GROUP

WORKING TO ADDRESS CHILDHOOD OBESITY IN CARROLL COUNTY THROUGH

LIFESTYLE, EDUCATION, ACTIVITY AND NUTRITION.

* MENTAL HEALTH: SUBCOMMITTEE OF THE BEHAVIORAL HEALTH AND

ADDICTIONS ADVISORY COUNCIL - SUPPORTS EFFORTS TO IMPROVE THE

MENTAL HEALTH OF CARROLL COUNTY RESIDENTS. A MENTALLY HEALTHY

COMMUNITY IS INDICATED BY MANY FACTORS INCLUDING: LOW SUICIDE

ATTEMPT RATES, AND INCREASED NUMBER OF COUNTY RESIDENTS WHOSE

INSURANCE COVERS MENTAL HEALTH SERVICES, AN ADEQUATE NUMBER OF

OUTPATIENT SERVICES, AND A DECREASE IN THE STIGMA ASSOCIATED WITH

MENTAL ILLNESS AND EMOTIONAL DISTURBANCES.

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* PREVENTION & WELLNESS PARTNERS - COORDINATES PROJECTS TO IMPROVE

HEALTH OUTCOMES FOR PEOPLE IN CARROLL COUNTY AS MEASURED BY

IMPROVEMENT IN LIFESTYLE / BEHAVIOR INDICATORS.

* RESOURCE CONSERVATION COALITION - WORK GROUP FORMED TO PROMOTE

HEALTH AND QUALITY OF LIFE FOR ALL COUNTY RESIDENTS THROUGH A

HEALTHIER ENVIRONMENT AND MANAGED GROWTH AND DEVELOPMENT AND WATER

QUALITY STANDARDS.

* POSITIVE YOUTH & FAMILY DEVELOPMENT : SCHOOL READINESS

PROVIDES INFORMATION TO PARENTS AND COMMUNITY ON WAYS TO ENSURE

THAT CHILDREN ENTER SCHOOL WITH THE SKILLS NEEDED FOR LEARNING.

* SUBSTANCE ABUSE: SUB-COMMITTEE OF THE BEHAVIORAL HEALTH AND

ADDICTIONS ADVISORY COUNCIL - FOCUSES ON ALL ISSUES OF SUBSTANCE

ABUSE IN CARROLL COUNTY. PRODUCES SUBSTANCE ABUSE DIRECTORY (2008

VERSION). WORKS TOWARD GAPS IN SERVICE THAT HAVE BEEN IDENTIFIED,

INCLUDING NEED FOR A LONG-TERM TREATMENT FACILITY FOR HEROIN USERS,

LACK OF SPACE/ CAPACITY FOR CURRENT RESIDENTIAL PROGRAMS,

INSUFFICIENT DETOX SERVICES, INADEQUATE SERVICES FOR ADOLESCENTS

WITH CO-OCCURRING DISORDERS, AND A NEED FOR MORE PREVENTION

SERVICES

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* BEHAVIORAL HEALTH AND ADDICTIONS ADVISORY COUNCIL -

STATE-APPOINTED LOCAL GROUP TO EVALUATE CONTINUUM OF CARE IN
SUBSTANCE ABUSE AND MENTAL HEALTH FIELDS IN THE COUNTY.

SERVES AS A QUASI-BOARD OF DIRECTORS FOR THE CARROLL COUNTY CORE

SERVICES AGENCY. ALSO COORDINATES TRAINING PROGRAMS, PROGRAMS

DESIGNED TO REDUCE THE STIGMA ASSOCIATED WITH PSYCHIATRIC

DISORDERS, AND PUBLIC AWARENESS PROGRAMS.

* CARING CARROLL, INC. - OPERATES CARING CARROLL, A FAITH IN ACTION

VOLUNTEER CARE GIVING PROGRAM. HELPS TO MEET THE NON-MEDICAL NEEDS

OF ISOLATED ELDERLY, ILL, DISABLED, OR FRAIL CARROLL COUNTY

RESIDENTS STRIVING TO REMAIN INDEPENDENT IN THEIR OWN HOMES.

* CARROLL COUNTY LOCAL MANAGEMENT BOARD - WORKS TO IMPROVE THE LIVES

OF CHILDREN AND FAMILIES IN CARROLL COUNTY. DEVELOPS AND MANAGES

COMMUNITY-BASED FAMILY SERVICES.

* MID-WESTERN REGION HIGHWAY SAFETY TASK FORCE - CARROLL COUNTY

COMPREHENSIVE HIGHWAY TRAFFIC SAFETY TASK FORCE. FUNDS LAW

ENFORCEMENT, INCLUDING OVERTIME FOR DUI ENFORCEMENT, AGGRESSIVE

DRIVING, MOTORCYCLE, AND PEDESTRIAN ENFORCEMENT. EDUCATION AND

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AWARENESS PROGRAMS ON YOUNG/OLDER DRIVER ISSUES, OCCUPANT

PROTECTION, CHILD PASSENGER SAFETY, BICYCLE, ALCOHOL, AGGRESSIVE

DRIVING, AND MORE.

* RISKY BUSINESS PLANNING COMMITTEE - PLANS ANNUAL TRAINING /

AWARENESS-RAISING CONFERENCE IN JUNE FOR PROVIDERS REGARDING ISSUES

OF TEEN RISKY BEHAVIORS, SUCH AS PREGNANCY, DRUG USE, AND SUICIDE.

* TOBACCO COALITION (CARROLL COMMUNITY HEALTH TOBACCO COALITION) -

LOCAL HEALTH COALITION THAT SEEKS TO DECREASE TOBACCO USE AND

EXPOSURE TO SECONDHAND SMOKE IN CARROLL COUNTY

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

CARROLL HOSPITAL CENTER (CHC) HAS A NUMBER OF PROGRAMS TO ASSIST

PATIENTS WITH THEIR PAYMENT OBLIGATIONS. FIRST, WE PROVIDE A

MEDICAID ENROLLMENT SERVICE TO PATIENTS WHO QUALIFY FOR MEDICAL

ASSISTANCE. THIS SERVICE ASSISTS PATIENTS WITH PAPERWORK AND WILL

EVEN PROVIDE TRANSPORTATION IF NEEDED. THIS PAST YEAR, CHC ASSISTED

416 PATIENTS IN APPLYING FOR THE STATE'S MEDICAL ASSISTANCE PROGRAM.

IN ADDITION, THE HOSPITAL HELD A, FREE ENROLLMENT SESSION FOR "COVER

THE UNINSURED DAY" FOR UNINSURED COMMUNITY MEMBERS TO COME IN TO SEE

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IF THEY QUALIFIED FOR MEDICAL OR FINANCIAL ASSISTANCE.

FOR PATIENTS WHO DO NOT QUALIFY FOR MEDICAID COVERAGE, CHC HAS AN

IN-HOUSE FINANCIAL ASSISTANCE PROGRAM. OUR ELIGIBILITY STANDARDS ARE

MORE LENIENT THAT EVEN THOSE PROPOSED BY THE MARYLAND HOSPITAL

ASSOCIATION GUIDELINES. WE WRITE OFF 100% OF THE BILL FOR PATIENTS

WHOSE INCOME IS BELOW 300% OF THE FEDERAL POVERTY GUIDELINES (FPG)

AND WRITE OFF A PORTION OF THE BILL FOR PATIENTS WHOSE INCOME IS

BETWEEN 301%-375% OF THE FPG.

