

PUBLIC INSPECTION COPY

EXTENDED TO NOVEMBER 15, 2021

Return of Organization Exempt From Income Tax

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.

OMB No. 1545-0047

2020

Open to Public Inspection

Form **990**

Department of the Treasury
Internal Revenue Service

A For the 2020 calendar year, or tax year beginning		and ending	
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 ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.		D Employer identification number 20-1486678
	Doing business as ADVENTIST HEALTHCARE REHABILITATION		E Telephone number 301 315 3030
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 820 WEST DIAMOND AVE. 600		G Gross receipts \$ 63,480,069.
	City or town, state or province, country, and ZIP or foreign postal code GAITHERSBURG, MD 20878-1419		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	F Name and address of principal officer: TERRY FORDE SAME AS C ABOVE		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions
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.ADVENTISTHEALTHCARE.COM			
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: 2004
			M State of legal domicile: MD

Part I Summary				
Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO OPERATE A REHABILITATION HOSPITAL AND OUTPATIENT SERVICES TO SERVE THE COMMUNITY IN MARYLAND.		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	
	6	Total number of volunteers (estimate if necessary)	6	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	302,255.	140,441.
	9	Program service revenue (Part VIII, line 2g)	51,624,521.	51,640,272.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	643,704.	634,439.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-6,046.	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	52,564,434.	52,415,152.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,193.
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)	32,857,782.	32,744,561.
16a		Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
		b Total fundraising expenses (Part IX, column (D), line 25)	48,249.	
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	14,624,205.	15,723,866.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	47,485,180.	48,468,467.	
19	Revenue less expenses. Subtract line 18 from line 12	5,079,254.	3,946,685.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	43,495,670.	54,668,957.
	21	Total liabilities (Part X, line 26)	9,776,511.	10,655,269.
	22	Net assets or fund balances. Subtract line 21 from line 20	33,719,159.	44,013,688.

Part II Signature Block				
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
Sign Here	Signature of officer	Date 11/11/2021		
	JAMES G. LEE, EXEC. VICE PRESIDENT & CFO Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/> PTIN
	Firm's name	Firm's EIN		
	Firm's address	Phone no.		

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
WE EXTEND GOD'S CARE THROUGH THE MINISTRY OF PHYSICAL, MENTAL AND
SPIRITUAL HEALING.

2 Did the organization undertake any significant program services during the year which were not listed on the
prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 38,938,002. including grants of \$ 40.) (Revenue \$ 51,640,272.)
ADVENTIST HEALTHCARE REHABILITATION "ADVENTIST HEALTHCARE
REHABILITATION" (LEGALLY KNOWN AS ADVENTIST REHABILITATION HOSPITAL OF
MARYLAND, INC.), IS THE FIRST AND ONLY ACUTE REHABILITATION HOSPITAL IN
MONTGOMERY COUNTY, MD, THAT OFFERS COMPREHENSIVE REHABILITATION
PROGRAMS FOR BRAIN INJURIES, SPINAL CORD INJURIES, STROKES, AMPUTATION,
ORTHOPEDIC INJURIES AND SURGERIES, SPORTS-RELATED INJURIES,
WORK-RELATED INJURIES AND NEUROLOGICAL DISORDERS.

WE BELIEVE THAT REHABILITATION IS ALL ABOUT HELPING OUR PATIENTS SET
THEIR GOALS AND REACH THEM.

CONTINUES ON SCHEDULE O.

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 **▶** 38,938,002.

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
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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
25b 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):		
28a 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
28b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c 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	
35b 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		
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c 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 0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? 2b		
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? 3a		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 3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a		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? 5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? 5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? 6a		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? 7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
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		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
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.			
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		
c	Enter the amount of reserves on hand		
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		
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?		X
If "Yes," see instructions and file Form 4720, Schedule N.			
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income?		X
If "Yes," complete Form 4720, Schedule O.			

