

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service

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

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2019
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization CALVERTHEALTH MEDICAL CENTER, INC. Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 100 HOSPITAL ROAD City or town, state or province, country, and ZIP or foreign postal code PRINCE FREDERICK, MD 20678 F Name and address of principal officer: DEAN TEAGUE 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	D Employer identification number 52-0619000 E Telephone number 410-535-4000 G Gross receipts \$ 143,021,386. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.CALVERTHEALTHMEDICINE.ORG		
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: 1918 M State of legal domicile: MD

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: CALVERTHEALTH MEDICAL CENTER PROVIDES QUALITY INPATIENT AND AMBULATORY HEALTH CARE TO THE PEOPLE		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	3	17
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	1250
	6	Total number of volunteers (estimate if necessary)	6	238
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	493,535.
	7b	Net unrelated business taxable income from Form 990-T, line 39	7b	0.
	Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year
9		Program service revenue (Part VIII, line 2g)	452,382.	496,376.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	134,061,597.	139,620,104.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-12,984,687.	559,091.
12		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,005,027.	2,345,815.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	124,534,319.	143,021,386.
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)	70,250,889.	69,613,053.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	65,265,465.	67,783,157.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	135,516,354.	137,396,210.
	19	Revenue less expenses. Subtract line 18 from line 12	-10,982,035.	5,625,176.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	146,936,880.	144,716,415.
	22	Net assets or fund balances. Subtract line 21 from line 20	86,223,934.	86,894,611.
	22	Net assets or fund balances. Subtract line 21 from line 20	60,712,946.	57,821,804.

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 DEAN TEAGUE, PRESIDENT & CEO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name AMY BIBBY	Preparer's signature AMY BIBBY
	Date 04/22/21	Check if self-employed <input type="checkbox"/> PTIN P00445891
	Firm's name ▶ DIXON HUGHES GOODMAN LLP	Firm's EIN ▶ 56-0747981
	Firm's address ▶ 1410 SPRING HILL ROAD, SUITE 500 TYSONS, VA 22102-3056	Phone no. (703) 970-0400

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


Part III Total Unrelated Business Taxable Income			
32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	77,974.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules)	34	0.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	77,974.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions) STMT 4	36	77,974.
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	
38	Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions)	38	1,000.
39	Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	0.

Part IV Tax Computation			
40	Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21)	40	0.
41	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	41	
42	Proxy tax. See instructions	42	
43	Alternative minimum tax (trusts only)	43	
44	Tax on Noncompliant Facility Income. See instructions	44	
45	Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	0.

Part V Tax and Payments			
46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a	
b	Other credits (see instructions)	46b	
c	General business credit. Attach Form 3800	46c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d	
e	Total credits. Add lines 46a through 46d	46e	
47	Subtract line 46e from line 45	47	0.
48	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	48	
49	Total tax. Add lines 47 and 48 (see instructions)	49	0.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3	50	0.
51a	Payments: A 2018 overpayment credited to 2019	51a	
b	2019 estimated tax payments	51b	
c	Tax deposited with Form 8868	51c	
d	Foreign organizations: Tax paid or withheld at source (see instructions)	51d	
e	Backup withholding (see instructions)	51e	
f	Credit for small employer health insurance premiums (attach Form 8941)	51f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	51g	
52	Total payments. Add lines 51a through 51g	52	
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	53	
54	Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed	54	
55	Overpayment. If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid	55	
56	Enter the amount of line 55 you want: Credited to 2020 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	56	

Part VI Statements Regarding Certain Activities and Other Information (see instructions)		Yes	No
57	At any time during the 2019 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here		X
58	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
59	Enter the amount of tax-exempt interest received or accrued during the tax year		\$

Sign Here 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 taxpayer) is based on all information of which preparer has any knowledge.

 Signature of officer | 9/29/21 Date | **PRESIDENT & CEO** Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	AMY BIBBY	AMY BIBBY	04/22/21		P00445891
	Firm's name	Firm's EIN		DIXON HUGHES GOODMAN LLP	
	1410 SPRING HILL ROAD, SUITE 500		56-0747981		
	Firm's address		Phone no. (703) 970-0400		
	TYSONS, VA 22102-3056				

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: CALVERTHEALTH MEDICAL CENTER PROVIDES QUALITY INPATIENT AND AMBULATORY HEALTH CARE TO THE PEOPLE OF SOUTHERN MARYLAND THAT IS ACCESSIBLE, COST-EFFECTIVE AND COMPASSIONATE. CHMC WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 119,424,542. including grants of \$) (Revenue \$ 141,472,384.) CALVERTHEALTH MEDICAL CENTER'S MISSION IS FOR THE CHARITABLE PURPOSE OF PROVIDING QUALITY INPATIENT AND AMBULATORY HEALTH CARE SERVICES TO THE CITIZENS OF SOUTHERN MARYLAND THAT IS ACCESSIBLE, COST EFFECTIVE AND COMPASSIONATE. THE HOSPITAL WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS. THE HOSPITAL PROVIDES MEDICAL SERVICES TO PATIENTS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. IN FY 2020, THE HOSPITAL SERVED 6,115 INPATIENTS, 27,748 OUTPATIENTS AND PROVIDED 35,481 EMERGENCY ROOM VISITS. IN ADDITION TO THE INPATIENTS SERVED, THE HOSPITAL ALSO TREATED 2,700 MEDICAL OBSERVATION PATIENTS. FOR FY 2020, THE HOSPITAL FILED WITH THE STATE OF MARYLAND A COMMUNITY BENEFIT REPORT THAT DOCUMENTED \$17,974,000 IN COMMUNITY BENEFIT PROVIDED BY CALVERTHEALTH MEDICAL

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

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

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

4e Total program service expenses 119,424,542.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <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	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</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
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <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, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <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, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <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 11b and 19?	X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		1250
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	X	
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a 17		
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b 14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	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 on Schedule O		X

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did 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 If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	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	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	X	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **▶ MD**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶**
CAROLYN HEITHAUS - 410-535-8241
100 HOSPITAL ROAD, PRINCE FREDERICK, MD 20678

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See 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. See instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(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			
(1) TERRI WOLFLEY CHAIRPERSON	5.00 8.00	X		X				0.	0.	0.
(2) CLIFF STEWART VICE CHAIRPERSON	1.00 3.00	X		X				0.	0.	0.
(3) DAVID SHOWERS TREASURER	3.00 3.00	X		X				0.	0.	0.
(4) KEVIN BETZ TREASURER	2.00 2.00	X		X				0.	0.	0.
(5) BARBARA GARDNER SECRETARY	1.00 1.00	X		X				0.	0.	0.
(6) ANTHONY BUTTERS DIRECTOR	1.00 1.00	X						0.	0.	0.
(7) ERIC FRANKLIN DIRECTOR	2.50 2.50	X						0.	0.	0.
(8) KAREN O'BRIEN DIRECTOR	1.00 1.00	X						0.	0.	0.
(9) KATHY DICKINSON DIRECTOR	1.00 1.00	X						0.	0.	0.
(10) LOUJEANIA JOHNSON DIRECTOR	1.00 1.00	X						0.	0.	0.
(11) MARK DAVIS DIRECTOR	1.00 1.00	X						0.	0.	0.
(12) RICHARD FLEMING DIRECTOR	5.00 7.00	X						0.	0.	0.
(13) SALLY SHOWALTER DIRECTOR	1.00 1.00	X						0.	0.	0.
(14) SAM NAZZARO DIRECTOR	2.50 2.50	X						0.	0.	0.
(15) SAMUEL FOSTER DIRECTOR	1.00 1.00	X					1,250.	0.	0.	0.
(16) STEPHANIE DABULIS DIRECTOR	1.00 1.00	X						0.	0.	0.
(17) WILSON PARRAN DIRECTOR	1.00 1.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(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			
(18) FRED BUMGARNER EX-OFFICIO	5.00 5.00	X					0.	0.	0.	
(19) GAIL HARKINS EX-OFFICIO	1.00 1.00	X					1,050.	0.	0.	
(20) KENNETH ABBOTT EX-OFFICIO	1.00 40.00	X					0.	312,992.	20,585.	
(21) WILFRED EHRMANTRAUT EX-OFFICIO	1.00 40.00	X					40,000.	0.	0.	
(22) DEAN TEAGUE PRESIDENT AND CEO	40.00 8.00	X		X			677,741.	0.	119,332.	
(23) CAROLYN HEITHAUS VP FINANCE AND CFO	40.00 8.00			X			361,684.	0.	27,807.	
(24) ANTHONY BLADEN CHIEF OPERATING OFFICER	40.00			X			367,002.	0.	49,927.	
(25) LISA BROOME VP HUMAN RESOURCES	40.00			X			233,480.	0.	28,026.	
(26) PHILIP CAMPBELL VP INFORMATION SVCS & CIO	40.00			X			217,087.	0.	18,411.	
1b Subtotal							1,899,294.	312,992.	264,088.	
c Total from continuation sheets to Part VII, Section A							1,272,289.	0.	112,904.	
d Total (add lines 1b and 1c)							3,171,583.	312,992.	376,992.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **81**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	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>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
HITT CONTRACTING, INC., 2900 FAIRVIEW PARK DRIVE, FALLS CURCH, VA 22042	BUILDING CONTRACTOR SERVICES	12,584,091.
MDICS AT CALVERT, LLC, 7250 PARKWAY DRIVE, SUITE 500, HANOVER, MD 21076	HOSPITALIST	2,830,673.
NORTH AMERICAN PARTNERS IN ANESTHESIA, 68 SOUTH SERVICE ROAD, SUITE 350, MELVILLE, CALVERT INTERNAL MEDICINE GROUP, PA, 958 PRINCE FREDERICK BLVD, SUITE 201, PRINCE	ANESTHESIA SERVICES	1,041,570.
AXIS HEALTHCARE GROUP, PC, 10400 CONNECTICUT AVENUE, SUITE 500, KENSINGTON,	PHYSICIAN MEDICAL DIRECTOR & CLINICAL BEHAVIORAL HEALTH PHYSICIAN SERVICES	682,573.
		592,812.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **30**

SEE PART VII, SECTION A CONTINUATION SHEETS

(A) Name and title		(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
			Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) DIANE COUCHMAN	VP CLINICAL SERVICES & CNO	40.00				X			237,707.	0.	32,701.
(29) KASIA SWEENEY	VP STRATEGY & MARKETING	40.00				X			196,812.	0.	26,477.
(31) FRANKLIN DALEY	DIRECTOR PLANT OPERATIONS	40.00					X		157,319.	0.	9,815.
(32) KARA HARRER	DIRECTOR OF PHARMACY	40.00					X		179,464.	0.	9,806.
(33) THERESA JOHNSON	AVP CORPORATE COMMUNICATIONS	40.00					X		178,735.	0.	16,641.
(34) KATHY MOORE	DIRECTOR OF REHAB SERVICES	40.00					X		163,051.	0.	8,590.
(35) RICHARD PELLEGRINO	DIRECTOR FINANCIAL PLANNING & REIMBU	40.00					X		159,201.	0.	8,874.
Total to Part VII, Section A, line 1c									1,272,289.		112,904.

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	253,129.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	243,247.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			496,376.			
Program Service Revenue	2 a INPATIENT REVENUE	Business Code	621110	58,409,676.	58,409,676.		
	b OUTPATIENT REVENUE		621110	52,113,539.	52,113,539.		
	c EMERGENCY REVENUE		621110	25,142,420.	25,142,420.		
	d CARES ACT PROVIDER RELIEF FUNDING		621110	3,954,469.	3,954,469.		
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			139,620,104.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			83,289.		83,289.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities	469,952.			
			(ii) Other		5,850.		
	b Less: cost or other basis and sales expenses	7b		0.	0.		
	c Gain or (loss)	7c		469,952.	5,850.		
d Net gain or (loss)			475,802.		475,802.		
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a MISCELLANEOUS REVENUE	Business Code	621110	843,966.	843,966.		
	b CAFETERIA SALES		722210	539,942.	539,942.		
	c AMBER EHR SERVICE REVENUE		621910	341,903.	341,903.		
	d All other revenue		811000	620,004.	126,469.	493,535.	
	e Total. Add lines 11a-11d			2,345,815.			
12 Total revenue. See instructions			143,021,386.	141,472,384.	493,535.	559,091.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,260,816.		3,260,816.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	55,636,673.	48,914,729.	6,721,944.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,859,873.	1,554,471.	305,402.	
9 Other employee benefits	4,257,134.	3,535,576.	721,558.	
10 Payroll taxes	4,598,557.	3,819,130.	779,427.	
11 Fees for services (nonemployees):				
a Management	555,498.	555,498.		
b Legal	236,921.		236,921.	
c Accounting	306,414.		306,414.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	8,026,018.	8,026,018.		
12 Advertising and promotion	197,936.		197,936.	
13 Office expenses	5,803,792.	4,881,675.	922,117.	
14 Information technology	4,942,536.	4,734,949.	207,587.	
15 Royalties				
16 Occupancy	2,864,112.	2,581,281.	282,831.	
17 Travel	57,142.	33,676.	23,466.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	95,462.	66,247.	29,215.	
20 Interest	2,304,517.	2,216,024.	88,493.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,699,676.	11,285,447.	414,229.	
23 Insurance	1,809,424.	1,312,786.	496,638.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	18,673,175.	18,673,175.		
b PURCHASED SERVICES	5,122,446.	4,004,807.	1,117,639.	
c REPAIRS AND MAINTENANCE	2,881,834.	2,859,298.	22,536.	
d OTHER	2,072,697.	369,755.	1,702,942.	
e All other expenses	133,557.		133,557.	
25 Total functional expenses. Add lines 1 through 24e	137,396,210.	119,424,542.	17,971,668.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				
Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	11,263,403.	1	12,835,722.
	2 Savings and temporary cash investments	94,298.	2	364,284.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	12,344,618.	4	12,903,943.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net	929,643.	7	738,740.
	8 Inventories for sale or use	2,344,859.	8	2,913,896.
	9 Prepaid expenses and deferred charges	2,439,228.	9	3,435,815.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 198,367,776.		
	b Less: accumulated depreciation	10b 107,435,699.	89,249,823.	10c 90,932,077.
	11 Investments - publicly traded securities	2,282,479.	11	2,307,397.
	12 Investments - other securities. See Part IV, line 11	297,666.	12	229,972.
	13 Investments - program-related. See Part IV, line 11	11,975,514.	13	10,355,036.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	13,715,349.	15	7,699,533.
16 Total assets. Add lines 1 through 15 (must equal line 33)	146,936,880.	16	144,716,415.	
Liabilities	17 Accounts payable and accrued expenses	12,863,219.	17	15,670,309.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	60,058,673.	20	57,609,643.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	13,302,042.	25	13,614,659.
	26 Total liabilities. Add lines 17 through 25	86,223,934.	26	86,894,611.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	56,463,688.	27	54,831,293.
	28 Net assets with donor restrictions	4,249,258.	28	2,990,511.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	60,712,946.	32	57,821,804.
	33 Total liabilities and net assets/fund balances	146,936,880.	33	144,716,415.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	143,021,386.
2	Total expenses (must equal Part IX, column (A), line 25)	2	137,396,210.
3	Revenue less expenses. Subtract line 2 from line 1	3	5,625,176.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	60,712,946.
5	Net unrealized gains (losses) on investments	5	-4,266.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-8,512,052.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	57,821,804.

Part XII Financial Statements and Reporting

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

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

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

Form 990 (2019)

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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

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

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2019

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Schedule A (Form 990 or 990-EZ) 2019

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2019

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 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 its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CALVERTHEALTH FOUNDATION, INC. 100 HOSPITAL ROAD PRINCE FREDERICK, MD 20678	\$ 169,526.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	STATE OF MARYLAND 80 CALVERT ST ANNAPOLIS, MD 21401	\$ 42,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	MARYLAND HOSPITAL ASSOCIATION 6820 DEERPATH ROAD ELKRIDGE, MD 21075	\$ 56,457.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	MARYLAND DEPARTMENT OF HEALTH 300 WEST PRESTON STREET, SUITE 202 BALTIMORE, MD 21201	\$ 8,459.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	GOVERNOR'S OFFICE OF CRIME CONTROL AND PREVENTION 100 COMMUNITY PLACE CROWNSVILLE, MD 21032	\$ 77,670.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	DEPARTMENT OF HEALTH & MENTAL HYGIENE 201 W. PRESTON STREET BALTIMORE, MD 21201	\$ 125,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	UNIVERSITY OF MARYLAND BALTIMORE 222 ARCH STREET BALTIMORE, MD 21201	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	EXELON GENERATION COMPANY LLC 1310 POINT STREET, 18TH FLOOR BALTIMORE, MD 21231	\$ 7,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2019
Open to Public Inspection

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 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 Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

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

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

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2019

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

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

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

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

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

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Term endowment _____%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,239,640.		5,239,640.
b Buildings		87,612,667.	45,415,912.	42,196,755.
c Leasehold improvements		2,560,559.	2,560,559.	0.
d Equipment		92,774,865.	57,659,260.	35,115,605.
e Other		10,180,045.	1,799,968.	8,380,077.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				90,932,077.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) INVESTMENT IN FREESTATE	20,542.	END-OF-YEAR MARKET VALUE
(2) INVESTMENT IN CPHA	3,622,493.	END-OF-YEAR MARKET VALUE
(3) INVESTMENT IN FOUNDATION	5,994,468.	END-OF-YEAR MARKET VALUE
(4) INVESTMENT IN CHOICEONE	717,533.	END-OF-YEAR MARKET VALUE
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶	10,355,036.	

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) LT BOND FINANCING COSTS	541,646.
(2) OTHER RECEIVABLES	1,561,042.
(3) GOODWILL	15,000.
(4) MALPRACTICE INS RECOVERY	5,352,219.
(5) DUE FROM RELATED PARTIES	229,626.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	7,699,533.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) EXECUTIVE 457B 457F PLANS	1,307,469.
(3) ADVANCES FROM THIRD PARTIES	2,936,279.
(4) ACCRUED PENSION COSTS	686,565.
(5) PROFESSIONAL LIABILITY	6,342,128.
(6) OTHER LIABILITIES	1,383,774.
(7) CAPITAL LEASE LIABILITY	866,624.
(8) UNEARNED REVENUE	91,820.
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	13,614,659.

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

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

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

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

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

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

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

Part XIII Supplemental Information.

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

PART X, LINE 2:

THE MEDICAL CENTER IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE IRC AS A PUBLIC CHARITY. THE MEDICAL CENTER IS ENTITLED TO RELY ON THIS DETERMINATION AS LONG AS THERE ARE NO SUBSTANTIAL CHANGES IN ITS CHARACTER, PURPOSES, OR METHODS OF OPERATION. MANAGEMENT HAS CONCLUDED THAT THERE HAVE BEEN NO SUCH CHANGES AND, THEREFORE, THE MEDICAL CENTER'S STATUS AS A PUBLIC CHARITY EXEMPT FROM FEDERAL INCOME TAXATION REMAINS IN EFFECT.

THE STATE IN WHICH THE MEDICAL CENTER OPERATES ALSO PROVIDES GENERAL EXEMPTION FROM STATE INCOME TAXATION FOR ORGANIZATIONS THAT ARE EXEMPT FROM FEDERAL INCOME TAXATION. HOWEVER, THE MEDICAL CENTER IS SUBJECT TO

Part XIII Supplemental Information (continued)

BOTH FEDERAL AND STATE INCOME TAXATION AT CORPORATE TAX RATES ON ITS UNRELATED BUSINESS INCOME. EXEMPTION FROM OTHER STATE TAXES, SUCH AS REAL AND PERSONAL PROPERTY TAXES, IS SEPARATELY DETERMINED.

THE MEDICAL CENTER HAD NO UNRECOGNIZED TAX BENEFITS OR SUCH AMOUNTS WERE IMMATERIAL DURING THE PERIODS PRESENTED. FOR TAX PERIODS WITH RESPECT TO WHICH NO UNRELATED BUSINESS INCOME WAS RECOGNIZED, NO TAX RETURN WAS REQUIRED.

MANAGEMENT HAS ALSO CONSIDERED THE IMPACT OF UNRELATED BUSINESS ACTIVITIES AND HAS CONCLUDED THAT THE MEDICAL CENTER IS NOT SUBJECT TO UNRELATED BUSINESS TAX OR ANY OTHER TAXES THAT COULD BE IMPOSED BY THE IRC OR STATE TAXING AUTHORITIES. AS SUCH, NO PROVISION IS MADE FOR INCOME TAXES AND NO ASSET OR LIABILITY HAS BEEN RECOGNIZED FOR DEFERRED TAXES.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			1540022.		1540022.	1.12%
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			1540022.		1540022.	1.12%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1416328.	27,283.	1389045.	1.01%
f Health professions education (from Worksheet 5)			399,153.		399,153.	.29%
g Subsidized health services (from Worksheet 6)			18110715.	4271341.	13839374.	10.07%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			44,141.		44,141.	.03%
j Total. Other Benefits			19970337.	4298624.	15671713.	11.40%
k Total. Add lines 7d and 7j			21510359.	4298624.	17211735.	12.52%

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			22,459.		22,459.	.02%
4 Environmental improvements						
5 Leadership development and training for community members			26,590.		26,590.	.02%
6 Coalition building			61,847.		61,847.	.05%
7 Community health improvement advocacy			104,804.		104,804.	.08%
8 Workforce development			364.		364.	.00%
9 Other						
10 Total			216,064.		216,064.	.17%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	64,519,055.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	52,976,144.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	11,542,911.
8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information

Section A. Hospital Facilities

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

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

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

1 CALVERTHEALTH MEDICAL CENTER, INC.
100 HOSPITAL ROAD
PRINCE FREDERICK, MD 20678
WWW.CALVERTHEALTHMEDICINE.ORG
04-001

Table with 8 columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, and Facility reporting group. Row 1 contains 'X' marks in the first, second, and seventh columns.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group CALVERTHEALTH MEDICAL CENTER, INC.

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>17</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTPS://WWW.CALVERTHEALTHMEDICINE.ORG/COM</u>		
b <input type="checkbox"/> Other website (list url):		
c <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>17</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>HTTPS://WWW.CALVERTHEALTHMEDICINE.ORG/COMMUNITY-HEAL</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group CALVERTHEALTH MEDICAL CENTER, INC.

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>300</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.CALVERTHEALTHMEDICINE.ORG</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.CALVERTHEALTHMEDICINE.ORG</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group CALVERTHEALTH MEDICAL CENTER, INC.

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group CALVERTHEALTH MEDICAL CENTER, INC.