WHEN PATIENTS EXPRESS THEIR INABILITY TO PAY FOR SERVICES, OUR STAFF

WORKS TO FIND THE BEST POSSIBLE OPTION FOR THEM BY DISCUSSING IN

DETAIL THEIR SITUATION. THE FAMILY IS INVOLVED IN THOSE CONVERSATIONS

TO THE EXTENT THE PATIENT FEELS COMFORTABLE.

THE HOSPITAL ALSO HAS A PROCESS IN PLACE FOR PATIENTS TO HAVE

FINANCIAL ASSISTANCE DECISIONS RECONSIDERED AND THAT PROCESS IS

CLEARLY OUTLINED IN OUR FINANCIAL ASSISTANCE POLICY AND IN

INFORMATION PROVIDED TO OUR PATIENTS. IN ADDITION, FOR PATIENTS WITH

INCOME BELOW 500% OF THE FPG AND WHOSE MEDICAL DEBT AT CHC IS IN

EXCESS OF 25% OF THEIR HOUSEHOLD INCOME, THE HOSPITAL HAS A MEDICAL

HARDSHIP PLAN THAT PROVIDES FOR REDUCED-COST CARE.

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COMMUNITY INFORMATION:

AS THE ONLY HOSPITAL IN THE COUNTY, CHC'S PRIMARY SERVICE AREA IS THE ENTIRE COUNTY. THE HOSPITAL DOES, HOWEVER, ALSO SERVE PORTIONS OF BALTIMORE, FREDERICK AND MONTGOMERY COUNTIES AS WELL AS AREAS IN NORTHERN PENNSYLVANIA.

THE GENERAL DEMOGRAPHICS FOR OUR PRIMARY COMMUNITY (CARROLL COUNTY) ARE LISTED BELOW:

GEOGRAPHY

LAND AREA 452 SQ. MILES (289,280 ACRES)

PERSONS PER SQUARE MILE (2008) 387

LAND IN FARMS (2007) 141,934 ACRES

AGRICULTURAL LAND PRESERVATION FARMS (2010) 562

AGRICULTURAL LAND PRESERVATION ACRES (2010) 60,167

SOURCES: CARROLL COUNTY DEPARTMENT OF PLANNING; US CENSUS BUREAU

Part VI Supplemental Information

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QUICKFACTS; NATIONAL AGRICULTURAL STATISTICS SERVICE; MD DHR 2004

FACT PACK; CARROLL COUNTY DEPARTMENT OF ECONOMIC DEVELOPMENT

POPULATION

TOTAL POPULATION ESTIMATE (2009) 204,486

PROJECTED POPULATION (2014) 217,091

RACE (2008):

WHITE 93.22%

AFRICAN AMERICAN 3.15%

HISPANIC 1.9%

MULTI-RACIAL 1.13%

NATIVE AMERICAN .24%

ASIAN/PACIFIC ISLANDER .03%

AGE (PROJECTIONS FOR 2010):

0 - 17 50,159

18 - 44 70,780

45 - 65 59,195

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65+ 24,352

SOURCE: SOLUCIENT: MARKET PLANNER PLUS 2009

FAMILY

TOTAL NUMBER OF HOUSEHOLDS (2009) 64,675

AVERAGE HOUSEHOLD SIZE (2009) 2.8 PERSONS

SOURCES: MD STATE DATA CENTER CARROLL COUNTY DEMOGRAPHIC AND

SOCIO-ECONOMIC OUTLOOK; 2005 STRENGTHS & NEEDS ASSESSMENT SECONDARY

FAMILY DATA ANALYSIS, MD DHMH VITAL STATISTICS

ECONOMICS

PER CAPITA PERSONAL INCOME (2007) \$ 41,147

MEDIAN HOUSEHOLD INCOME (2007) \$ 78,200

STATE RANK 11TH

HOUSEHOLDS BELOW POVERTY LEVEL (2008) 5,565, 8%

UNEMPLOYMENT RATE (2009) 6.5%

MEDIAN COST OF HOMES PURCHASED (2008) \$299,450

HOUSING UNITS AUTHORIZED FOR CONSTRUCTION (2007) 312

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SOURCES: MD DHR 2005 CARROLL COUNTY SNAP SHOT; CARROLL COUNTY

DEPARTMENT OF ECONOMIC DEVELOPMENT AND SOLUCIENT

BUSINESS

PRIVATE NON-FARM ESTABLISHMENTS WITH PAID EMPLOYEES (2007)

4,650

PRIVATE NON-FARM EMPLOYMENT (2005)

51,718

SOURCES: US CENSUS BUREAU QUICKFACTS; NATIONAL AGRICULTURAL

STATISTICS SERVICE; CARROLL COMMUTER SURVEY (2001)

OTHER SIGNIFICANT DEMOGRAPHIC CHARACTERISTICS

ACCORDING TO THE MOST RECENT MD BRFSS (MARYLAND BEHAVIORAL RISK

FACTOR SURVEILLANCE SURVEY) DATA REPORT (2008), OUR COMMUNITY HAS A

HIGH RATE OF INSURED RESIDENTS WITH 96.3% OF RESIDENTS REPORTING THAT

THEY HAVE SOME LEVEL OF HEALTH INSURANCE. IN 2010, OF THE CARROLL

COUNTY RESIDENTS THAT WERE HOSPITALIZED (EITHER AT CHC OR OTHER

HOSPITALS), 2,655 OR APPROXIMATELY 12% WERE MEDICAID ADMISSIONS AND

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220 OR 1% WERE UNINSURED.

COMMUNITY BUILDING ACTIVITIES:

THE HOSPITAL'S EDUCATION AND WELLNESS INITIATIVES ARE DRIVEN BY THE WOMEN'S PLACE, THE LEARNING CENTER AND THE PARTNERSHIP FOR A HEALTHIER CARROLL COUNTY. THESE EDUCATION ARMS OF THE HOSPITAL WORK COLLABORATIVELY TO ADDRESS THE LARGEST NUMBER OF COMMUNITY HEALTH CARE NEEDS AND WELLNESS INITIATIVES WITHOUT DUPLICATING SERVICES OR PROGRAMS.