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.		
1b	Enter the number of voting members included on line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		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	
7b	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:		
8a	a The governing body?	X	
8b	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	
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	X	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	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	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	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?		
15a	a The organization's CEO, Executive Director, or top management official	X	
15b	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
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 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 **JAMES G. LEE, EXEC. VP & CFO - 301 315 3030**
820 WEST DIAMOND AVE., NO. 600, GAITHERSBURG, MD 20878-1419

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) JOHN SACKETT CHAIR; EVP & COO, AHC	3.00 57.00	X						0.	1,125,840.	67,261.
(2) DANIEL L. COCHRAN PRESIDENT, SGMC	1.00 49.00	X						0.	682,712.	174,407.
(3) EUNMEE SHIM PRESIDENT OF FWMC & AHC AMB NETWK	1.00 59.00	X						0.	665,719.	146,074.
(4) MARTA BRITO PEREZ SVP, POP. HEALTH/POST-ACUTE CARE SVCS	3.00 47.00	X						0.	675,749.	41,973.
(5) ANTHONY STAHL PRESIDENT, WOMC	4.00 46.00	X						0.	531,420.	122,590.
(6) BRENT REITZ SECY; PRES, POST-ACUTE CARE SRV, AHC	25.00 25.00	X		X				0.	495,001.	119,350.
(7) VALERIE SUMMERLIN AVP, CHIEF NURSING OFFICER	40.00					X		230,923.	0.	32,450.
(8) GEORGE R. GRANGE ADMINISTRATOR	40.00					X		208,065.	0.	34,234.
(9) ELIZABETH KOTROBA ADMINISTRATOR	40.00					X		191,440.	0.	41,802.
(10) SUSAN SAVERY AVP, POST-ACUTE CARE SVCS	40.00					X		201,738.	0.	27,174.
(11) RASHIDAT ODUNEWU ASSISTANT NURSE MANAGER	40.00					X		155,671.	0.	28,701.
(12) ATTAN KASID TRUSTEE	1.00	X						3,500.	0.	0.
(13) JOHN J. KENNEY, PH.D., M.B.A TRUSTEE	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			
1b Subtotal							991,337.	4,176,441.	836,016.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							991,337.	4,176,441.	836,016.	

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 **41**

	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>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
SODEXO, INC. PO BOX 536922, ATLANTA, GA 30353-6922	DIETARY AND PLANT OPS	549,299.
QUEST DIAGNOSTICS 14225 NEWBROOK DR, CHANTILLY, VA 19176-1303	CLINICAL LAB SERVICES	353,088.
HANDCRAFT LINEN SERVICES 2810 COFER ROAD, RICHMOND, VA 23224-7102	LINEN & UNIFORM SVCS	149,141.
BUTLER MEDICAL TRANSPORT LLC, 3108 LORD BALTIMORE DR #100, WINDSOR MILL, MD	PATIENT TRANSPORT SVCS	118,133.

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 **4**

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	23,825.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	89,699.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	26,917.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			140,441.			
Program Service Revenue	2 a OCCUPATIONAL/SPEECH/PH	Business Code	900099	51,640,272.	51,640,272.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			51,640,272.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			344,609.		344,609.	
	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	11,354,747.			
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b	11,064,917.				
	c Gain or (loss)	7c	289,830.				
d Net gain or (loss)			289,830.		289,830.		
8 a Gross income from fundraising events (not including \$ 23,825. of contributions reported on line 1c). See Part IV, line 18	8a			0.			
				0.			
				0.			
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	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions			52,415,152.	51,640,272.	0.	634,439.	