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

Schedule H (Form 990) 2019

Part V Facility Information (continued)

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

CALVERTHEALTH MEDICAL CENTER, INC.:

PART V, SECTION B, LINE 5: CHMC COMMISSIONED CONDUENT HEALTHY

COMMUNITIES INSTITUTE (HCI) TO ASSIST WITH THE 2017 CHNA. IN ORDER TO BETTER TARGET COMMUNITY ISSUES WITH REGARDS TO THE MOST PRESSING HEALTH NEEDS, CHMC BROUGHT TOGETHER A DECISION-MAKING TEAM TO RANK THE SIGNIFICANT COMMUNITY NEEDS BASED ON A SET OF CRITERIA. THE GROUP DISCUSSION WAS FACILITATED BY HCI. THE TEAM WAS CHOSEN TO REPRESENT PEOPLE WITH COMMUNITY AND CLINICAL KNOWLEDGE, THOSE THAT MANAGE SERVICES TO THE UNDERSERVED AND THOSE THAT ARE KNOWLEDGEABLE ABOUT THE NEEDS ASSESSMENT PROCESS. THE 15 MEMBERS INCLUDED THE FOLLOWING:

DONNA CULBRETH, RN - KEEP WELL CENTER, CALVERTHEALTH

MORGAN BRISSETTE, CRNP - KEEP WELL CENTER, CALVERTHEALTH

JOE COOK - ASSISTANT DIRECTOR - CALVERT COUNTY DEPARTMENT OF SOCIAL SERVICES

CANDICE D'AGOSTINO - COORDINATOR - CALVERT ALLIANCE AGAINST SUBSTANCE ABUSE (CAASA)

TERRY LONG - CHIEF EXECUTIVE OFFICER - THE ARC OF SOUTHERN MARYLAND

DAVID GALE - DIRECTOR, CORE SERVICE AGENCY - CALVERT COUNTY HEALTH DEPARTMENT

ALICE THOMPSON - DIRECTOR, PASTORAL CARE - CALVERTHEALTH

MARGARET FOWLER - DIRECTOR, COMMUNITY WELLNESS - CALVERTHEALTH

CHRIS KNODE - SUPERVISOR OF STUDENT SERVICES, SCHOOL HEALTH - CALVERT COUNTY PUBLIC SCHOOLS

SUSAN DOHONY - VICE PRESIDENT QUALITY & RISK MANAGEMENT / CQO - CALVERTHEALTH

Part V Facility Information (continued)

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

KAREN TWIGG, BSN, RN, CMCN - DIRECTOR, CARE COORDINATION AND INTEGRATION -

CALVERTHEALTH

JEAN FLEMING - EXECUTIVE DIRECTOR - CALVERT HOSPICE

TAMMY HALTERMAN - HEALTH PROMOTIONS SUPERVISOR - CALVERT COUNTY HEALTH

DEPARTMENT

KASIA SWEENEY - VICE PRESIDENT STRATEGY & MARKETING - CALVERTHEALTH

DEAN TEAGUE, FACHE - PRESIDENT & CEO - CALVERTHEALTH

CALVERTHEALTH MEDICAL CENTER, INC.:

PART V, SECTION B, LINE 6B: THE HOSPITAL COLLABORATED WITH A NUMBER OF KEY INFORMANT ORGANIZATIONS WITHIN THE COMMUNITY IN DEVELOPING THE HOSPITAL'S CHNA. TEN INDIVIDUALS AGREED TO PARTICPATE AS KEY INFORMANTS AND REPRESENTED THE FOLLOWING ORGANZIATIONS:

CALVERT COUNTY DEPARTMENT OF SOCIAL SERVICES

PRINCE FREDERICK, MD

CALVERT COUNTY HEALTH DEPARTMENT

PRINCE FREDERICK, MD

CALVERT COUNTY GOVERNMENT

PRINCE FREDERICK, MD

CALVERT COUNTY PUBLIC SCHOOLS

PRINCE FREDERICK, MD

Part V Facility Information (continued)

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

ARC OF SOUTHERN MARYLAND

PRINCE FREDERICK, MD

CALVERT COUNTY OFFICE ON AGING

PRINCE FREDERICK, MD

COMMUNITY FAITH-BASED REPRESENTATIVE

SOUTHERN MARYLAND

COMMUNITY PHYSICIANS REPRESENTATIVE

SOUTHERN MARYLAND

COMMUNITY PHARMACY REPRESENTATIVE

SOUTHERN MARYLAND

CALVERTHEALTH MEDICAL CENTER, INC.:

PART V, SECTION B, LINE 7D: THE DIRECT WEBSITE ADDRESS FOR THE HOSPITAL'S CHNA IS

[HTTPS://WWW.CALVERTHEALTHMEDICINE.ORG/COMMUNITY-HEALTH-NEEDS-ASSESSMENT](https://www.calverthealthmedicine.org/community-health-needs-assessment)

CALVERTHEALTH MEDICAL CENTER, INC.:

PART V, SECTION B, LINE 11: THE HOSPITAL'S MOST RECENT COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IDENTIFIED THE FOLLOWING FOUR HEALTH AREAS AS THE TOP PRIORITIES: 1) EXERCISE, NUTRITION AND WEIGHT (INCLUDING OBESITY); 2) CANCER; 3) HEART DISEASE AND STROKE AND 4) MENTAL HEALTH AND MENTAL

Part V Facility Information (continued)

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

DISORDERS.

DURING FY 2020, THE FOLLOWING OUTCOMES WERE ACHIEVED:

(1) IDENTIFIED NEED - EXERCISE, NUTRITION AND WEIGHT THE PRIMARY OBJECTIVES WERE TO DEVELOP AND DEPLOY EDUCATION AND OUTREACH PLANS TO INCREASE THE AWARENESS OF THE IMPORTANCE OF HEALTHY EATING TO REDUCE ONSET OF DISEASES AND TO MAINTAIN HEALTHY WEIGHT, AND TO INCREASE THE AWARENESS OF THE IMPORTANCE OF PHYSICAL ACTIVITY. IN FY 2020 OUR WEIGHT LOSS PROGRAMS SERVED 12 INDIVIDUALS. THERE WAS ALSO A "COOL KIDS CAMP" WHICH SERVED 219 SCHOOL AGED CHILDREN FOCUSING ON NUTRITION, WEIGHT, EXERCISE, AND FUN. OUR FREE "ASK THE EXPERT" PROGRAM AT THE COUNTY'S THREE SENIOR CENTERS PROVIDED MEDICAL AND NUTRITIONAL EDUCATION, BLOOD PRESSURE SCREENINGS BY OUR NURSE AND OTHER EXPERTS, AND DIETICIAN, PERSONAL TRAINER, AND SOCIAL WORK CONSULTATIONS TO 453 SENIORS. THE HOSPITAL HOSTED A WEEKLY FARMERS MARKET IN THE HOSPITAL PARKING LOT, PROVIDING LOCALLY SOURCED MEATS, PRODUCE, AND OTHER HEALTHY ITEMS TO COMMUNITY MEMBERS. IN FY 2020, THERE WERE 648 VISITORS TO THE FARMERS MARKET.

(2) IDENTIFIED NEED CANCER THE PRIMARY OBJECTIVES WERE TO DEVELOP AND DEPLOY EDUCATION AND OUTREACH PLANS TO INCREASE AWARENESS OF EARLY DETECTION THROUGH CANCER SCREENINGS AND TO DEVELOP AND TO PROVIDE A STATE-OF-THE-ART COMPREHENSIVE AND COORDINATED CANCER CARE AND TREATMENT PROGRAM. IN FY 2020 THIS INITIATIVE WAS DELIVERED THROUGH A NUMBER OF VENUES. LOW AND NO COST COMMUNITY SCREENINGS WERE PROVIDED ON OUR MOBILE HEALTH CENTER THAT VISITED UNDERSERVED AREAS AS WELL AS SENIOR CENTERS. A WEBSITE DESIGNED LAST YEAR TO PROVIDE A CENTRALIZED LOCATION TO FIND ALL

Part V Facility Information (continued)

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

CANCER RELATED PROGRAMS, SERVICES AND PROVIDERS HAD 14,315 "HITS" IN FY 2020. THERE WAS AN INCREASE IN THE NUMBER OF PARTICIPANTS IN THE YOUTH TOBACCO PREVENTION PROGRAM HELD AT SIX AREA SCHOOLS 1,095 PARTICIPANTS IN FY 2020 COMPARED TO 612 IN THE PRIOR YEAR. THE CANCER SUPPORT GROUP AND BREAST CANCER SUPPORT GROUP HAD A COMBINED TOTAL OF 67 PARTICIPANTS.

(3) IDENTIFIED NEED HEART DISEASE AND STROKE THE PRIMARY OBJECTIVES WERE TO PROVIDE SMOKING CESSATION INFORMATION TO THE COMMUNITY, CONDUCT TOBACCO ROADSHOW PRESENTATION TO MIDDLE SCHOOLS AND VARIOUS YOUTH GROUPS, PROVIDE CHRONIC DISEASE MANAGEMENT SERVICES TO HIGH RISK PATIENTS AND PROVIDE ACCESS TO SCREENINGS AND EDUCATION SERVICES TO IMPROVE HEART HEALTH. IN FY 2020 THIS INITIATIVE WAS DELIVERED THROUGH MULTIPLE VENUES WITH AN EMPHASIS IN THE UNDERSERVED AREAS OF PRINCE FREDERICK, LUSBY AND NORTH BEACH. PARTICIPANT ENGAGEMENT WAS INITIATED THROUGH OUR MOBILE HEALTH CENTER, AREA CHURCHES, COMMUNITY GYMS, SENIOR CENTERS, LOW-INCOME HOUSING DEVELOPMENTS, BUSINESSES AND THE HOSPITAL. INITIATIVE OUTCOMES INCLUDED THE FOLLOWING 4,636 PARTICIPANTS WHICH INCLUDED COMMUNITY HEALTH RISK ASSESSMENTS/BIOMETRICS, ASK THE EXPERT (RN, RD, PT), CALVERT CARES, WEIGHT LOSS PROGRAM, BLOOD PRESSURE SCREENINGS AND NUTRITION PROGRAMS FOR ADOLESCENTS. THE MOBILE HEALTH UNIT HAD 467 PARTICIPANTS IN FY 2020 AND TRAVELED TO LOCATIONS IN THE COUNTY COVERING THE NORTHERN, CENTRAL AND SOUTHERN AREAS. A FREE MONTHLY STROKE SUPPORT GROUP WAS OFFERED, WITH 75 PERSONS SERVED. FREE VASCULAR SCREENINGS IN OUR RADIOLOGY DEPARTMENT WERE PROVIDED TO 60 PEOPLE.

(4) IDENTIFIED NEED MENTAL HEALTH AND MENTAL DISORDERS THE PRIMARY OBJECTIVES WERE TO STRENGTHEN SAFETY PRACTICES AND POLICIES FOR

Part V Facility Information (continued)

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

PRESCRIBING OPIOIDS, EXPAND BOTH INPATIENT AND OUTPATIENT MENTAL HEALTH TREATMENT PROGRAMS AT CHMC TO REDUCE SUICIDES AND TO INCREASE THE AWARENESS OF PEDIATRIC MENTAL HEALTH BY IMPROVED CARE COODINATION AND COLLABORATION WITH COMMUNITY SCHOOLS. IN FY 2020 THE OPIOD STEWARDSHIP PROGRAM HAD CONTACT WITH 200 INDIVIDUALS. AS PART OF THE "IT TAKES A VILLAGE" GRANT, A BEHAVIORAL HEALTH SOCIAL WORKER AND A PUBLIC HEALTH SOCIAL WORKER WERE AT EACH OF THE THREE SENIOR CENTERS WEEKLY OR AS NEEDED. THE PUBLIC HEALTH SOCIAL WORKER WAS ALSO ON BOARD THE MOBILE HEALTH UNIT AS IT VISITED VARIOUS LOCATIONS THROUGHOUT THE COUNTY. SOCIAL WORK SERVICES WERE AVAILABLE THROUGH THE "ASK THE EXPERT" PROGRAM AND ALSO THROUGH THE BEHAVIORAL HEALTH SOCIAL WORKER FROM THE COUNTY HEALTH DEPARTMENT.

IN ORDER TO MAXIMIZE THE POSITIVE IMPACT ON COMMUNITY HEALTH, CHMC CHOSE TO CONCENTRATE ITS EFFORTS ON THE FOUR PRIORITIES LISTED ABOVE. SOME OF THE SERVICES OFFERED, SUCH AS THE COMMUNITY MOBILE HEALTH CENTER, PROVIDED ACCESS TO SERVICES THAT MET SEVERAL OF THE IDENTIFIED PRIORITY AREAS. FOR THIS PROGRAM, A MULTIDEMENSIONAL TEAM PARTNERED WITH COMMUNITY SERVICES (FOOD PANTRY, LIBRARY, CHURCHES, ETC.) TO BRING PREVENTION AND WELLNESS SERVICES TO THE COMMUNITY. IN TOTAL 467 PERSONS WERE SEEN. IN FY 2020, A NEW FREE MEDICAL CLINIC SERVICE WAS ADDED TO THE SERVICES ON THE MOBILE HEALTH UNIT. SEVEN PARTICIPANTS WERE REFERRED TO A NEW PCP FOR FOLLOW-UP, TWO WERE REFERRED TO OTHER SPECIALISTS AND SIX WERE SCREENED FOR INSURANCE WITH FOUR BEING ELIGIBLE AND SIGNED UP WITH ACTIVE INSURANCE FROM THE BEGINNING OF THE MONTH. THREE PARTICIPANTS PREFERRED TO FOLLOW UP AT THE NEXT FREE CLINIC. THREE INDIVIDUALS HAD A PRESCRIPTION WRITTEN FOR THEIR CONDITION, AND TWO WERE GIVEN A GLUMETER DUE TO HIGH BLOOD SUGAR AND NOT

Part V Facility Information (continued)

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

HAVING THE MEANS TO OBTAIN A GLUMETER. A TOTAL OF 44 PEOPLE HAD THEIR BLOOD PRESSURE TAKEN. ALL PROGRAMS WERE SHUT DOWN IN MARCH 2020 DUE TO THE GLOBAL COVID PANDEMIC. THE HOSPITAL RESUMED THE FREE MEDICAL CLINIC IN JUNE 2020 WITH COVID SCREENINGS AND TESTINGS. ONE INDIVIDUAL WAS TESTED, TWO SIGNED UP WITH OUR PROVIDER AS THEIR PCP, AND THREE WERE ELIGIBLE FOR INSURANCE, AND ENROLLED THAT DAY. NINE FLU VACCINE CLINICS WERE ALSO OFFERED ON THE MOBILE HEALTH UNIT, WITH 80 FLU SHOTS ADMINISTERED.

IN THE LAST QUARTER OF FY 2020, MANY COMMUNITY PROGRAMS WERE IMPACTED BY THE GLOBAL COVID PANDEMIC AND WERE EITHER HALTED OR SEVERELY RESTRICTED. FOR THIS REASON, MANY FACE TO FACE AND NON-URGENT PROGRAMS SUCH AS SCREENINGS AND HEALTH FAIRS SAW A DROP IN THE NUMBER OF PERSONS SERVED, AS COMPARED TO PREVIOUS YEARS. FROM FEBRUARY TO JUNE OF 2020, COMMUNITY WELLNESS STAFF MADE PHONE CALLS TO 68 PEOPLE WHO NORMALLY WOULD HAVE PARTICIPATED IN THESE PROGRAMS TO CHECK ON THE STATUS OF THEIR WELLBEING. THE HOSPITAL PROVIDED FREE COVID TESTING DURING THE PANDEMIC. TESTING INITIALLY STARTED ON THE GROUNDS OF THE HOSPITAL CAMPUS AT THE MOBILE HEALTH UNIT, UTILIZING CALVERTHEALTH PERSONNEL AND LOCAL LAW ENFORCEMENT FOR TRAFFIC CONTROL. EVENTUALLY, THE HOSPITAL PARTNERED WITH THE CALVERT COUNTY HEALTH DEPARTMENT TO EXPAND TESTING UTILIZING THE LOCAL VEHICLE EMISSIONS TESTING SITE SO THE VOLUME OF TESTS COULD BE INCREASED. IN ALL, MORE THAN 800 COVID TESTS WERE DONE FREE OF CHARGE.

IN ADDITION TO THE FOUR PRIORITIZED AREAS OF NEED, OTHER HEALTH NEEDS WERE MET THROUGH COMMUNITY OUTREACH PROGRAMS. ALTHOUGH THE HOSPITAL DID NOT EXPLICITLY PRIORITIZE THESE NEEDS, THEY ARE INTERRELATED TO THE SELECTED FOUR PRIORITIES. OTHER SIGNIFICANT HEALTH NEEDS INCLUDED ACCESS TO HEALTH

Part V Facility Information (continued)

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

SERVICES, CHILDREN'S HEALTH, OLDER ADULTS AND AGING AND SUBSTANCE ABUSE.

THE FOLLOWING WAS DONE BY THE HOSPITAL TO ADDRESS THE OTHER SIGNIFICANT HEALTH NEEDS:

-PROVIDED ON-SITE DENTAL PROVIDERS AT VARIOUS SCHOOLS TO PERFORM DENTAL SCREENINGS FOR TOOTH DECAY AND PLACE SEALANTS. A TOTAL OF 286 DENTAL SCREENINGS AND 91 DENTAL SEALANTS WERE COMPLETED AT FIVE COUNTY TITLE 1 SCHOOLS.

-ORGANIZED HEALTH MINISTRY NETWORK MEETING TO PROVIDE OUTREACH EDUCATION AND TRAINING FOR BLOOD PRESSURE SCREENINGS, EDUCATIONAL WORKSHOPS AND TO PROVIDE ACCESS TO CARE THROUGH FAITH-BASED PROGRAMS.

-PROVIDED PROGRAMS AND SERVICES WITHIN THE SENIOR CENTERS FOR EASY ACCESS TO CARE AS WELL AS PROVIDED SOCIAL WORKERS TO HELP REMOVE THE BARRIER TO SERVICE AND NAVIGATE APPROPRIATELY WITHIN THE CALVERTHEALTH SYSTEM. THE "ASK THE EXPERT" PROGRAM AT EACH SENIOR CENTER PROVIDED ASSISTANCE, NAVIGATION, AND INFORMATION ON HOW TO ACCESS HEALTH CARE SERVICES AND PROVIDED EDUCATION FOR HEALTHY LIVING.

-UTILIZED THE MOBILE HEALTH UNIT TO BRING SERVICES AND PROGRAMS TO GEOGRAPHIC AREAS THAT HAVE A LIMITED TRANSPORTATION SYSTEM. THE MOBILE HEALTH UNIT TRAVELED TO 139 LOCATIONS THROUGHOUT THE COUNTY VISITING THE NORTH BEACH, PRINCE FREDERICK AND LUSBY AREAS EVERY MONTH.

-A HEALTH FAIR IN CONJUNCTION WITH ONE OF THE LOCAL FIRE DEPARTMENTS HAD 25 PARTICIPANTS.

CALVERTHEALTH MEDICAL CENTER, INC.

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

Part V Facility Information (continued)

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

WWW.CALVERTHEALTHMEDICINE.ORG

CALVERTHEALTH MEDICAL CENTER, INC.:

PART V, SECTION B, LINE 24: CHMC DOES NOT CHARGE ANY INDIVIDUALS THAT ARE ELIGIBLE FOR FINANCIAL ASSISTANCE AN AMOUNT EQUAL TO THE GROSS CHARGE FOR ANY SERVICE. THE HOSPITAL USES THE CHARGE MASTER RATES FOR A SERVICE AS A STARTING POINT AGAINST WHICH REDUCTIONS ARE APPLIED TO DETERMINE THE AMOUNT ACTUALLY BILLED TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY. IN ADDTION, IF THE HOSPITAL CHARGED AN INDIVIDUAL THAT HAD NOT YET BEEN DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE AT THE TIME OF THE CHARGE AT AN AMOUNT EQUAL TO GROSS CHARGES, THEN UPON DETERMINING THE INDIVIDUAL WAS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL PROMPTLY CORRECTED THE BILL.

PART V, SECTION B, LINE 22

PURSUANT TO THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) ALL-PAYOR SYSTEM FOR HOSPITALS IN THE STATE OF MARYLAND, THE GREATEST DISCOUNT OFF OF GROSS CHARGES FOR THE PROVISION OF EMERGENCY AND OTHER MEDICALLY NECESSARY CARE PERMITTED TO ANY COMMERCIAL INSURER OR MEDICARE IS ONLY 6%. AS A RESULT, THE HOSPITAL FACILITY WAS ABLE TO DETERMINE THAT THE MAXIMUM AMOUNT CHARGED TO INDIVIDUALS THAT WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY WAS NOT GREATER THAN THE AMOUNT GENERALLY BILLED TO INDIVIDUALS WHO HAVE INSURANCE COVERING SUCH CARE.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

How many non-hospital health care facilities did the organization operate during the tax year? 4

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

Part VI Supplemental Information

Provide the following information.

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

PART I, LINE 3C:

FINANCIAL NEED WILL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING

PROCEDURES:

A) AN APPLICATION PROCESS, IN WHICH THE PATIENT OR THE PATIENT'S GUARANTOR ARE REQUIRED TO COOPERATE AND SUPPLY PERSONAL, FINANCIAL AND OTHER INFORMATION AND DOCUMENTATION RELEVANT TO MAKING A DETERMINATION OF FINANCIAL NEED. THE APPLICATION FORM IS THE MARYLAND STATE UNIFORM FINANCIAL ASSISTANCE APPLICATION.

B) THE USE OF EXTERNAL PUBLICALLY AVAILABLE DATA SOURCES THAT PROVIDE INFORMATION ON A PATIENT'S OR A PATIENT'S GUARANTOR'S ABILITY TO PAY (SUCH AS CREDIT SCORING).

C) REASONABLE EFFORTS BY THE HOSPITAL TO EXPLORE APPROPRIATE ALTERNATIVE SOURCES OF PAYMENT AND COVERAGE FROM PUBLIC AND PRIVATE PAYMENT PROGRAMS.

D) TAKING INTO ACCOUNT THE PATIENT'S AVAILABLE ASSETS AND ALL OTHER

Part VI Supplemental Information (Continuation)

FINANCIAL RESOURCES AVAILABLE TO THE PATIENT.

E) A REVIEW OF THE PATIENT'S OUTSTANDING ACCOUNTS RECEIVABLE FOR PRIOR SERVICES RENDERED AND THE PATIENT'S PAYMENT HISTORY.

F) SELF-PAY ACCOUNTS AND SELF-PAY BALANCES ARE SCRUBBED USING EXTERNAL SOFTWARE TO DETERMINE A PATIENT'S ASSETS, FEDERAL POVERTY LEVEL, AND ENROLLMENT IN ANY OF THE STATE FUNDED ASSISTANCE PROGRAMS DETERMINED BY THE HEALTH SERVICES COST REVIEW COMMISSION.