TOGETHER, IN FY10, THE HOSPITAL HAD 5,346 ENCOUNTERS FOR COMMUNITY HEALTH EDUCATION, 2,105 ENCOUNTERS FOR SUPPORT GROUPS, 2096 ENCOUNTERS FOR FREE AND LOW-COST SCREENINGS AND 666 ENCOUNTERS FOR SELF-HELP PROGRAMS. THESE PROGRAMS, SUPPORT GROUPS AND SCREENINGS ARE NOT ONLY DIRECTED TO PATIENTS WITH A VARIETY OF CHRONIC AND ACUTE MEDICAL ISSUES RANGING FROM CANCER AND DIABETES TO HEART DISEASE AND ARTHRITIS BUT MANY ARE FOCUSED ON PREVENTION AND EDUCATION TO KEEP OUR POPULATION WELL. TWO EXAMPLES OF PROGRAMS WITH MEASURABLE OUTCOMES ARE OUTLINED BELOW:

A. LOSE TO WIN PROGRAM

Part VI Supplemental Information

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DESCRIPTION: TWELVE-WEEK COLLABORATIVE COMMUNITY PROGRAM TO PROMOTE

WEIGHT LOSS AND WELLNESS. THIS INNOVATIVE AND RIGOROUS 12-WEEK

PROGRAM FEATURES:

UNLIMITED ACCESS TO EXERCISE SESSIONS AT MERRITT ATHLETIC CLUB

WEEKLY GROUP NUTRITIONAL CLASSES AT MARTIN'S FOOD MARKET

WEEKLY WEIGH-INS AND REGULAR BLOOD PRESSURE CHECKS

PRIZE INCENTIVES

PRE- AND POST-PROGRAM COMPREHENSIVE BLOOD PROFILES

YEAR OF EVALUATION: DEVELOPED IN EARLY 2009, OUR FIRST SESSION WAS

HELD IN THE SPRING OF 2009 AND HAS BEEN HELD A TOTAL OF THREE TIMES

SINCE ITS DEVELOPMENT.

RESULTS/EVALUATION: AS A RESULT OF A HEALTHY COLLABORATION BETWEEN

CARROLL HOSPITAL CENTER AND ITS PARTNERS IN THE SOUTH CARROLL

(ELDERSBURG) AREA, MARTIN'S FOOD MARKET, MERRITT ATHLETIC CLUB AND

LOCAL BEAUTY SALONS, THE LOSE TO WIN WELLNESS CHALLENGE HAS MARKED

THE END TO A SECOND SUCCESSFUL YEAR. RESULTS FOR ALL THREE PROGRAMS

ARE LISTED BELOW.

SPRING 2010

TOTAL POUNDS LOST - 341

Part VI Supplemental Information

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PERCENTAGE LOST - 6.9%

NUMBER OF PARTICIPANTS WHO LOST 10 POUNDS OR MORE - 16

NUMBER OF PARTICIPANTS WHO LOST 20 POUNDS OR MORE - 4

NUMBER OF PARTICIPANTS WHO LOST 30 POUNDS OR MORE - 1

PERCENTAGE OF WEIGHT LOST BY WINNER - 19.8%

POUNDS LOST BY WINNER - 60.8 LBS

FALL 2009

TOTAL POUNDS LOST - 340 LBS

PERCENTAGE LOST - 6.8%

NUMBER OF PARTICIPANTS WHO LOST 10 POUNDS OR MORE - 15

NUMBER OF PARTICIPANTS WHO LOST 20 POUNDS OR MORE - 5

NUMBER OF PARTICIPANTS WHO LOST 30 POUNDS OR MORE - 1

PERCENTAGE OF WEIGHT LOST BY WINNER - 14.6%

POUNDS LOST BY WINNER - 28.8 LBS

SPRING 2009

TOTAL POUNDS LOST - 192.8 LBS

PERCENTAGE LOST - 4.8%

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NUMBER OF PARTICIPANTS WHO LOST 10 POUNDS OR MORE - 8

NUMBER OF PARTICIPANTS WHO LOST 20 POUNDS OR MORE - 2

NUMBER OF PARTICIPANTS WHO LOST 30 POUNDS OR MORE - 2

PERCENTAGE OF WEIGHT LOST BY WINNER - 15.8%

POUNDS LOST BY WINNER - 30.2 LBS

PEOPLE SAW SIGNIFICANT REDUCTIONS IN BLOOD SUGAR AND BLOOD SUGAR

CONTROL (BASED ON FASTING BLOOD SUGAR) DURING EACH OF THE THREE

PROGRAMS.

B. BEST BEGINNINGS PROGRAM

DESCRIPTION: PROGRAM TO PROVIDE WOMEN WITHOUT HEALTH INSURANCE ACCESS

TO HIGH-QUALITY PRENATAL, LABOR AND DELIVERY, AND IN-HOSPITAL NEWBORN

CARE AT AN AFFORDABLE COST.

YEAR OF EVALUATION: FY 2010

RESULTS/EVALUATION: IN PLACE SINCE AUGUST 2007, THE BEST BEGINNINGS

PROGRAM HAS PROVIDED UNINSURED WOMEN WITH VITAL PRENATAL CARE IN

ADDITION TO IN-HOSPITAL LABOR, DELIVERY AND NEWBORN CARE WHO

OTHERWISE WOULD NOT HAVE ACCESS TO SUCH SERVICES. THE PROGRAM IS A

JOINT EFFORT BETWEEN THE HOSPITAL AND ITS AFFILIATED PHYSICIANS WHO

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AGREE TO SEE AND CARE FOR PATIENTS FOR A NOMINAL FEE, ENSURING A

HEALTHIER PREGNANCY, DELIVERY AND NEWBORN.

THE PROGRAM WAS REVAMPED AND RENAMED IN FY 2008 AND OUTREACH WAS DONE

TO AT RISK POPULATIONS TO ENSURE THOSE INDIVIDUALS WERE AWARE OF THE

PROGRAM.

FISCAL

YEAR TOTAL NUMBER

OF PATIENTS NUMBER REACHED

FIRST TRIMESTER % REACHED IN FIRST TRIMESTER % CHANGE

REACHED IN FIRST TRIMESTER

2008	35	16	46%	N/A
------	----	----	-----	-----

2009	35	23	66%	20%
------	----	----	-----	-----

2010	28	23	82%	15%
------	----	----	-----	-----

IN FY 10, ALL MOTHERS ENROLLED IN THE PROGRAM HAD SUCCESSFUL

DELIVERIES WITH NEWBORNS AT OR OVER NORMAL BIRTH WEIGHT. WHAT'S MOST

NOTABLE IS THE CONSISTENT INCREASE OF WOMEN WE REACHED DURING THEIR

FIRST TRIMESTER WHEN WE COULD MORE POSITIVELY AFFECT THE PREGNANCY

AND DELIVERY INSTEAD OF LATER IN THEIR PREGNANCIES. THIS HELPED

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SIGNIFICANTLY TO ENSURE BOTH MOM AND BABY WERE HEALTHY THROUGHOUT THE
PREGNANCY AND DELIVERY.

THE HOSPITAL PLANS TO CONTINUE TO PROMOTE THE PROGRAM TO AT-RISK

POPULATIONS THROUGH THE PROVEN METHODS USED OVER THE PAST TWO YEARS

INCLUDING USING CHURCHES THAT HAVE SPANISH SERVICES.

IN ADDITION TO PROVIDING A FULL RANGE OF PROGRAMS AND SUPPORT GROUPS,

THE WOMEN'S PLACE PROVIDES FREE CANCER NAVIGATION SERVICES AND

SUPPORT FOR MEN AND WOMEN WITH ANY TYPE AND IN ANY STAGE OF THE

DISEASE. OUR NAVIGATORS PROVIDE ONE-ON-ONE SUPPORT AND HELP PATIENTS

WITH EDUCATION, SUPPORT AND COMMUNITY RESOURCES AND CAN ALSO HELP

COORDINATE FINANCIAL ASSISTANCE WITH PRESCRIPTION AND PHYSICIAN VISIT

CO-PAYS, TRANSPORTATION TO AND FROM TREATMENTS, FREE COMPLIMENTARY

HEALTH TREATMENTS AND MEAL DELIVERY. THE WOMEN'S PLACE ALSO HOUSES A

BOUTIQUE FOR WIGS, HEADPIECES, BREAST PROSTHESIS AND UNDERGARMENTS.