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 ...	40.	40.		
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				
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	27,268,343.	25,691,849.	1,539,175.	37,319.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	907,741.	832,262.	74,306.	1,173.
9 Other employee benefits	2,517,401.	2,300,931.	215,164.	1,306.
10 Payroll taxes	2,051,076.	1,862,195.	185,599.	3,282.
11 Fees for services (nonemployees):				
a Management	12,388.		12,388.	
b Legal	33,103.		33,103.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	36,112.		36,112.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	3,743,413.	2,634,516.	1,108,897.	
12 Advertising and promotion	94,581.	20,692.	73,789.	100.
13 Office expenses	330,883.	230,142.	96,913.	3,828.
14 Information technology	2,569,919.	1,927,439.	642,480.	
15 Royalties				
16 Occupancy	2,148,960.	1,226,415.	922,545.	
17 Travel	59,605.	49,604.	9,521.	480.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	36,437.	32,253.	4,184.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,091,552.	620,187.	471,365.	
23 Insurance	168,701.		168,701.	
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	2,145,675.	1,421,634.	723,280.	761.
b SHARED SVCS ALLOCATION	1,685,681.		1,685,681.	
c COST ALLOC. FROM PARENT	1,417,193.		1,417,193.	
d COLLECTION FEES/LICENSE	129,588.	87,618.	41,970.	
e All other expenses	20,075.	225.	19,850.	
25 Total functional expenses. Add lines 1 through 24e	48,468,467.	38,938,002.	9,482,216.	48,249.
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	339,595.	1	362,557.
	2 Savings and temporary cash investments	25,411,526.	2	36,312,636.
	3 Pledges and grants receivable, net	12,425.	3	14,287.
	4 Accounts receivable, net	6,082,871.	4	4,633,865.
	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	55,920.	7	112,442.
	8 Inventories for sale or use	95,929.	8	95,929.
	9 Prepaid expenses and deferred charges	140,922.	9	166,540.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 24,530,053.		
	b Less: accumulated depreciation	10b 13,445,135.	9,290,726.	10c 11,084,918.
	11 Investments - publicly traded securities	456,266.	11	453,590.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets	781,077.	14	748,868.
	15 Other assets. See Part IV, line 11	828,413.	15	683,325.
16 Total assets. Add lines 1 through 15 (must equal line 33)	43,495,670.	16	54,668,957.	
Liabilities	17 Accounts payable and accrued expenses	4,638,569.	17	5,492,404.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		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	5,137,942.	25	5,162,865.
	26 Total liabilities. Add lines 17 through 25	9,776,511.	26	10,655,269.
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	33,445,504.	27	43,689,291.
	28 Net assets with donor restrictions	273,655.	28	324,397.
	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	33,719,159.	32	44,013,688.
33 Total liabilities and net assets/fund balances	43,495,670.	33	54,668,957.	

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	52,415,152.
2	Total expenses (must equal Part IX, column (A), line 25)	2	48,468,467.
3	Revenue less expenses. Subtract line 2 from line 1	3	3,946,685.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	33,719,159.
5	Net unrealized gains (losses) on investments	5	250,408.
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	6,097,436.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	44,013,688.

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	X	

Form **990** (2020)

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

2020

Open to Public Inspection

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. **Employer identification number** 20-1486678

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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2020. 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 - 2019. 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 - 2020. 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 - 2019. 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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2019 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2019 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2020. 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 - 2019. 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 box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <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 lines 3b and 3c 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 box 12a or 12b in Part I, answer lines 4b and 4c 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 lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b 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 line 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 lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described in line 11a above?		
c A 35% controlled entity of a person described in line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <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 officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</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>		
1		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <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>		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
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 line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
2 Activities Test. Answer lines 2a and 2b below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <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>	Yes	No	
b Did the activities described in line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <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 lines 3a and 3b below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" 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>			
2a			
2b			
3a			
3b			

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

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

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

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

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2020

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2020 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2020	(iii) Distributable Amount for 2020
1	Distributable amount for 2020 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2020 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2020		
a	From 2015		
b	From 2016		
c	From 2017		
d	From 2018		
e	From 2019		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2020 distributable amount		
i	Carryover from 2015 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2020 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2020 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2020, 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 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2021. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2016		
b	Excess from 2017		
c	Excess from 2018		
d	Excess from 2019		
e	Excess from 2020		

Schedule A (Form 990 or 990-EZ) 2020

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

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

2020

Open to Public Inspection

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. **Employer identification number** 20-1486678

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) 2020

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				
b Buildings		13,418,109.	7,863,606.	5,554,503.
c Leasehold improvements		2,467,636.	408,572.	2,059,064.
d Equipment		6,643,147.	3,861,509.	2,781,638.
e Other		2,001,161.	1,311,448.	689,713.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				11,084,918.

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)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

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

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

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) DUE TO PARENT ORGANIZATION	4,347,854.
(3) OPERATING LEASE OBLIGATIONS	646,934.
(4) OTHER LONG TERM LIABILITIES	162,634.
(5) FINANCING LEASE OBLIGATIONS	5,443.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	5,162,865.

