

Mr. Jim Gregory
Peninsula Regional Medical Center
100 East Carroll Street
Salisbury, Maryland 21801

Dear Jim:

Enclosed are copies of your income tax returns for the year ended June 30, 2010, for:

PENINSULA REGIONAL MEDICAL CENTER as follows...

2009 Form 8453-EO – Exempt Organization Declaration and Signature for Electronic Filing
2009 Form 990 – Return of Organization Exempt from Income Tax

The Form 990 has been e-filed with the Internal Revenue Service on your behalf. The enclosed taxpayer copy of the e-filed return on CD-ROM should be retained for your files.

A public disclosure copy is also enclosed. It should be retained at your principal place of business.

Should your returns be reviewed at some future time by the taxing authorities, you may be called upon to produce books, records, or other documents supporting items of tax significance. We recommend therefore that you retain and safeguard such material.

Prior to preparing your tax returns, we provided you with summaries, of transactions identified by the IRS as “Listed Transactions.” We asked questions to determine if you had participated in such a transaction [or any other Reportable Transaction] requiring disclosure with the tax return(s). We have prepared your tax returns based on the information you provided in response to this questionnaire. If you indicated that you have not participated in any such transactions or you have not responded to our inquiries related to this request, your tax returns do not include any disclosure statement for these transactions. Otherwise, we have prepared your tax returns in accordance with the information you provided to us, and have attached the appropriate “Disclosure Statement(s) For Reportable Transaction” to your returns. If a copy of a Disclosure Statement For Reportable Transaction must also be filed with the Office of Tax Shelter Analysis, we have included an extra copy of that disclosure statement and filing instructions for it. E&Y will not be liable for any penalties resulting from your failure to provide us with accurate and timely information regarding such transactions or to timely file the required disclosure statements.

Mr. Jim Gregory

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If you have any questions, please contact me at (864) 370-4424.

Sincerely,

A handwritten signature in cursive script that reads 'Emily'.

Emily Stancil
Tax Manager

Enclosures

Exempt Organization Declaration and Signature for Electronic Filing

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

2009

Department of the Treasury
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

Name of exempt organization

Employer identification number

PENINSULA REGIONAL MEDICAL CENTER

52-0591628

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

Check the box for the return for which you are using this Form 8453-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-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here	▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	<u>383272010.</u>
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	

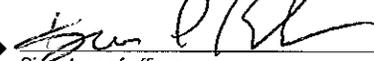
Part II Declaration of Officer

6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH 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.

If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named 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.

Sign Here


Signature of officer

Date

5/12/11

CFO
Title

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

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

ERO's Use Only	ERO's signature	<u>Emily A. Stancil</u>	Date	<u>5/15/11</u>	Check if also paid preparer	<input checked="" type="checkbox"/>	Check if self-employed	<input type="checkbox"/>	ERO's SSN or PTIN	<u>P00115650</u>
	Firm's name (or yours if self-employed), address, and ZIP code	<u>ERNST & YOUNG U.S. LLP</u> <u>75 BEATTIE PLACE, SUITE 800</u> <u>GREENVILLE SC 29601</u>			EIN		<u>34-6565596</u>		Phone no. <u>864-242-5740</u>	

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

Paid Preparer's Use Only	Preparer's signature		Date		Check if self-employed	<input type="checkbox"/>	Preparer's SSN or PTIN	
	Firm's name (or yours if self-employed), address, and ZIP code				EIN			

Phone no. _____

Return of Organization Exempt From Income Tax

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization PENINSULA REGIONAL MEDICAL CENTER Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 100 EAST CARROLL STREET City or town, state or country, and ZIP + 4 SALISBURY, MD 21801	D Employer identification number 52-0591628
	F Name and address of principal officer: MARGARET NALEPPA, CEO 100 EAST CARROLL STREET SALISBURY, MD 21801		E Telephone number (410) 546-6400
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 489,241,479.	
J Website: ▶ WWW.PENINSULA.ORG		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1897 M State of legal domicile: MD	

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE.		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	16
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5	Total number of employees (Part V, line 2a)	5	3,226
	6	Total number of volunteers (estimate if necessary)	6	203
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	1,331,351.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	453,011.	338,220.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	370,503,208.	370,978,477.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-16,693,303.	10,994,124.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	769,492.	961,189.
	12		355,032,408.	383,272,010.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	169,508,709.	173,677,704.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses, Part IX, column (D), line 25 ▶ 492,132.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	189,364,617.	190,843,480.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	358,873,326.	364,521,184.	
19	Revenue less expenses. Subtract line 18 from line 12	-3,840,918.	18,750,826.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Year	End of Year
	21	Total liabilities (Part X, line 26)	434,945,614.	451,108,031.
	22	Net assets or fund balances. Subtract line 21 from line 20	207,629,444.	199,802,875.
22		227,316,170.	251,305,156.	

Part II Signature Block

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

Sign Here	Signature of officer _____ Date _____	
	Type or print name and title _____	

Paid Preparer's Use Only	Preparer's signature ▶ <i>Emily A. Stancil</i>	Date	5/16/11	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed) address, and ZIP + 4 ERNST & YOUNG U.S. LLP 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601	EIN	▶ 34-6565596	Phone no.	▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (see instructions) 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:
IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE.

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 \$ 333,133,285. including grants of \$ _____) (Revenue \$ 369,840,390.)
ATTACHMENT 2

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 ▶ 333,133,285.

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 number, description, and Yes/No columns. Includes rows for 1a, 1b, 1c, 2a, 2b, 3a, 3b, 4a, 4b, 5a, 5b, 5c, 6a, 6b, 7a-7h, 8, 9a, 9b, 10a, 10b, 11a, 11b, 12a, 12b.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes 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 (14); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (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, NC,
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: JIM GREGORY 100 EAST CARROLL ST SALSIBURY, MD 21801 410-912-4979

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			
JEFFREY F. TURNER BOARD MEMBER	1.00	X					0.	0.	0.	
FAROUK A. SULTANI, M.D. BOARD CHAIRMAN (07/09-09/09)	10.00	X		X			7,500.	0.	0.	
MARGARET NALEPPA PRESIDENT/CEO	40.00	X		X			633,893.	0.	54,595.	
MARTIN NEAT VICE-CHAIRMAN	1.00	X		X			0.	0.	0.	
HERBERT J. GEARY, III BOARD MEMBER	1.00	X					0.	0.	0.	
MICHAEL E. CROUCH, M.D. BOARD MEMBER	1.00	X					0.	0.	0.	
MURRAY HOY BOARD CHAIRMAN (10/09-06/10)	10.00	X		X			22,500.	0.	0.	
CHRISTJON J. HUDDLESTON, M.D. BOARD MEMBER	1.00	X					0.	0.	0.	
HUGH MCLAUGHLIN BOARD MEMBER	1.00	X					0.	0.	0.	
RENE DESMARAIS, M.D. BOARD MEMBER (01/10 - 06/10)	1.00	X					0.	0.	0.	
SUSAN ROBINSON BOARD MEMBER (04/10 - 06/10)	1.00	X					0.	0.	0.	
BRIAN SHOCKLEY BOARD MEMBER	1.00	X					0.	0.	0.	
MARION KEENAN BOARD MEMBER	1.00	X					0.	0.	0.	
CONWORTH DAYTON-JONES, M.D. BOARD MEMBER (07/09-12/09)	1.00	X					0.	0.	0.	
EDWARD W. URBAN SECRETARY	1.00	X		X			0.	0.	0.	
WILLIAM R. MCCAIN TREASURER	1.00	X		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			
MONTY SAYLOR BOARD MEMBER	1.00	X						0.	0.	0.
MARILYN BOOTH BOARD MEMBER (07/09 - 03/10)	1.00	X						0.	0.	0.
BRUCE I. RITCHIE CFO	40.00			X				359,079.	0.	63,955.
LURA LUNSFORD VP OF OPERATIONS	40.00			X				249,111.	0.	51,490.
THOMAS LAWRENCE, M.D. VP OF MEDICAL AFFAIRS	40.00					X		460,975.	0.	61,086.
JAMES MARTIN, M.D. PHYSICIAN	40.00					X		539,021.	0.	21,078.
JOSEPH GRASSO, M.D. PHYSICIAN	40.00					X		466,623.	0.	29,414.
JUSTINIAN NGAIZA, M.D. PHYSICIAN	40.00					X		519,815.	0.	29,517.
PANPIT KLUG, M.D. PHYSICIAN	40.00					X		688,511.	0.	24,794.
R. ALAN NEWBERRY FORMER PRESIDENT/CEO	40.00						X	864,716.	0.	77,750.
1b Total								4,811,744.	0.	413,679.