PATIENTS ARE ABLE TO PURCHASE ITEMS AND OFTEN CAN RECEIVE MANY ITEMS

FOR FREE THAT HAVE BEEN DONATED TO THE CENTER BY THE COMMUNITY. IN

TOTAL, THE WOMEN'S PLACE HAD 4,665 ENCOUNTERS IN FY10.

WHEN COMMUNITY MEMBERS WANT TO REGISTER FOR A HOSPITAL PROGRAM OR

NEED ANY INFORMATION ON HOSPITAL OR COMMUNITY BASED HEALTH RESOURCES,

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THEY CALL HEALTH ACCESS. HEALTH ACCESS, THE HOSPITAL'S CALL CENTER,
 HAD 8,210 ENCOUNTERS IN FY10. THAT INCLUDES CALLS FROM PATIENTS
 WANTING TO REGISTER FOR CLASSES, PROGRAMS, SCREENINGS OR SUPPORT
 GROUPS AS WELL AS THOSE SEARCHING FOR A PHYSICIAN. THE CENTER IS A
 TRUE COMMUNITY RESOURCE AND RECEIVES MANY MORE CALLS THAN ARE LOGGED
 AND TRACKED IN OUR SYSTEM. THOSE CALLS ARE PATIENTS LOOKING FOR
 OTHER HEALTH CARE RESOURCES, CONTACT NUMBERS, ETC. OUR STAFF TAKES
 THE TIME TO ENSURE EVERY CALLER IS PROVIDED WITH THE VERY BEST
 SERVICE AND IS REFERRED TO AN APPROPRIATE ORGANIZATION/AGENCY FOR
 ASSISTANCE.

THE PARTNERSHIP FOR A HEALTHIER CARROLL COUNTY, AS REFERENCED IN
 QUESTION 2, IS THE HOSPITAL'S COMMUNITY HEALTH ADVOCACY PARTNER. THE
 PARTNERSHIP, WHICH IS FUNDED BY THE HOSPITAL AND THE CARROLL COUNTY
 HEALTH DEPARTMENT, FOCUSES THEIR EFFORTS ON HEALTH IMPROVEMENT BY
 PARTNERING WITH OTHER ORGANIZATIONS IN THE COMMUNITY. THEY WORK
 COLLABORATIVELY TO REACH THOUSANDS OF COMMUNITY MEMBERS BY PROVIDING
 A VARIETY OF INITIATIVES THAT FOCUS ON KEY HEALTH IMPROVEMENT AREAS.
 PARTNERSHIP STAFF AND LEADERSHIP SET ANNUAL TARGET GOALS TRACK AND
 THEIR PROGRESS ON A DASHBOARD BELOW. IN FY10 THE HOSPITAL PROVIDED

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\$300,506 IN FINANCIAL SUPPORT TO THE PARTNERSHIP FOR A HEALTHIER

 CARROLL COUNTY.

OTHER INFORMATION:

 LIKE MOST HOSPITALS, CARROLL HOSPITAL CENTER IS CHALLENGED TO PROVIDE

 CARE TO AN EVER-INCREASING NUMBER OF UNINSURED PATIENTS. LAST FISCAL

 YEAR, MORE THAN 5,778 PATIENTS RECEIVED SOME FORM OF CHARITY

 CARE/FINANCIAL ASSISTANCE FROM THE HOSPITAL, TOTALING \$4,992,380.

 ASSISTANCE RANGED FROM EMERGENCY, INPATIENT AND OUTPATIENT CARE AND

 TESTING THAT WAS WRITTEN OFF, TO CARE PROVIDED IN OUR FREE OUTPATIENT

 CLINIC, ACCESS CARROLL.

 WHILE CARROLL HOSPITAL CENTER CARES FOR PATIENTS WITH NO MEANS TO PAY

 THEIR MEDICAL EXPENSES THROUGHOUT THE HOSPITAL, IT IS SEEN MOST

 ACUTELY IN THE EMERGENCY DEPARTMENT (ED), WHERE MANY UNINSURED

 PATIENTS OFTEN COME FOR PRIMARY AND EMERGENT CARE.

 SINCE ALL PATIENTS PRESENTING TO THE ED ARE TREATED FOR ANY MEDICAL

 CONDITION REGARDLESS OF THEIR ABILITY TO PAY FOR CARE, THE UNINSURED

 POPULATION POSES A SIGNIFICANT CHALLENGE NOT ONLY TO THE HOSPITAL,

 BUT TO PHYSICIANS PROVIDING CARE IN THE HOSPITAL AND IN THE ED. DUE

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

Part I Questions Regarding Compensation

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

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

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

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

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in 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 are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
JOHN SERNULKA	(i)	239,693.	50,000.	13,740.	311,260.	17,759.	632,452.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
LESLIE SIMMONS	(i)	247,569.	17,840.	2,581.	28,254.	16,683.	312,927.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
KEVIN KELBLY	(i)	272,776.	18,823.	6,510.	37,527.	16,683.	352,319.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DAVID HORN	(i)	177,402.	9,826.	558.	22,011.	17,056.	226,853.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
M ELLEN FINNERTY MYERS	(i)	168,986.	9,530.	414.	18,583.	509.	198,022.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
KEVIN SMOTHERS	(i)	333,154.	22,426.	1,848.	24,291.	16,683.	398,402.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOYCE ROMANS	(i)	185,668.	10,541.	855.	16,758.	11,763.	225,585.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
TRACEY ELLISON	(i)	157,795.	8,813.	930.	14,485.	17,056.	199,079.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
BASSAM BARAKAT	(i)	229,788.	0.	2,286.	4,432.	11,730.	248,236.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JEROME MARAVE	(i)	200,517.	0.	1,188.	7,517.	10,593.	219,815.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DANILO V SANTOS	(i)	194,281.	0.	3,708.	0.	11,445.	209,434.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ROBERT WACK	(i)	180,135.	0.	270.	9,364.	16,623.	206,392.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
STEPHANIE REID	(i)	151,100.	6,995.	414.	15,583.	822.	174,914.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JEFFREY M ZALE	(i)	195,114.	6,279.	843.	1,931.	11,504.	215,671.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

PART I LINE 1A

THE PRESIDENT RECEIVED THE FOLLOWING BENEFITS:

1. TAX INDEMNIFICATION AND GROSS-UP PAYMENTS

2. HEALTH OR SOCIAL CLUB DUES OR INITIATION FEES

THE CFO RECEIVED THE FOLLOWING BENEFIT:

1. TAX INDEMNIFICATION AND GROSS-UP PAYMENTS

NONQUALIFIED RETIREMENT PLAN

THE FOLLOWING EMPLOYEES PARTICIPATED IN THE ORGANIZATION'S [457(B) AND/OR

457(F)] DEFERRED COMPENSATION PLANS AND WERE PAID AND/OR CREDITED WITH

THE FOLLOWING AMOUNTS:

JOHN SERNULKA - 290,775

Part III Supplemental Information

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

KEVIN SMOTHERS - 16,500

KEVIN KELBLY - 16,500

LESLIE SIMMONS - 16,500

JOYCE ROMANS - 10,951

DAVID HORN - 10,584

ELLEN MYERS - 9,833

TRACEY ELLISON - 9,606

STEPHANIE REID - 5,787

**SCHEDULE K
(Form 990)**

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2009

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).**

▶ **Attach to Form 990. See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
CARROLL HOSPITAL CENTER, INC.