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:

FIN 48 NOTES:

THE CORPORATION ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A

RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON

EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF THE TAX

UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD IS MET. MANAGEMENT

DETERMINED THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION

THRESHOLD IN 2020 OR 2019.

THE CORPORATION'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED

TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN OPERATING EXPENSES.

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events NONE	(d) Total events (add col. (a) through col. (c))
		5K AMPUTEE WALK (event type)	(event type)	(total number)	
Revenue	1	Gross receipts	23,825.		23,825.
	2	Less: Contributions	23,825.		23,825.
	3	Gross income (line 1 minus line 2)			
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary. Add lines 4 through 9 in column (d)			
11	Net income summary. Subtract line 10 from line 3, column (d)				

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1	Gross revenue		
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7	Direct expense summary. Add lines 2 through 5 in column (d)				
8	Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? Yes No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No

b If "Yes," explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer Employee Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

Part IV Supplemental Information *(continued)*

Multiple horizontal lines for supplemental information.

**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

2020

Open to Public Inspection

Name of the organization	ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number	20-1486678
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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 checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <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 type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____ 600 %	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)			205,048.		205,048.	.42%
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			205,048.		205,048.	.42%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			659,146.	87,960.	571,186.	1.18%
f Health professions education (from Worksheet 5)			21,327.	48.	21,279.	.04%
g Subsidized health services (from Worksheet 6)			945,377.		945,377.	1.95%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			41,264.		41,264.	.09%
j Total. Other Benefits			1,667,114.	88,008.	1,579,106.	3.26%
k Total. Add lines 7d and 7j			1,872,162.	88,008.	1,784,154.	3.68%

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			15,131.		15,131.	.03%
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			37,930.	60.	37,870.	.08%
7 Community health improvement advocacy			17,467.		17,467.	.04%
8 Workforce development						
9 Other						
10 Total			70,528.	60.	70,468.	.15%

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 align="right">323,477.		
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 align="right">24,184,603.
6 Enter Medicare allowable costs of care relating to payments on line 5	6 align="right">24,883,330.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7 align="right">-698,727.
8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	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	

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? 2

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)

Other (describe)	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	Gen. medical & surgical	Licensed hospital	Facility reporting group
1 AHC-REHABILITATION - ROCKVILLE 9909 MEDICAL CENTER DRIVE ROCKVILLE, MD 20850 SEE PART VI FOR WEBSITE 15-077								X	SAME LEGAL ENTITY AS LICENSE 15-081
2 AHC-REHABILITATION - TAKOMA PARK 7600 CARROLL AVENUE TAKOMA PARK, MD 20912 SEE PART VI FOR WEBSITE 15-081								X	SAME LEGAL ENTITY AS LICENSE 15-077

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 AHC-REHABILITATION - ROCKVILLE

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 checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 19</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>SEE URL ON SECTION C</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT</u>		
c <input checked="" 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: <u>20 20</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT</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 AHC-REHABILITATION - ROCKVILLE

		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>600</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 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 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>SEE URLS ON SECTION C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE URLS ON SECTION C</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE URLS ON SECTION C</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2020

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group AHC-REHABILITATION - ROCKVILLE

	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 checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	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)		

Schedule H (Form 990) 2020

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 AHC-REHABILITATION - ROCKVILLE

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

Schedule H (Form 990) 2020

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 AHC-REHABILITATION - TAKOMA PARK

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 2

	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 checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 19</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>SEE URL ON SECTION C</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT</u>		
c <input checked="" 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: <u>20 20</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT</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 AHC-REHABILITATION - TAKOMA PARK

		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>600</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 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 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>SEE URLS ON SECTION C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE URLS ON SECTION C</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE URLS ON SECTION C</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2020

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group AHC-REHABILITATION - TAKOMA PARK

	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 checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	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)		

Schedule H (Form 990) 2020

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 AHC-REHABILITATION - TAKOMA PARK

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

Schedule H (Form 990) 2020

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.