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 **▶** 125

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

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 **▶** 58

Part VIII Statement of Revenue

52-0591628

				(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	321,717.					
	e Government grants (contributions) . .	1e						
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	16,503.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f ▶			338,220.				
Program Service Revenue	Business Code							
	2a NET PATIENT SERVICES		621500	369,688,229.	368,565,749.	1,122,480.		
	b PARTNERSHIP INCOME		900099	1,290,248.	1,290,248.			
	c							
	d							
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f ▶			370,978,477.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			4,581,474.			4,581,474.	
	4 Income from investment of tax-exempt bond proceeds . . . ▶			0.				
	5 Royalties ▶			0.				
	6a Gross Rents	(i) Real	71,760.					
		(ii) Personal						
		b Less: rental expenses		77,105.				
		c Rental income or (loss)		-5,345.				
	d Net rental income or (loss) ▶			-5,345.			-5,345.	
	7a Gross amount from sales of assets other than inventory	(i) Securities	112,280,395.	24,619.				
		(ii) Other						
		b Less: cost or other basis and sales expenses		89,759.				
		c Gain or (loss)		-65,140.				
	d Net gain or (loss) ▶			6,412,650.			6,412,650.	
	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 CAFETERIA		900099	772,617.			772,617.		
b MEDICAL RECORDS		900099	653.			653.		
c PARTNERSHIP REVENUE		900003	43,264.	-15,607.	58,871.			
d All other revenue		561000	150,000.		150,000.			
e Total. Add lines 11a-11d ▶			966,534.					
12 Total Revenue. See instructions ▶			383,272,010.	369,840,390.	1,331,351.	11,762,049.		

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 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	1,442,123.	1,313,023.	125,618.	3,482.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	942,466.	858,115.	82,089.	2,262.
7 Other salaries and wages	134,970,098.	122,888,559.	11,756,399.	325,140.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	6,343,714.	5,775,871.	552,561.	15,282.
9 Other employee benefits	20,432,544.	18,601,642.	1,781,629.	49,273.
10 Payroll taxes	9,546,759.	8,808,694.	720,035.	18,030.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	607,933.	2,008.	605,925.	
c Accounting	149,900.		149,900.	
d Lobbying	25,260.	25,260.		
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	797,039.		797,039.	
g Other	0.			
12 Advertising and promotion	0.			
13 Office expenses	90,594,387.	89,958,167.	599,592.	36,628.
14 Information technology	729,803.	720,665.	9,138.	
15 Royalties	0.			
16 Occupancy	4,775,442.	4,775,442.		
17 Travel	314,650.	221,181.	89,565.	3,904.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	66,406.	66,406.		
20 Interest	6,853,109.	6,853,109.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization . . .	20,820,902.	20,774,808.	46,094.	
23 Insurance	2,795,113.	300,141.	2,494,972.	
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 <u>BAD DEBTS</u>	17,976,987.	17,976,987.		
b <u>EQUIP RENTAL AND MAINTENANCE</u>	10,961,582.	9,464,639.	1,492,009.	4,934.
c <u>PROFESSIONAL FEES</u>	33,047,258.	23,670,409.	9,344,251.	32,598.
d <u>MISCELLNEOUS</u>	327,709.	78,159.	248,951.	599.
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	364,521,184.	333,133,285.	30,895,767.	492,132.
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) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	298,569.	1	154,899.
	2 Savings and temporary cash investments	17,114,706.	2	25,139,457.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	37,406,473.	4	35,817,855.
	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		7	
	8 Inventories for sale or use	6,590,441.	8	7,086,954.
	9 Prepaid expenses and deferred charges	3,342,471.	9	4,358,438.
	10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 425,743,372.		
	b Less: accumulated depreciation	10b 213,077,893.	215,838,468.	10c 212,665,479.
	11 Investments - publicly traded securities	95,830,020.	11	105,748,847.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	58,524,466.	15	60,136,102.
16 Total assets. Add lines 1 through 15 (must equal line 34)	434,945,614.	16	451,108,031.	
Liabilities	17 Accounts payable and accrued expenses	17,843,703.	17	14,233,918.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	140,226,545.	20	137,319,548.
	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	90,000.	24	75,000.
	25 Other liabilities. Complete Part X of Schedule D	49,469,196.	25	48,174,409.
	26 Total liabilities. Add lines 17 through 25	207,629,444.	26	199,802,875.
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	206,944,044.	27	231,374,493.
	28 Temporarily restricted net assets	12,337,825.	28	11,879,875.
	29 Permanently restricted net assets	8,034,301.	29	8,050,788.
	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	227,316,170.	33	251,305,156.	
34 Total liabilities and net assets/fund balances	434,945,614.	34	451,108,031.	

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
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.	X	
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: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> 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?		X
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.		

Form **990** (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)

- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

- a Type I b Type II c Type III - Functionally integrated d Type III - Other

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

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 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2008 Schedule A, Part II, line 14; 16a 33 1/3 % support test - 2009; b 33 1/3 % support test - 2008; 17a 10%-facts-and-circumstances test - 2009; b 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

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support.

Section B. Total Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support.

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

Table with 3 columns: Description, Line number, Percentage. Rows include: 15 Public support percentage for 2009; 16 Public support percentage from 2008 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Line number, Percentage. Rows include: 17 Investment income percentage for 2009; 18 Investment income percentage from 2008 Schedule A, Part III, line 17.

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.

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.

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 of Contributors

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

2009

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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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 33 1/3 % 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).

Name of organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	PENINSULA REGIONAL MEDICAL CENTER FND 100 EAST CARROLL STREET SALISBURY, MD 21081	\$ 321,717.	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.)
		\$ _____	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 PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political 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%; border-collapse: collapse;"> <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...; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?

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; 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. SEE PAGE 4

Horizontal dashed lines for supplemental information input.

Part IV Supplemental Information (continued)

OTHER ACTIVITIES

PART II-B, LINE 1L

PENINSULA REGIONAL MEDICAL CENTER PAYS DUES TO ORGANIZATIONS THAT LOBBY

FEDERAL AND STATE LEGISLATORS ON BEHALF OF HOSPITALS AND HEALTH SYSTEMS

THE PORTION OF DUES PAID TO THE AMERICAN HOSPITAL ASSOCIATION

ATTRIBUTABLE TO LOBBYING WERE \$9,677 AND THE PORTION OF DUES TO THE

MARYLAND HOSPITAL ASSOCIATION WERE \$15,583

**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

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

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.

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

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

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

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

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

3 Using the organization's acquisition, accession, and other records, check any of the following that 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 XI V and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance

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

b If "Yes," explain the arrangement in Part XI V.

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 51.1800 %
b Permanent endowment .1500 %
c Term endowment 48.6700 %

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

- (i) unrelated organizations
(ii) related organizations

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

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 4 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, 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 _____		

Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

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

Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

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

(a) Description	(b) Book value
INVESTMENT IN PARTNERSHIPS	826,988.
UNAMORTIZED FINANCING COSTS	2,548,454.
OTHER ASSETS	954,958.
DEBT SERVICE RESERVE FUND	9,375,536.
DONOR RESTRICTED FUND	19,936,903.
SELF-INSURANCE FUND	13,018,577.
BOARD DESIGNATED INVESTMENTS	13,474,686.

Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	60,136,102.

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

1. (a) Description of liability	(b) Amount	
Federal income taxes		
ADVANCES FROM 3RD PARTY PAYORS	8,157,600.	
ACCRUED SELF INSURANCE LIABILITIES	8,676,470.	
OTHER LIABILITIES	4,989,423.	
EMP. COMP. RELATED PAYROLL TAXES	11,740,584.	
PENSION FUND LIABILITY	14,610,332.	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	48,174,409.	

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	383,272,010.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	364,521,184.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	18,750,826.
4	Net unrealized gains (losses) on investments	4	4,978,411.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	259,749.
9	Total adjustments (net). Add lines 4 through 8	9	5,238,160.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	23,988,986.

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	388,552,616.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	4,978,411.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	-60,191.
e	Add lines 2a through 2d	2e	4,918,220.
3	Subtract line 2e from line 1	3	383,634,396.
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	797,039.
b	Other (Describe in Part XIV.)	4b	-1,159,425.
c	Add lines 4a and 4b	4c	-362,386.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	383,272,010.

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

1	Total expenses and losses per audited financial statements	1	363,438,816.
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	77,105.
e	Add lines 2a through 2d	2e	77,105.
3	Subtract line 2e from line 1	3	363,361,711.
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	797,039.
b	Other (Describe in Part XIV.)	4b	362,434.
c	Add lines 4a and 4b	4c	1,159,473.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	364,521,184.

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.

SEE PAGE 5

Part XIV Supplemental Information (continued)

INTENDED USE OF ENDOWMENTS FUNDS

PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUND CAN BE USED FOR CAPITAL, PATIENT SERVICES OF EDUCATIONAL PURPOSES.

FIN 48 FOOTNOTE

PART X, LINE 2

THE ORGANIZATION DID NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT WERE MATERIAL TO THE FINANCIAL STATEMENTS. ACCORDINGLY, THE ORGANIZATION DID NOT INCLUDE A FIN 48 FOOTNOTE IN ITS AUDITED FINANCIAL STATEMENTS.