Employer identification number
52-1452024

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A MARYLAND HEALTH AND HIGHER EDUCATIONAL FAC AUTHORT	52-0936091	574217B53	12/07/2006	36,179,115.	HOSPITAL RENOVATIONS AND EQUIP		X		X
B MARYLAND HEALTH AND HIGHER EDUCATION FAC AUTHORITY	52-0936091	NONE	06/30/2010	15,000,000.	HOSPITAL RENOVATIONS AND EQUIP		X		X
C									
D									
E									

Part II Proceeds

	A		B		C		D		E	
1 Total proceeds of issue	37,718,099.		15,000,000.							
2 Gross proceeds in reserve funds	2,022,281.									
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds			2,595,000.							
5 Issuance costs from proceeds	683,750.		255,500.							
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds	35,012,068.		12,149,500.							
8 Year of substantial completion	2009		2010							
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Were the bonds issued as part of a current refunding issue?		X		X						
10 Were the bonds issued as part of an advance refunding issue?		X		X						
11 Has the final allocation of proceeds been made?	X			X						
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III Private Business Use

	A		B		C		D		E	
	Yes	No								
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X						
2 Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

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

Schedule K (Form 990) 2009

JSA

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X							
b Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X							
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0.0000%		0.0000%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	1.0000%		1.0000%		%		%		%	
6 Total of lines 4 and 5	1.0000%		1.0000%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No								
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2 Is the bond issue a variable rate issue?		X	X							
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X						
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?		X		X						
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		X		X						
6 Did the bond issue qualify for an exception to rebate?		X		X						

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

- 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
KATHLEEN PALAIA	SISTER/DAUGHTER DIRECTOR	82,346.	EMPLOYEE OF THE HOSPITAL		X
HEATHER SIMMONS	DAUGHTER OF AN OFFICER	75,623.	EMPLOYEE OF THE HOSPITAL		X
CHELSEY SIMMONS	DAUGHTER OF AN OFFICER	16,522.	EMPLOYEE OF THE HOSPITAL		X

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

Schedule L (Form 990 or 990-EZ) 2009

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990
Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

ATTACHMENT 1

FAMILY OR BUSINESS RELATIONSHIP

PART VI LINE 2

CHARLES FISHER SR AND CHARLES FISHER JR HAVE A FATHER/SON RELATIONSHIP.

CHARLES FISHER SR AND CHARLES FISHER JR HAVE A BUSINESS RELATIONSHIP.

MIRIAM BECK AND JEFF WOTHERS HAVE A MOTHER-N-LAW/SON-N-LAW RELATIONSHIP.

DESCRIPTION OF REVIEW PROCESS

PART VI LINE 11

THE HOSPITAL'S TAX RETURN IS REVIEWED IN DETAIL BETWEEN THE PREPARER AND
THE FINANCE DEPARTMENT OF THE HOSPITAL. A COPY IS PROVIDED TO THE BOARD
OF THE HOSPITAL AND THE RETURN IS APPROVED BY THE RISK, AUDIT AND
COMPLIANCE COMMITTEE

CONFLICTS MONITORING AND ENFORCEMENT

PART VI LINE 12C

REVIEW OF DISCLOSURE STATEMENTS/REPORT TO THE BOARD. THE CHIEF EXECUTIVE
OFFICER OF THE HOSPITAL ORGANIZATION, THE GOVERNANCE COMMITTEE AND THE
CORPORATE COMPLIANCE OFFICER SHALL REVIEW THE MATTERS DISCLOSED IN THE
DISCLOSURE STATEMENTS AND SHALL SUBMIT TO THE HOSPITAL ORGANIZATION'S
BOARD OF DIRECTORS AN ANNUAL SUMMARY OR SPREADSHEET OF THE DISCLOSURES
AND HIS OR HER RECOMMENDATION FOR THE RESOLUTION OF ANY CONFLICTS
DISCLOSED. IN FORMULATING RECOMMENDATIONS, THE CHIEF EXECUTIVE OFFICER
SHALL CONSULT WITH APPROPRIATE OFFICERS OF THE HOSPITAL ORGANIZATION AND
COUNSEL AS NECESSARY. THE BOARD OF DIRECTORS OF THE HOSPITAL

Name of the organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
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ATTACHMENT 1 (CONT'D)

ORGANIZATION, ACTING IN THE BEST INTERESTS OF THE HOSPITAL ORGANIZATION, SHALL HAVE SOLE DISCRETION TO MAKE ALL FINAL DECISIONS REGARDING CONFLICTS OF INTEREST, OTHER THAN THOSE REGARDING GIFTS TO HOSPITAL ORGANIZATION EMPLOYEES WHICH SHALL BE RESOLVED BY THE APPROPRIATE SUPERVISORY EXECUTIVE.

HOWEVER, NO PERSON SHALL BE INVOLVED IN CONSIDERING THE EXISTENCE OF AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, IN THE MANAGEMENT AND OVERSIGHT OF A CONFLICT RELATIONSHIP, OR IN THE DETERMINATION OF DISCIPLINE FOR VIOLATIONS OF THIS POLICY, IF THAT PERSON IS A PARTY OR POTENTIAL PARTY TO THAT CONFLICT.

ALL FINAL DECISIONS REGARDING CONFLICTS OF INTEREST SHALL BE REFLECTED IN A REVISED ANNUAL SUMMARY OR SPREADSHEET OF CONFLICT DISCLOSURES WHICH WILL BE SHARED WITH EACH DIRECTOR. THE CHAIR AND VICE-CHAIR OF THE BOARD, AND ALL BOARD COMMITTEE CHAIRS, SHALL HAVE THIS REVISED SUMMARY OR SPREADSHEET AVAILABLE AT THE TIME OF ALL BOARD AND BOARD COMMITTEE MEETINGS IN CASE A MATTER INVOLVING A POTENTIAL CONFLICT ARISES.