AHC-REHABILITATION - ROCKVILLE:

PART V, SECTION B, LINE 5: THE FOLLOWING NARRATIVE IS BASED ON THE LAST

CONDUCTED CHNA IN 2019:

A KEY PRIORITY OF THIS CHNA WAS TO GATHER INPUT FROM A DIVERSE AND REPRESENTATIVE SAMPLE OF THE COMMUNITY. SEVERAL STRATEGIES WERE EMPLOYED TO ACHIEVE THIS INCLUDING PARTNERING WITH THE LOCAL HEALTH IMPROVEMENT COALITION (HEALTHY MONTGOMERY), CONDUCTING A COMMUNITY SURVEY, AND COMPLETING KEY INFORMANT INTERVIEWS AND COMMUNITY CONVERSATIONS.

PARTNERSHIP WITH HEALTHY MONTGOMERY: ADVENTIST HEALTHCARE, IN ADDITION TO THE OTHER MONTGOMERY COUNTY HOSPITALS, COLLABORATES WITH HEALTHY MONTGOMERY WHICH SERVES AS THE LOCAL HEALTH IMPROVEMENT COALITION. HEALTHY MONTGOMERY WORKS TO BRING TOGETHER THE COUNTY GOVERNMENT, HOSPITAL SYSTEMS, MINORITY HEALTH PROGRAMS, ADVOCACY GROUPS, ACADEMIC INSTITUTIONS, AND OTHER COMMUNITY-BASED STAKEHOLDERS TO ACHIEVE OPTIMAL HEALTH AND WELL-BEING FOR ALL COUNTY RESIDENTS. THE GROUP WORKS TO SET A HEALTH PRIORITY AGENDA AS WELL AS AN ACTION PLAN TO ADDRESS THE PRIORITIZED NEEDS. IN DOING SO, THE GROUP HAS ESTABLISHED A CORE MEASURE SET FOR THE TOP PRIORITY AREAS AS WELL AS A COMMUNITY HEALTH DASHBOARD FOR THE COUNTY. THE DASHBOARD ENCOMPASSES INDICATORS THAT SPAN PHYSICAL AND MENTAL HEALTH, HEALTH BEHAVIORS, AND SOCIAL DETERMINANTS.

ADVENTIST HEALTHCARE CONTRIBUTES \$50,000 ANNUALLY TO SUPPORT THE INFRASTRUCTURE OF HEALTHY MONTGOMERY. IN ADDITION TO PROVIDING FINANCIAL SUPPORT, REPRESENTATIVES FROM ADVENTIST HEALTHCARE (AHC) PLAY AN ACTIVE

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.

ROLE THROUGH REPRESENTATION ON MULTIPLE COMMITTEES AND PLANNING GROUPS

INCLUDING THE HEALTHY MONTGOMERY STEERING COMMITTEE WHICH SETS THE

DIRECTION FOR THE GROUP.

IN COMPLETING THIS CHNA, ADVENTIST HEALTHCARE UTILIZED THE HEALTHY

MONTGOMERY PRIORITY AREAS NOT ONLY AS A STARTING POINT FOR IDENTIFYING THE

NEEDS IN THE COMMUNITY BUT ALSO AS A FACTOR FOR CONSIDERATION WHEN

COMPLETING THE PRIORITIZATION PROCESS.

COMMUNITY SURVEY: THE COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY CONSISTED

OF THIRTEEN QUESTIONS CENTERED ON HEALTH STATUS, ACCESS TO CARE, AND

PERCEIVED COMMUNITY HEALTH NEEDS AND STRENGTHS. AVAILABLE IN ENGLISH AND

SPANISH, THE SURVEY WAS DISSEMINATED THROUGH SEVERAL AVENUES INCLUDING AT

COMMUNITY EVENTS AND PROGRAMS, VIA EMAIL AND LISTSERVS, SOCIAL MEDIA, AND

THROUGH COMMUNITY PARTNERS AND ORGANIZATIONS. TO ENCOURAGE PARTICIPATION,

THREE PRIZES WERE OFFERED AS INCENTIVES. ALL SURVEY PARTICIPANTS WERE

PROVIDED WITH THE OPTION TO ENTER THE VOLUNTARY RAFFLE UPON COMPLETING THE

SURVEY FOR A CHANCE TO WIN A \$300 AMAZON GIFT CARD OR ONE OF TWO \$50 VISA

GIFT CARDS. IDENTIFYING INFORMATION COLLECTED IN CONNECTION WITH THE

RAFFLE ENTRY WAS STORED SEPARATELY FROM AND NOT ASSOCIATED WITH SURVEY

RESPONSES TO MAINTAIN CONFIDENTIALITY.