PART XI, LINE 8 - OTHER

PENSION ADJUSTMENT - FAS 158	\$(1,619,960)
ENDOWMENT ADJUSTMENT	11,276
INVESTMENT INCOME SWAP	1,371,859
CHANGE IN EQUITY INTEREST OF FOUNDATION	1,016,778
NET ASSETS RELEASED FROM RESTRICTION	(382,908)
PARTNERSHIP K-1 VS BOOK INCOME	(137,296)
TOTAL	\$259,749

Part XIV Supplemental Information (continued)PART XII, LINE 2D - OTHER

RENTAL EXPENSE ON LINE 6B	\$77,105
PARTNERSHIP K-1 BOOK VS TAX	(137,296)
	<hr/>
TOTAL	\$ (60,191)

PART XII, LINE 4B - OTHER

EXPENSES ON PREMIER K-1	\$ 3
FOUNDATION CONTRIBUTIONS	212,431
INVESTMENT INCOME SWAP	(1,371,859)
	<hr/>
TOTAL	\$ (1,159,425)

PART XIII, LINE 2D - OTHER

RENTAL EXPENSE ON LINE 6B	\$77,105
	<hr/>
TOTAL	\$77,105

Part XIV Supplemental Information (continued)

PART XIII, LINE 4B - OTHER

EXPENSES ON PREMIER K-1	\$	3
FOUNDATION CONTRIBUTIONS		212,431
MGMT FEES RECLASSIFIED FORM EXPENSES		150,000
		<hr/>
TOTAL		\$362,434

**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

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

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	X	
b If "Yes," is it a written policy?	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 free 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 checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Does the organization use FPG to determine eligibility for providing discounted 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 _____ %	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"?	X	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	X	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	X	
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?		X
6a Does the organization prepare an annual community benefit report?	X	
b If "Yes," does the organization make it available to the public?	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

	(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
Charity Care and Means-Tested Government Programs						
a Charity care at cost (from Worksheets 1 and 2)			12,218,922.	0.	12,218,922.	3.53
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			12,218,922.	0.	12,218,922.	3.53
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		52846	1,422,608.	351,169.	1,071,439.	.31
f Health professions education (from Worksheet 5)		1360	375,385.	0.	375,385.	.11
g Subsidized health services (from Worksheet 6)		28402	9,400,963.	2,846,883.	6,554,080.	1.89
h Research (from Worksheet 7)			3,345.	0.	3,345.	
i Cash and in-kind contributions to community groups (from Worksheet 8)		3750	165,376.	0.	165,376.	.05
j Total Other Benefits		86358	11,367,677.	3,198,052.	8,169,625.	2.36
k Total. Add lines 7d and 7j		86358	23,586,599.	3,198,052.	20,388,547.	5.89

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			5,243.	0.	5,243.	
3 Community support			2,446.	0.	2,446.	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			50,290.	0.	50,290.	.01
7 Community health improvement advocacy			30,292.	0.	30,292.	.01
8 Workforce development			5,704.	0.	5,704.	
9 Other						
10 Total			93,975.	0.	93,975.	.02

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? **1**
- 2 Enter the amount of the organization's bad debt expense (at cost) **2** 14,124,182.
- 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 **3**
- 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.

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME) **5** 209,590,412.
- 6 Enter Medicare allowable costs of care relating to payments on line 5 **6** 198,641,330.
- 7 Subtract line 6 from line 5. This is the surplus or (shortfall) **7** 10,949,082.
- 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? **9a** X
- b 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. **9b** X

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 3C:

NOT APPLICABLE

PART I, LINE 6A:

PENINSULA REGIONAL MEDICAL CENTER FILES ANNUALLY A COMMUNITY BENEFIT REPORT WITH THE STATE OF MARYLAND. THE REPORT IS FILED WITH THE HSCRC (HEALTH SERVICES COST REVIEW COMMISSION).

PART I, LINE 7, COLUMN F:

THE AMOUNT OF BAD DEBT EXPENSE EXCLUDED FROM THE DENOMINATOR IN THE COLUMN (F) PERCENTAGES IS \$17,976,987.

PART I, LINE 7:

LINE 7A COLUMN (C) & (D) - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS,

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

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.

LINE 7B COLUMN (C) & (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 DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN

MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS

THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT.

IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE

Part VI Supplemental Information

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STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE-SETTING

 SYSTEM.

LINE 7F COLUMN (C) - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE

 PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE

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 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.

LINE 7F COLUMN (D) - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE

 PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE

 NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC)

 DETERMINES PAYMENT THROUGH A RATE- SETTING PROCESS AND ALL PAYORS,

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 SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR

 SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH

Part VI Supplemental Information

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PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT
 ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. 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.

THE COST METHODOLOGY FOR CHARITY CARE AND CERTAIN OTHER COMMUNITY
 BENEFITS IS THE COST-TO-CHARGE RATIO USED FOR THE CHARITY CARE
 PROGRAMS AND DIRECT COST METHOD FOR THE OTHER BENEFITS/PROGRAMS.

Part VI Supplemental Information

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PART III, LINE 4:

 THE HOSPITAL PROVIDES SERVICES TO PATIENTS IN THE EASTERN SHORE AREA

 OF MARYLAND, DELAWARE AND VIRGINIA, THE MAJORITY OF WHOM ARE COVERED

 BY THIRD-PARTY HEALTH INSURANCE. THE HOSPITAL BILLS THE INSURER

 DIRECTLY FOR SERVICES PROVIDED.

 INSURANCE COVERAGE AND FINANCIAL INFORMATION IS OBTAINED FROM

 PATIENTS UPON ADMISSION WHEN AVAILABLE. THE HOSPITAL'S POLICY IS TO

 PERFORM IN-HOUSE COLLECTION PROCEDURES FOR APPROXIMATELY 85 DAYS. A

 DETERMINATION IS MADE AT THAT TIME AS TO WHAT ADDITIONAL COLLECTION

 EFFORTS TO PURSUE. A PROVISION FOR UNCOLLECTIBLE ACCOUNTS IS RECORDED

 FOR AMOUNTS NOT YET WRITTEN OFF, WHICH ARE EXPECTED TO BECOME

 UNCOLLECTIBLE.

 DISCOUNTS RANGING FROM 2% TO 6% OF CHARGES ARE GIVEN TO MEDICARE,

 MEDICAID AND CERTAIN APPROVED COMMERCIAL HEALTH INSURANCE AND HEALTH

 MAINTENANCE ORGANIZATION PROGRAMS FOR REGULATED SERVICES. DISCOUNTS

 IN VARYING PERCENTAGES ARE GIVEN FOR CERTAIN UNREGULATED SERVICES.

 THESE MAJOR PAYORS ROUTINELY REVIEW PATIENT BILLINGS AND DENY PAYMENT

 FOR CERTAIN CHARGES AS MEDICALLY UNNECESSARY OR AS PERFORMED WITHOUT

 APPROPRIATE PREAUTHORIZATION. DISCOUNTS AND DENIALS ARE RECORDED AS

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REDUCTIONS OF NET PATIENT SERVICE REVENUE. ACCOUNTS RECEIVABLE FROM
 THESE THIRD-PARTY PAYORS HAVE BEEN ADJUSTED TO REFLECT THE DIFFERENCE
 BETWEEN CHARGES AND THE ESTIMATED REIMBURSABLE AMOUNTS.

APPROXIMATELY 36% AND 36%, RESPECTIVELY, OF ACCOUNTS RECEIVABLE WERE
 DUE FROM THE MEDICARE PROGRAM AS OF JUNE 30, 2010 AND 2009,
 RESPECTIVELY.

LAWS AND REGULATIONS GOVERNING MEDICARE AND MEDICAID PROGRAMS ARE
 COMPLEX AND SUBJECT TO INTERPRETATION. THE HOSPITAL BELIEVES THAT IT
 IS IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS AND IS NOT
 AWARE OF ANY PENDING OR THREATENED INVESTIGATIONS INVOLVING
 ALLEGATIONS OF POTENTIAL WRONGDOING THAT WOULD HAVE A MATERIAL EFFECT
 ON THE FINANCIAL STATEMENTS. COMPLIANCE WITH SUCH LAWS AND
 REGULATIONS CAN BE SUBJECT TO FUTURE GOVERNMENT REVIEW AND
 INTERPRETATION AS WELL AS SIGNIFICANT REGULATORY ACTION INCLUDING
 FINES, PENALTIES AND EXCLUSION FROM MEDICARE AND MEDICAID PROGRAMS.

BAD DEBT METHODOLOGY - PENINSULA REGIONAL MEDICAL CENTER IS A
 TAX-EXEMPT NOT-FOR-PROFIT HOSPITAL THAT PROVIDES QUALITY MEDICAL
 SERVICES TO PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. BY

Part VI Supplemental Information

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 PROVIDING MEDICAL SERVICES TO ALL COMMUNITY MEMBERS REGARDLESS OF

 THEIR ABILITY TO PAY, THE HOSPITAL'S BAD DEBT EXPENSE QUALIFIES AS A

 COMMUNITY BENEFIT. THE BAD DEBT EXPENSE CALCULATED ON LINE 2 WAS

 CALCULATED USING THE PATIENT CARE COST TO CHARGES METHODOLOGY.