IT IS PREFERRED BUT NOT REQUIRED THAT A REQUEST FOR FINANCIAL ASSISTANCE AND A DETERMINATION OF FINANCIAL NEED OCCUR PRIOR TO THE RENDERING OF SERVICES. HOWEVER, THE DETERMINATION MAY BE DONE AT ANY POINT IN THE COLLECTION CYCLE. THE NEED FOR PAYMENT ASSISTANCE SHALL BE RE-EVALUATED AT EACH SUBSEQUENT TIME OF SERVICES IF THE LAST FINANCIAL EVALUATION WAS COMPLETED MORE THAN SIX MONTHS PRIOR, OR AT ANY TIME ADDITIONAL INFORMATION RELEVANT TO THE ELIGIBILITY OF THE PATIENT FOR FINANCIAL ASSISTANCE BECOMES KNOWN.

CALVERTHEALTH MEDICAL CENTER (CHMC) PERFORMS REASONABLE COLLECTION EFFORTS AS DEFINED IN THEIR PRIVATE PAY COLLECTIONS POLICY BY SENDING PATIENTS THAT HAVE NOT YET QUALIFIED UNDER THE HOSPITAL'S FINANCIAL POLICY AT LEAST THREE STATEMENTS. PATIENTS MAY ALSO RECEIVE PHONE CALLS REMINDING THEM A BALANCE IS DUE. UNPAID PATIENT ACCOUNTS ARE SENT A PRE-BAD DEBT LETTER AFTER 90 DAYS. PRIOR TO TRANSFERRING ACCOUNTS TO AN EXTERNAL COLLECTION AGENCY OR UNDERTAKING ANY OTHER COLLECTION ACTIONS, THE ACCOUNTS ARE BATCHED AND SCREENED FOR THE PATIENT'S ABILITY TO PAY AGAINST THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY STANDARDS WITHIN SEARCH AMERICA.

Part VI Supplemental Information (Continuation)

ANY PATIENTS WHO'S FINANCIAL CONDITIONS QUALIFY FOR FINANCIAL ASSISTANCE PER THE SOFTWARE'S SEARCH ARE IMMEDIATELY APPROVED BY THE HOSPITAL FOR CHARITY CARE AND ALL COLLECTION EFFORTS ARE IMMEDIATELY CEASED.

PART I, LINE 5A AND 5B

CHMC OFFERS FREE OR DISCOUNTED CARE TO PATIENTS WHO ARE UNABLE TO PAY FOR THEIR SERVICES AND MEET THE ELIGIBILITY CRITERIA REGARDLESS OF THE AMOUNT BUDGETED FOR FINANCIAL ASSISTANCE IN THE HOSPITAL'S ANNUAL OPERATING PLAN.

PART I, LINE 6A, 6B

MARYLAND'S HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) REQUIRES ALL MARYLAND HOSPITALS TO COMPLETE AND SUBMIT A COMMUNITY BENEFITS REPORT ANNUALLY. THE HSCRC IS RESPONSIBLE FOR COLLECTING THE DATA FROM THE INDIVIDUAL HOSPITALS AND COMPILING A STATEWIDE DOCUMENT THAT CONTAINS SUMMARY INFORMATION AS WELL AS INDIVIDUAL HOSPITAL REPORTS. THE STATEWIDE DOCUMENT IS MADE AVAILABLE TO THE PUBLIC ON THE HSCRC'S WEBSITE.

PART I, LINE 7A, 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, 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

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

UNCOMPENSATED CARE.

PART I, LINE 7B, COLUMNS C, D, E AND F

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE SETTING SYSTEM. THE HOSPITAL PORTION OF THE MARYLAND MEDICAID ASSESSMENT FOR CHMC FOR THE 2019 TAX YEAR WAS \$492,639.

PART I, LINE 7G

SUBSIDIZED HEALTH SERVICES INCLUDE THE FOLLOWING NON-PHYSICIAN CLINICS: GYN-ONCOLOGY CLINIC, PEDIATRIC ORTHOPEDIC CLINIC AND SPINE CLINIC. COSTS ATTRIBUTABLE TO THE CLINICS TOTALED \$115,358. THESE SERVICES WOULD LIKELY NOT BE UNDERTAKEN IN THE COMMUNITY IF NOT PROVIDED BY CHMC. AS A RESULT CHMC HAS IDENTIFIED A COMMUNITY NEED FOR THE PROVISION OF THESE SERVICES.

PART I, LINE 7

Part VI Supplemental Information (Continuation)

THE COSTING METHODOLOGY USED TO CALCULATE AMOUNTS REPORTED IN LINE 7 WAS A COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES.

PART II

CHMC IS RECOGNIZED AS A LEADER IN THE PROVISION OF HEALTH CARE IN THE LOCAL AREA. IT PARTNERS WITH MANY ORGANIZATIONS AND AGENCIES TO EXPAND THE REACH FOR IMPROVING THE HEALTH OF ITS COMMUNITY.

ACTIVITIES INCLUDE DEVELOPING AND LEADING A HEALTH MINISTRY TEAM PROGRAM WITH LOCAL AREA CHURCHES, SUPPORTING STAFF PARTICIPATION ON LOCAL AREA BOARDS, COALITIONS AND COLLABORATIVES, SUCH AS THE UNITED WAY OF CALVERT COUNTY, CALVERT HOSPICE, MARYLAND RURAL HEALTH ASSOCIATION, THE OFFICE ON AGING, SOUTHERN MARYLAND COMMUNITY NETWORK, CALVERT COUNTY ORAL TASK FORCE , TRI-COUNTY COUNCIL, EMS COUNCIL, MARYLAND PERINATAL PATIENT SAFETY COLLABORATIVE, COMPTROLLER'S ADVISORY BOARD, COMMUNITY COLLEGE ADVISORY BOARDS, AND THE CALVERT CANCER COALITION.

THESE ARE JUST A FEW OF CHMC'S COMMUNITY BUILDING ACTIVITIES. IMPROVING THE HEALTH OF THE COMMUNITY IS A PRIORITY AREA FOR THE HOSPITAL AND THEREFORE DRIVES MANY OF OUR STRATEGIC PLANS.

PART III, LINE 4:

THE FOLLOWING IS THE TEXT OF THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES THE ORGANIZATION'S BAD DEBT EXPENSE:

Part VI Supplemental Information (Continuation)

AS PART OF THE ADOPTION OF ASC 606, THE SYSTEM ELECTED CERTAIN AVAILABLE PRACTICAL EXPEDIENTS UNDER THE STANDARD. FIRST, THE SYSTEM ELECTED THE PRACTICAL EXPEDIENT THAT ALLOWS NONRECOGNITION OF THE PROMISED AMOUNT OF CONSIDERATION FROM PATIENTS AND THIRD-PARTY PAYORS FOR THE EFFECTS OF A SIGNIFICANT FINANCING COMPONENT DUE TO THE SYSTEM'S EXPECTATION THAT THE PERIOD BETWEEN THE TIME THE SERVICE IS PROVIDED TO A PATIENT AND THE TIME THAT THE PATIENT OR A THIRD-PARTY PAYOR PAYS FOR THAT SERVICE WILL BE ONE YEAR OR LESS. HOWEVER, THE SYSTEM DOES, IN CERTAIN INSTANCES, ENTER INTO PAYMENT AGREEMENTS WITH PATIENTS THAT ALLOW PAYMENTS IN EXCESS OF ONE YEAR. FOR THOSE CASES, THE FINANCING COMPONENT IS NOT DEEMED TO BE SIGNIFICANT TO THE RESPECTIVE CONTRACTS. ADDITIONALLY, THE SYSTEM HAS APPLIED THE PRACTICAL EXPEDIENT WHEREBY ALL INCREMENTAL CUSTOMER CONTRACT ACQUISITION COSTS ARE EXPENSED AS THEY ARE INCURRED, AS THE AMORTIZATION PERIOD OF THE ASSET THAT THE SYSTEM OTHERWISE WOULD HAVE RECOGNIZED IS ONE YEAR OR LESS IN DURATION.

GENERALLY, PATIENTS WHO ARE COVERED BY THIRD PARTY PAYORS ARE RESPONSIBLE FOR RELATED DEDUCTIBLES AND COINSURANCE, WHICH VARY IN AMOUNT. THE SYSTEM ALSO PROVIDES SERVICES TO UNINSURED PATIENTS, AND OFFERS THOSE UNINSURED OR UNDERINSURED PATIENTS FINANCIAL ASSISTANCE, BY EITHER POLICY OR LAW, FROM STANDARD CHARGES. THE SYSTEM ESTIMATES THE TRANSACTION PRICE FOR PATIENTS WITH DEDUCTIBLES AND COINSURANCE AND FROM THOSE WHO ARE UNINSURED BASED ON HISTORICAL EXPERIENCE AND CURRENT MARKET CONDITIONS. THE INITIAL ESTIMATE OF THE TRANSACTION PRICE IS DETERMINED BY REDUCING THE STANDARD CHARGES BY ANY EXPLICIT PRICE CONCESSION, FINANCIAL ASSISTANCE, AND IMPLICIT PRICE CONCESSIONS. SUBSEQUENT CHANGES TO THE ESTIMATE OF THE TRANSACTION PRICE ARE GENERALLY RECORDED AS ADJUSTMENT TO NET PATIENT

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

SERVICE REVENUE IN THE PERIOD OF THE CHANGE. SUBSEQUENT CHANGES THAT ARE DETERMINED TO BE THE RESULT OF AN ADVERSE CHANGE IN THE PATIENT'S ABILITY TO PAY ARE RECORDED AS BAD DEBT EXPENSE.

PART III, LINE 8:

THE COSTING SOURCE IS THE MEDICARE COST REPORT AND THE METHODOLOGY IS MEDICARE ALLOWABLE COST TO MEDICARE REVENUES RECEIVED.

PART III, LINE 9B:

AS STATED IN CALVERT HEALTH SYTEM'S (CHS) FINANCIAL ASSISTANCE POLICY,

PART IV, SECTION H:

CHS'S MANAGEMENT SHALL DEVELOP POLICIES AND PROCEDURES FOR INTERNAL AND EXTERNAL COLLECTION PRACTICES THAT TAKE INTO ACCOUNT THE EXTENT TO WHICH THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, A PATIENT'S GOOD FAITH EFFORT TO APPLY FOR A GOVERNMENTAL PROGRAM OR FOR FINANCIAL ASSISTANCE FROM CHS, AND A PATIENT'S GOOD FAITH EFFORT TO COMPLY WITH HIS OR HER PAYMENT AGREEMENTS WITH CHS. DURING THE FINANCIAL ASSISTANCE APPLICATION PROCESS, THE HOSPITAL WILL NOT SEND UNPAID BILLS TO OUTSIDE COLLECTION AGENCIES IF THE PATIENT COOPERATES WITH THE APPLICATION PROCESS.

PART VI, LINE 2:

IN FY 2020 THE HOSPITAL CONTINUED TO UTILIZE THE HEALTH COMMUNITY INSTITUTE'S COMMUNITY NEEDS ASSESSMENT PLATFORM TO PROVIDE HEALTH INDICATORS AS AN ONGOING ASSESSMENT OF THE NEEDS OF OUR COMMUNITY. HEALTH INDICATORS ARE UPATED AS SOON AS NEW DATA BECOMES AVAILABLE AND ALLOWS THE HOSPITAL AND COMMUNITY MEMBERS TO UTILIZE THE MOST UP-TO-DATE DATA TO ASSESS THE IMPACT OF PROGRAMS AND SERVICES AS WELL AS MODIFY EXISTING

Part VI Supplemental Information (Continuation)

PROGRAMS AND SERVICES OR BEGIN INITIATION OF NEW SERVICES BASED UPON TRENDING OF NEW DATA.

THE PLATFORM ALSO INCORPORATES THE STATE HEALTH IMPROVEMENT PROCESS (SHIP) FOR THE 2017 GOALS, HEALTHY PEOPLE 2020 GOALS, AS WELL AS NATIONAL GOALS. THIS ALLOWS THE HOSPITAL AND COMMUNITY PARTNERS TO MONITOR IMPACT OF COMMUNITY PROGRAMS BY EVALUATION IF DATA IS TRENDING UP OR DOWN AND TO ENSURE THE HOSPITAL IS TRENDING IN THE CORRECT DIRECTION. TWO ADDITIONAL HEALTH INDICATORS: 1) CLARITAS DEMOGRAPHICS INDICATORS AND 2) HOSPITALIZATION DATA WERE ADDED THROUGH THE COLLABORATION FROM TWO AGENCIES WHICH ARE PART OF THE COMMUNITY HEALTH IMPROVEMENT ROUNDTABLE (OUR LOCAL HEALTH IMPROVEMENT COALITION). THIS ALLOWS COMMUNITY PARTNERS TO SEE HEALTH INDICATORS BY ZIP CODE AREA FOR BETTER IMPLEMENTATION OF SERVICES AS WELL AS TRACK HOSPITALIZATION DATA WITHIN THE SAME AREAS.

THE ALICE (ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED) REPORT CONDUCTED BY THE UNITED WAY WAS ADDED TO THE CHNA INTERACTIVE WEBSITE AS ANOTHER DATA SOURCE. ALICE HOUSEHOLDS REPRESENT MEN AND WOMEN OF ALL AGES AND RACES WHO ARE WORKING BUT UNABLE TO AFFORD THE BASIC NECESSITIES OF HOUSING, FOOD, CHILD CARE, HEALTH CARE AND TRANSPORTATION DUE TO THE LACK OF JOBS THAT CAN SUPPORT BASIC NECESSITIES AND INCREASES IN THE BASIC COST OF LIVING. THE HOSPITAL ALSO HOSTED A QUARTERLY LOCAL HEALTH IMPROVEMENT COALITION MEETING TO HEAR INPUT FROM OTHER AGENCIES, HEALTH CARE ORGANIZATIONS, THE SCHOOL SYSTEM, COUNTY GOVERNMENT AND FAITH-BASED ORGANIZATIONS TO COLLABORATE ON ANY CURRENT ISSUES.

DURING FY 2020 THE HOSPITAL MADE POSITIVE PROGRESS IN THE FOLLOWING SHIP OBJECTIVES:

Part VI Supplemental Information (Continuation)

(1) AGE-ADJUSTED DEATH RATE DUE TO CANCER WAS SLIGHTLY DOWN FROM LAST REPORTING (158.4 DEATHS/100,000 POPULATION), AND IS TRENDING DOWN OVER THE LAST 10 YEARS.

(2) CHILDREN WHO VISITED A DENTIST CONTINUED TO TREND UP OVER THE PAST SEVERAL YEARS. THIS NUMBER IS STILL BELOW THE STATE AVERAGE, BUT HAS INCREASED SIGNIFICANTLY OVERALL.

PART VI, LINE 3:

NOTIFICATION ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE FROM CHMC INCLUDES A CONTACT NUMBER AND IS DISSEMINATED BY CHMC BY VARIOUS MEANS, WHICH INCLUDES, BUT IS NOT LIMITED TO, THE PUBLICATION OF NOTICES IN PATIENT BILLS AND BY POSTING NOTICES IN THE EMERGENCY DEPARTMENT, WAITING ROOMS, ADMITTING AND REGISTRATION DEPARTMENTS, AND PATIENT FINANCIAL SERVICES OFFICES. INFORMATION IS ALSO INCLUDED ON THE HOSPITAL'S WEBSITE. NOTIFICATION OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY PROGRAM IS PROVIDED TO EACH PATIENT AT THE TIME OF REGISTRATION AND A SECOND TIME WHEN PATIENTS RECEIVE THEIR BILL/STATEMENT. SUCH INFORMATION IS PROVIDED IN THE PRIMARY LANGUAGES SPOKEN BY THE POPULATION SERVICED BY CHMC. REFERRAL OF PATIENTS FOR FINANCIAL ASSISTANCE MAY BE MADE BY ANY MEMBER OF THE CHMC STAFF OR MEDICAL STAFF, INCLUDING PHYSICIANS, NURSES, FINANCIAL COUNSELORS, SOCIAL WORKERS, CASE MANAGERS, AND CHAPLAINS. A REQUEST FOR FINANCIAL ASSISTANCE MAY BE MADE BY THE PATIENT OR A FAMILY MEMBER, CLOSE FRIEND, OR ASSOCIATE OF THE PATIENT, SUBJECT TO APPLICABLE PRIVACY LAWS.

PART VI, LINE 4:

CHMC IS THE SOLE HOSPITAL PROVIDER IN CALVERT COUNTY, MARYLAND. CALVERT COUNTY IS LOCATED IN SOUTHERN MARYLAND AND IS ESSENTIALLY A PENINSULA

Part VI Supplemental Information (Continuation)

BORDERED ON THE EAST BY THE CHESAPEAKE BAY AND ON THE WEST BY THE PATUXENT RIVER. WITH A LONG AND SKINNY TOPOGRAPHY, THE COUNTY'S "SPINE" IS MARYLAND ROUTES 2/4 RUNNING FROM DUNKIRK IN THE NORTH TO SOLOMONS ISLAND IN THE SOUTH FOR APPROXIMATELY 45 MILES. THIS TOPOGRAPHY PRESENTS CHALLENGES TO BOTH TRANSPORTATION AND SERVICE DELIVERY THAT ARE UNIQUE TO CALVERT COUNTY. IN RESPONSE TO THIS UNIQUE TOPOGRAPHY, CHMC'S STRATEGIC GOAL IS TO ENSURE ACCESS TO PRIMARY CARE SERVICES WITHIN A 15 MINUTE DRIVE FROM ANY COUNTY LOCATION AND SPECIALTY CARE WITHIN 30 MINUTES. IN ADDITION, CHMC'S SECONDARY MARKET AREA INCLUDES THE SURROUNDING AREAS OF SOUTHERN PRINCE GEORGES AND ANNE ARUNDEL COUNTIES, ST MARY'S COUNTY ON ITS SOUTHERN BORDER AND CHARLES COUNTY ON ITS WESTERN BORDER.

ALTHOUGH CALVERT COUNTY IS ONE OF THE MOST AFFLUENT COUNTIES IN MARYLAND, IT HAS POCKETS OF IMPOVERISHED AREAS. BOTH CAPITA INCOME AND MEDIAN HOUSEHOLD INCOME ARE HIGHER IN CALVERT COUNTY COMPARED TO THE STATE OF MARYLAND. OVERALL, CALVERT COUNTY HAS A POVERTY RATE OF 5.1% AS COMPARED TO A STATE LEVEL OF 9.4%. FINANCIAL ASSISTANCE IN FY 2020 FOR CHMC REVEALS THAT 2.2% OF GROSS REVENUE WAS FROM SELF-PAY OR UNINSURED PATIENTS, 14.6% OF GROSS REVENUE WAS FROM MEDICAID RECIPIENTS AND 46.9% WAS FROM MEDICARE RECIPIENTS.

CAUCASIAN RESIDENTS COMPRISE 80.2% OF THE POPULATION WHILE AFRICAN AMERICANS COMPRISE 12.7%. MAJOR SOURCES OF EMPLOYMENT WITH THE AREA INCLUDE EDUCATION AND HEALTHCARE, PUBLIC ADMINISTRATION, PROFESSIONAL/RESEARCH, CONSTRUCTION AND RETAIL TRADE. THE LIFE EXPECTANCY IN CALVERT COUNTY IS 79.3 YEARS.

PART VI, LINE 5:

Part VI Supplemental Information (Continuation)

THE HOSPITAL IS GOVERNED BY A COMMUNITY BOARD COMPRISED OF CIVIC LEADERS THROUGHOUT CALVERT COUNTY WHO ARE COMMITTED TO AND REPRESENT THE HEALTHCARE NEEDS OF THE COMMUNITY. THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS FOR ALL OF ITS DEPARTMENTS. ALL FINANCIAL SURPLUSES THE HOSPITAL GENERATES ARE USED EXCLUSIVELY TO FURTHER THE CHARITABLE PURPOSES OF THE ORGANIZATION.

PART VI, LINE 6:

CHMC IS PART OF AN AFFILIATED HEALTH CARE SYSTEM, CALVERT HEALTH SYSTEM, INC. (CHS) THAT COOPERATES IN PROVIDING HEALTH CARE SERVICES TO ITS COMMUNITY. THE HOSPITAL, AS A SOLE COMMUNITY PROVIDER, PROVIDES ESSENTIAL HEALTH CARE SERVICES SUCH AS OBSTETRICS, PSYCHIATRY (INPATIENT AND OUTPATIENT) AND EMERGENCY SERVICES THAT OTHERWISE WOULD NOT BE PROVIDED WITHIN CALVERT COUNTY DUE TO THEIR UNPROFITABLE NATURE (HIGH COST SERVICES WITH LOW REIMBURSEMENT), OR WOULD NEED TO BE PROVIDED BY ANOTHER TAX-EXEMPT ORGANIZATION OR THE GOVERNMENT. FOR THE 2019 TAX YEAR, THE HOSPITAL PROVIDED \$1,540,022 IN CHARITY CARE, AT COST, TO PATIENTS THAT QUALIFIED FOR FINANCIAL ASSISTANCE. IN ADDITION TO THE HOSPITAL, CHS IS ALSO THE SOLE MEMBER AND EMPLOYER OF A PHYSICIAN GROUP, CALVERTHEALTH MEDICAL GROUP, LLC, WHICH PROVIDES PRIMARY AND SPECIALTY CARE SERVICES TO THE COMMUNITY. THE PROVISION OF THESE PHYSICIAN SERVICES TO THE COMMUNITY MEETS AN IDENTIFIED NEED.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

MD

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization: **CALVERTHEALTH MEDICAL CENTER, INC.**
 Employer identification number: **52-0619000**

Part I Questions Regarding Compensation

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

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input 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 type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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

- | | |
|---|---|
| <input 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 on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2019

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) KENNETH ABBOTT EX-OFFICIO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	201,836.	94,717.	16,439.	10,137.	10,448.	333,577.	0.
(2) DEAN TEAGUE PRESIDENT AND CEO	(i)	472,477.	191,734.	13,530.	115,307.	4,025.	797,073.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) CAROLYN HEITHAUS VP FINANCE AND CFO	(i)	279,987.	76,050.	5,647.	26,490.	1,317.	389,491.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) ANTHONY BLADEN CHIEF OPERATING OFFICER	(i)	284,168.	78,504.	4,330.	48,237.	1,690.	416,929.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) LISA BROOME VP HUMAN RESOURCES	(i)	197,738.	31,349.	4,393.	26,600.	1,426.	261,506.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) PHILIP CAMPBELL VP INFORMATION SVCS & CIO	(i)	188,211.	26,243.	2,633.	16,630.	1,781.	235,498.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) DIANE COUCHMAN VP CLINICAL SERVICES & CNO	(i)	204,322.	33,385.	0.	20,156.	12,545.	270,408.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) KASIA SWEENEY VP STRATEGY & MARKETING	(i)	168,435.	28,377.	0.	13,490.	12,987.	223,289.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) FRANKLIN DALEY DIRECTOR PLANT OPERATIONS	(i)	142,665.	14,190.	464.	8,317.	1,498.	167,134.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) KARA HARRER DIRECTOR OF PHARMACY	(i)	166,918.	12,436.	110.	8,111.	1,695.	189,270.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) THERESA JOHNSON AVP CORPORATE COMMUNICATIONS	(i)	140,968.	37,767.	0.	8,244.	8,397.	195,376.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) KATHY MOORE DIRECTOR OF REHAB SERVICES	(i)	151,627.	11,424.	0.	7,099.	1,491.	171,641.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) RICHARD PELLEGRINO DIRECTOR FINANCIAL PLANNING & REIMBU	(i)	146,535.	12,388.	278.	7,192.	1,682.	168,075.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

PART I, LINE 1A:

THE PRESIDENT/CEO RECEIVED BENEFITS THAT ARE INCLUDED IN PART I, LINE 1.