KEY INFORMANT INTERVIEWS & COMMUNITY CONVERSATIONS: IN COMPLEMENT TO THE

DATA COLLECTED THROUGH THE COMMUNITY SURVEY, KEY INFORMANT INTERVIEWS WERE

CONDUCTED WITH COMMUNITY LEADERS AND ORGANIZATIONS THAT REPRESENT THE

INTERESTS OF DIVERSE AND OFTEN HARD TO REACH POPULATIONS.

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.

STAKEHOLDERS ACROSS MONTGOMERY COUNTY WERE INTERVIEWED AND INCLUDED

REPRESENTATIVES FROM MULTIPLE SECTORS AND POPULATIONS SUCH AS:

- > COUNTY GOVERNMENT;
- > SOCIAL SERVICE & ADVOCACY ORGANIZATIONS;
- > HEALTHCARE FOUNDATIONS;
- > HEALTH CARE PRACTITIONERS & CLINICS;
- > FIRE AND RESCUE, LAW ENFORCEMENT, AND CRISIS INTERVENTION;
- > SCHOOL & UNIVERSITY SYSTEMS;
- > BEHAVIORAL HEALTH;
- > HOUSING & HOMELESSNESS;
- > FOOD SECURITY & DISTRIBUTION;
- > EMPLOYMENT & WORKFORCE DEVELOPMENT;
- > MULTIPLE FAITH COMMUNITIES & DENOMINATIONS;
- > LGBTQ COMMUNITIES;
- > PEOPLE WITH DISABILITIES;
- > MINORITY AND IMMIGRANT POPULATIONS.

TO ENSURE CONSISTENCY, A SCRIPT WAS DEVELOPED OUTLINING THE PURPOSE OF THE INTERVIEW, HOW THE DATA WOULD BE USED, AND THREE PRIMARY QUESTIONS TO ASK.

EACH INTERVIEWEE WAS ASKED TO IDENTIFY WHAT THEY BELIEVED TO BE THE TOP ISSUES IMPACTING THE HEALTH OF THE COMMUNITY; WHAT STRENGTHS AND RESOURCES ARE AVAILABLE IN THE COMMUNITY; AND WHAT SERVICES OR RESOURCES THEY WOULD LIKE TO SEE TO ADDRESS THE HEALTH NEEDS OF THEIR COMMUNITY.

PUBLIC COMMENT: ADVENTIST HEALTHCARE WELCOMES FEEDBACK FROM THE PUBLIC ON PAST AND CURRENT COMMUNITY HEALTH NEEDS ASSESSMENTS. A DEDICATED EMAIL

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.

ADDRESS (OURCOMMUNITY@ADVENTISTHEALTHCARE.COM) IS LISTED ON THE ADVENTIST

HEALTHCARE WEBSITE ALONG WITH EACH HOSPITAL'S REPORT.

AHC-REHABILITATION - TAKOMA PARK:

PART V, SECTION B, LINE 5: THE FOLLOWING NARRATIVE IS BASED ON THE LAST

CONDUCTED CHNA IN 2019:

A KEY PRIORITY OF THIS CHNA WAS TO GATHER INPUT FROM A DIVERSE AND

REPRESENTATIVE SAMPLE OF THE COMMUNITY. SEVERAL STRATEGIES WERE EMPLOYED

TO ACHIEVE THIS INCLUDING PARTNERING WITH THE LOCAL HEALTH IMPROVEMENT

COALITION (HEALTHY MONTGOMERY), CONDUCTING A COMMUNITY SURVEY, AND

COMPLETING KEY INFORMANT INTERVIEWS AND COMMUNITY CONVERSATIONS.