PART III, LINE 8:

 MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST TO CHARGE

 RATIO. PENINSULA REGIONAL MEDICAL CENTER PROVIDES QUALITY MEDICAL

 SERVICES TO ALL PATIENTS REGARDLESS OF WHAT INSURANCE THEY HAVE.

 APPROXIMATELY, 49.13% OF THE MEDICAL CENTER'S REVENUE IS ATTRIBUTABLE

 TO MEDICARE PATIENTS.

PART III, LINE 9B:

 COLLECTION POLICIES ARE THE SAME FOR ALL PATIENTS. IF A PATIENT

 NOTIFIES THE MEDICAL CENTER ABOUT THEIR INABILITY TO PAY, THE MEDICAL

 CENTER WILL SEND THEM THE CHARITY CARE AND FINANCIAL ASSISTANCE FORMS

 TO FILL OUT. ONCE THE FORMS ARE COMPLETE AND RETURNED TO THE MEDICAL

 CENTER AND THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THEN THE

 PATIENT'S ACCOUNT WILL BE REMOVED FROM COLLECTIONS AND THE ACCOUNT

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WILL BE WRITTEN OFF.

NEEDS ASSESSMENT:

PART VI, LINE 2

PENINSULA REGIONAL MEDICAL CENTER IN COOPERATION WITH THE WICOMICO, WORCESTER AND SOMERSET COUNTIES, HEALTH DEPARTMENTS, THE ATLANTIC GENERAL HOSPITAL AND THE EDWARD W. MCCREADY MEMORIAL HOSPITAL, HAS BEEN CONDUCTING COMMUNITY HEALTH SURVEYS OF THE TRI-COUNTY AREA SINCE 1995. THESE SURVEYS, ADMINISTERED BY PROFESSIONAL RESEARCH CONSULTANTS (PRC) OF OMAHA, NEBRASKA WERE ADMINISTERED IN 1995, 2000, 2004 AND 2009. IN ADDITION TO THESE ADULT SURVEYS, A SEPARATE ADOLESCENT SURVEY WAS CONDUCTED IN 2000, 2005, AND 2010.

RESULTS OF THESE SURVEYS ARE USED BY THE PARTICIPANTS TO ASSESS COMMUNITY HEALTH NEEDS AND PLAN FUTURE SERVICES. OF PARTICULAR NOTE WAS THE DEVELOPMENT OF THE TRI-COUNTY DIABETES ALLIANCE, WHICH IS A COOPERATIVE VENTURE BETWEEN ALL THE PARTNERS AND COMMUNITY AGENCIES TO REDUCE THE INCIDENCES OF DIABETES IN THE TRI-COUNTY AREA. OTHER OUTCOMES RESULTING FROM THE SURVEY FINDINGS INCLUDE SMOKING CESSATION PROGRAMS, OTHER EARLY DETECTION AND SCREENING PROGRAMS FOR HEART AND

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CANCER, AS WELL AS HEALTH PROMOTION AND EDUCATION WITH A FOCUS ON
 PREVENTION.

THE PRC COMMUNITY HEALTH ASSESSMENT IS A SYSTEMATIC,
 DATA-DRIVEN APPROACH TO DETERMINING THE HEALTH STATUS, BEHAVIORS AND
 NEEDS OF OUR COMMUNITY RESIDENTS. SURVEY RESULTS ARE SHARED WITH THE
 COMMUNITY AND ARE POSTED TO THE PARTICIPANTS WEBSITES. THIS
 COMMUNITY HEALTH ASSESSMENT SERVES AS A TOOL TOWARDS REACHING THE
 FOLLOWING THREE GOALS:

1. TO IMPROVE RESIDENTS' HEALTH STATUS, INCREASE THEIR LIFE
 SPANS, AND ELEVATE THEIR OVERALL QUALITY OF LIFE.

2. REDUCE THE HEALTH DISPARITIES AMONG RESIDENTS BY GATHERING
 DEMOGRAPHIC INFORMATION ALONG WITH HEALTH STATUS AND BEHAVIOR DATA.

3. TO INCREASE ACCESSIBILITY TO PREVENTIVE SERVICES FOR ALL
 COMMUNITY RESIDENTS.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

PART VI, LINE 3

PENINSULA REGIONAL MEDICAL CENTER MAKES AVAILABLE TO ALL PATIENTS THE
 HIGHEST QUALITY OF MEDICAL CARE POSSIBLE WITHIN THE RESOURCES

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AVAILABLE. IF A PATIENT IS UNABLE TO PAY DUE TO FINANCIAL RESOURCES,
 ALL EFFORTS WILL BE MADE TO HELP THE PATIENT OBTAIN ASSISTANCE
 THROUGH APPROPRIATE AGENCIES, OR, IF HELP IS NOT AVAILABLE, TO
 PROVIDE CARE AT REDUCED OR ZERO COST. ONE OF PENINSULA REGIONAL'S
 OVERALL GUIDING PRINCIPLES IS THAT CONCERN OVER A HOSPITAL BILL
 SHOULD NEVER PREVENT ANY INDIVIDUAL FROM RECEIVING EMERGENCY HEALTH
 SERVICES THE MEDICAL CENTER WILL COMMUNICATE THIS MESSAGE CLEARLY TO
 PROSPECTIVE PATIENTS AND TO LOCAL COMMUNITY SERVICE AGENCIES AND MAKE
 IT CLEAR THAT EMERGENCY SERVICES WILL BE PROVIDED WITHOUT REGARD TO
 ABILITY TO PAY. THE MEDICAL CENTER WILL ENSURE THAT AN EMERGENCY
 ADMISSION OR TREATMENT IS NOT DELAYED OR DENIED PENDING DETERMINATION
 OF COVERAGE OR REQUIREMENT FOR PREPAYMENT OR DEPOSIT. THE MEDICAL
 CENTER WILL POST ADEQUATE NOTICE OF THE AVAILABILITY OF MEDICAL
 SERVICES, AND THE GENERAL OBLIGATION OF THE HOSPITAL TO PROVIDE
 CHARITY CARE. PENINSULA REGIONAL'S "FINANCIAL ASSISTANCE POLICY"
 INCLUDES THE REQUIRED LANGUAGE OF DETERMINATION OF PROBABLE
 ELIGIBILITY WITHIN TWO BUSINESS DAYS. ON PAGE 2, THE "FINANCIAL
 ASSISTANCE POLICY" STATES THAT UPON RECEIPT OF THE FINANCIAL
 ASSISTANCE REQUEST, THE REPRESENTATIVE WILL REVIEW INCOME AND ALL

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DOCUMENTATION. THE PATIENT MUST BE NOTIFIED WITHIN TWO BUSINESS DAYS
 OF THEIR PROBABLE ELIGIBILITY. IN ACCORDANCE WITH SECTION 1, 2 AND
 3, PENINSULA REGIONAL PROVIDES PUBLIC NOTICE AND INFORMATION
 REGARDING ITS CHARITY CARE POLICY IN DELMARVA'S LARGEST PAPER "THE
 DAILY TIMES", POSTED SIGNS IN THE ADMISSION, BUSINESS OFFICE
 EMERGENCY ROOM AND OTHER MAJOR SERVICE AREAS OF THE MEDICAL CENTER;
 ADDITIONALLY INDIVIDUAL NOTICE IS PROVIDED TO EACH PERSON WHO SEEKS
 SERVICES IN THE MEDICAL CENTER AT THE TIME OF PRE-ADMISSION OR
 ADMISSION.

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COMMUNITY INFORMATION:

PART VI, LINE 4

PENINSULA REGIONAL IS LOCATED IN SALISBURY, MARYLAND . THE HOSPITAL'S

SERVICE AREA IS PREDOMINATELY RURAL AND COVERS 6 COUNTIES LOCATED IN

THREE DIFFERENT STATES: MARYLAND, DELAWARE AND VIRGINIA. SOME OF

THE UNIQUE HEALTHCARE CHARACTERISTICS OF THESE COUNTIES INCLUDE A

HIGH PREVALENCE OF DIABETES WHICH IS APPROXIMATELY TWICE THAT OF THE

STATE OF MARYLAND. THERE IS A HIGHER INCIDENCE OF SKIN CANCER AND

THE INCIDENCE RATE FOR HEART DISEASE IS STATISTICALLY SIGNIFICANTLY

HIGHER THAN MARYLAND. IN ADDITION, THE MEDIAN INCOME IS LOWER THAN

THAT OF MARYLAND AND EDUCATIONAL ATTAINMENT LAGS BEHIND THE STATES

AVERAGE.

THE MEDICAL CENTER'S PRIMARY SERVICE AREA IS COMPRISED OF THE

MAJORITY OF ZIP CODES IN WICOMICO, WORCESTER, AND SOMERSET COUNTIES.