CONFLICT OF INTEREST RECUSAL PROCEDURE FOR BOARD MEETINGS

WHENEVER A HOSPITAL ORGANIZATIONS' BOARD OR BOARD COMMITTEE IS TO CONSIDER A TRANSACTION OR AN ARRANGEMENT WITH ANOTHER ORGANIZATION, ENTITY OR INDIVIDUAL IN WHICH OR WITH WHOM A PERSON COVERED BY THIS POLICY HAS A RELATIONSHIP CREATING AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, THE FOLLOWING PROCEDURES SHALL BE EMPLOYED:

- A. THE INTERESTED PERSON MUST FULLY DISCLOSE THE ACTUAL

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

ATTACHMENT 1 (CONT'D)

OR POTENTIAL CONFLICT OF INTEREST TO THE BOARD;

B. THE INTERESTED PERSON SHOULD BE ASKED TO LEAVE THE MEETING DURING DISCUSSION OF THE POTENTIAL CONFLICT AND ANY RELATED VOTES, BUT THE INTERESTED PERSON MAY MAKE A STATEMENT OR ANSWER ANY QUESTIONS ON THE MATTER BEFORE DEPARTING THE MEETING;

C. IF APPROPRIATE, THE BOARD OR BOARD COMMITTEE MAY APPOINT A NON-INTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT;

D. TO CONSIDER THE PROPOSED TRANSACTION OR ARRANGEMENT, THE BOARD MUST:

1. FIND, BY A MAJORITY VOTE OF DIRECTORS THEN IN OFFICE, NOT COUNTING THE INTERESTED PERSON, THAT THE PROPOSED TRANSACTION OR ARRANGEMENT IS IN THE HOSPITAL ORGANIZATION'S BEST INTEREST AND FOR THE HOSPITAL ORGANIZATION'S OWN BENEFIT, IT IS FAIR AND REASONABLE, AND THAT, AFTER REASONABLE INVESTIGATION, THE HOSPITAL ORGANIZATION CANNOT OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT USING REASONABLE EFFORTS; AND

2. VOTE ON THE TRANSACTION OR ARRANGEMENT, APPROVAL REQUIRING A MAJORITY VOTE OF DIRECTORS THEN IN OFFICE, NOT COUNTING THE INTERESTED PERSON.

E. THE MINUTES SHOULD INCLUDE: (1) THE NAME OF THE PERSON DISCLOSING THE CONFLICT OF INTEREST AND A DESCRIPTION OF THE CONFLICT; (2) THE BOARD'S DETERMINATION OF WHETHER THERE IS A CONFLICT; (3) THE NAMES AND VOTES OF PERSONS PRESENT FOR THE DISCUSSIONS AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT; AND (4) THE CONTENT OF THOSE

Name of the organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
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ATTACHMENT 1 (CONT'D)

DISCUSSIONS INCLUDING THE BOARD'S DETERMINATION OF WHETHER OR NOT THE TRANSACTION OR ARRANGEMENT IS IN THE HOSPITAL ORGANIZATION'S BEST INTEREST, FAIR AND REASONABLE, AND THE BEST REASONABLY AVAILABLE ALTERNATIVE

ONGOING DUTY TO DISCLOSE ONE'S OWN OR OTHERS' CONFLICTS OF INTEREST. AS AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST CAN ARISE AT ANY TIME, ANY ACTUAL OR POTENTIAL CONFLICT MUST BE DISCLOSED PROMPTLY IN WRITING BY USE OF A SUPPLEMENTAL DISCLOSURE STATEMENT, AS SOON AS ITS EXISTENCE IS OR SHOULD BE KNOWN. IF A PERSON IS IN DOUBT ABOUT A SITUATION, THE PERSON SHOULD CONSULT WITH THE CHIEF EXECUTIVE OFFICER, BOARD CHAIRMAN OR THE HOSPITAL ORGANIZATION'S COMPLIANCE OFFICER. PERSONS SHOULD ERR ON THE SIDE OF DISCLOSURE SO THAT A CONFLICT OF INTEREST ASSESSMENT CAN BE MADE.

THE POTENTIAL CONFLICT WILL BE REFERRED TO THE GOVERNANCE COMMITTEE FOR REVIEW AND A RESPONSE WILL BE PROVIDED WITHIN 14 DAYS.

NONCOMPLIANCE WITH THE POLICY:

THE ORGANIZATION'S BOARD OF DIRECTORS RETAINS BROAD POWER AND SOLE DISCRETION UNDER THIS POLICY TO: (1) DETERMINE THE EXISTENCE OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST; (2) SUBJECT CONFLICT OF INTEREST RELATIONSHIPS TO APPROPRIATE OVERSIGHT, MANAGEMENT, CONDITIONS, RESTRICTIONS AND PROHIBITIONS; AND (3) IMPOSE APPROPRIATE SANCTIONS. A BREACH OF THIS POLICY CAN BECOME GROUNDS FOR DISCIPLINE, UP TO AND INCLUDING REMOVAL FROM OFFICE OR, FOR MANAGEMENT PERSONNEL, TERMINATION OF EMPLOYMENT. IT MAY ALSO RESULT IN CESSATION OF BUSINESS WITH A VENDOR

Name of the organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
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ATTACHMENT 1 (CONT'D)

AND IN LIABILITY FOR DAMAGES.

GROUNDS FOR DISCIPLINE INCLUDE, BUT ARE NOT LIMITED TO:

- A. WILLFUL FAILURE TO SIGN AND RETURN THE CONFLICT OF INTEREST DISCLOSURE STATEMENT IN ACCORD WITH THIS POLICY;
- B. A MATERIAL MISSTATEMENT OR OMISSION IN THE DISCLOSURE STATEMENT;
- C. WILLFUL FAILURE TO DISCLOSE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST AT ANY TIME IN ACCORD WITH THE REQUIREMENTS OF THIS POLICY;
- D. WILLFUL PARTICIPATION IN A VOTE OR DECISION INVOLVING A TRANSACTION WHICH RAISES AN UNDISCLOSED CONFLICT OF INTEREST; OR
- E. WILLFUL DISCLOSURE OR USE OF CONFIDENTIAL INFORMATION REGARDING THE AFFAIRS, BUSINESS OR PLANS OF A HOSPITAL ORGANIZATION FOR ANY PURPOSE OTHER THAN IN FURTHERANCE OF THE AFFAIRS AND BEST INTERESTS OF THE HOSPITAL ORGANIZATION.

PROCESS FOR DETERMINING COMPENSATION

PART VI LINE 15

THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF CARROLL HOSPITAL CENTER, WHICH IS COMPRISED OF INDEPENDENT BOARD MEMBERS DETERMINED TO BE FREE OF ANY CONFLICT OF INTEREST, IS CHARGED WITH DETERMINING EXECUTIVE COMPENSATION AND ESTABLISHING PERFORMANCE CRITERIA ACCORDING TO AN APPROVED COMPENSATION PHILOSOPHY. THE COMMITTEE WORKS WITH AN INDEPENDENT EXECUTIVE COMPENSATION CONSULTING AND ADVISORY FIRM, YAFFE & COMPANY, THAT PROVIDES MARKET SURVEY DATA CONCERNING COMPENSATION AND BENEFIT LEVELS FOR FUNCTIONALLY COMPARABLE HEALTHCARE EXECUTIVES IN

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

ATTACHMENT 1 (CONT'D)

SIMILAR HOSPITALS ACROSS THE REGION AND THE NATION BASED ON SEVERAL FACTORS INCLUDING SIZE, GEOGRAPHY, HOSPITAL TYPE AND COMPLEXITY. THE COMMITTEE REVIEWS AND APPROVES THE COMPENSATION OF THE SENIOR EXECUTIVES AND ENSURES THAT ALL FORMS OF EXECUTIVE COMPENSATION ARE REASONABLE, APPROPRIATE AND CONSISTENT WITH ITS COMPENSATION PHILOSOPHY. THE COMMITTEE CONTEMPORANEOUSLY DOCUMENTS ITS DECISIONS IN MEETING MINUTES.