PART I, LINE 4B:

THE FOLLOWING EMPLOYEES CONTRIBUTED TO (EMPLOYEE AND EMPLOYER PORTION) THE ORGANIZATION'S 457(F) DEFERRED COMPENSATION PLAN:

DEAN TEAGUE: \$99,632

ANTHONY BLADEN: \$16,676

LISA BROOME: \$16,350

PHILIP CAMPBELL: \$8,578

CAROLYN HEITHAUS: \$17,802

KASIA SWEENEY: \$4,631

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**
▶ **Attach to Form 990.** ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

Part I	Bond Issues	SEE PART VI FOR COLUMNS (A) AND (F) CONTINUATIONS											
		(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
								Yes	No	Yes	No	Yes	No
A	MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	NONE	07/01/12	19199000.	REFUND THE SERIES 1998 REVENUE BOND		X		X		X	
B	MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574218SP1	08/07/13	31185000.	REFUND THE SERIES 2004 REVENUE BOND		X		X		X	
C	MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	NONE	09/01/15	21000000.	ACQUISITION AND CONSTRUCTION OF F		X		X		X	
D													

Part II	Proceeds	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Amount of bonds retired			9,197,623.	1,245,000.	4,012,400.			
2	Amount of bonds legally defeased								
3	Total proceeds of issue			19,199,000.	31,185,000.	21,008,977.			
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds			27,962.	577,497.	220,434.			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds					20,788,658.			
11	Other spent proceeds			19,171,038.	30,809,464.				
12	Other unspent proceeds								
13	Year of substantial completion			2008		2015			
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X			X		X		
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X	X			X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

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

Part III Private Business Use								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X	X			X		
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?			X					
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government00 %		.00 %		.00 %		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government00 %		.00 %		.00 %		%
6 Total of lines 4 and 500 %		.00 %		.00 %		%
7 Does the bond issue meet the private security or payment test?		X		X		X		
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X			

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

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?		X		X		X		

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFUND THE SERIES 1998 REVENUE BONDS

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFUND THE SERIES 2004 REVENUE BONDS

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY

(F) DESCRIPTION OF PURPOSE:
ACQUISITION AND CONSTRUCTION OF FACILITIES AND EQUIPMENT

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY

DATE THE REBATE COMPUTATION WAS PERFORMED: 07/01/2017

PART II, LINE 7, COLUMN A

MONIES IN THE AMOUNT OF 151,023 (REPRESENTING AMOUNTS IN THE DEBT SERVICE FUND FOR THE REFUNDED 1998 BONDS) WERE USED TO PAY THE COSTS OF ISSUANCE OF THE 2012 BONDS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

OF SOUTHERN MARYLAND THAT IS ACCESSIBLE, COST-EFFECTIVE AND
COMPASSIONATE. CHMC WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE
THE HEALTH STATUS OF ITS MEMBERS.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

CENTER. THE COMMUNITY BENEFIT REPORT IS AVAILABLE UPON REQUEST. ALL
FINANCIAL SURPLUSES THE HOSPITAL GENERATES ARE USED EXCLUSIVELY TO
FURTHER THE CHARITABLE PURPOSES OF THE ORGANIZATION. THE HOSPITAL IS
GOVERNED BY A COMMUNITY BOARD COMPRISED OF CIVIC LEADERS THROUGHOUT
CALVERT COUNTY WHO ARE COMMITTED TO AND REPRESENT THE HEALTHCARE NEEDS
OF THE COMMUNITY. THE HOSPITAL IN FY 2020 PROVIDED \$2,087,000 IN
CHARITY CARE WITH A COST TO THE HOSPITAL OF \$1,540,022 TO RESIDENTS WHO
WERE UNABLE TO PAY FOR THOSE SERVICES AND MET ELIGIBILITY CRITERIA. THE
HOSPITAL, AS A SOLE COMMUNITY PROVIDER, PROVIDES ESSENTIAL HEALTHCARE
SERVICES SUCH AS ACUTE AND CRITICAL CARE, OBSTETRICS, PSYCHIATRY (BOTH
INPATIENT AND OUTPATIENT) AND EMERGENCY SERVICES THAT OTHERWISE WOULD
NOT BE PROVIDED WITHIN CALVERT COUNTY OR WOULD HAVE TO BE PROVIDED BY
THE GOVERNMENT OR OTHER TAX-EXEMPT ENTITIES. MANY OF THESE SERVICES BY
THEIR NATURE ARE UNPROFITABLE SERVICES DUE TO THEIR HIGH COSTS AND LOW
REIMBURSEMENT. THESE SERVICES WOULD NOT BE PROVIDED IF THE HOSPITAL DID
NOT STEP IN TO PROVIDE THEM.

FORM 990, PART VI, SECTION A, LINE 6:

CALVERT HEALTH SYSTEM, INC. (CHS) IS THE SOLE MEMBER OF CALVERTHEALTH
MEDICAL CENTER (CHMC).

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

Schedule O (Form 990 or 990-EZ) (2019)

932211 09-06-19

Name of the organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
--	--

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

BOARD MEMBERS OF CALVERTHEALTH MEDICAL CENTER (CHMC) ARE ALSO BOARD MEMBERS OF CALVERT HEALTH SYSTEM, INC. (CHS). THERE IS COMMON SUPERVISION OR CONTROL BY THE PERSONS SUPERVISING OR CONTROLLING BOTH CHS AND CHMC. AND MANAGEMENT POSITIONS AT CHS ARE HELD BY THE SAME INDIVIDUALS THAT HOLD SUCH MANAGEMENT POSITIONS AT CHMC.

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

BECAUSE CALVERT HEALTH SYSTEM, INC. (CHS) AND CALVERTHEALTH MEDICAL CENTER (CHMC) HAVE THE SAME BOARD MEMBERS AND MANagements, ANY GOVERNANCE DECISIONS OF CHMC ARE UNDER THE SUPERVISION OF AND SUBJECT TO APPROVAL BY CHS.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM 990 IS REVIEWED BY THE AUDIT COMMITTEE OF THE CALVERT HEALTH SYSTEM, INC. BOARD OF DIRECTORS AFTER COMPLETION AND PRIOR TO SUBMISSION TO THE IRS. THE DOCUMENT IS DELIVERED TO THE COMMITTEE MEMBERS PRIOR TO THE COMMITTEE MEETING SO THAT THEY CAN REVIEW THE INFORMATION AND RESPOND TO OR QUESTION ANY OR ALL OF THE DATA. THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ARE PRESENT AT THE AUDIT COMMITTEE MEETING. PRIOR TO SUBMISSION TO THE IRS, A COPY OF THE FINAL FORM 990 IS POSTED ON THE BOARD OF DIRECTORS PORTAL WHICH IS PASSWORD-PROTECTED. ALL BOARD MEMBERS ARE NOTIFIED BY EMAIL THAT THE FORM 990 HAS BEEN POSTED ON THE PORTAL AND IS AVAILABLE FOR REVIEW. ANY ADDITIONAL COMMENTS OR QUESTIONS FROM BOARD MEMBERS ARE RESPONDED TO PRIOR TO FILING THE FORM 990.

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

Name of the organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
--	--

CALVERT HEALTH SYSTEM, INC. AND SUBSIDIARIES (THE HEALTH SYSTEM) HAVE A CONFLICT OF INTEREST PROCESS. AT ITS CORE ARE THREE DISTINCT POLICIES; ONE EACH FOR THE BOARD OF DIRECTORS, MEDICAL STAFF, AND ALL EMPLOYEES AND ASSOCIATES OF THE HEALTH SYSTEM. THESE POLICIES REQUIRE ALL ORGANIZATIONAL LEADERSHIP, AS WELL AS RANK AND FILE ASSOCIATES IN KEY POSITIONS OR WITH RELATIONSHIPS WITH OUTSIDE PARTIES THAT DO BUSINESS WITH THE HEALTH SYSTEM, TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST. ANNUAL DISCLOSURES ARE REQUIRED AND DOCUMENTED WITH A FURTHER REQUIREMENT TO PROMPTLY SUPPLEMENT WHEN AN ACTUAL OR POTENTIAL CONFLICT IS DISCOVERED OR CREATED. THE HEALTH SYSTEM REQUIRES THAT THESE POLICIES BE CONSTRUED BROADLY TO AVOID THE APPEARANCE OF IMPROPER ACTIVITY AND REQUIRES DISCLOSURE AND RESOLUTION OF POTENTIAL CONFLICTS AS WELL. THE PROCESS IS OVERSEEN BY THE CHIEF COMPLIANCE OFFICER OF THE HEALTH SYSTEM WHO HAS ACCESS TO EXTERNAL RESOURCES, INCLUDING OUTSIDE COUNSEL. REMEDIES RANGE FROM DISCLOSURE AND MONITORING FOR THE MOST ATTENUATED POTENTIAL CONFLICTS TO RESIGNATION/TERMINATION FOR UNRESOLVABLE CONFLICTS.

FORM 990, PART VI, SECTION B, LINE 15:

THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE, AN INDEPENDENT COMPENSATION CONSULTANT, A WRITTEN EMPLOYMENT CONTRACT, A COMPENSATION SURVEY OR STUDY, APPROVAL BY BOARD/COMPENSATION COMMITTEE AND CONTEMPORANEOUS WRITTEN SUBSTANTIATION OF THE DECISION-MAKING PROCESS TO DETERMINE COMPENSATION OF THE CEO.

FORM 990, PART VI, SECTION C, LINE 19:

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

Name of the organization CALVERTHEALTH MEDICAL CENTER, INC.	Employer identification number 52-0619000
--	--

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

NET ASSETS RELEASED FROM RESTRICTIONS FOR CAPITAL

ACQUISITION	1,883,439.
EQUITY CONTRIBUTION	-9,111,001.
CHANGE OF INVESTMENT IN FOUNDATION	-1,184,490.
CHF - TRANSFER OF NET ASSSETS	-100,000.
TOTAL TO FORM 990, PART XI, LINE 9	-8,512,052.

PART XII LINE 2B

THE ORGANIZATIONS FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM AS PART OF THE CONSOLIDATED AUDIT OF THE HEALTH SYSTEM.

PART XII

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

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

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

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

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

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

Schedule R (Form 990) 2019

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

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

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

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

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related 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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) CALVERTHEALTH FOUNDATION, INC.	C	2,052,965.	CASH
(2)			
(3)			
(4)			
(5)			
(6)			

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

<input type="checkbox"/> Check box if address changed	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) CALVERTHEALTH MEDICAL CENTER, INC.	D Employer identification number (Employees' trust, see instructions.) 52-0619000
B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) () <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)		Number, street, and room or suite no. If a P.O. box, see instructions. 100 HOSPITAL ROAD	E Unrelated business activity code (See instructions.) 811000
C Book value of all assets at end of year 144,716,415.		City or town, state or province, country, and ZIP or foreign postal code PRINCE FREDERICK, MD 20678	

F Group exemption number (See instructions.) ▶

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Enter the number of the organization's unrelated trades or businesses. ▶ 3 Describe the only (or first) unrelated trade or business here ▶ **BUILDING SERVICES**. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? STMT 2 ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **CAROLYN HEITHAUS** Telephone number ▶ **410-535-8241**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	<u>254,063.</u>			
b Less returns and allowances				
c Balance ▶		254,063.		
2 Cost of goods sold (Schedule A, line 7)				
3 Gross profit. Subtract line 2 from line 1c		254,063.		254,063.
4 a Capital gain net income (attach Schedule D)				
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)				
c Capital loss deduction for trusts				
5 Income (loss) from a partnership or an S corporation (attach statement)				
6 Rent income (Schedule C)				
7 Unrelated debt-financed income (Schedule E)				
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)				
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
10 Exploited exempt activity income (Schedule I)				
11 Advertising income (Schedule J)				
12 Other income (See instructions; attach schedule)				
13 Total. Combine lines 3 through 12		254,063.		254,063.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)				
15 Salaries and wages				81,015.
16 Repairs and maintenance				109,000.
17 Bad debts				
18 Interest (attach schedule) (see instructions)				
19 Taxes and licenses				
20 Depreciation (attach Form 4562)		20		
21 Less depreciation claimed on Schedule A and elsewhere on return		21a		
22 Depletion				
23 Contributions to deferred compensation plans				
24 Employee benefit programs				14,583.
25 Excess exempt expenses (Schedule I)				
26 Excess readership costs (Schedule J)				
27 Other deductions (attach schedule)		SEE STATEMENT 1		9,970.
28 Total deductions. Add lines 14 through 27				214,568.
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13				39,495.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		SEE STATEMENT 3		0.
31 Unrelated business taxable income. Subtract line 30 from line 29				39,495.

Part III Total Unrelated Business Taxable Income	
32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) 77,974.
33	Amounts paid for disallowed fringes
34	Charitable contributions (see instructions for limitation rules) 0.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33 77,974.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions) STMT 4 77,974.
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35
38	Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions) 1,000.
39	Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37 0.

Part IV Tax Computation	
40	Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21) 0.
41	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)
42	Proxy tax. See instructions
43	Alternative minimum tax (trusts only)
44	Tax on Noncompliant Facility Income. See instructions
45	Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies 0.

Part V Tax and Payments	
46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 46a
b	Other credits (see instructions) 46b
c	General business credit. Attach Form 3800 46c
d	Credit for prior year minimum tax (attach Form 8801 or 8827) 46d
e	Total credits. Add lines 46a through 46d 46e
47	Subtract line 46e from line 45 0.
48	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) 48
49	Total tax. Add lines 47 and 48 (see instructions) 0.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3 0.
51a	Payments: A 2018 overpayment credited to 2019 51a
b	2019 estimated tax payments 51b
c	Tax deposited with Form 8868 51c
d	Foreign organizations: Tax paid or withheld at source (see instructions) 51d
e	Backup withholding (see instructions) 51e
f	Credit for small employer health insurance premiums (attach Form 8941) 51f
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 51g <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total ▶
52	Total payments. Add lines 51a through 51g
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> 53
54	Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed 54
55	Overpayment. If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid 55
56	Enter the amount of line 55 you want: Credited to 2020 estimated tax Refunded 56

Part VI Statements Regarding Certain Activities and Other Information (see instructions)		
57	At any time during the 2019 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶	Yes No X
58	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.	 X
59	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$	

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: _____ Date: _____ Title: **PRESIDENT & CEO**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: **AMY BIBBY** Preparer's signature: **AMY BIBBY** Date: **04/22/21** Check if self-employed PTIN: **P00445891**

Firm's name ▶ **DIXON HUGHES GOODMAN LLP** Firm's EIN ▶ **56-0747981**

1410 SPRING HILL ROAD, SUITE 500

Firm's address ▶ **TYSONS, VA 22102-3056** Phone no. **(703) 970-0400**

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6			
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7			
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No	
4a	Additional section 263A costs (attach schedule)	4a							
b	Other costs (attach schedule)	4b							
5	Total. Add lines 1 through 4b	5							

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A). 0.	Enter here and on page 1, Part I, line 7, column (B). 0.
Total dividends-received deductions included in column 8			0.	0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 25.
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT 1
DESCRIPTION		AMOUNT
PURCHASED SERVICES		9,970.
TOTAL TO FORM 990-T, PAGE 1, LINE 27		9,970.

FORM 990-T	PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER	STATEMENT 2
CORPORATION'S NAME		IDENTIFYING NO
CALVERT HEALTH SYSTEM, INC.		52-2347324

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT 3
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
06/30/19	6,399.	0.	6,399.	6,399.
NOL CARRYOVER AVAILABLE THIS YEAR			6,399.	6,399.

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT 4
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
06/30/05	3,987.	3,987.	0.	0.
06/30/07	20,342.	882.	19,460.	19,460.
06/30/08	50,530.	0.	50,530.	50,530.
06/30/09	16,450.	0.	16,450.	16,450.
06/30/10	107,403.	0.	107,403.	107,403.
06/30/13	19,725.	0.	19,725.	19,725.
06/30/14	468,641.	0.	468,641.	468,641.
06/30/15	473,026.	0.	473,026.	473,026.
06/30/16	642,551.	0.	642,551.	642,551.
06/30/17	605,571.	0.	605,571.	605,571.
06/30/18	117,807.	0.	117,807.	117,807.
NOL CARRYOVER AVAILABLE THIS YEAR			2,521,164.	2,521,164.

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

ENTITY 1

OMB No. 1545-0047

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

Unrelated Business Activity Code (see instructions) ▶ **722514**

Describe the unrelated trade or business ▶ **TREATMENT FACILITY MEALS**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	<u>210,934.</u>			
b Less returns and allowances				
c Balance ▶		1c <u>210,934.</u>		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3 <u>210,934.</u>		<u>210,934.</u>
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule)		12		
13 Total. Combine lines 3 through 12		13 <u>210,934.</u>		<u>210,934.</u>

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)		14		
15 Salaries and wages		15		<u>13,861.</u>
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		
20 Depreciation (attach Form 4562)	20			
21 Less depreciation claimed on Schedule A and elsewhere on return	21a			
22 Depletion		22		
23 Contributions to deferred compensation plans		23		
24 Employee benefit programs		24		<u>2,495.</u>
25 Excess exempt expenses (Schedule I)		25		
26 Excess readership costs (Schedule J)		26		
27 Other deductions (attach schedule)	SEE STATEMENT 5	27		<u>156,099.</u>
28 Total deductions. Add lines 14 through 27		28		<u>172,455.</u>
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13		29		<u>38,479.</u>
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30		<u>0.</u>
31 Unrelated business taxable income. Subtract line 30 from line 29		31		<u>38,479.</u>

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 5

DESCRIPTION

AMOUNT

DELIVERY

2,117.

FOOD COSTS

153,982.

TOTAL TO SCHEDULE M, PART II, LINE 27

156,099.

CALVERTHEALTH MEDICAL CENTER, INC.

52-0619000

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6			
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7			
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No	
4a	Additional section 263A costs (attach schedule)	4a							X
b	Other costs (attach schedule)	4b							
5	Total. Add lines 1 through 4b	5							

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.
Total dividends-received deductions included in column 8			0.	0.

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

ENTITY 2

OMB No. 1545-0047

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

Name of the organization **CALVERTHEALTH MEDICAL CENTER, INC.** Employer identification number **52-0619000**

Unrelated Business Activity Code (see instructions) ▶ **561000**

Describe the unrelated trade or business ▶ **ANSWERING & SUPPORT SERVICES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	<u>28,538.</u>			
b Less returns and allowances				
c Balance ▶		1c <u>28,538.</u>		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3 <u>28,538.</u>		<u>28,538.</u>
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule)		12		
13 Total. Combine lines 3 through 12		13 <u>28,538.</u>		<u>28,538.</u>

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)		14		
15 Salaries and wages		15		<u>59,935.</u>
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		
20 Depreciation (attach Form 4562)	20			
21 Less depreciation claimed on Schedule A and elsewhere on return	21a			
22 Depletion		22		
23 Contributions to deferred compensation plans		23		
24 Employee benefit programs		24		<u>10,788.</u>
25 Excess exempt expenses (Schedule I)		25		
26 Excess readership costs (Schedule J)		26		
27 Other deductions (attach schedule)	<u>SEE STATEMENT 6</u>	27		<u>3,423.</u>
28 Total deductions. Add lines 14 through 27		28		<u>74,146.</u>
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13		29		<u>-45,608.</u>
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	<u>STMT 7</u>	30		<u>0.</u>
31 Unrelated business taxable income. Subtract line 30 from line 29		31		<u>-45,608.</u>

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 6

DESCRIPTION	AMOUNT
TELEPHONE SUPPLIES	3,123. 300.
TOTAL TO SCHEDULE M, PART II, LINE 27	<u>3,423.</u>

SCHEDULE M

NET OPERATING LOSS DEDUCTION

STATEMENT 7

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
06/30/19	47,209.		47,209.	47,209.
NOL CARRYOVER AVAILABLE THIS YEAR			<u>47,209.</u>	<u>47,209.</u>

CALVERTHEALTH MEDICAL CENTER, INC.

52-0619000

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 6 main rows and 4 sub-columns. Rows include: 1 Inventory at beginning of year, 2 Purchases, 3 Cost of labor, 4a Additional section 263A costs, 4b Other costs, 5 Total. Add lines 1 through 4b, 6 Inventory at end of year, 7 Cost of goods sold, 8 Do the rules of section 263A apply to the organization? (Yes/No table with 'X' in No).

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

Table with 1 column and 4 rows labeled (1), (2), (3), (4) for property description.

2. Rent received or accrued

Table with 3 columns: (a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%), (b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income), 3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule). Rows (1)-(4) and Total row with values 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table with 5 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation, (b) Other deductions, 4. Amount of average acquisition debt on or allocable to debt-financed property, 5. Average adjusted basis of or allocable to debt-financed property, 6. Column 4 divided by column 5, 7. Gross income reportable (column 2 x column 6), 8. Allocable deductions (column 6 x total of columns 3(a) and 3(b)). Rows (1)-(4) and Totals row with values 0.