AS OF JUNE 30TH, 2010 THESE COUNTIES CONTRIBUTED APPROXIMATELY 77

PERCENT OF PENINSULA REGIONAL'S TOTAL DISCHARGES. THE MEDICAL CENTER

ALSO SERVICES DORCHESTER COUNTY, MARYLAND, THE SOUTHERN PORTION OF

SUSSEX COUNTY, DELAWARE AND THE NORTHERN PORTION OF ACCOMACK COUNTY,

VIRGINIA. THESE COUNTIES COMPRISED AN ADDITIONAL 23 PERCENT OF THE

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MEDICAL CENTER'S TOTAL DISCHARGES DURING THE SAME TIME PERIOD.

PATIENT DISCHARGED FROM THE FOLLOWING GEOGRAPHICAL AREAS

AREA	2010 DISCHARGES	%
WICOMICO	12,332	51.4%
WORCESTER	3,714	15.5%
SOMERSET	2,459	10.3%
DORCHESTER	456	1.9%
DELAWARE	2,867	12.0%
VIRGINIA	1,451	6.1%
ALL OTHERS	699	2.8%
TOTAL	23,978	100.0%

SOURCE: PENINSULA REGIONAL MEDICAL CENTER, FINANCIAL AND STATISTICAL REPORT, JUNE 30, 2010.

BETWEEN 2009 AND 2014, THE MEDICAL CENTER'S PRIMARY SERVICE AREA (WICOMICO, WORCESTER AND SOMERSET COUNTIES, MARYLAND) IS EXPECTED TO GROW 5.3 PERCENT OR SLIGHTLY MORE THAN 1 PERCENT PER YEAR. MUCH OF THIS GROWTH WILL BE EXPERIENCED IN WICOMICO COUNTY AT A RATE OF 6.8

Part VI Supplemental Information

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PERCENT FOLLOWED BY WORCESTER COUNTY AT 3.4 PERCENT AND SOMERSET

COUNTY AT 3.3 PERCENT. IN THE MEDICAL CENTER'S SECONDARY SERVICE

AREA (DORCHESTER COUNTY, MARYLAND, SUSSEX COUNTY, DELAWARE, AND

ACCOMACK COUNTY, VIRGINIA) THE POPULATION IS EXPECTED TO GROW 8

PERCENT OR 1.6 PERCENT PER YEAR OVER THE SAME TIME PERIOD. MOST OF

THIS GROWTH (10.2 PERCENT) IS EXPECTED TO OCCUR IN SUSSEX COUNTY,

DELAWARE.

COMMUNITY BUILDING ACTIVITIES:

PART VI, LINE 5

PENINSULA REGIONAL MEDICAL CENTER IS COMMITTED TO THE HEALTH OF THE

RURAL COMMUNITIES IT SERVES. IN FY 2010, THE HOSPITAL'S CHARITY CARE

INCREASED 20% (\$11,506,723 TO \$13,865,063) FROM THE PREVIOUS YEAR. IN

ADDITION, COMBINED CHARITY AND BAD DEBT FOR FY2010 WAS \$31,842,050.

THE HEALTH OF THE COMMUNITY IS THE HOSPITAL'S MISSION PROVIDING

QUALITY HEALTHCARE AND EASE OF ACCESS FOR A RURAL POPULATION. TO

THAT END ,THE HOSPITAL HAS ESTABLISHED 9 PRIMARY CARE PHYSICIAN

SATELLITE OFFICES LOCATED STRATEGICALLY THROUGHOUT THE SERVICE AREA.

Part VI Supplemental Information

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THESE SATELLITE LOCATIONS ADDRESS THE SPECIFIC DISEASES THAT ARE

 INDIGENT TO THESE RURAL AREAS. BASED ON THE INFORMATION GATHERED

 THROUGH THE MOST RECENT COMMUNITY HEALTH ASSESSMENT AND THE

 GUIDELINES SET FORTH IN HEALTHY PEOPLE 2010, THE FOLLOWING "HEALTH

 PRIORITIES" REPRESENT A SIGNIFICANT OPPORTUNITY FOR HEALTH

 IMPROVEMENT WHICH ARE BEING ADDRESSED BY THE HOSPITAL, PHYSICIAN

 SATELLITE OFFICES AND THE COUNTY HEALTH DEPARTMENTS:

 - DIABETES (AS A RESULT OF THE COMMUNITY HEALTH ASSESSMENT

 SURVEY, A TRI-COUNTY DIABETES ALLIANCE WAS ESTABLISHED TO HELP

 EDUCATE, CREATE AWARENESS, AND IMPROVE THE HEALTH OF PEOPLE WITH

 DIABETES AND THOSE AT RISK FOR DEVELOPING DIABETES)

 WWW.TRIDIABETES.ORG

 - HEART DISEASE & STROKE

 - NUTRITION

 - ACCESS TO HEALTH CARE SERVICES

 IN ADDITION TO THESE AREAS, THERE ARE MULTIPLE OTHER PRIORITIES AND

 CONTRIBUTING FACTORS THAT EACH PARTNER ASSESSED IN CONJUNCTION WITH

 THIS SURVEY.

 IN IDENTIFYING PRIORITIES FOR COMMUNITY ACTION AND DESIGNING

Part VI Supplemental Information

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STRATEGIES FOR IMPLEMENTATION, A NUMBER OF CRITERIA WERE APPLIED TO

THE CONSIDERATION PROCESS, INCLUDING:

IMPACT: THE DEGREE TO WHICH THE ISSUE AFFECTS OR EXACERBATES

OTHER QUALITY OF LIFE AND HEALTH-RELATED ISSUES.

MAGNITUDE: THE NUMBER OF PERSONS AFFECTED, ALSO TAKING INTO

ACCOUNT VARIANCE FROM BENCHMARK DATA AND YEAR

2010 TARGETS.

SERIOUSNESS: THE DEGREE TO WHICH THE PROBLEM LEADS TO DEATH,

DISABILITY OR IMPAIRS ONE'S QUALITY OF LIFE.

FEASIBILITY: THE ABILITY OF ORGANIZATIONS TO REASONABLY IMPACT THE

ISSUE, GIVEN AVAILABLE RESOURCES.

CONSEQUENCES OF INACTION:

THE RISK OF EXACERBATING THE PROBLEM BY NOT

ADDRESSING AT THE EARLIEST OPPORTUNITY.

EACH PARTNER WAS RESPONSIBLE FOR ENGAGING IN ACTIVITIES SPECIFIC TO

THE GEOGRAPHY WITHIN WHICH THEY OPERATE. EACH PARTNER USED THE

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RESULTS OF THE SURVEY TO PLAN SCREENINGS AND/OR INTERVENTIONS

TAILORED TO THE NEEDS OF THEIR POPULATION. PARTNERS SHARED PLANS AND COLLABORATED WHERE POSSIBLE.

IN ADDITION TO THE PROGRAMS ALREADY PRESENTED, A NUMBER OF OTHER INITIATIVES FROM THE COMMUNITY HEALTH SURVEY HAVE BEEN STARTED INCLUDING:

- UNDER THE PRIORITY AREA OF ACCESS TO CARE, ACCESS TO DENTAL SERVICES - PARTICULARLY FOR CHILDREN WAS IDENTIFIED. AS A RESULT, GRANTS AND GIFTS WERE RECEIVED TO EXPAND DENTAL PROGRAMS AT THE LOCAL HEALTH DEPARTMENT.

- FOR HEART DISEASE, A STATE GRANT SUPPLIED THE MONEY TO DO WORK SITE WELLNESS PROGRAMS INCLUDING SCREENINGS.

- FOR CANCER, MONEY FROM THE CIGARETTE RESTITUTION FUND WAS USED TO PROVIDE COLORECTAL SCREENINGS INCLUDING PREVENTION, EDUCATION, DIAGNOSIS AND TREATMENT. ADDITIONALLY, FUNDS WERE OBTAINED FROM A GRANT TO PROVIDE MAMMOGRAMS FOR LOW INCOME WOMEN.

- IN TERMS OF OBESITY, A THREE YEAR FEDERAL GRANT PROVIDED FUNDS TARGETED AT AFRICAN-AMERICAN FAMILIES TO PARTICIPATE IN A PROGRAM TO

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MAKE LIFESTYLE CHANGES, QUIT SMOKING, CONTROL THEIR BLOOD PRESSURE,
 EXERCISE (THROUGH A WALKING PROGRAM) AND MEETINGS WITH A NUTRITIONIST
 TO MODIFY THEIR EATING BEHAVIOR.

- FOR SUBSTANCE ABUSE, A NEW SUBOXONE (A HEROIN ALTERNATIVE)
 CLINIC WAS ESTABLISHED WITH GREAT SUCCESS. THIS IS THE ONLY SUCH
 CLINIC ON THE EASTERN SHORE

- AND FINALLY, FOR MENTAL HEALTH CARE, A NEW CLINIC WHICH IS
 CO-LOCATED IN A PRIMARY CARE SITE EXPANDS CARE FOR MENTAL HEALTH
 PATIENTS WITHOUT THE STIGMA OF BEING SEEN IN A MENTAL HEALTH CLINIC.