DOCUMENT AVAILABILITY

PART VI, LINE 19

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

ATTACHMENT 2FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

OUR COMMUNITIES EXPECT AND DESERVE SUPERIOR MEDICAL TREATMENT, COMPASSIONATE CARE, AND EXPERT GUIDANCE IN MAINTAINING THEIR HEALTH AND WELL-BEING. AT CARROLL HOSPITAL CENTER, WE OFFER AN UNCOMPROMISING COMMITMENT TO THE HIGHEST QUALITY HEALTH CARE EXPERIENCE FOR PEOPLE IN ALL STAGES OF LIFE. WE ARE THE HEART OF HEALTH CARE IN OUR COMMUNITIES.

ATTACHMENT 34A PROGRAM SERVICE

CARROLL HOSPITAL CENTER, A 218-BED ACUTE CARE FACILITY LOCATED IN WESTMINSTER, MARYLAND, OFFERS THE LATEST IN MEDICAL TECHNOLOGY AND

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

SERVICES COMBINED WITH A STATE-OF-THE-ART FACILITY AND TOP-NOTCH, SKILLED MEDICAL PROFESSIONALS, CARING FOR PATIENTS WITH A COMPASSION AND SKILL. CURRENTLY, THERE ARE MORE THAN 400 PHYSICIANS REPRESENTING 38 SPECIALITIES ON OUR MEDICAL STAFF AND 1,295 FULL TIME EMPLOYEES (EQUIVALENT) ON OUR PAYROLL.

AS THE ONLY HOSPITAL IN CARROLL COUNTY, WE OFFER OUR COMMUNITY A FULL ARRAY OF SERVICES, FROM PEDIATRICS TO GERIATRICS, MINIMALLY INVASIVE SURGERY TO TOTAL HIP REPLACEMENTS AND EMERGENCY CARE TO MATERNITY CARE. IN THE YEAR ENDING JUNE 2010, CARROLL HOSPITAL CENTER HAD 16,139 INPATIENT ADMISSIONS, PERFORMED 1,178 DELIVERIES AND APPROXIMATELY 8,610 OUTPATIENT SURGERIES-ALL CONTRIBUTING TO A TOTAL OF 304,580 PATIENT ENCOUNTERS FOR THE PERIOD.

IN ADDITION TO THE SERVICES MENTIONED ABOVE THE ORGANIZATION PROVIDES COMMUNITY BENEFITS THROUGH PROGRAMS AND ACTIVITIES THAT IMPROVE ACCESS TO HEALTH CARE AND IMPROVE THE OVERALL HEALTH OF THE COMMUNITIES WE SERVE. OUR STATED MISSION IS "OUR COMMUNITIES EXPECT AND DESERVE SUPERIOR MEDICAL TREATMENT, COMPASSIONATE CARE, AND EXPERT GUIDANCE IN MAINTAINING THEIR HEALTH AND WELL-BEING. AT CARROLL HOSPITAL CENTER, WE OFFER AN UNCOMPROMISING COMMITMENT TO THE HIGHEST QUALITY HEALTH CARE EXPERIENCE FOR PEOPLE IN ALL STAGES OF LIFE. WE ARE THE HEART OF HEALTH CARE IN OUR COMMUNITITES." THIS MISSION IS PURSUED IN COLLABORATION WITH OUR RELATED ORGANIZATIONS: CARROLL HOSPICE, THE PARTNERSHIP FOR A

Name of the organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

HEALTHIER CARROLL COUNTY AND THE CARROLL HOSPITAL CENTER FOUNDATION (ALSO LISTED IN PART VI) FOR MORE INFORMATION ON THESE SUBSIDIARIES, PLEASE SEE THEIR INDIVIDUAL FORM 990S. WHILE WE HAVE ATTEMPTED TO SUMMARIZE OUR PROGRAM SERVICE ACCOMPLISHMENTS BELOW, WE URGE THOSE INTERESTED TO ACCESS MORE DETAILED AND COMPLETE INFORMATION AT WWW.CARROLLHOSPITALCENTER.ORG

THE ORGANIZATION OPERATES AN ACUTE CARE HOSPITAL SERVING THE COMMUNITIES LOCATED IN CARROLL AND SURROUNDING COUNTIES AS WELL AS PARTS OF PENNSYLVANIA. CARROLL COUNTY'S POPULATION ALONE IS CURRENTLY ESTIMATED TO BE 204,400. IN ACCORDANCE WITH OUR TAX-EXEMPT FUNCTION THE ORGANIZATION OPERATES AN EMERGENCY ROOM OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY THAT SERVED APPROXIMATELY 53,000 PATIENTS, HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA, AND A GOVERNING BODY PRIMARILY COMPRISED OF INDEPENDENT PERSONS REPRESENTATIVE OF THE COMMUNITY, AND PARTICIPATES IN THE MEDICARE AND MEDICAID PROGRAMS.

THROUGH THE PARTNERSHIP FOR A HEALTHIER CARROLL COUNTY'S HEALTHY CARROLL VITAL SIGNS PROJECT, WE HAVE IDENTIFIED SEVERAL HEALTH-RELATED TRENDS, NEEDS AND PROBLEMS FACING OUR POPULATION, INCLUDING ACCESS TO HEALTH CARE, PREVENTION AND WELLNESS, MENTAL HEALTH, HEART HEALTH AND CANCER. THE PARTNERSHIP'S STRATEGIES FOR ADDRESSING THESE ISSUES INCLUDES A NUMBER OF INITIATIVES SUCH AS

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

THE DEVELOPMENT OF ACCESS CARROLL (IN COORDINATION WITH THE CARROLL COUNTY HEALTH DEPARTMENT), A FREE HEALTH CARE CLINIC FOR UNINSURED PATIENTS; THE COMPLETION OF A SURVEY OF OLDER ADULTS IN THE COUNTY TO GATHER INFORMATION TO HELP COMMUNITY ORGANIZATIONS BETTER ADDRESS THEIR NEEDS; AND THE PARTICIPATION IN AND DEVELOPMENT OF NUMEROUS COMMITTEES AND WORK GROUPS TO ADDRESS AGE, GENDER AND ETHNIC-SPECIFIC LIVING AND HEALTH CARE ISSUES.

THE HOSPITAL ALSO SUPPORTS THE WELLNESS OF THE COMMUNITIES IT SERVES BY OFFERING HUNDREDS OF FREE EDUCATION PROGRAMS, SCREENINGS AND SUPPORT GROUPS EACH YEAR THAT ADDRESS NUMEROUS HEALTH AND WELLNESS ISSUES. IN ADDITION, FOR THE PAST 11 YEARS, THE HOSPITAL HAS PROVIDED THE WOMEN'S PLACE, A CENTER FOR HEALTH AND WELLNESS FOR WOMEN THAT PROVIDES CANCER NAVIGATION SERVICES, A COMPREHENSIVE BREAST CENTER, EDUCATIONAL PROGRAMS, SUPPORT GROUPS AND A RESOURCE LIBRARY, ALL OFFERED FREE OF CHARGE.