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

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

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JAN 1, 2019**, and ending **DEC 31, 2019**

Attachment
Sequence No. **121**

Name of person filing this return CALVERTHEALTH MEDICAL CENTER, INC. <small>Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)</small> 100 HOSPITAL ROAD City or town, state, and ZIP code PRINCE FREDERICK, MD 20678	A Identifying number 52-0619000 B Category of filer (See instructions. Check applicable box(es): 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 20.00 %
Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	

D Check box if this is a final Form 5471 for the foreign corporation

E Check if any excepted specified foreign financial assets are reported on this form (see instructions)

F Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD. P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	b(1) Employer identification number, if any 98-0464065 b(2) Reference ID number (see instructions) c Country under whose laws incorporated CAYMAN ISLANDS
---	--

d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency
12/14/04	CAYMAN ISLANDS	524290	OTHER INSURANCE FUND	UNITED STATES, DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States N/A	b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(i) Taxable income or (loss)</td> <td style="width:50%;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)		
(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)				

c Name and address of foreign corporation's statutory or resident agent in country of incorporation ARTEX RISK SOLUTIONS (CAYMAN) LIMIT P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different SAME AS 2C
--	---

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period

Schedule C Income Statement

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	
	4 Dividends	4	
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	
8a Foreign currency transaction gain or loss - unrealized		8a	
	b Foreign currency transaction gain or loss - realized	8b	
	9 Other income (attach statement)	9	
	10 Total income (add lines 3 through 9)	10	
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit))	17	
18 Total deductions (add lines 11 through 17)	18		
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22		
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Table with columns: Assets, (a) Beginning of annual accounting period, (b) End of annual accounting period. Rows include Cash, Trade notes and accounts receivable, Derivatives, Inventories, Other current assets, Loans to shareholders, Investment in subsidiaries, Other investments, Buildings and other depreciable assets, Depletable assets, Land, Intangible assets, Other assets, Total assets, Liabilities and Shareholders' Equity, Accounts payable, Other current liabilities, Derivatives, Loans from shareholders, Other liabilities, Capital stock, Preferred stock, Common stock, Paid-in or capital surplus, Retained earnings, Less cost of treasury stock, Total liabilities and shareholders' equity.

Schedule G Other Information

Table with columns: Question, Yes, No. Rows include: 1. During the tax year, did the foreign corporation own at least a 10% interest... 2. During the tax year, did the foreign corporation own an interest in any trust? 3. During the tax year, did the foreign corporation own any foreign entities... 4a. During the tax year, did the filer pay or accrue any base erosion payment... b. Enter the total amount of the base erosion payments... c. Enter the total amount of the base erosion tax benefit... 5a. During the tax year, did the foreign corporation pay or accrue any interest or royalty... b. Enter the total amount of the disallowed deductions...

Schedule G Other Information (continued)

Table with 2 columns: Yes, No. Rows 6a-21 containing tax questions and answers. Includes checkboxes for methods and a reference to STMT 8.

CODE	DESCRIPTION	AMOUNT
DED	QUESTION #3: DEDUCTIONS TAKEN INTO ACCOUNT	106,025.
EP	QUESTION #21: EXCESS SUBPART F INCOME OVER E&P	943,759.

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ► **SAME AS 5471**

Identifying number ► **52-0619000**

1a	Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)	1a	
b	Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)	1b	
c	Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)	1c	
d	Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)	1d	
e	Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)	1e	
f	Other subpart F income (see instructions)	1f	
2	Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)	2	
3	Section 245A eligible dividends (see instructions)	3	
4	Factoring income See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.	4	
5	Dividends received (translated at spot rate on payment date under section 989(b)(1))	5	
6	Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6	

<ul style="list-style-type: none"> Was any income of the foreign corporation blocked? Did any such income become unblocked during the tax year (see section 964(b))? If the answer to either question is "Yes," attach an explanation.	Yes	No
		X

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

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

Name of person filing Form 5471 CALVERTHEALTH MEDICAL CENTER, INC.		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	EIN (if any) 98-0464065	Reference ID number (see instructions)
a Separate Category (Enter code - see instructions.) ▶ GEN b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4				▶
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g				▶

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2)							▶
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions))							▶

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspending under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

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

Name of person filing Form 5471 CALVERTHEALTH MEDICAL CENTER, INC.		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE CO	EIN (if any) 98-0464065	Reference ID number (see instr.)
a Separate Category (Enter code-see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	0.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	3,399,833.
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g	
h	Foreign currency gains or losses	2h	
i	Other (attach statement) SEE STATEMENT 9	2i	7,769,688. 4,679,354.
3	Total net additions	3	7,769,688.
4	Total net subtractions	4	8,079,187.
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-309,499.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	-309,499.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	
	Enter exchange rate used for line 5d ▶		

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 9

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
RELATED PARTY PREMIUMS	0.	4,679,354.
RELATED PARTY LOSS RESERVES	7,769,688.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	<u>7,769,688.</u>	<u>4,679,354.</u>

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5

CALVERTHEALTH MEDICAL CE

Identifying number

52-0619000

Shareholder's income from foreign corporation

1a Section 964(e)(4) Subpart F dividend income from the sale of stock of lower-tier foreign corporation	1a _____
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporation	1b _____
c Section 954(c) Subpart F Foreign Personal Holding Company Income	1c _____
d Section 954(d) Subpart F Foreign Base Company Sales Income	1d _____
e Section 954(e) Subpart F Foreign Base Company Services Income	1e _____
f Other Subpart F income	1f _____
2 Earnings invested in U.S. property	2 _____
3 Section 245A eligible dividends	3 _____
4 Factoring income	4 _____
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))	5 _____
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6 _____

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

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

Name of person filing Form 5471
CALVERTHEALTH MEDICAL CENTER, INC. Identifying number
52-0619000

Name of foreign corporation
FREESTATE HEALTHCARE INSURANCE COMP EIN (if any)
98-0464065 Reference ID number (see instr.)

Separate Category (Enter code - see instructions) ▶ **GEN**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 4679354.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 4679354.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 4679354.		
4	Gross income less total exclusions (line 1 minus line 3)	4 0.		
5	Deductions properly allocable to amount on line 4	5		
6	Tested income (loss) (line 4 minus line 5)	6 0.	1.000000	
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

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

Name of person filing Form 5471

Identifying number

CALVERTHEALTH MEDICAL CENTER, INC.

52-0619000

Name of foreign corporation

EIN (if any)

Reference ID number

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

98-0464065

a Separate Category (Enter code - see instructions.) ▶ **GEN**
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.

		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a	Balance at beginning of year (as reported on prior year Schedule J)	- 150 .	-12877111 .				
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)	- 150 .	-12877111 .				
2a	Reduction for taxes unsuspending under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P)	- 309 , 499 .					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	- 309 , 649 .	-12877111 .				
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P						
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	- 309 , 649 .	-12877111 .				

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f)
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
1a							-12,877,261.
b							
c							-12,877,261.
2a							
b							
3							-309,499.
4							
5a							
b							
6							
7							-13,186,760.
8							
9							
10							
11							
12							
13							
14							-13,186,760.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

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

OMB No. 1545-0123

Name of U.S. shareholder CALVERTHEALTH MEDICAL CENTER, INC.		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	EIN (if any) 98-0464065	Reference ID number (see instructions) GEN
a Separate Category (Enter code - see instructions.)		▶
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions)		▶

Part I Previously Taxed E&P in Functional Currency (see instructions)

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P ...							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11	Other adjustments (attach statement) ...							
12	Balance at beginning of next year (combine lines 6 through 11)							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule P (Form 5471) (Rev. 12-2019)

Part I Previously Taxed E&P in Functional Currency (see instructions) <i>(continued)</i>										
	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part II Previously Taxed E&P in U.S. Dollars

	(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a Balance at beginning of year (see instructions)							
b Beginning balance adjustments (attach statement)							
c Adjusted beginning balance (combine lines 1a and 1b)							
2 Reduction for taxes unsuspended under anti-splitter rules							
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4 Previously taxed E&P carried over in nonrecognition transaction							
5 Other adjustments (attach statement)							
6 Total previously taxed E&P (combine lines 1c through 5)							
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8 Actual distributions of previously taxed E&P							
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11 Other adjustments (attach statement)							
12 Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

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

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

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
 If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
 If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

4 Name of transferee (foreign corporation) FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	5a Identifying number, if any 98-0464065
--	---

6 Address (including country) P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	5b Reference ID number FREE01
--	--

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash			856,881.		

10 Was cash the only property transferred? **Yes** **No**
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

11 Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? **Yes** **No**

12 a Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? **Yes** **No**
 If "Yes," go to line 12b.

b Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? **Yes** **No**
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

c Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? **Yes** **No**
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

d Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____

13 Did the transferor transfer property described in section 367(d)(4)? **Yes** **No**
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)
 SEE STATEMENT 10

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
 (a) Before 20.000 % (b) After 20.000 %
- 17 Type of nonrecognition transaction (see instructions) ▶ IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
 If "Yes," complete lines 20b and 20c.
 - b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ _____
 - c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

FORM 926

SUPPLEMENTAL PART III INFORMATION
REQUIRED TO BE REPORTED

STATEMENT 10

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

FOLLOWING IS ADDITIONAL INFORMATION AS REQUESTED BY REGULATIONS 1.6038B-1(C)
AND TEMPORARY REGULATIONS 1.6038B-1T(C)(5) AND 1.6038B-1T(D).

REGULATION 1.6038B-1T(C)(1): TRANSFEROR:
CALVERT MEMORIAL HOSPITAL
EIN: 52-0619000
100 HOSPITAL ROAD
PRINCE FREDERICK, MD 20678

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

(I.): FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.
EIN: 98-0464065
P.O. BOX 10233
GRAND CAYMAN KY1-1002, CAYMAN ISLANDS
INCORPORATED IN THE CAYMAN ISLANDS

(II.): INSURANCE PREMIUMS RECEIVED FROM RELATED PARTIES CONSIDERED TO BE DEEMED
CONTRIBUTIONS TO CAPITAL OF THE ABOVE CORPORATION OCCURRED ON VARIOUS DATES
THROUGHOUT THE YEAR. THE TOTAL AMOUNT OF THE DEEMED CONTRIBUTIONS WAS \$856,881.

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

NOTHING WAS RECEIVED IN CONSIDERATION IN EXCHANGE FOR DEEMED CASH CONTRIBUTIONS
TO CAPITAL OF \$856,881. THE TAXPAYER OWNED 20% OF THE STOCK OF THE TRANSFEREE
CORPORATION BOTH BEFORE AND AFTER THESE TRANSFERS.

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

FOLLOWING IS ADDITIONAL INFORMATION AS REQUESTED BY REGULATIONS 1.6038B-1(C) AND TEMPORARY REGULATIONS 1.6038B-1T(C)(5) AND 1.6038B-1T(D).

REGULATION 1.6038B-1T(C)(1): TRANSFEROR:
CALVERT MEMORIAL HOSPITAL
EIN: 52-0619000
100 HOSPITAL ROAD
PRINCE FREDERICK, MD 20678

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

(I.): FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.
EIN: 98-0464065
P.O. BOX 10233
GRAND CAYMAN KY1-1002, CAYMAN ISLANDS
INCORPORATED IN THE CAYMAN ISLANDS

(II.): INSURANCE PREMIUMS RECEIVED FROM RELATED PARTIES CONSIDERED TO BE DEEMED CONTRIBUTIONS TO CAPITAL OF THE ABOVE CORPORATION OCCURRED ON VARIOUS DATES THROUGHOUT THE YEAR. THE TOTAL AMOUNT OF THE DEEMED CONTRIBUTIONS WAS \$856,881.

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

NOTHING WAS RECEIVED IN CONSIDERATION IN EXCHANGE FOR DEEMED CASH CONTRIBUTIONS TO CAPITAL OF \$856,881. THE TAXPAYER OWNED 20% OF THE STOCK OF THE TRANSFEREE CORPORATION BOTH BEFORE AND AFTER THESE TRANSFERS.

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

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

CASH IN THE AMOUNT OF \$856,881. (US DOLLARS)

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

NOT APPLICABLE

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

NOT APPLICABLE

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

STATEMENT PURSUANT TO 1.351-3(A) BY CALVERT MEMORIAL HOSPITAL, 52-0619000, A SIGNIFICANT TRANSFEROR

CALVERT MEMORIAL HOSPITAL, BETWEEN JULY 1, 2019 AND JUNE 30, 2020, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$856,881 TO FREESTATE HEALTHCARE INSURANCE COMPANY, LTD., 98-0464065.

NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. CALVERTHEALTH MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-0619000
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 100 HOSPITAL ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PRINCE FREDERICK, MD 20678	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

CAROLYN HEITHAUS

- The books are in the care of ▶ **100 HOSPITAL ROAD - PRINCE FREDERICK, MD 20678**
Telephone No. ▶ **410-535-8241** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

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Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. CALVERTHEALTH MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-0619000
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 100 HOSPITAL ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PRINCE FREDERICK, MD 20678	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
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Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

CAROLYN HEITHAUS

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 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Electronic Filing PDF Attachment

Calvert Health System, Inc. and Subsidiaries

**Consolidated Financial Statements and
Supplementary Consolidating Information**

Years Ended June 30, 2020 and 2019



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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Calvert Health System, Inc. and Subsidiaries (the "System"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of operations and other changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Calvert Health System, Inc. and Subsidiaries as of June 30, 2020 and 2019, and their consolidated results of their operations, changes in net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note 1 to the consolidated financial statements, during fiscal year 2020 the System retrospectively adopted Accounting Standards Update (ASU) 2016-18 *Statement of Cash Flows (Topic 230)*, which requires that the statement of cash flows display the change in total cash and cash equivalents, including restricted cash and cash equivalents .and ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)*, which provides guidance on the presentation of certain cash receipt and payments in the statement of cash flows. Additionally, as described in Note 1 to the consolidated financial statements, the System adopted FASB ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*, which requires the change in fair value in investments to be recognized in the performance indicator. Our opinion is not modified with respect to these matters.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2020 consolidating schedules on pages 37 - 43 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets without donor restrictions, and cash flows of the individual companies, and are not a required part of the consolidated financial statements. Such information and the other supplementary information on page 42 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 2020 information has been subjected to the auditing procedures applied in the audit of the 2020 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Dixon Hughes Goodman LLP

**Tysons, Virginia
October 21, 2020**

Calvert Health System, Inc. and Subsidiaries
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 27,706,649	\$ 23,343,813
Short-term investments	364,284	94,298
Patient accounts receivable, net	13,553,225	13,695,126
Inventories	3,078,253	2,532,744
Prepaid expenses and other assets	5,491,249	4,047,101
Assets limited as to use, current	<u>999,928</u>	<u>994,928</u>
Total current assets	51,193,588	44,708,010
Investments and other assets:		
Investments	93,957,800	95,916,402
Investments in affiliated enterprises	6,989,065	6,740,257
Assets limited as to use	6,315,797	7,660,934
Property and equipment, net	92,834,626	91,442,164
Insurance recoverable	5,352,219	4,339,175
Other assets	<u>818,740</u>	<u>1,017,259</u>
Total assets	<u>\$ 257,461,835</u>	<u>\$ 251,824,201</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 19,605,532	\$ 16,359,929
Current portion of long-term debt	2,488,777	2,417,949
Current portion of capital lease obligation	757,053	794,127
Advances from third party payors	<u>2,936,279</u>	<u>3,263,944</u>
Total current liabilities	25,787,641	22,835,949
Long-term debt, less current portion, net of unamortized debt issuance costs	53,822,197	56,249,231
Long-term capital lease obligation	866,624	1,623,677
Professional liability	6,342,128	4,980,724
Other long-term liabilities	<u>1,307,469</u>	<u>1,362,745</u>
Total liabilities	<u>88,126,059</u>	<u>87,052,326</u>
Net assets:		
Without donor restrictions:		
Unrestricted - general	162,315,682	156,612,291
Unrestricted - board designated	4,029,583	3,947,827
Unrestricted - noncontrolling interest in subsidiary	-	(37,501)
With donor restrictions	<u>2,990,511</u>	<u>4,249,258</u>
Total net assets	<u>169,335,776</u>	<u>164,771,875</u>
Total liabilities and net assets	<u>\$ 257,461,835</u>	<u>\$ 251,824,201</u>

See accompanying notes.

Calvert Health System, Inc. and Subsidiaries
Consolidated Statements of Operations and Other Changes in Net Assets Without
Donor Restrictions
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue:		
Net patient service revenue	\$ 150,366,613	\$ 151,905,227
Rental revenue	466,104	360,247
CARES Act provider relief funding	4,329,084	-
Other operating revenue	2,660,685	3,560,902
	<u>157,822,486</u>	<u>155,826,376</u>
Total operating revenue		
Expenses:		
Salaries and wages	68,514,634	69,087,949
Employee benefits	12,201,498	14,164,973
Supplies	28,001,716	28,721,698
Purchased services	7,016,201	6,805,379
Professional fees	8,186,497	7,924,056
Depreciation and amortization	12,027,045	11,661,942
Interest	2,304,517	1,858,758
Other	18,777,098	18,558,075
	<u>157,029,206</u>	<u>158,782,830</u>
Total operating expenses		
Income (loss) from operations	793,280	(2,956,454)
Nonoperating gains (losses):		
Investment income	3,138,530	2,532,453
Income from equity investments	1,388,998	1,267,831
Income tax expense	(304,000)	-
Net unrealized losses on investments (see Note 1 for details on the implementation of ASU 2016-01)	(977,599)	-
Loss on pension settlement	-	(13,581,965)
	<u>3,245,929</u>	<u>(9,781,681)</u>
Total nonoperating gains (losses), net		
Excess of revenue over expenses (expenses over revenue)	4,039,209	(12,738,135)
Net assets released from restrictions for capital acquisitions	1,883,439	144,853
Transfer of net assets	(100,000)	-
Other pension-related changes	-	14,621,628
Net unrealized gains on investments (see Note 1 for details on the implementation of ASU 2016-01)	-	2,210,896
	<u>5,822,648</u>	<u>4,239,242</u>
Increase in net assets without donor restrictions		

See accompanying notes.

Calvert Health System, Inc and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2020 and 2019

	Without Donor Restrictions	Noncontrolling Interest	With Donor Restrictions	Total
Balance, June 30, 2018	\$ 156,373,254	\$ (89,879)	\$ 3,077,856	\$ 159,361,231
Excess of revenue over expenses (expenses over revenue)	(12,790,513)	52,378	-	(12,738,135)
Contributions	-	-	1,970,441	1,970,441
Net assets released from restrictions for capital acquisitions	144,853	-	(144,853)	-
Net assets released from restrictions to fund operating programs	-	-	(717,548)	(717,548)
Investment income on restricted net assets	-	-	42,944	42,944
Other pension-related changes	14,621,628	-	-	14,621,628
Net unrealized gains on investments (see Note 1 for details on the implementation of ASU 2016-01)	2,210,896	-	20,418	2,231,314
Increase in net assets	4,186,864	52,378	1,171,402	5,410,644
Balance, June 30, 2019	160,560,118	(37,501)	4,249,258	164,771,875
Excess of revenue over expenses	4,038,775	434	-	4,039,209
Contributions	-	-	677,969	677,969
Contributions (distributions) to noncontrolling interest in subsidiary	(37,067)	37,067	-	-
Net assets released from restrictions for capital acquisitions	1,883,439	-	(1,883,439)	-
Net assets released from restrictions to fund operating programs	-	-	(186,447)	(186,447)
Transfer of net assets	(100,000)	-	100,000	-
Investment income on restricted net assets	-	-	33,170	33,170
Increase (decrease) in net assets	5,785,147	37,501	(1,258,747)	4,563,901
Balance, June 30, 2020	<u>\$ 166,345,265</u>	<u>\$ -</u>	<u>\$ 2,990,511</u>	<u>\$ 169,335,776</u>

See accompanying notes.

Calvert Health System, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	As Adjusted 2019
Cash flows from operating activities:		
Increase in net assets	\$ 4,563,901	\$ 5,410,644
Adjustments to reconcile to net cash from operating activities:		
Depreciation and amortization	12,027,045	11,661,942
Amortization of debt issuance costs	61,744	63,956
Donations restricted for capital acquisition	(426,815)	(867,237)
Equity in earnings of affiliated enterprises	(1,388,998)	(1,267,831)
Distributions from equity method investments	959,849	388,141
Realized net losses (gains) on investments	(608,260)	118,695
Unrealized net (gains) losses on investments	977,599	(2,210,896)
Loss on pension settlement	-	13,581,965
Other pension-related changes	-	(14,621,628)
Change in:		
Patient accounts receivable	141,901	(154,833)
Inventories	(545,509)	(208,584)
Prepaid expenses and other assets	(2,265,486)	86,231
Accounts payable, accrued expenses and other liabilities	4,295,809	(11,218,254)
Net cash provided by operating activities	<u>17,792,780</u>	<u>762,311</u>
Cash flows from investing activities:		
Purchases of investments	(41,029,545)	(37,373,488)
Sales of investments	42,348,130	62,439,473
Net increase in assets limited as to use	(248,874)	(56,253)
Distributions from equity method investments	180,340	(1,006,228)
Purchases of property and equipment	<u>(13,419,508)</u>	<u>(26,143,817)</u>
Net cash used in investing activities	<u>(12,169,457)</u>	<u>(2,140,313)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(2,489,693)	(2,251,821)
Payments on capital leases	(794,127)	(904,216)
Donations received restricted for capital acquisitions	<u>426,815</u>	<u>867,237</u>
Net cash used in financing activities	<u>(2,857,005)</u>	<u>(2,288,800)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	2,766,318	(3,666,802)
Cash, cash equivalents, and restricted cash, beginning of year	<u>27,456,182</u>	<u>31,122,984</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 30,222,500</u>	<u>\$ 27,456,182</u>

See accompanying notes.

Notes to Consolidated Financial Statements

1. Organization and Nature of Business

Organization

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

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

The Hospital, located in Prince Frederick, Maryland, provides inpatient, outpatient and emergency care services for the residents of Calvert County and the surrounding areas. The Hospital was incorporated in Maryland in 1917. The Hospital has two wholly owned or controlled subsidiaries: CalvertHealth Foundation, Inc. (the Foundation) and Calvert Community Health, Inc. (CCH). The Foundation is a non-profit corporation that operates exclusively for the charitable purpose of supporting the Hospital. CCH is the Hospital’s for-profit subsidiary organized to establish managed care contracts. CCH is currently inactive.

CHV is a for-profit corporation that owns and manages investments in certain health care related entities, including Calvert Surgery Center, LLC (CSC), an imaging center, and a physical therapy and sports rehabilitation center. CSC holds a 15% interest in Prince Frederick Surgery Center, LLC (PFSC).

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

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

Principles of consolidation

At June 30, 2020 and 2019, the System’s consolidated financial statements include the accounts of the Hospital and its wholly owned or controlled subsidiaries, CHV, CHMG, Holding Co. I and Holding Co. II. All material intercompany transactions are eliminated.

2. Summary of Significant Accounting Policies

Basis of presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Contributions, including unconditional promises to give, with no donor-imposed restrictions are recognized in the period received as increases in net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as increases in net assets with donor restrictions. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restricted

Calvert Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

contributions whose restrictions are met in the same reporting period are also initially reported as increases in net assets with donor restrictions and then reported as reclassifications between the applicable classes of net assets.