OTHER INFORMATION:

PART VI, LINE 6
 COMMUNITY FLU SHOTS
 THE MISSION OF THE MEDICAL CENTER IS TO "IMPROVE THE HEALTH OF THE
 COMMUNITIES WE SERVE." IN FISCAL YEAR 2010, THE MEDICAL CENTER
 PROVIDED OVER 5,000 FLU SHOTS (BELOW COST, WE DID ASK FOR A DONATION)
 THROUGH A 3 DAY DRIVE - THRU FLU CAMPAIGN. THE MEDICAL CENTER GAVE
 OVER 750 FREE FLU SHOTS TO THE RESIDENTS IN WICOMICO, WORCESTER,
 SOMERSET AND SUSSEX COUNTIES.

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ATLANTIC UNITED METHODIST CHURCH/DIAKONIA/PHILLIPS RESTAURANT -100

LOWER SHORE ENTERPRISES - 59

SALISBURY SUBSTANCE ABUSE CENTER - 30

LAUREL KING'S METHODIST CHURCH - 40

NEW MACEDONIA BAPTIST CHURCH - 30

HOMELESS COMMUNITY - 280

VILLAGE OF HOPE CLINIC - 85

THREE LOWER COUNTIES (TLC) - 58

SETON CENTER - 68

*DUE TO THE NATIONAL SHORTAGE, PRMC WAS NOT ABLE TO GIVE OUT AS MANY

FLU SHOTS, AS IN 2010

PENINSULA PARTNERS

PENINSULA PARTNERS IS DESIGNED FOR INDIVIDUALS 55 AND OLDER AND IS A

SPECIAL PROGRAM PROVIDED AS A SERVICE TO OUR COMMUNITY ABSOLUTELY

FREE. PENINSULA PARTNERS MEMBERS WILL LEARN TIPS ON HEALTHY LIVING,

ATTEND SEMINARS AND PARTICIPATE IN HEALTH SCREENINGS. THIS PROGRAM

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PROVIDES:

- MONTHLY LIFESTYLE NEWSLETTER - FEATURING HEALTHY TIPS, IN DEPTH HEALTH ARTICLES, ETC.

- SAFE DRIVING CLASSES

- HEALTH SCREENINGS

- SOCIAL EVENTS

- INPATIENT VISITS

- SAFETY CLASSES

- SEMINARS ON VARIOUS HEALTH TOPICS

IN FY2010, PENINSULA PARTNERS HAD OVER 9,500 MEMBERS AND OVER 901

INPATIENT VISITS WERE MADE.

WAGNER WELLNESS VAN

PENINSULA REGIONAL'S WAGNER WELLNESS VAN DELIVERS HEALTH CARE

ASSESSMENTS AND EDUCATION TO RURAL LOCATIONS WITHIN THE HOSPITALS

SERVICE AREA. THE VAN HAS MULTIPLE USES AND MANY VENUES. IT IS ON

SITE AT LOCAL COMMUNITY OUTDOOR FESTIVALS WITH STAFF PROVIDING THE

FOLLOWING SCREENINGS: BLOOD PRESSURE, PULSE OXIMETRY, BODY FAT

ANALYSIS, GRIP STRENGTH, AND VISION. DURING FY 10 WE SCREENED 415

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MEMBERS OF THE COMMUNITY WITH VARIED "AT RISK" LEVELS. (THIS ONLY
 REPRESENTS OUR VAN PRESENCE AT MAJOR COMMUNITY INITIATIVES, AND DOES
 NOT REPRESENT THE MULTITUDE OF COMMUNITY APPEARANCES MADE BY OTHER
 MEDICAL CENTER DEPARTMENTS AT HEALTH FAIRS ON THE DELMARVA
 PENINSULA.)

IN OCTOBER 2008, IN AN EFFORT TO EXPAND OUR MOBILE SERVICE TO THE
 AT-RISK AND UNDERSERVED POPULATIONS, PENINSULA REGIONAL MEDICAL
 CENTER FORMED A PARTNERSHIP WITH THE WICOMICO HEALTH DEPARTMENT TO
 OFFER DIABETES, STROKE AND HYPERTENSION EDUCATION AND SCREENINGS TO
 THESE POPULATIONS (SITES RECOMMENDED BY THE HEALTH DEPARTMENT). THIS
 PROGRAM CONTINUES TODAY.

OTHER INITIATIVES
 THE HOSPITAL AND ITS EMPLOYEES ALSO PARTICIPATE ON AN ANNUAL BASIS IN
 MANY CHARITABLE CAUSES THAT PROMOTE A HEALTHY LIFESTYLE AND OVERALL
 WELL -BEING OF THOSE IN THE COMMUNITY. IN CY2010, HOSPITAL EMPLOYEES
 CONTRIBUTED OVER \$156,000 TO THE UNITED WAY CAMPAIGN, IN ADDITION TO
 HAVING OVER 100 EMPLOYEES WALK AND PARTICIPATE IN THE MARCH OF DIMES.

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HOSPITAL EMPLOYEES AND PHYSICIANS ALSO PARTICIPATED IN THE 2010

WICOMICO COUNTY RELAY FOR LIFE. THIS CANCER SURVIVOR'S RECEPTION

HOSTED OVER 600 CANCER SURVIVORS AND BRINGS HOPE TO THOSE SUFFERING.

EVERY YEAR HOSPITAL EMPLOYEES ARE ENGAGED IN COMMUNITY OUTREACH WHICH

ARE VOLUNTEER TYPE SERVICES PROVIDED "OUTSIDE THE REALM OF NORMAL

HOSPITAL PATIENT CARE." THE HOSPITAL ENCOURAGES VOLUNTEERISM IN THE

FOLLOWING AREAS:

- HEALTH SCREENINGS

- HEALTH EDUCATION

- SUPPORT GROUPS

- PROGRAM SUPPORT

- RESEARCH

- FINANCIAL CONTRIBUTIONS

IN FY2010, OVER 62,500 HOURS WERE GIVEN BY EMPLOYEES. AS AN EXAMPLE,

THE HOSPITAL IS A COMMUNITY PARTNER WITH "THE WELLNESS COMMUNITY OF

DELMARVA." THIS IS A NON-PROFIT ORGANIZATION DEDICATED TO PROVIDING

FREE EMOTIONAL SUPPORT, EDUCATION AND HOPE FOR PEOPLE AFFECTED BY

CANCER AND THEIR LOVED ONES. THE HOSPITAL'S EMPLOYEES VOLUNTARILY

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GIVE OF THEIR TIME AND TALENTS TO SUPPORT THIS TERRIFIC PROGRAM .

THE HOSPITAL ALSO PARTICIPATES IN THE "HEALTHIEST MARYLAND"

INITIATIVE A RECENT PROGRAM LAUNCHED BY LT. GOVERNOR BROWN, THE

ADMINISTRATION AND SECRETARY COLMERS. THIS IS A STATEWIDE MOVEMENT

TO CREATE A CULTURE OF WELLNESS - AN ENVIRONMENT WHERE THE HEALTHIEST

CHOICE IS EASY. MARYLAND RURAL HEALTHCARE ASSOCIATION IS ANOTHER

AGENCY THAT PROMOTES THE DELIVERY OF RURAL HEALTH CARE, THEIR MISSION

STATEMENT IS TO: ENHANCE THE HEALTH AND WELL BEING OF RURAL

POPULATIONS IN MARYLAND THROUGH LEADERSHIP, EDUCATION, ADVOCACY AND

COLLABORATION. THE HOSPITAL IS REPRESENTED ON THIS COMMITTEE AND IS

COMMITTED TO FINDING SOLUTIONS TO PROVIDING THE MOST EFFICIENT AND

EFFECTIVE HEALTHCARE DELIVERY TO AN UNDERSERVED RURAL POPULATION.

THERE EXIST GEOGRAPHIC POCKETS IN PENINSULA REGIONAL'S SERVICE AREA

WHICH ARE FEDERALLY LISTED AS BEING UNDERSERVED BY HEALTHCARE

PROVIDERS. IN AN EFFORT TO ADDRESS THE RURAL POPULATIONS NEED FOR

PROVIDERS, THE HOSPITAL HAS PARTNERED IN DEVELOPING HEALTHCARE

PROGRAMS WITH LOCAL COLLEGES AND UNIVERSITIES. FOR EXAMPLE, THE

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HOSPITAL HAS COLLABORATED WITH UMES (UNIVERSITY OF MARYLAND EASTERN SHORE) AND HAS MADE A 5 YEAR \$250,000 DOLLAR INVESTMENT IN THEIR PHYSICIAN ASSISTANT PROGRAM. THIS INVESTMENT WILL EXPAND THE HEALTHCARE EDUCATIONAL OPPORTUNITIES, AND IN THE FUTURE PROVIDE HEALTH CARE PROFESSIONALS AVAILABLE TO CARE FOR RESIDENTS IN OUR REGION. THERE CONTINUES TO BE ONGOING COLLABORATIONS WITH WOR-WIC COMMUNITY COLLEGE AND SALISBURY UNIVERSITY TO FURTHER DEVELOP HEALTHCARE PROGRAMS AND PROVIDERS TO MEET THE CHALLENGES OF 21ST CENTURY HEALTHCARE.