THE HOSPITAL ALSO HAS COMMITTED SIGNIFICANT RESOURCES TO MAKE CERTAIN THERE IS AN ADEQUATE SUPPLY OF PRIMARY CARE AND SPECIALTY PHYSICIANS IN OUR SERVICE AREA. ENSURING OUR COMMUNITIES HAVE ACCESS TO QUALITY MEDICAL EXPERTISE IS A PRIORITY FOR OUR ORGANIZATION.

DURING THE MOST RECENT REPORTING PERIOD THE ORGANIZATION PROVIDED A TOTAL OF \$4,992,380 IN CHARITY/UNCOMPENSATED CARE TO THE

Name of the organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

COMMUNITY. ADDITIONALLY, THE ORGANIZATION EXPENDED APPROXIMATELY \$16,483,441 (NET OF REVENUES) ON PROGRAMS AND ACTIVITIES BENEFITTING THE COMMUNITIES WE SERVE. THESE PROGRAMS AND ACTIVITIES INCLUDED HOSPICE SERVICES, PHYSICIAN SUPPORT, EDUCATION PROGRAMS, SCREENINGS, SUPPORT GROUPS, HEALTH PROFESSIONAL EDUCATION AND COMMUNITY CONTRIBUTIONS, THE COMMUNITY, AND REQUIRED APPROXIMATELY 436,812 STAFF HOURS TO PROVIDE.

ATTACHMENT 4990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
CENTRAL MD REHABILITATION 4259 HARNEY RD TANEYTOWN, MD 21787	REHAB	3,074,819.
CARROLL COUNTY ANES ASSOCIATION PO BOX 75193 BALTIMORE, MD 21275	ANESTHESIA	1,953,100.
PHYSICIAN MANAGEMENT LTD 3 BETHESDA METRO CENTER BETHESDA, MD 20814	EMERGENCY PHYSICIANS	932,924.
DIGITRACE CARE SERVICES 200 CORPORATE PLACE PEABODY, MA 01960	SLEEP STUDIES	787,050.
ARUP LABORATORIES PO BOX 27964 SALT LAKE CITY, UT 84127-0964	LAB SERVICES	672,464.
TOTAL COMPENSATION		<u>7,420,357.</u>

Name of the organization CARROLL HOSPITAL CENTER, INC.	Employer identification number 52-1452024
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ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
K-1 CARROLL COUNTY RADIOLOGY	2,636,723.			2,636,723.
K-1 PREMIER PURCHASING	387,554.		16,915.	370,639.
K-1 MT AIRY HEALTH SERVICES	2,154.			2,154.
K-1 WMS INCOME OPPORTUNITY FUND	42,576.			42,576.
K-1 VALSTONE OPPORTUNITY FUND III LLC	55,948.			55,948.
INVESTMENT INCOME	1,146,444.			1,146,444.
K-1 FRIESS SMALL CAP TRUST	15,643.			15,643.
K-1 OAKTREE JAPAN OPPORTUNITIES	-4,373.		-4,373.	
K-1 CARROLL MEDICAL OFFICE ASSOCIATES LLC	28,375.			28,375.
TOTALS	<u>4,311,044.</u>		<u>12,542.</u>	<u>4,298,502.</u>

ATTACHMENT 6

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: DR ANYADIKE
 ORIGINAL AMOUNT: 50,000.
 DATE OF NOTE: 06/30/2010
 REPAYMENT TERMS: LOAN TO BE FORGIVEN ON PRORATED BASIS OVER 2 YEARS
 SECURITY PROVIDED: PATIENT ACCOUNTS REC FURNTIURE SUPPLIES EQUIPMENT
 PURPOSE OF LOAN: RECRUITMENT LOAN

BEGINNING BALANCE DUE 0.
 ENDING BALANCE DUE 50,000.

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE 0.

TOTAL ENDING NOTES AND LOANS RECEIVABLES 50,000.

ATTACHMENT 7

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

ATTACHMENT 7 (CONT'D)FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
PREPAID EXPENSES	2,589,854.
TOTALS	<u>2,589,854.</u>

ATTACHMENT 8FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>COST OR FMV</u>
GOVT AND CORPORATE BONDS	20,428,453.	FMV
MUTUAL FUNDS IN EQUITY SEC	14,487,000.	FMV
TOTALS	<u>34,915,453.</u>	

ATTACHMENT 9FORM 990, PART X - DEFERRED REVENUE

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
DEF REV HOME CARE MEDICARE	195,861.
DEF REVENUE MOB	1,500,000.
TOTALS	<u>1,695,861.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization

CARROLL HOSPITAL CENTER, INC.

Employer identification number

52-1452024

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CARROLL HOSPITAL CENTER MOB INVEST LLC 52-1452024 200 MEMORIAL AVENUE WESTMINSTER, MD 21157	INVESTMENTS	MD	0.	2,100,000.	CHC

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
CARROLL COUNTY HEALTH SERVICES INC 52-0691413 200 MEMORIAL AVE WESTMINSTER, MD 21157	SUPPORT ORG	MD	501 (C) (3)	509 (A) (3)	N/A
CARROLL HOSPITAL CENTER FOUNDATION INC 52-1115038 200 MEMORIAL AVE WESTMINSTER, MD 21157	FOUNDATION	MD	501 (C) (3)	503 (A) (3)	CHC
CARROLL HOSPICE INC 52-1565870 292 STONER AVE WESTMINSTER, MD 21157	HOSPICE	MD	501 (C) (3)	170 (B) (1A)	CHC

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

Schedule R (Form 990) 2009

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?	
							Yes	No		Yes	No
CARROLL COUNTY RADIOLOGY LLC 57253 AMBASSADOR RD	RADIOLOGY	MD	CARROLL HOSP CT	INVESTMENT	1,972,428.	11,923,631.					

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
CARROLL COUNTY MED SERVICES INC 52-1891102 200 MEMORIAL AVE WESTMINSTER, MD 21157	MEDICAL SERVI	MD	CHC	C CORP			
CEN-MAR ASSURANCE CO 98-6011607 PO BOX 1085 KY1-1102 GRAND CAYMAN,	INSURANCE	CJ	CHC	C CORP			

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 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		X
b Gift, grant, or capital contribution to other organization(s)		X
c Gift, grant, or capital contribution from other organization(s)	X	
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)	X	
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets	X	
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses		X
p Reimbursement paid by other organization for expenses	X	
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)	X	

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1) CARROLL HOSPITAL CENTER FOUNDATION	C	
(2)		
(3)		
(4)		
(5)		
(6)		

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
ONCOLOGY CENTER GROU	101,815.			101,815.
PHYSICIAN OFFICE REN	47,777.			47,777.
PAIN MGMT RENT	95,787.			95,787.
WOMAN'S CENTER RENT	16,448.			16,448.
DIXON IMAGING CENTER	317,433.			317,433.
4 WEST SHEPPARD PRAT	8,115.			8,115.
METRO CALL	7,042.			7,042.
FISHER BUILDING	4,074.			4,074.
SUBWAY	8,612.			8,612.
FISHER RENT HOCHBERG	51,036.			51,036.
FISHER RENT HOTELING	25,352.			25,352.
TOTALS	<u>683,491.</u>			<u>683,491.</u>