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

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

Use of estimates

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

Cash and cash equivalents

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

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 27,706,649	\$ 23,343,813
Assets whose use is limited		
Internally designated for capital acquisition and scholarships	1,515,923	3,117,441
Restricted under bond indenture agreement - held by trustee	<u>999,928</u>	<u>994,928</u>
Total cash, cash equivalents and restricted cash shown in consolidated statements of cash flows	<u>\$ 30,222,500</u>	<u>\$ 27,456,182</u>

Short-term investments

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

Inventories

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

Calvert Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Patient accounts receivable

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

Investments

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

As of June 30, 2020 and 2019, \$1,617,753 and \$1,457,043 of the investments balance, respectively, are available to fund an executive severance and deferred compensation plan that has been established to provide benefits to the System's executive management team. The current portion amounts are included in accounts payable and accrued expenses and the noncurrent portion amounts are recorded as noncurrent liabilities in the accompanying consolidated statements of financial position as of June 30, 2020 and 2019.

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

Investments in affiliated enterprises

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

Assets limited as to use

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

Property and equipment

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

Net assets

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

Calvert Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

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

Other assets

Other assets consist of insurance recoverables and long-term other amounts receivable. Long-term other amounts receivable includes a promissory note that was entered into between the Hospital and PFSC on July 1, 2015 in the amount of \$1,800,000. The original terms and conditions of the promissory note were restated and amended on December 1, 2018 for a new principal amount of \$1,187,095, a fixed rate of 3.75%, four payments of interest only that commenced on January 1, 2019 and sixty monthly payments of principal and interest that commenced on May 1, 2019. The long-term portion of the outstanding principal amounted to \$738,740 and \$929,643 at June 30, 2020 and 2019, respectively.

Third-party advances

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

Consolidated statements of operations

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

Excess of revenue over expenses (expenses over revenue)

The consolidated statements of operations and other changes in net assets without donor restrictions report excess of revenue over expenses (expenses over revenue). Changes in net assets without donor restrictions that are excluded from this performance indicator, consistent with industry practice, include unrealized gains and losses on marketable investments (prior to adoption of ASU 2016-01), permanent transfers of assets to and from affiliates for other than goods and services, contributions of (and assets released from donor restrictions related to) long-lived assets.

Net patient service revenue

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

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

Calvert Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

Charity care and other community services

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

The cost of charity care provided by the Hospital amounted to approximately \$2,087,000 and \$4,882,000 in 2020 and 2019, respectively. Rates charged by the Hospital for regulated services are determined based on an assessment of direct and indirect costs calculated pursuant to the methodology established by the HSCRC, and therefore the cost of charity services noted above for the Hospital is equivalent to its established rates for those services. For any charity services rendered by the System other than the regulated services of the Hospital, the cost of charity care is calculated by applying the estimated total cost-to-charge ratio for the non-Hospital services to the total amount of charges for services provided to patients benefitting from the charity care policies of the System's non-Hospital affiliates.

The Hospital receives monthly payments from the HSCRC or submits monthly payments with respect to an Uncompensated Care Fund (UCC) established for rate-regulated hospitals in Maryland. The UCC is intended to provide Maryland hospitals with funds to support the provision of uncompensated care at those hospitals as determined by the HSCRC. The Hospital contributed \$551,318 and \$559,044 for 2020 and 2019, respectively, to the UCC as required by the HSCRC. The Hospital did not receive any payments from the UCC in 2020 and 2019.

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

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

The HSCRC requires all Maryland hospitals to complete and submit a Community Benefit Report annually on December 15th for the preceding fiscal year. The Hospital's Community Benefit Report for the year ended June 30, 2019 and 2018 reported \$19,718,889 and \$18,375,823, respectively (unaudited), in community benefit services.

Calvert Health System, Inc. and Subsidiaries

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Other operating revenue

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

CARES Act Provider Relief Funding

The System has received provider relief funding under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. These relief funds are considered non-exchange transactions subject to terms and conditions specified by the resource provider distributed by the Health Resources Service Administration (HRSA) section of the U.S. Department of Health and Human Services (HHS). These conditions create a restriction that such funds must be used to prevent, prepare or respond to the coronavirus (COVID 19), creating purpose restrictions in addition to conditions. This conditional grant revenue is recognized as other operating income to the extent conditions/restrictions for entitlement are met for coronavirus related expenses or lost revenues. The System reports conditional contributions for which the conditions and related restrictions are met in the same reporting period as net assets without donor restrictions. Such funds are subject to recoupment to the extent the conditions for entitlement are not met.

Tax-exempt status

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

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

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

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

Subsequent events

In preparing these consolidated financial statements, the System has evaluated events and transactions for potential recognition or disclosure through October 21, 2020, the date the consolidated financial statements were issued.

New accounting pronouncements

Effective July 1, 2019, the System adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-01, *Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*. The primary impact of adopting ASU No. 2016-01 is the requirement to measure certain classes of investments at fair value with changes in fair value to be recognized in the performance indicator. It also eliminates the requirement to disclose the fair value of long-term debt. The System has adopted the guidance in ASU No. 2016-01 at July 1, 2019 as reflected in the 2020 financial statement information and disclosures. As a result of the adoption of ASU No. 2016-01, net unrealized gains (losses) on investments that were previously excluded from the excess (deficiency) of revenues over expenses in the accompanying consolidated statements of operations are now included within the excess (deficiency) of revenues over expenses for the year ended June 30, 2020 as a component of investment income. Such net unrealized losses on investments reflected in nonoperating income (loss) for the fiscal year ended June 30, 2020 were \$(977,599). Prior to July 1, 2019, the net unrealized gains on investments of \$2,210,896 for the year ended June

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30, 2019, have been presented consistent with the previous standards as a component of changes in net assets and excluded from the excess of revenues over expenses (expenses over revenue).

During fiscal year 2020, the System adopted FASB ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance is intended to improve the classification and presentation of changes in restricted cash on the statements of cash flows and will provide more consistent application of GAAP by reducing diversity in practice. The statement of cash flows for the year ended June 30, 2019 has been adjusted to reflect the retrospective application of the new accounting guidance.

During fiscal year 2020, the System also adopted FASB ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)*, which provides guidance on the presentation of certain cash receipt and payments in the statement of cash flows. Upon adoption, the System made a policy election to classify distributions received from equity method investees under the cumulative earnings approach as cash inflows from operating activities unless the investor's cumulative distributions received less distributions received in prior periods that were determined to be returns of investment exceed cumulative equity in earnings recognized by the investor. When such an excess occurs, the current-period distribution up to this excess should be considered a return of investment and classified as cash inflows from investing activities. This standard has been adopted on a retrospective basis. The accompanying 2019 statement of cash flows have been updated to reflect the provisions of this standard which are included in the adjustments in the table below.

The following summary reflects the adjustments made to the accompanying statement of cash flows for the year ended June 30, 2019 as a result of the adoption of ASU 2016-18 and ASU 2016-15:

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Adjusted</u>
Net cash provided by operating activities	\$ 370,569	\$ 391,715	\$ 762,311
Net cash used in investing activities	\$ (2,527,364)	\$ 387,051	\$ (2,140,313)
Net decrease in financing activities	\$ (2,863,943)	\$ 575,143	\$ (2,288,800)
Net decrease in cash and cash equivalents	\$ (5,020,711)	\$ 1,353,909	\$ (3,666,802)
Cash and cash equivalents, beginning	\$ 28,364,524	\$ 2,758,460	\$ 31,122,984
Cash, cash equivalents and restricted cash, ending	\$ 23,343,813	\$ 4,112,369	\$ 27,456,182

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which was amended in June 2020 by ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*. The amendments in ASU 2016-02 revised the accounting related to lessee accounting. Under the new guidance, the System will be required to recognize a lease liability and a right-of-use asset for all leases. ASU 2020-05 extended the effective for the System to July 1, 2020. The System adopted this standard effective July 1, 2020 using the modified retrospective transition approach for leases existing at, or entered into after, that date. The primary impact of adoption is a gross-up of right of use assets and lease liability for operating leases.

3. Net Patient Service Revenue

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

The System elected certain available practical expedients under FASB ASU 2014-09, *Revenue from Contracts with Customers (ASC 606)*. First, the System elected the practical expedient that allows nonrecognition of the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the respective contracts. Additionally, the System has applied the practical expedient whereby all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the System otherwise would have recognized is one year or less in duration.

Estimated uncollectible amounts from patients are considered implicit price concessions (as defined in ASC 606) and, therefore, included in net patient service revenue. Such implicit price concessions reflected in net patient service revenue in the accompanying consolidated financial statements for the years ended June 30, 2020 and 2019 were \$2,892,679 and \$2,163,646, respectively.

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

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

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

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to the point when it is no longer required to provide services to that patient, which is generally the completion of the outpatient service.

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

Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance, which vary in amount. The System also provides services to uninsured patients, and offers those uninsured or underinsured patients financial assistance, by either policy or law, from standard charges. The System estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charges by any explicit price concession, financial assistance, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

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

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

Net patient service revenue disaggregated by service type for the year ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Global budget revenue	\$ 133,672,837	\$ 130,059,760
Rehabilitation services	1,862,417	2,028,081
Physician practice services	14,700,978	17,843,208
Other health services	<u>130,381</u>	<u>1,974,178</u>
Total	<u>\$ 150,366,613</u>	<u>\$ 151,905,227</u>

Net patient service revenue disaggregated by payor for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Medicare	\$ 74,596,628	\$ 64,997,219
Medicaid	20,783,174	20,381,383
Blue Cross	27,650,833	28,233,973
Commercial	5,860,573	5,060,210
Managed Care	18,491,220	29,058,398
Self-Pay	<u>2,984,185</u>	<u>4,174,044</u>
Total	<u>\$ 150,366,613</u>	<u>\$ 151,905,227</u>

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

4. Investments in Affiliated Enterprises

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

	<u>2020</u>		<u>2019</u>	
	<u>Investment</u>	<u>Income</u>	<u>Investment</u>	<u>Income</u>
Equity:				
Calvert Medical Imaging Center	\$ 2,112,684	\$ 827,522	\$ 1,785,163	\$ 735,886
NRH/CPT Regional Rehab, LLC	-	-	-	243,107
Chesapeake-Potomac Healthcare Alliance, LLC	3,622,493	169,525	3,452,968	179,463
ChoiceOne Urgent Care of Calvert County, LLC	717,533	313,583	1,198,547	120,610
Prince Frederick Surgery Center, LLC	290,813	76,392	273,671	(11,325)
CoreLife Calvert Partnership, LLC	225,000	-	-	-
Cost:				
Freestate Healthcare Insurance Company, LTD	20,542	-	20,542	90
Maryland eCare, LLC	-	1,976	9,366	-
	<u>\$ 6,989,065</u>	<u>\$ 1,388,998</u>	<u>\$ 6,740,257</u>	<u>\$ 1,267,831</u>

Because CHV's investment in Calvert Medical Imaging Center (CMIC) represents approximately 30% and 26% of the reported investment balance in affiliates as of June 30, 2020 and 2019, respectively, and the Hospital's investment in Chesapeake-Potomac Healthcare Alliance (the Alliance) represents approximately 52% and 51% of the reported investment balance in affiliates as of June 30, 2020 and 2019, respectively, and the Hospital's investment in ChoiceOne Urgent Care of Calvert County (ChoiceOne) represents approximately 10% and 18% as of June 30, 2020 and 2019, respectively, summarized financial information for CMIC, the Alliance and ChoiceOne is also presented as follows.

Calvert Medical Imaging Center

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

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

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 4,790,448</u>	<u>\$ 4,591,182</u>
Total liabilities	<u>\$ 565,079</u>	<u>\$ 1,020,857</u>
Partners' capital	<u>4,225,369</u>	<u>3,570,325</u>
Total liabilities and partners' capital	<u>\$ 4,790,448</u>	<u>\$ 4,591,182</u>
Total revenue	<u>\$ 8,036,023</u>	<u>\$ 8,051,883</u>
Net income	<u>\$ 1,655,044</u>	<u>\$ 1,473,367</u>

NRH/CPT Regional Rehab, LLC

CHV invested in NRH/CPT Regional Rehab, LLC (NRH/CPT) for the purpose of providing comprehensive and coordinated physical therapy and rehabilitation services in St. Mary's and Charles counties. CHV maintained a 15% interest in NRH/CPT as of June 30, 2018. On April 30, 2019, CHV sold its entire membership interest in NRH/CPT.

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Chesapeake-Potomac Healthcare Alliance, LLC

Chesapeake-Potomac Healthcare Alliance, LLC (The Alliance) is a joint venture in which the Hospital and two other hospitals have invested equally. It was created to provide certain healthcare services to the population of southern Maryland. The Alliance is a 60% owner of Chesapeake Potomac Regional Cancer Center, LLC (CPRCC), a limited liability company that owns and operates two outpatient radiation oncology centers. The other 40% of CPRCC is owned by Holy Cross Hospital of Silver Spring and Adventist Healthcare, Inc. The Alliance is also one of two members in Chesapeake-Potomac Home Health Agency, Inc., a Maryland nonstock corporation that was formed in 1995 for the purpose of providing home health care and other health care services to individuals in need of such services in Calvert, Charles and St. Mary's counties.

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

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 19,117,929</u>	<u>\$ 16,742,390</u>
Total liabilities	<u>\$ 3,829,427</u>	<u>\$ 2,199,754</u>
Members' equity	<u>15,288,502</u>	<u>14,542,636</u>
Total liabilities and members' equity	<u>\$ 19,117,929</u>	<u>\$ 16,742,390</u>
Total revenue	<u>\$ 13,805,442</u>	<u>\$ 14,829,915</u>
Net income	<u>\$ 614,529</u>	<u>\$ 538,363</u>

ChoiceOne Urgent Care of Calvert County, LLC

ChoiceOnce is a joint venture which was formed in November 2018 to manage and operate the Dunkirk, Prince Frederick and Solomons Urgent Care locations. The Hospital maintained a 49% interest in this joint venture at June 30, 2019. In March 2020, there was a transition in ownership and the Hospital transferred a portion of its membership interests to the new management company. The Hospital now maintains a 25% interest in the joint venture at June 30, 2020.

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

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 1,356,644</u>	<u>\$ 3,545,348</u>
Total liabilities	<u>\$ 429,707</u>	<u>\$ 1,099,727</u>
Partners' capital	<u>926,937</u>	<u>2,445,621</u>
Total liabilities and partners' capital	<u>\$ 1,356,644</u>	<u>\$ 3,545,348</u>
Total revenue	<u>\$ 3,848,970</u>	<u>\$ 1,948,505</u>
Net income	<u>\$ 640,230</u>	<u>\$ 246,142</u>

Prince Frederick Surgery Center, LLC

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

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CoreLife Calvert Partnership, LLC

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

Freestate Healthcare Insurance Company, LTD

Freestate Healthcare Insurance Company, LTD is a captive insurance company formed in the Cayman Islands. It is owned by five Maryland hospitals. Freestate provides insurance coverage to its shareholders for professional liability and comprehensive general liability (see Note 10).

Maryland eCare, LLC

Maryland eCare, LLC is a joint venture formed by six Maryland hospitals to provide remote monitoring technology with clinical decision support and physician/nursing services for their use in intensive care units and other clinical areas within their respective hospitals. The Hospital maintained a 6.9% interest in this joint venture at June 30, 2019. Maryland eCare, LLC was dissolved effective June 11, 2020.

5. Investments

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

	<u>2020</u>	<u>2019</u>
Equity mutual funds	\$ 39,457,378	\$ 37,107,666
Fixed maturity mutual funds	13,803,097	20,176,553
Guaranteed investment account	350,921	297,666
Corporate and municipal bonds	19,105,539	16,034,221
Mortgage backed securities	1,394,003	-
U.S. government issues	10,959,089	12,680,872
Alternative investments	<u>9,252,057</u>	<u>9,713,722</u>
	94,322,084	96,010,700
Less - short-term investments	<u>364,284</u>	<u>94,298</u>
Long-term investments	<u>\$ 93,957,800</u>	<u>\$ 95,916,402</u>

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

	<u>2020</u>	<u>2019</u>
Internally designated for capital acquisition and scholarships:		
Cash and cash equivalents	\$ 2,515,851	\$ 4,112,369
Net pledges receivable	568,219	516,040
Equity mutual funds	1,895,742	1,759,701
Exchange traded funds	284,018	325,567
Fixed income mutual funds	<u>2,051,895</u>	<u>1,942,185</u>
	7,315,725	8,655,862
Less – current portion	<u>999,928</u>	<u>994,928</u>
	<u>\$ 6,315,797</u>	<u>\$ 7,660,934</u>

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Management has \$100,000 on deposit to be used toward future charitable gift annuity arrangements. There were no outstanding charitable gift annuity obligations as of June 30, 2020.

Assets held by a trustee under the indenture agreement for debt service consist of the following funds at June 30:

	<u>2020</u>	<u>2019</u>
Held by trustee under indenture agreement:		
Cash and cash equivalents	<u>\$ 999,928</u>	<u>\$ 994,928</u>

The debt service fund was comprised of principal and interest funds held by a trustee in accordance with the Hospital's bond indentures.

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

	<u>Year Ended June 30, 2020</u>		
<u>Investment Income</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 2,821,155	\$ 29,944	\$ 2,851,099
Realized gains	608,260	4,538	612,798
Net unrealized loss on investments (see Note 1 for implementation of ASU 2016-01)	(977,599)	(1,312)	(978,911)
Investment expenses	<u>(290,885)</u>	<u>-</u>	<u>(290,885)</u>
	<u>\$ 2,160,931</u>	<u>\$ 33,170</u>	<u>\$ 2,194,101</u>
	<u>Year Ended June 30, 2019</u>		
<u>Investment Income</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 2,959,301	\$ 32,764	\$ 2,992,065
Realized gains (losses)	(118,695)	10,180	(108,515)
Investment expenses	<u>(308,153)</u>	<u>-</u>	<u>(308,153)</u>
	<u>\$ 2,532,453</u>	<u>\$ 42,944</u>	<u>\$ 2,575,397</u>
Net unrealized gains on investments (see Note 1 for implementation of ASU 2016-01)	<u>\$ 2,210,896</u>	<u>\$ 20,418</u>	<u>\$ 2,231,314</u>

Current accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establish a framework for measuring fair value, and establish a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date, as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable input other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Calvert Health System, Inc. and Subsidiaries

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Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

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

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

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

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

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

The System's investments include investments in limited partnerships and other alternative investments, which are made in accordance with the System's investment policies. The limited partnerships acquire, hold, invest, manage, dispose of, and otherwise deal in and with securities of all kinds and descriptions. Publicly traded securities are generally valued by reference to closing market prices on one or more national securities exchange or generally accepted pricing services selected by the fund managers of the limited partnership. Securities not valued by such pricing services will be valued upon bid quotations obtained from independent dealers in the securities. The equity in earnings or losses from these investments is recorded as a component of investment income in the accompanying consolidated statements of operations and other changes in net assets without donor restrictions.

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

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

The following table presents the System's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds:				
Foreign large growth	\$ 74,870	\$ -	\$ -	\$ 74,870
Foreign large value	8,415,907	-	-	8,415,907
Foreign large blend	962,772	-	-	962,772
Large value	175,516	-	-	175,516
Large blend	24,865,438	-	-	24,865,438
Mid cap growth	16,506	-	-	16,506
Mid cap value	44,015	-	-	44,015
Mid cap blend	68,105	-	-	68,105
Small growth	17,917	-	-	17,917
Small value	28,691	-	-	28,691
Small blend	6,382,943	-	-	6,382,943
World large stock	300,440	-	-	300,440
Fixed maturity mutual funds:				
Intermediate term bond	1,962,541	-	-	1,962,541
Intermediate core-plus bond	36,161	-	-	36,161
Inflation-protected bond	231,249	-	-	231,249
World bond	329,218	-	-	329,218
Tactical allocation	4,207,694	-	-	4,207,694
Ultrashort bond	9,088,129	-	-	9,088,129
Exchange traded funds	284,018	-	-	284,018
Corporate bonds	19,105,539	-	-	19,105,539
Mortgage backed securities	1,394,003	-	-	1,394,003
U.S. government issues (Maturity 1 - 10 years)	10,959,089	-	-	10,959,089
Guaranteed investment account	<u>350,921</u>	-	-	<u>350,921</u>
Total assets in fair value hierarchy	<u>\$ 89,301,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>89,301,682</u>
Cash and cash equivalents				2,515,851
Investments measured at NAV (a)				<u>9,252,057</u>
Investments at fair value				<u>\$101,069,590</u>

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

The following table presents the System's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds:				
Foreign large growth	\$ 70,080	\$ -	\$ -	\$ 70,080
Foreign large value	6,872,200	-	-	6,872,200
Foreign large blend	1,459,957	-	-	1,459,957
Large growth	22,184	-	-	22,184
Large value	48,615	-	-	48,615
Large blend	23,965,701	-	-	23,965,701
Mid cap growth	33,424	-	-	33,424
Mid cap value	21,263	-	-	21,263
Mid cap blend	61,040	-	-	61,040
Small growth	14,555	-	-	14,555
Small value	14,519	-	-	14,519
Small blend	5,955,800	-	-	5,955,800
World large stock	328,029	-	-	328,029
Fixed maturity mutual funds:				
Intermediate term bond	1,774,058	-	-	1,774,058
Intermediate core-plus bond	50,711	-	-	50,711
Inflation-protected bond	204,444	-	-	204,444
World bond	337,255	-	-	337,255
Tactical allocation	3,887,964	-	-	3,887,964
Ultrashort bond	15,864,306	-	-	15,864,306
Exchange traded funds	325,567	-	-	325,567
Corporate bonds	16,034,221	-	-	16,034,221
U.S. government issues (Maturity 1 - 10 years)	12,680,872	-	-	12,680,872
Guaranteed investment account	<u>297,666</u>	<u>-</u>	<u>-</u>	<u>297,666</u>
Total assets in fair value hierarchy	<u>\$ 90,324,431</u>	<u>\$ -</u>	<u>\$ -</u>	90,324,431
Cash and cash equivalents				4,112,369
Investments measured at NAV (a)				<u>9,713,722</u>
Investments at fair value				<u>\$104,150,522</u>

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

The accompanying consolidated financial statements of the System include total restricted and unrestricted hedge fund alternative investments as of June 30, 2020 and 2019 with the following characteristics:

The fund invests in the Master Fund, which is in underlying hedge funds. The underlying funds use a variety of investment strategies with distressed/structured products being the largest. The fund owned more than 50% of the Master Fund at December 31, 2020 and 2019. Liquidity restrictions include quarterly at net asset value with 95-days' notice. As of June 30, 2020 and 2019, the fund balance was to \$9,252,057 and \$9,713,722, respectively.

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

6. Pledges Receivable

During 2017, the Foundation commenced a capital campaign. Contributions from the campaign are being used to fund the Hospital's expansion project to build a three-story addition to its existing facility. At June 30, 2020, pledges receivables were \$633,193 less an allowance for uncollectible pledges of \$63,319 and a discount of \$1,655. The discount rate used was 0.29%. The pledges net receivable balance is included with Assets Limited as to Use and is reported as a non-current asset on the accompanying consolidated statements of financial position.