PART VI, LINE 6 - SEE EXPLANATION FOR PART VI, LINE 5

AFFILIATED HEALTH CARE SYSTEM ROLES:

PART VI, LINE 7
 PENINSULA REGIONAL MEDICAL CENTER IS PART OF THE PENINSULA REGIONAL HEALTH SYSTEM. THE SYSTEM INCLUDES A FOUNDATION AND FOR-PROFIT ENTITIES WITH INTERESTS IN VARIOUS HEALTH CARE JOINT VENTURES. IN ADDITION TO THE COMMUNITY BENEFITS PROVIDED BY THE MEDICAL CENTER, THE HEALTH SYSTEM EVALUATES THE NEEDS OF THE COMMUNITY AND WILL

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- 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.

PARTICIPATE IN COMMUNITY BENEFIT PROGRAMS AS NEEDED.

ALL STATES WHICH ORGANIZATION FILES A COMMUNITY BENEFIT REPORT:

MD,

**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

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

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 checked="" type="checkbox"/> | Travel for companions | <input type="checkbox"/> | Payments for business use of personal residence |
| <input type="checkbox"/> | Tax indemnification and gross-up payments | <input 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 checked="" type="checkbox"/> | Form 990 of other organizations | <input checked="" type="checkbox"/> | Approval by the board or compensation committee |

4 During the year, did any person listed 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					
R. ALAN NEWBERRY	(i)	609,529.	182,212.	72,975.	55,567.	22,183.	942,466.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
BRUCE I. RITCHIE	(i)	278,239.	60,608.	20,232.	46,228.	17,727.	423,034.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
MARGARET NALEPPA	(i)	490,466.	132,880.	10,547.	36,398.	18,197.	688,488.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
LURA LUNSFORD	(i)	211,241.	31,265.	6,605.	34,589.	16,901.	300,601.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
THOMAS LAWRENCE, M.D.	(i)	360,970.	97,197.	2,808.	42,189.	18,897.	522,061.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES MARTIN, M.D.	(i)	539,021.	0.	0.	15,222.	5,856.	560,099.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOSEPH GRASSO, M.D.	(i)	466,623.	0.	0.	15,222.	14,192.	496,037.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JUSTINIAN NGAIZA, M.D.	(i)	519,815.	0.	0.	15,120.	14,397.	549,332.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
PANPIT KLUG, M.D.	(i)	688,511.	0.	0.	15,222.	9,572.	713,305.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(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.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J

PART I, LINE 4B

MARGARET NALEPPA IS A PARTICIPANT IN THE 457F NON QUALIFIED PLAN.

PART I, LINE 6A AND 6B

OFFICERS AND KEY EMPLOYEES OF PENINSULA REGIONAL MEDICAL CENTER ARE PAID

COMPENSATION DETERMINED BY THE NET EARNINGS ACTIVITY OF THE MEDICAL

CENTER AND PENINSULA REGIONAL HEALTH SYSTEM.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Supplemental Information on Tax-Exempt Bonds

▶ **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.**

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Employer identification number

52-0591628

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 & HIGHER EDUCATIONAL FACILITIES AU	52-0936091	574217WT8	02/09/2006	146,668,251.	SEE SCHEDULE O		X		X
B									
C									
D									
E									

Part II Proceeds

	A		B		C		D		E	
1 Total proceeds of issue	154,822,905.									
2 Gross proceeds in reserve funds	11,127,422.									
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds	1,167,501.									
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds	100,184,165.									
8 Year of substantial completion	2009									
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Were the bonds issued as part of a current refunding issue?	X									
10 Were the bonds issued as part of an advance refunding issue?		X								
11 Has the final allocation of proceeds been made?	X									
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	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								
2 Are there any lease arrangements with respect to the financed property which may result in private business use?		X								

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

Schedule K (Form 990) 2009

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									
b Are there any research agreements with respect to the financed property which may result in private business use?		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									
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 ▶		.8300%		%		%		%		%
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 ▶		.1200%		%		%		%		%
6 Total of lines 4 and 59500%		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	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								
2 Is the bond issue a variable rate issue?		X								
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X									
b Name of provider	MORGAN STANLEY									
c Term of hedge	20.400									
4a Were gross proceeds invested in a GIC?		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								
6 Did the bond issue qualify for an exception to rebate?	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 PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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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
PENINSULA CARDIOLOGY ASSOCIATES	SEE SCHEDULE O	229,164.	CARDIOLOGY SVCS, RENTAL FEES		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

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

ATTACHMENT 1

FORM 990, PART VI, SECTION A, LINE 6

PENINSULA REGIONAL MEDICAL CENTER IS ORGANIZED AS A NON-STOCK, NOT FOR
PROFIT CORPORATION WITH MEMBERS.

FORM 990, PART VI, SECTION A LINE 7A

THE NOMINATING COMMITTEE OF THE BOARD MAKES RECOMMENDATIONS FOR NEW
MEMBERSHIP. THE BOARD OF TRUSTEES GIVES FINAL APPROVAL.

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

NEW RESOLUTIONS ARE ADOPTED BY THE BOARD'S COMMITTEE CHAIRPERSONS OR
MEMBERS OF THE BOARD AND PRESENTED TO THE BOARD FOR APPROVAL.

FORM 990, PART VI, SECTION B, LINE 11

OVERSIGHT OF THE COMPLETION OF THE ORGANIZATION'S FORM 990 HAS BEEN
DELEGATED TO THE CHIEF FINANCIAL OFFICER OF PENINSULA REGIONAL MEDICAL
CENTER BY THE PRESIDENT OF THE ORGANIZATION. ONCE THE FORM 990 AND ALL
SCHEDULES HAVE BEEN PREPARED BY THE ORGANIZATION'S INDEPENDENT TAX
SERVICES PROVIDER, THEY ARE REVIEWED BY THE PRESIDENT PRIOR TO FILING.

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

BOARD OF TRUSTEES ARE REQUIRED TO DISCLOSE ANNUALLY, IN WRITING, ANY AND
ALL INTERESTS WHICH THEY OR ANY MEMBER OF THEIR IMMEDIATE FAMILY, MAY
HAVE IN ANY BUSINESS ENTITY WHICH HAS OR SEEKS A CONTRACTUAL REALTIONSHIP
WITH THE CORPORATION OR ANY OF ITS AFFILIATES. THE BOARD HAS AUTHORITY

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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ATTACHMENT 1 (CONT'D)

TO DETERMINE IF A VIOLATION HAS OCCURRED AND WHETHER ANY INTEREST WHICH SHOULD BE DISCLOSED SHOULD DISQUALIFY A DIRECTOR FROM PARTICIPATING IN ANY SPECIFIC BOARD DISCUSSION OR MEMBERSHIP ON THE BOARD.

FORM 990, PART VI SECTION B, LINE 15

THE ORGANIZATION USES A COMPENSATION COMMITTEE TO DETERMINE THE COMPENSATION OF THE CEO/EXECUTIVE DIRECTOR AND OTHER KEY EMPLOYEES. THE CEO OF THE ORGANIZATION HAS A WRITTEN EMPLOYMENT CONTRACT. THE COMPENSATION COMMITTEE USES AN INDEPENDENT CONSULTANT, COMPENSATION SURVEYS AND OTHER ORGANIZATION'S FORM 990 IN THE DETERMINATION PROCESS.

FORM 990, PART VI, SECTION C, LINE 19

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST TO THE PUBLIC INFORMATION OFFICE OF PENINSULA REGIONAL MEDICAL CENTER.

SCHEDULE L

RENE DESMARIAS, M.D., A TRUSTEE OF THE MEDICAL CENTER, IS A MORE THAN 5% OWNER OF PENINSULA CARDIOLOGY ASSOCIATES.

SCHEDULE K, PART I, COLUMN F

THE PROCEEDS OF THE ISSUE, AFTER PAYMENT OF FINANCING COSTS, WERE USED PRIMARILY (I) TO FINANCE AND REFINANCE A PORTION OF THE COSTS OF CONSTRUCTION, RENOVATION, ACQUISITION AND EQUIPPING OF HEALTHCARE FACILITIES; (II) TO REFUND OUTSTANDING 1993 BONDS (ISSUED 10/28/93); (III) TO PAY A PORTION OF THE INTEREST ACCRUING ON THE SERIES 2006 BONDS FOR A PERIOD TO EXTEND TO JANUARY 1, 2009; AND (IV) TO PAY THE

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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ATTACHMENT 1 (CONT'D)

COUNTERPARTY A TERMINATION PAYMENT OF \$1,575 IN CONNECTION WITH A FORWARD
STARTING INTEREST RATE EXCHANGE AGREEMENT ENTERED INTO ON AUGUST 9,
2005 AND UNWOUND ON JANUARY 24, 2006.