Anticipated collection of the pledges receivable at June 30, 2020 is as follows:

2021	\$	284,755
2022		183,658
2023		104,979
2024		<u>59,801</u>
		633,193
Less - allowance for uncollectible accounts		63,319
Less - discount		<u>1,655</u>
Total	\$	<u>568,219</u>

7. Net Assets with Donor Restrictions

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purposes:		
Purchases of building and equipment	\$ 1,460,164	\$ 2,694,421
Health education	694,617	706,075
Health care services	260,420	373,452
Gift annuity reserve	<u>100,000</u>	<u>-</u>
Total subject to expenditure for specified purposes	<u>2,515,201</u>	<u>3,773,948</u>
Investments to be held in perpetuity, the income from which is expendable to support health education	<u>475,310</u>	<u>475,310</u>
Total net assets with donor restrictions	<u>\$ 2,990,511</u>	<u>\$ 4,249,258</u>

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

8. Property and Equipment

A summary of property and equipment at June 30 follows:

	<u>2020</u>	<u>2019</u>
Land improvements	\$ 5,503,943	\$ 2,632,705
Buildings	45,591,068	34,706,544
Building improvements	51,078,928	44,495,369
Fixed equipment	17,084,817	4,826,334
Movable equipment	<u>76,884,996</u>	<u>70,987,736</u>
	196,143,752	157,648,688
Less - accumulated depreciation and amortization	<u>114,002,207</u>	<u>102,448,870</u>
	82,141,545	55,199,818
Land	6,016,980	6,016,980
Construction in progress	<u>4,676,102</u>	<u>30,225,366</u>
Property and equipment, net	<u>\$ 92,834,627</u>	<u>\$ 91,442,164</u>

In September 2017, the Hospital held a ground-breaking ceremony for a new capital expenditures project related to the building of a three-story addition to the existing facility. The two main objectives of the project are to expand the number of private patient rooms in the Hospital and to create an 18-room dedicated observation unit. The total project cost was approved for \$51,583,000 and is being funded internally from operating cash and investments.

In September 2017, the Hospital entered into an agreement for building contractor services for the three-story addition, renovation of second and third floor nursing units and other interior renovations. Under the agreement, the Hospital is obligated to pay the building contractor a contract sum of \$28,553,000. As of June 30, 2020, approximately \$28,375,000 has been paid to the contractor. If the Hospital were to terminate the agreement, it would be liable for payment of materials and supplies committed to that date along with reasonable overhead and profit. The project is expected to conclude in fiscal year 2021.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Interest capitalized for the years ended June 30, 2020 and 2019 amounted to \$281,925 and \$753,584, respectively.

In April 2020, the Hospital entered into a construction contract for a capital expenditure project of \$3.4 million. Subsequent to the balance sheet date, the Hospital entered into two additional contracts for capital expenditure projects of \$2.7 million. If the Hospital were to terminate the agreements, it would be liable for payment of materials and supplies committed to that date along with reasonable overhead and profit. The projects are expected to be completed by March 2021.

Depreciation expense for the years ended June 30, 2020 and 2019 amounted to \$12,027,045 and \$11,661,942, respectively.

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

9. Long-Term Debt

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

	<u>2020</u>	<u>2019</u>
Maryland Health and Higher Educational Facilities Authority Revenue Bonds (2012 Revenue Bonds); maturing in varying amounts from September 1, 2012 to June 1, 2027; interest due monthly at a fixed rate of 3.16% per annum until July 24, 2022 at which time the interest rate shall be adjusted.	\$ 10,001,377	\$ 11,284,839
Maryland Health and Higher Educational Facilities Authority Revenue Bonds (2013 Revenue Bonds); maturing in varying amounts from July 1, 2014 to July 1, 2038; interest due semi-annually at rates ranging from 3.0% to 5.18%; (5.0% and 4.0% at June 30 2020 and 2019, respectively).	29,940,000	30,190,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds (2015 Revenue Bonds); maturing in varying amounts from October 1, 2015 to September 1, 2035; interest due monthly at a fixed rate of 3.282% per annum.	<u>16,987,599</u>	<u>17,872,086</u>
	56,928,976	59,346,925
Less - current portion	<u>2,488,777</u>	<u>2,417,949</u>
	54,440,199	56,928,976
Less - unamortized debt issuance costs	541,646	597,366
Less - unamortized original issue discount	<u>76,356</u>	<u>82,379</u>
	<u>\$ 53,822,197</u>	<u>\$ 56,249,231</u>

Series 2012 Revenue Bonds

The 2012 Revenue Bonds were issued by the Maryland Health and Higher Education Facilities Authority (Authority) on July 1, 2012 for the purpose of refunding the 1998 Revenue Bonds. The master loan agreement for the 1998 Revenue Bonds remained substantially unchanged.

The Obligated Group for the 2012 Revenue Bonds is composed of the Hospital and the System. The financing was completed through SunTrust Bank and is a tax-exempt issuance. Terms of the financing agreement included an initial fixed rate of 2.6% per annum until July 24, 2022, at which time the interest rate shall be adjusted and the 2012 Revenue Bonds are subject to mandatory purchase unless SunTrust Bank agrees to extend such period, the Obligated Group obtains another purchaser, or the Authority, at the request of the Obligated Group, converts the interest mode applicable to the 2012 Revenue Bonds to another interest mode for which a purchaser can be found. Terms of the financing agreement also included a requirement that the interest rate be increased as a result of a decrease in the maximum federal corporate income tax rate. With the passage of The Tax Cuts and Jobs Act of 2017, effective January 1, 2018 the maximum federal corporate income tax rate decreased from 35% to 21% resulting in an increase of the fixed rate from 2.6% to 3.16%. The 2012 Revenue Bonds mature on June 1, 2027. The 2012 Revenue Bonds require the Obligated Group to maintain a certain debt service coverage ratio.

Series 2013 Revenue Bonds

The 2013 Revenue Bonds were issued by the Authority on August 7, 2013 for the purpose of refunding the 2004 Revenue Bonds.

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The Obligated Group for the 2013 Revenue Bonds is composed of the Hospital and the System. As security for the performance of its obligations under the related Loan Agreement, the Obligated Group members have granted a security interest in its receipts, revenue, rental income and other amounts received by or on behalf of any Obligated Group member to the Authority. The Obligated Group is not required to maintain a debt service reserve fund. The Series 2013 Revenue Bonds also place limits on the incurrence of additional borrowings and require the Obligated Group to maintain a certain debt service coverage ratio. Series 2013 bonds maturing on or after July 1, 2024 are subject to redemption prior to maturity beginning on July 1, 2023 at the option of the Authority upon the direction of the Hospital.

Series 2015 Revenue Bonds

The 2015 Revenue Bonds were issued by the Authority on September 10, 2015 for the purpose of financing the expansion and renovation of the radiology department at the Hospital, the acquisition and installation of a new information technology system, the acquisition of a parcel of land and the acquisition and installation of certain fixtures, equipment and machinery for the Hospital.

The Obligated Group for the 2015 Revenue Bonds is composed of the Hospital and the System. The financing was completed through The Columbia Bank and is a tax-exempt issuance. Terms of the financing agreement include a fixed rate of 2.7% for ten years with an amortization schedule of twenty years. Terms of the financing agreement also included a requirement that the interest rate be increased as a result of a decrease in the maximum federal corporate income tax rate. With the passage of The Tax Cuts and Jobs Act of 2017 the maximum federal corporate income tax rate decreased from 35% to 21% resulting in an increase of the fixed rate from 2.7% to 3.3% effective January 1, 2019. The Obligated Group is not required to main debt service reserve fund.

Principal payments due under all debt instruments as of June 30, 2020 are as follows:

2021	\$ 2,488,777
2022	2,559,191
2023	2,636,243
2024	2,708,594
2025	2,785,403
Thereafter	<u>43,750,768</u>
Total	<u>\$ 56,928,976</u>

Interest paid on indebtedness by the System was \$2,405,576 and \$2,343,750 in 2020 and 2019, respectively.

10. Employee Retirement Plans

The Hospital's retirement program consists of a qualified defined benefit plan (DB plan) and a defined contribution plan (DC plan). The DB plan was terminated and plan assets were distributed in November 2018.

Defined Benefit Plan

The Hospital had a qualified non-contributory DB plan covering employees who were employed by the Hospital prior to January 1, 2008. Effective January 1, 2008, employees hired or rehired were not eligible to participate in the DB plan. The Hospital instituted a "hard freeze" on December 31, 2016. The DB plan remained operational and continued to pay distributions to Hospital employees as they separated or requested a distribution during 2018 until the DB plan was terminated; however, no additional benefits were accrued. Effective September 24, 2017 a plan termination was approved by the CHS Board of Directors and accordingly, the plan was amended and restated to include such termination. Substantial settlement related to the termination began with cash distributions in October 2018. An annuity was purchased for participants in a pay status and for participants who elected to defer benefits until their retirement. As a result, a settlement charge of approximately

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\$13,582,000 was recorded as a component of net benefit cost within other non-operating gains (losses) in the accompanying consolidated statements of operations for the year ended June 30, 2019.

The Hospital used a June 30 measurement date for its DB plan in 2019.

The following table sets forth the changes in the projected benefit obligation at June 30, 2019:

Benefit obligation at beginning of year	\$ 40,437,739
Interest cost	548,345
Actuarial gain	(1,321,201)
Benefits paid	<u>(39,664,883)</u>
Benefit obligation at end of year	<u>\$ -</u>

The following table sets forth the changes in the plan assets at June 30, 2019:

Fair value of plan assets at beginning of year	\$ 29,207,520
Actual return on plan assets	(376,337)
Employer contributions	10,833,700
Actual benefits paid	<u>(39,664,883)</u>
Fair value of plan assets at end of year	<u>\$ -</u>

In accordance with current standards, the Hospital recognized the full extent of the underfunded (a liability) status of the DB plan as a current liability in the accompanying 2019 consolidated financial statements, and the underfunded status is measured as the difference between the fair value of the DB plan assets and the projected benefit obligation. The plan was fully funded as of November 16, 2018.

Net periodic pension cost for the year ended June 30, 2019 include the following components:

Interest cost	\$ 548,345
Expected return on plan assets	(296,401)
Recognized net actuarial loss	<u>391,200</u>
Preliminary periodic benefit cost	643,144
Settlement loss	<u>13,581,965</u>
	<u>\$ 14,225,109</u>

The following table sets forth the weighted average assumptions used to determine net periodic benefit costs for the years ended June 30, 2019:

	<u>2019</u>
Discount rate	4.36%
Expected return on plan assets	2.60%

Defined Contribution Plan

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

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The employer total annual contributions to the DC plan were \$1,465,554 and \$1,502,412 during the years ended June 30, 2020 and 2019, respectively.

11. Malpractice Insurance

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

Effective March 1, 2005, the Hospital became a shareholder of the newly formed Freestate Healthcare Insurance Company, Ltd. (Freestate), a captive insurance company formed in the Cayman Islands. The Hospital maintains a 20% shareholder interest in Freestate. The Hospital decided to become a shareholder of Freestate when the Hospital's insurance company elected not to continue to write insurance policies for hospitals within the State of Maryland effective March 1, 2005. The Hospital believes that becoming a shareholder of a captive insurance company provides the best long-term solution to providing insurance coverage that is cost effective and predictable. Freestate provides insurance coverage on a claims-made basis to its owners and their affiliates for professional liability claims and comprehensive general liability of \$1,000,000 for each and every claim. Freestate has entered into reinsurance and excess policy agreements with independent insurance companies to limit its losses for professional liability and comprehensive general liability claims. The Hospital has \$10,000,000 of additional insurance in the aggregate through such reinsurance arrangements. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment or credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. Each named insured will not be charged or entitled to any retrospective premium assessments or credits until the policy period has been closed and no further claim obligations are expected. In management's opinion, the assets of Freestate are sufficient to meet its obligations as of June 30, 2020. If the financial condition of Freestate were to materially deteriorate in the future, and Freestate was unable to pay its claim obligations, the responsibility to pay those claims would return to the member hospitals.

The Hospital is involved in litigation arising in the ordinary course of business. Claims alleging malpractice have been asserted against the Hospital and are currently in various stages of litigation. Additional claims may be asserted against the Hospital arising from services provided through June 30, 2020. The ultimate outcome of these matters cannot be determined at this time.

As of June 30, 2020 and 2019, the System recorded insurance recoverables and related professional claims liability of \$5,352,219 and \$4,339,175, respectively, in long-term assets and liabilities, respectively, in the accompanying consolidated statements of financial position. An estimated liability for incurred but not reported professional liability claims has also been recorded in the amount of approximately \$989,909 and \$641,549 in long-term liabilities as of June 30, 2020 and 2019, respectively. Management believes this estimate is adequate to provide for all professional liability claims that have been incurred through June 30, 2020 but not reported to its insurance carriers.

12. Maryland Health Services Cost Review Commission

Patient service revenue is recorded at rates established by the HSCRC. Effective July 1, 2016, the Hospital entered into a Global Budget Revenue (GBR) agreement with the HSCRC. The GBR agreement will renew each year for a one-year period unless it is cancelled by the HSCRC or by the Hospital. The GBR agreement provides the Hospital with a fixed revenue amount (CAP) under which it must operate each year. The CAP is adjusted annually for inflation, change in the Hospital's payor mix and uncompensated care, change in population and quality incentives. The Corporation's policy is to accrue revenue based on actual charges for services to patients in the year in which the services are performed and billed. For 2020, hospitals that are in an undercharge position due to the current pandemic (see Note 20) may not be able to recoup more than their undercharge net of any

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

applicable CARES Act funding (see Note 20). Approximately 97% of the total operating revenue of the Hospital is subject to the GBR model.

13. Concentration of Credit and Business Risk

The System provides health care services to residents located primarily in Calvert, St. Mary's, southern Anne Arundel and Charles counties. The System grants credit without collateral to its patients, most of whom are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies. The System records accounts receivable net of estimated price concessions in 2020 and allowance for bad debts in 2019, and such amounts have historically been within management's expectations.

The mix of accounts receivable at June 30, 2020 and 2019 from patients and third-party payors is as follows:

	<u>2020</u>	<u>2019</u>
Medicare	33.6%	27.1%
Medicaid (including managed care)	12.6%	11.3%
Blue Cross	9.5%	11.8%
Commercial and other	6.7%	6.7%
Managed care	14.3%	15.2%
Self-pay	<u>23.3%</u>	<u>27.9%</u>
	<u>100.0%</u>	<u>100.0%</u>

14. Functional Expenses

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

	<u>2020</u>			
	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 57,905,571	\$ 10,248,693	\$ 360,370	\$ 68,514,634
Employee benefits	10,298,426	1,837,508	65,564	12,201,498
Supplies	27,748,206	252,681	829	28,001,716
Purchased services	4,921,961	1,968,059	126,181	7,016,201
Professional fees	8,186,497	-	-	8,186,497
Depreciation and amortization	10,889,780	1,137,265	-	12,027,045
Interest	2,122,921	181,596	-	2,304,517
Other	<u>13,458,116</u>	<u>5,378,504</u>	<u>(59,523)</u>	<u>18,777,098</u>
Total	<u>\$135,531,478</u>	<u>\$ 21,004,307</u>	<u>\$ 493,421</u>	<u>\$157,029,206</u>

Calvert Health System, Inc. and Subsidiaries
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	2019			
	Healthcare Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 58,421,870	\$ 10,305,080	\$ 360,999	\$ 69,087,949
Employee benefits	11,915,775	2,169,939	79,259	14,164,973
Supplies	28,617,772	146,477	2,898	28,767,147
Purchased services	4,620,588	2,035,276	149,515	6,805,379
Professional fees	7,924,056	-	-	7,924,056
Depreciation and amortization	10,528,322	1,133,620	-	11,661,942
Interest	1,712,288	146,470	-	1,858,758
Other	<u>12,503,522</u>	<u>5,652,400</u>	<u>356,704</u>	<u>18,512,626</u>
Total	<u>\$136,244,193</u>	<u>\$ 21,589,262</u>	<u>\$ 949,375</u>	<u>\$158,782,830</u>

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

15. Liquidity and Availability

As of June 30, 2020 and 2019, the System has working capital of approximately \$25,406,000 and \$21,182,000, respectively, and 308 and 296 average days, respectively, (based on normal expenditures) cash and investments without donor restriction on hand.

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

	2020	2019
Cash and cash equivalents	\$ 27,706,649	\$ 23,343,813
Accounts receivable, net	13,553,225	13,695,126
Other receivables	1,244,835	1,259,443
Assets whose use is limited	<u>999,928</u>	<u>994,928</u>
Total	<u>\$ 43,504,637</u>	<u>\$ 39,293,310</u>

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

16. Lease Obligations

The System is obligated under various operating leases for several office facilities and equipment. Total office rent and equipment lease expense was \$3,174,152 and \$3,490,569 for the years ended June 30, 2020 and 2019, respectively, and is reported as a component of other expenses in the accompanying consolidated statements of operations and other changes in net assets without donor restrictions.

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The future minimum lease payments expected to be made to non-affiliated parties under non-cancelable operating leases are as follows for the years ending June 30:

2021	\$	3,098,631
2022		2,967,481
2023		2,523,248
2024		910,219
2025		<u>354,814</u>
	\$	<u>9,854,393</u>

Three of the four medical office buildings previously owned by the System were sold on August 29, 2013. As part of the sales transaction, the System continues to lease space in the buildings from the current owners. Rents to be received in the future from affiliated enterprises and other tenants are as follows for the years ending June 30:

2021	\$	648,607
2022		518,965
2023		301,900
2024		172,305
2025		<u>55,175</u>
	\$	<u>1,696,952</u>

Rental income totaling \$466,104 and \$360,247 has been recognized in the accompanying consolidated statements of operations and other changes in net assets without donor restrictions for the years ended June 30, 2020 and 2019, respectively.

17. Capital Leases

The Hospital is the lessee of equipment under a two capital leases, one expired in February 2020 and the second expiring in July 2022. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated productive lives. Amortization of assets under the capital leases is included in depreciation expense for the year ended June 30, 2020.

Following is a summary of property held under the capital leases as of June 30, 2020:

	<u>2020</u>	<u>2019</u>
Information services equipment	\$ 4,261,561	\$ 4,261,561
Accumulated amortization	<u>(2,453,475)</u>	<u>(1,622,675)</u>
	<u>\$ 1,808,086</u>	<u>\$ 2,638,886</u>

Minimum future lease payments under the two capital leases are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 757,053	\$ 67,869
2022	798,183	26,738
2023	<u>68,441</u>	<u>302</u>
	<u>\$ 1,623,677</u>	<u>\$ 94,909</u>

18. Certain Risks and Uncertainties

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

The Joint Commission, a non-governmental privately-owned entity, provides accreditation status to hospitals and other health care organizations in the United States. Such accreditation is based upon a number of requirements such as undergoing periodic surveys conducted by Joint Commission personnel. Certain managed care payors require hospitals to have appropriate Joint Commission accreditation in order to participate in those programs. In addition, the Center for Medicare and Medicaid Services (CMS), the agency with oversight of the Medicare and Medicaid programs, provides "deemed status" for facilities having Joint Commission accreditation. By being Joint Commission accredited, facilities are "deemed" to be in compliance with the Medicare and Medicaid conditions of participation. Termination as a Medicare provider or exclusion from any or all of these programs or payors would have a materially negative impact on the future financial position, operating results and cash flows of the Hospital. In September 2017, the Hospital was surveyed by the Joint Commission and received a full three-year Joint Commission accreditation through November 2020.

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

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

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

Changes in Federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the System. The healthcare industry is subject to numerous laws and regulation from federal, state and local governments, and the government has increased enforcement of Medicare and Medicaid anti-fraud and abuse laws, as well as physician self-referral laws (STARK law and regulation). The System's compliance with these laws and regulations is subject to ongoing internal monitoring as well as periodic governmental review and inquiries, and the System has responded appropriately to any such compliance matters. The System is aware of certain asserted and unasserted compliance matters, and from time to time, the System

may agree to resolve certain compliance matters with the government through the self-disclosure process. The amount of such settlement for compliance matters currently being evaluated for submission under the self-disclosure process cannot be estimated at this time. The System will continue to monitor its compliance and all related government inquiries and respond appropriately, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. As result there is at least a reasonable possibility that the recorded estimates will change by a material amount in the near term.

As a result of pending federal healthcare reform legislation, substantial changes may occur in the healthcare system. Such legislation potentially includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement to healthcare providers and the legal obligations of health insurers, providers and employers.

19. Endowment

Current accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The State of Maryland has adopted UPMIFA.

The System's endowment consists of two donor-restricted funds. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the System has interpreted the Maryland State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

1. The duration and preservation of the fund
2. The purposes of the System and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the System
7. The investment policies of the System

From time to time, the fair value of assets associated with the endowment fund may decline below the level that the donor or SPMIFA required the System to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2020 and 2019.

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

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

The endowment's net asset composition as of June 30, 2020 and 2019 and the changes therein, are as follows:

	<u>With Donor Restriction</u>
Donor-restricted endowment, June 30, 2020	<u>\$ 1,115,844</u>

Changes in endowment net assets for the fiscal year June 30, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>
Endowment net assets, beginning of year	\$ -	\$ 1,130,674
Investment return:		
Net appreciation (realized and unrealized)	-	33,170
Other changes:		
Contributions	-	-
Released from restriction	48,000	(48,000)
Used for designated purposes	<u>(48,000)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,115,844</u>

	<u>With Donor Restriction</u>
Donor-restricted endowment, June 30, 2019	<u>\$ 1,130,674</u>

Changes in endowment net assets for the fiscal year June 30, 2019:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>
Endowment net assets, beginning of year	\$ -	\$ 1,130,612
Investment return:		
Net appreciation (realized and unrealized)	-	63,362
Other changes:		
Contributions	-	50
Released from restriction	63,350	(63,350)
Used for designated purposes	<u>(63,350)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,130,674</u>

20. COVID-19 Pandemic

In response to the COVID-19 pandemic across the United States, the federal government and a large number of state governments, including Maryland, have imposed strict measures to curtail aspects of public life in an effort to control further spreading of COVID-19, including limitations on public gatherings, wearing of masks in public, and restrictions on restaurant and other businesses operating capacity.

An outbreak of an infectious disease, including the growth in the magnitude or severity of COVID-19 cases in the System's service area, could result in an abnormally high demand for health care services, potentially inundating hospitals with patients in need of intensive care services. The treatment of this highly contagious disease could also result in a temporary shutdown of areas of the facility or diversion of patients or staffing shortages. Additionally, elective services were being deferred in the later part of FY 2020, which resulted in reduced patient volumes and operating revenues. Further, the changing global economic conditions or potential global health concerns surrounding the COVID-19 pandemic may also affect the System's partners, suppliers, distributors and payors, potentially disrupting or delaying the System's supply chain and delaying reimbursement by governmental, commercial or private payors, as well as impacting their creditworthiness and ability to pay. At this time, it is not possible to accurately predict the significance of the duration of the COVID-19 pandemic, the impact on operating income, the costs associated with responding to this pandemic, or what federal funds may continue be made available to help recover from this crisis. The System has implemented various cost saving measures to help mitigate any financial impact, including closing elective procedures, redeploying staff to high impact areas, setting up screening centers, establishing a decontamination process for N95 masks, and soliciting the community for handmade masks and PP&E.

In addition to the direct impact to the health care industry, global investment and financial markets have experienced substantial volatility, with significant declines attributed to COVID-19 concerns and associated economic impacts of the curtailment of public life described above. As with nearly all industries and companies operating through the COVID-19 pandemic, the System expects to encounter further volatility and disruption in its operations and in the local, national and global economies.

Although the System has activated plans to address the COVID-19 threat and is operating pursuant to infectious disease protocols and its emergency preparedness plan, the potential impact of the COVID-19 pandemic is difficult to predict and could materially adversely impact the System's financial condition, liquidity and results of operations in the future.

On March 27, 2020, the federal CARES Act was signed into law, which is intended to provide economic relief and emergency assistance for individuals, families and businesses affected by COVID-19. Various state governments are also taking action to provide economic relief and emergency assistance. The System received CARES Act Provider Relief Funds general and targeted distributions of \$3,954,469 and \$374,615 for the Hospital and CHMG, respectively during the year ended June 30, 2020. The System has recognized other operating revenue of \$3,954,469 and \$374,615 for the Hospital and CHMG, respectively related to this funding for the year ended June 30, 2020, to the extent the conditions for entitlement to such funding for healthcare related expenses or lost revenues to prevent, prepare for or respond to COVID-19, have been met for resulting in the simultaneous release of restrictions. Subsequent to June 30, 2020, the System received additional funding of \$3,900,000. The System has until June 30, 2021 to utilize remaining funds toward expenses attributable to COVID-19 but not reimbursed by other sources or to lost revenues per the terms and conditions.

Subsequent to June 30, 2020, on September 19, 2020, HHS issued a Post-Payment Notice of Reporting Requirements (PPNRR) which established the reporting criteria for providers which received Provider Relief Fund (PRF) funding under the CARES Act. The PPNRR also provided guidance related to the determination of lost revenues and COVID-19 related expenses under the terms and conditions of the PRF funding received by the System. Due to the nature and extent of the guidance that existed as of June 30, 2020, the issuance of the PPNRR is a substantial change from the initial guidance that the System operated under when attesting to the terms and conditions of the awards and the subsequent guidance HHS had previously issued through its "Frequently Asked Questions" on the PRF website through June 30, 2020. The guidance provided in the PPNRR is advisory in nature, and subject to change, and it is unknown at the report date what impacts this and future guidance will have on PRF funding and revenue recognition. Management has determined that the issuance of

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this PPNRR guidance is a non-recognized subsequent event that does not provide additional information about the facts and circumstances that existed as of June 30, 2020. As a non-recognized subsequent event, the System has not changed its methodology for recognizing revenue during the year ended June 30, 2020, which was based on the guidance that was available and in effect as of year-end. As such, amounts recognized as other operating income for the year ended June 30, 2020 are subject to change and those changes could be material. The funds are also subject to future audits and potential adjustment and certain amounts may need to be repaid to the government.

Additionally, the System has elected payroll taxed deferrals of \$913,148 and \$129,488 for the Hospital and CHMG respectively, which are due back to the IRS in fiscal years 2021 and 2022, which are included in accounts payable and accrued expenses in the accompanying consolidated statement of financial position.

Supplementary Consolidating Information

CalvertHealth Medical Center, Inc. and Subsidiary
Consolidating Statement of Financial Position
June 30, 2020

	CalvertHealth Medical Center	CalvertHealth Foundation	Consolidating and Eliminating Entries	Consolidated CalvertHealth Medical Center
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 12,835,722	\$ 138,171	\$ -	\$ 12,973,893
Short-term investments	364,284	-	-	364,284
Patient accounts receivable, net	12,903,943	-	-	12,903,943
Inventories	2,913,896	-	-	2,913,896
Prepaid expenses and other assets	5,172,970	-	-	5,172,970
Assets limited as of use, current	999,928	-	-	999,928
Total current assets	35,190,743	138,171	-	35,328,914
Investments	1,307,469	825	-	1,308,294
Investments in wholly owned subsidiaries	5,994,468	-	(5,994,468) ⁽²⁾	- ⁽²⁾
Investments in affiliated enterprises	4,360,568	-	-	4,360,568
Assets limited as of use	229,972	6,085,825	-	6,315,797
Property and equipment, net	90,932,077	-	-	90,932,077
Insurance recoverable	5,352,219	-	-	5,352,219
Other assets	753,740	-	-	753,740
Total assets	\$ 144,121,256	\$ 6,224,821	\$ (5,994,468)	\$ 144,351,609
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	\$ 18,008,551	\$ 727	\$ -	\$ 18,009,278
Intercompany accounts	(229,626)	229,626	-	-
Current portion of long-term debt	2,488,777	-	-	2,488,777
Current portion of capital lease obligation	757,053	-	-	757,053
Advances from third-party payors	2,936,279	-	-	2,936,279
Total current liabilities	23,961,034	230,353	-	24,191,387
Long-term debt, net	53,822,197	-	-	53,822,197
Long-term capital lease obligation	866,624	-	-	866,624
Professional liability	6,342,128	-	-	6,342,128
Other long-term liabilities	1,307,469	-	-	1,307,469
Total liabilities	86,299,452	230,353	-	86,529,805
Net assets:				
Without donor restrictions:				
Unrestricted - general	50,801,710	116,371	(116,371) ⁽²⁾	50,801,710 ⁽²⁾
Unrestricted - board designated	4,029,583	3,029,583	(3,029,583) ⁽²⁾	4,029,583 ⁽²⁾
With donor restrictions	2,990,511	2,848,514	(2,848,514) ⁽²⁾	2,990,511 ⁽²⁾
Total net assets	57,821,804	5,994,468	(5,994,468)	57,821,804
Total liabilities and net assets	\$ 144,121,256	\$ 6,224,821	\$ (5,994,468)	\$ 144,351,609

See independent auditors' report.

CalvertHealth Medical Center, Inc. and Subsidiary
Consolidating Statement of Operations and Other Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2020

	<u>CalvertHealth Medical Center</u>	<u>CalvertHealth Foundation</u>	<u>Consolidating and Eliminating Entries</u>	<u>Consolidated CalvertHealth Medical Center</u>
Revenue:				
Net patient service revenue	\$ 135,665,635	\$ -	\$ -	\$ 135,665,635
CARES Act provider relief funding	3,954,469	-	-	3,954,469
Other operating revenue	2,836,275	2,083,804	(2,052,965) ⁽⁶⁾⁽⁷⁾	2,867,114
Total operating revenue	142,456,379	2,083,804	(2,052,965)	142,487,218
Expense:				
Salaries & wages	58,897,489	-	-	58,897,489
Employee benefits	10,715,564	-	-	10,715,564
Supplies	21,892,017	-	-	21,892,017
Purchased services	6,491,298	126,181	-	6,617,479
Professional fees	8,026,018	-	-	8,026,018
Depreciation and amortization	11,699,676	-	-	11,699,676
Interest	2,304,517	-	-	2,304,517
Other	17,369,631	1,994,271	(2,052,965) ⁽⁶⁾⁽⁷⁾	17,310,937
Total operating expenses	137,396,210	2,120,452	(2,052,965)	137,463,697
Income (loss) from operations	5,060,169	(36,648)	-	5,023,521
Nonoperating gains:				
Investment income	83,289	106,714	-	190,003
Income from equity investments	469,952	-	15,132 ⁽⁴⁾	485,084
Net unrealized gains (losses) on investments (see Note 1 for details on the implementation of ASU 2016-01)	-	(3,441)	-	(3,441)
Total nonoperating gains (losses), net	553,241	103,273	15,132	671,646
Excess of revenue over expenses (expenses over revenue)	5,613,410	66,625	15,132	5,695,167
Transfer of net assets:				
Net assets released from restrictions for capital acquisitions	1,883,439	-	-	1,883,439
Transfer of net assets	(100,000)	(100,000)	100,000	(100,000)
Equity contributions	(9,111,001)	-	-	(9,111,001)
Increase in net assets without donor restrictions	<u>\$ (1,714,152)</u>	<u>\$ (33,375)</u>	<u>\$ 115,132</u>	<u>\$ (1,632,395)</u>

CalvertHealth Medical Center, Inc. and Subsidiary
Consolidating Statement of Cash Flows
Year Ended June 30, 2020

	Calvert Health Medical Center	Calvert Health Foundation	Consolidating and Eliminating Entries	Consolidated Calvert Memorial Hospital
Cash flows from operating activities:				
Increase (decrease) in net assets	\$ (2,891,142)	\$ (1,299,623)	\$ 1,299,623 ⁽²⁾	\$ (2,891,142)
Adjustments to reconcile to net cash from operating activities:				
Depreciation and amortization	11,699,676	-	-	11,699,676
Amortization of debt issuance costs	61,744	-	-	61,744
Donations restricted for capital acquisition	-	(426,815)	-	(426,815)
Equity in earnings of wholly owned subsidiaries	15,132	-	(15,132) ⁽⁴⁾	-
Equity in earnings of affiliated enterprises	(485,084)	-	-	(485,084)
Distributions from equity method investments	439,536	-	-	439,536
Realized net gains on investments	-	(10,948)	-	(10,948)
Unrealized net gains on investments	-	3,441	-	3,441
Change in:				
Patient accounts receivable	(559,325)	-	-	(559,325)
Inventories	(569,037)	-	-	(569,037)
Prepaid expenses and other assets	(2,290,680)	-	-	(2,290,680)
Accounts payable, accrued expenses and other liabilities	11,386,750	(160,887)	-	11,225,863
Net cash provided by operating activities	<u>16,807,570</u>	<u>(1,894,832)</u>	<u>1,284,491</u>	<u>16,197,229</u>
Cash flows from investing activities:				
Purchases of investments	(302,214)	(825)	-	(303,039)
Proceeds from sales of investments	94,319	-	-	94,319
Net increase in assets limited as to use	-	(248,874)	-	(248,874)
Distributions from equity method investments	1,650,894	-	(1,284,491) ⁽⁵⁾	366,403
Purchases of property and equipment	(13,381,930)	-	-	(13,381,930)
Net cash used in investing activities	<u>(11,938,931)</u>	<u>(249,699)</u>	<u>(1,284,491)</u>	<u>(13,473,121)</u>
Cash flows from financing activities:				
Repayment of long-term debt	(2,489,693)	-	-	(2,489,693)
Payments on capital leases	(794,127)	-	-	(794,127)
Donations received restricted for capital acquisitions	-	426,815	-	426,815
Net cash (used in) provided by financing activities	<u>(3,283,820)</u>	<u>426,815</u>	<u>-</u>	<u>(2,857,005)</u>
Net change in cash, cash equivalents, and restricted cash	1,584,819	(1,717,716)	-	(132,897)
Cash, cash equivalents, and restricted cash beginning of year	<u>12,480,803</u>	<u>3,141,838</u>	<u>-</u>	<u>15,622,641</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 14,065,622</u>	<u>\$ 1,424,122</u>	<u>\$ -</u>	<u>\$ 15,489,744</u>

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2020

	<u>Consolidated CalvertHealth Medical Center</u>	<u>CalvertHealth Medical Group</u>	<u>Calvert Health Ventures</u>	<u>CMH Holding Company</u>	<u>CMH II Holding Company</u>	<u>Calvert Health System, Inc.</u>	<u>Consolidating and Eliminating Entries</u>	<u>Consolidated Calvert Health System, Inc.</u>
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 12,973,893	\$ 1,981,950	\$ 3,311,351	\$ 63,981	\$ 7,180	\$ 9,368,294	\$ -	\$ 27,706,649
Short-term investments	364,284	-	-	-	-	-	-	364,284
Patient accounts receivable, net	12,903,943	649,282	-	-	-	-	-	13,553,225
Inventories	2,913,896	164,357	-	-	-	-	-	3,078,253
Prepaid expenses and other assets	5,172,970	299,826	11,649	82,982	(2,111)	-	(74,067) ⁽¹⁾	5,491,249 ⁽¹⁾
Assets limited as to use, current	999,928	-	-	-	-	-	-	999,928
Total current assets	35,328,914	3,095,415	3,323,000	146,963	5,069	9,368,294	(74,067)	51,193,588
Investments	1,308,294	-	-	-	-	92,649,506	-	93,957,800
Investments in wholly owned subsidiaries	-	-	-	-	-	7,506,678	(7,506,678) ⁽²⁾⁽⁵⁾	- ⁽²⁾⁽⁵⁾
Investments in affiliated enterprises	4,360,568	-	2,403,497	-	-	225,000	-	6,989,065
Assets limited as of use	6,315,797	-	-	-	-	-	-	6,315,797
Property and equipment, net	90,932,077	270,998	-	1,103,159	528,392	-	-	92,834,626
Insurance recoverable	5,352,219	-	-	-	-	-	-	5,352,219
Other assets	753,740	65,000	-	-	-	-	-	818,740
Total assets	<u>\$ 144,351,609</u>	<u>\$ 3,431,413</u>	<u>\$ 5,726,497</u>	<u>\$ 1,250,122</u>	<u>\$ 533,461</u>	<u>\$ 109,749,478</u>	<u>\$ (7,580,745)</u>	<u>\$ 257,461,835</u>

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2020

(Continued)

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable and accrued expenses	\$ 18,009,278	\$ 1,346,215	\$ 305,017	\$ 19,089	\$ -	\$ -	\$ (74,067) ⁽¹⁾	\$ 19,605,532 ⁽¹⁾
Current portion of long-term debt	2,488,777	-	-	-	-	-	-	2,488,777
Current portion of capital lease obligation	757,053	-	-	-	-	-	-	757,053
Advances from third-party payors	2,936,279	-	-	-	-	-	-	2,936,279
Total current liabilities	<u>24,191,387</u>	<u>1,346,215</u>	<u>305,017</u>	<u>19,089</u>	<u>-</u>	<u>-</u>	<u>(74,067)</u>	<u>25,787,641</u>
Long-term debt, less current portion	53,822,197	-	-	-	-	-	-	53,822,197
Long-term capital lease obligation	866,624	-	-	-	-	-	-	866,624
Professional liability	6,342,128	-	-	-	-	-	-	6,342,128
Other long-term liabilities	1,307,469	-	-	-	-	-	-	1,307,469
Total liabilities	<u>86,529,805</u>	<u>1,346,215</u>	<u>305,017</u>	<u>19,089</u>	<u>-</u>	<u>-</u>	<u>(74,067)</u>	<u>88,126,059</u>
Net assets:								
Without donor restrictions:								
Unrestricted - general	50,801,710	2,085,198	5,421,480	1,231,033	533,461	109,749,478	(7,506,678) ⁽²⁾⁽⁵⁾	162,315,682 ⁽²⁾⁽⁵⁾
Unrestricted - board designated	4,029,583	-	-	-	-	-	-	4,029,583
With donor restrictions	2,990,511	-	-	-	-	-	-	2,990,511
Total net assets	<u>57,821,804</u>	<u>2,085,198</u>	<u>5,421,480</u>	<u>1,231,033</u>	<u>533,461</u>	<u>109,749,478</u>	<u>(7,506,678)</u>	<u>169,335,776</u>
Total liabilities and net assets	<u>\$ 144,351,609</u>	<u>\$ 3,431,413</u>	<u>\$ 5,726,497</u>	<u>\$ 1,250,122</u>	<u>\$ 533,461</u>	<u>\$ 109,749,478</u>	<u>\$ (7,580,745)</u>	<u>\$ 257,461,835</u>

See independent auditors' report.

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Operations and Other Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2020

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
Revenue:								
Net patient service revenue	\$ 135,665,635	\$ 14,700,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,366,613
Rental revenue	-	56,716	-	639,812	12,576	-	(243,000) ⁽³⁾	466,104 ⁽³⁾
CARES Act provider relief funding	3,954,469	374,615	-	-	-	-	-	4,329,084
Other operating revenue	2,867,114	323,919	5,190	-	-	-	(535,538) ⁽³⁾	2,660,685 ⁽³⁾
Total operating revenue	142,487,218	15,456,228	5,190	639,812	12,576	-	(778,538)	157,822,486
Expenses:								
Salaries & wages	58,897,489	9,617,145	-	-	-	-	-	68,514,634
Employee benefits	10,715,564	1,485,934	-	-	-	-	-	12,201,498
Supplies	21,892,017	6,046,334	-	-	-	-	63,365	28,001,716
Purchased services	6,617,479	586,567	6,366	235,327	-	-	(429,538) ⁽³⁾	7,016,201 ⁽³⁾
Professional fees	8,026,018	160,479	-	-	-	-	-	8,186,497
Depreciation and amortization	11,699,676	112,038	-	214,932	399	-	-	12,027,045
Interest	2,304,517	-	-	-	-	-	-	2,304,517
Other	17,310,937	1,696,885	-	181,896	(255)	-	(412,365) ⁽³⁾	18,777,098 ⁽³⁾
Total operating expenses	137,463,697	19,705,382	6,366	632,155	144	-	(778,538)	157,029,206
Income (loss) from operations	5,023,521	(4,249,154)	(1,176)	7,657	12,432	-	-	793,280
Nonoperating gains (losses):								
Investment income	190,003	-	876	-	-	2,947,651	-	3,138,530
Income (loss) from equity investments	485,084	-	903,914	-	-	(3,649,975)	3,649,975 ⁽⁴⁾	1,388,998 ⁽⁴⁾
Income tax expense	-	-	(304,000)	-	-	-	-	(304,000)
Net unrealized gains (losses) on investments (see Note 1 for details on the implementation of ASU 2016-01)	(3,441)	-	-	-	-	(974,158)	-	(977,599)
Total nonoperating gains (losses), net	671,646	-	600,790	-	-	(1,676,482)	3,649,975	3,245,929
Excess of revenue over expenses (expenses over revenue)	5,695,167	(4,249,154)	599,614	7,657	12,432	(1,676,482)	3,649,975	4,039,209
Net assets released from restrictions for capital acquisitions	1,883,439	-	-	-	-	-	-	1,883,439
Transfer of net assets	(100,000)	-	-	-	-	-	-	(100,000)
Equity contributions	(9,111,001)	12,582,751	(471,750)	(310,000)	(14,000)	9,435,001	(12,111,001) ⁽⁵⁾	- ⁽⁵⁾
Contributions from noncontrolling interest holders	-	-	-	-	-	(37,067)	37,067	-
Increase (decrease) in net assets without donor restrictions	\$ (1,632,395)	\$ 8,333,597	\$ 127,864	\$ (302,343)	\$ (1,568)	\$ 7,721,452	\$ (8,423,959)	\$ 5,822,648

See independent auditors' report.

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended June 30, 2020

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
Cash flows from operating activities:								
Increase (decrease) in net assets	\$ (2,891,142)	\$ 8,333,597	\$ 127,864	\$ (302,343)	\$ (1,568)	\$ 7,721,452	\$ (8,423,959) (2)	\$ 4,563,901 (2)
Adjustments to reconcile to net cash from operating activities:								
Depreciation and amortization	11,699,676	112,038	-	214,932	399	-	-	12,027,045
Amortization of debt issuance costs	61,744	-	-	-	-	-	-	61,744
Donations restricted for capital acquisition	(426,815)	-	-	-	-	-	-	(426,815)
Equity in earnings of wholly owned subsidiaries	-	-	-	-	-	3,649,975	(3,649,975) (4)	- (4)
Equity in earnings of affiliated enterprises	(485,084)	-	(903,914)	-	-	-	-	(1,388,998)
Distributions from equity method investments	439,536	-	520,313	-	-	508,817	(508,817) (5)	959,849
Realized net (gains) losses on investments	(10,948)	-	-	-	-	(597,312)	-	(608,260)
Unrealized net gains on investments	3,441	-	-	-	-	974,158	-	977,599
Change in:								
Patient accounts receivable	(559,325)	701,226	-	-	-	-	-	141,901
Inventories	(569,037)	23,528	-	-	-	-	-	(545,509)
Prepaid expenses and other assets	(2,290,680)	87,453	4,070	26,042	3,159	-	(95,530) (1)	(2,265,486) (1)
Accounts payable, accrued expenses and other liabilities	11,225,863	(7,786,588)	752,373	8,631	-	-	95,530 (1)	4,295,809 (1)
Net cash provided by (used in) operating activities	16,197,229	1,471,254	500,706	(52,738)	1,990	12,257,090	(12,582,751)	17,792,780
Cash flows from investing activities:								
Purchases of investments	(303,039)	-	-	-	-	(40,726,506)	-	(41,029,545)
Proceeds from sales of investments	94,319	-	-	-	-	42,253,811	-	42,348,130
Net increase in assets limited as to use	(248,874)	-	-	-	-	-	-	(248,874)
Distributions from equity method investments	366,403	-	38,937	-	-	(12,807,751)	12,582,751 (5)	180,340 (5)
Purchases of property and equipment	(13,381,930)	(28,068)	-	(9,510)	-	-	-	(13,419,508)
Net cash used in provided by investing activities	(13,473,121)	(28,068)	38,937	(9,510)	-	(11,280,446)	12,582,751	(12,169,457)
Cash flows from financing activities:								
Repayment of long-term debt	(2,489,693)	-	-	-	-	-	-	(2,489,693)
Payments on capital leases	(794,127)	-	-	-	-	-	-	(794,127)
Donations received restricted for capital acquisitions	426,815	-	-	-	-	-	-	426,815
Net cash (used in) provided by financing activities	(2,857,005)	-	-	-	-	-	-	(2,857,005)
Net change in cash, cash equivalents, and restricted cash	(132,897)	1,443,186	539,643	(62,248)	1,990	976,644	-	2,766,318
Cash, cash equivalents, and restricted cash, beginning of year	15,622,641	538,764	2,771,708	126,229	5,190	8,391,650	-	27,456,182
Cash, cash equivalents, and restricted cash, end of year	\$ 15,489,744	\$ 1,981,950	\$ 3,311,351	\$ 63,981	\$ 7,180	\$ 9,368,294	\$ -	\$ 30,222,500

See independent auditors' report.

Calvert Health System, Inc. and Subsidiaries
Description of Consolidating and Eliminating Entries
Year Ended June 30, 2020

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