SCHEDULE K, PART II, LINE 7

OF THE AMOUNT REPORTED ON PART II, LINE 7, \$12,281,895 IS CAPITALIZED
INTEREST.

ATTACHMENT 24A PROGRAM SERVICE

PENINSULA REGIONAL MEDICAL CENTER IS A NOT-FOR-PROFIT 501(C)(3)
NON-STOCK CORPORATION FOUNDED IN 1897 TO SERVE THE HEALTH CARE
NEEDS OF THE COMMUNITY. THE HOSPITAL'S PRIMARY PURPOSE IS TO
PROVIDE THE HIGHEST PRIMARY, SECONDARY, AND SELECTED TERTIARY
HEALTH CARE SERVICES TO RESIDENTS OF AND VISITORS TO THE
MID-DELMARVA PENINSULA IN A COMPETENT, COMPASSIONATE, AND
COST-EFFECTIVE MANNER DESIGNED TO ELICIT A HIGH DEGREE OF CUSTOMER
SATISFACTION. THE HOSPITAL'S MISSION IS TO IMPROVE THE HEALTH OF
THE COMMUNITIES WE SERVE BY PROVIDING QUALITY MEDICAL CARE
REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, OR AGE.
IF A PATIENT IS UNABLE TO PAY DUE TO FINANCIAL RESOURCES, EFFORTS
WILL BE TAKEN TO ASSURE CARE AT AN AFFORDABLE COST, OR OBTAINED
ASSISTANCE THROUGH APPROPRIATE AGENCIES ON THE PATIENT'S BEHALF.
EMERGENCY SERVICES CARE WILL BE PROVIDED TO EVERYONE REGARDLESS OF
ABILITY TO PAY.

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 2 (CONT'D)

PENINSULA REGIONAL MEDICAL CENTER SERVED OVER 23,000 INPATIENTS AND PROVIDED MORE THAN 485,000 OUTPATIENT SERVICES DURING FISCAL 2010. FOOD SERVICE PROVIDED MORE THAN 550,000 MEALS TO PATIENTS AND EMPLOYEES.

ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF PENINSULA REGIONAL MEDICAL CENTER, IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PAY FOR ESSENTIAL MEDICAL SERVICES. THE HOSPITAL, IN KEEPING WITH THE COMMITMENT TO SERVE ALL MEMBERS OF THE COMMUNITY, DURING FISCAL 2010 PROVIDED:

CHARITY AND OTHER ALLOWANCES TOTALING	\$31,569,219
DISCOUNTS TO THIRD PARTY PAYORS INCLUDING GOVERNMENT PROGRAMS SUCH AS MEDICARE AND MEDICAID	\$26,604,007
WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS	\$17,976,987

THE TOTAL UNREIMBURSED VALUE OF PROVIDING CARE TO THESE PATIENTS IS \$76,150,213

ALSO PROVIDED ARE MANY WELLNESS PROGRAMS, COMMUNITY EDUCATION AND FREE PROGRAMS OFFERED THROUGHOUT THE YEAR BASED UPON ACTIVITIES AND SERVICES THAT PENINSULA REGIONAL MEDICAL CENTER BELIEVES WILL SERVE A BONA FIDE COMMUNITY HEALTH NEED. SOME OF THE PROGRAMS ARE

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 2 (CONT'D)

AS FOLLOWS:

A VARIETY OF BROCHURES ARE DISPLAYED IN ALL HOSPITAL WAITING AREAS TO EDUCATE MEMBERS OF THE COMMUNITY REGARDING PROGRAMS AND SERVICES.

PARTICIPATION IN HEALTH FAIRS DURING FY 2010 IN ORDER TO FOSTER HEALTH EDUCATION IN THE COMMUNITY.

BEING CALLED UPON TO SPEAK BEFORE COMMUNITY ORGANIZATIONS ON A VARIETY OF HEALTHCARE TOPICS. WE PROVIDE CHILDBIRTH PREPARATION CLASSES, EXERCISE CLASSES FOR PRENATAL AND POSTPARTUM WOMEN AND CPR CLASSES.

WE PROVIDE ASSISTANCE TO EDUCATORS THROUGH OUR WORK WITH STUDENT NURSES, RADIOLOGY, RESPIRATORY AND LABORATORY TECHNICIANS.

DURING FY 2010, PENINSULA REGIONAL MEDICAL CENTER VOLUNTEERS CONTRIBUTED OVER 46,500 HOURS TOWARD THE COMMON PURPOSE OF SERVICING THE HEALTH CARE OF THE COMMUNITY.

PROGRAM ACTIVITY

DURING FY 2010, PENINSULA REGIONAL MEDICAL CENTER PERFORMED OVER

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 2 (CONT'D)

800 COMMUNITY OUTREACH ACTIVITIES. SPECIFIC EXAMPLES OF EDUCATION AND OUTREACH PROGRAMS, SUPPORT GROUPS, COMMUNITY HEALTH SCREENINGS, AND FITNESS AND WELLNESS ACTIVITIES SUPPORTED BY PENINSULA REGIONAL MEDICAL CENTER ARE AS FOLLOWS:

COMMUNITY EDUCATIONAL AND OUTREACH PROGRAMS

LABOR & DELIVERY TOURS (EXCLUSIVE OF
CHILD BIRTH CLASS TOURS)

CPR

DIABETES OUTPATIENT EDUCATION PROGRAM

CHILD BIRTH PREPARATION CLASSES

REFRESHER COURSE - CHILD BIRTH

SIBLING CLASSES

INFANT CARE CLASSES

GRANDPARENT CLASSES

SAFE SITTER PROGRAM

CPR TO COMMUNITY ORGANIZATIONS

WOMEN'S HEALTH EDUCATION

SUPPORT GROUPS

DIABETES SUPPORT GROUPS

BEREAVEMENT SUPPORT GROUP

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 2 (CONT'D)

EVENTS:

COMMUNITY SCREENINGS

HEIGHT/WEIGHT, BLOOD PRESSURE

SKIN CANCER SCREENINGS

ORAL, HEAD AND NECK CANCER SCREENINGS

HEARING SCREENINGS

FLU CLINIC

EDUCATIONAL EXHIBITS - DIABETES EDUCATION, TRAUMA, WOMEN'S HEALTH,

SAFE SITTER

RELAY FOR LIFE

BENEFITS:

ASTHMA CAMP

MARCH OF DIMES WALK AMERICA

UNITED WAY

WELLNESS COMMUNITY

FITNESS/EXERCISE PROGRAMMING:

CARDIAC REHABILITATION

INDOOR CYCLING AND WEIGHTS

WOMEN AND WEIGHT TRAINING

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 2 (CONT'D)ATTACHMENT 3990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
SHERIDAN ANESTHESIA OF MD. P.O. BOX 452197 SUNRISE, FL 33323	ANESTHESIA SERVICES	7,162,251.
HORIZON CSA 265 PIT RD MOORESVILLE, NC 28115	BIOMEDICAL SERVICES	3,915,872.
MAYO COLLABORATIVE SERVICES P.O. BOX 9146 MINNEAPOLIS, MN 55480	MEDICAL SERVICES	1,215,006.
CROTHALL SERVICES GROUP 955 CHESTERDROOK BLVD. SUITE 300 WAYNE, PA 19087	ENVIRONMENTAL SVCS	975,576.
HCSG CARDIOVASCULAR SERVICES P.O. BOX 11407 BIRMINGHAM, AL 35246	MEDICAL SERVICES	932,514.
	TOTAL COMPENSATION	<u>14,201,219.</u>

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2009

**Open to Public
Inspection**

▶ **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

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

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

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
PENINSULA REGIONAL MEDICAL FOUNDATION 52-1851935 100 EAST CARROLL ST. SALISBURY, MD 21801	FUNDRAISING	MD	501 (C) (3)	11A	N/A
PENINSULA REGIONAL HEALTH SYSTEM, INC 52-2132761 100 EAST CARROLL ST. SALISBURY, MD 21801	PARENT	MD	501 (C) (3)	11B	N/A
PENINSULA GENERAL HOSPITAL INS. TRUST 52-6321234 100 EAST CARROLL ST. SALISBURY, MD 21801	INS TRUST	MD	501 (C) (3)	11D	N/A

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
DELMARVA SURGERY CENTER 52-225 641 S. SALISBURY BLVD.	HEALTHCARE	MD	N/A					X			X

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
PENINSULA HEALTH VENTURES, INC _____ 52-2250012 100 EAST CARROLL ST. SALISBURY SALISBURY, MD 21801	INVESTMENT	MD	N/A	C CORP			
PRLTC INC. _____ 52-2190588 100 EAST CARROLL ST. SALISBURY, MD 21801	LONG TERM CARE	MD	N/A	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) PENINSULA REGIONAL MEDICAL CENTER FOUNDATION	L, R	2,410,588.
(2) PENINSULA REGIONAL MEDICAL CENTER FOUNDATION	M, N, P	422,581.
(3) PENINSULA HEALTH VENTURES, INC.	K	150,000.
(4)		
(5)		
(6)		