PARTNERSHIP WITH HEALTHY MONTGOMERY: ADVENTIST HEALTHCARE, IN ADDITION TO

THE OTHER MONTGOMERY COUNTY HOSPITALS, COLLABORATES WITH HEALTHY

MONTGOMERY WHICH SERVES AS THE LOCAL HEALTH IMPROVEMENT COALITION. HEALTHY

MONTGOMERY WORKS TO BRING TOGETHER THE COUNTY GOVERNMENT, HOSPITAL

SYSTEMS, MINORITY HEALTH PROGRAMS, ADVOCACY GROUPS, ACADEMIC INSTITUTIONS,

AND OTHER COMMUNITY-BASED STAKEHOLDERS TO ACHIEVE OPTIMAL HEALTH AND

WELL-BEING FOR ALL COUNTY RESIDENTS. THE GROUP WORKS TO SET A HEALTH

PRIORITY AGENDA AS WELL AS AN ACTION PLAN TO ADDRESS THE PRIORITIZED

NEEDS. IN DOING SO, THE GROUP HAS ESTABLISHED A CORE MEASURE SET FOR THE

TOP PRIORITY AREAS AS WELL AS A COMMUNITY HEALTH DASHBOARD FOR THE COUNTY.

THE DASHBOARD ENCOMPASSES INDICATORS THAT SPAN PHYSICAL AND MENTAL HEALTH,

HEALTH BEHAVIORS, AND SOCIAL DETERMINANTS.

ADVENTIST HEALTHCARE CONTRIBUTES \$50,000 ANNUALLY TO SUPPORT THE

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.

INFRASTRUCTURE OF HEALTHY MONTGOMERY. IN ADDITION TO PROVIDING FINANCIAL
SUPPORT, REPRESENTATIVES FROM ADVENTIST HEALTHCARE (AHC) PLAY AN ACTIVE
ROLE THROUGH REPRESENTATION ON MULTIPLE COMMITTEES AND PLANNING GROUPS
INCLUDING THE HEALTHY MONTGOMERY STEERING COMMITTEE WHICH SETS THE
DIRECTION FOR THE GROUP.

IN COMPLETING THIS CHNA, ADVENTIST HEALTHCARE UTILIZED THE HEALTHY
MONTGOMERY PRIORITY AREAS NOT ONLY AS A STARTING POINT FOR IDENTIFYING THE
NEEDS IN THE COMMUNITY BUT ALSO AS A FACTOR FOR CONSIDERATION WHEN
COMPLETING THE PRIORITIZATION PROCESS.

COMMUNITY SURVEY: THE COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY CONSISTED
OF THIRTEEN QUESTIONS CENTERED ON HEALTH STATUS, ACCESS TO CARE, AND
PERCEIVED COMMUNITY HEALTH NEEDS AND STRENGTHS. AVAILABLE IN ENGLISH AND
SPANISH, THE SURVEY WAS DISSEMINATED THROUGH SEVERAL AVENUES INCLUDING AT
COMMUNITY EVENTS AND PROGRAMS, VIA EMAIL AND LISTSERVS, SOCIAL MEDIA, AND
THROUGH COMMUNITY PARTNERS AND ORGANIZATIONS. TO ENCOURAGE PARTICIPATION,
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PROVIDED WITH THE OPTION TO ENTER THE VOLUNTARY RAFFLE UPON COMPLETING THE
SURVEY FOR A CHANCE TO WIN A \$300 AMAZON GIFT CARD OR ONE OF TWO \$50 VISA
GIFT CARDS. IDENTIFYING INFORMATION COLLECTED IN CONNECTION WITH THE
RAFFLE ENTRY WAS STORED SEPARATELY FROM AND NOT ASSOCIATED WITH SURVEY
RESPONSES TO MAINTAIN CONFIDENTIALITY.

KEY INFORMANT INTERVIEWS & COMMUNITY CONVERSATIONS: IN COMPLEMENT TO THE
DATA COLLECTED THROUGH THE COMMUNITY SURVEY, KEY INFORMANT INTERVIEWS WERE
CONDUCTED WITH COMMUNITY LEADERS AND ORGANIZATIONS THAT REPRESENT THE

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.

INTERESTS OF DIVERSE AND OFTEN HARD TO REACH POPULATIONS.

STAKEHOLDERS ACROSS MONTGOMERY COUNTY WERE INTERVIEWED AND INCLUDED

REPRESENTATIVES FROM MULTIPLE SECTORS AND POPULATIONS SUCH AS:

- > COUNTY GOVERNMENT;
- > SOCIAL SERVICE & ADVOCACY ORGANIZATIONS;
- > HEALTHCARE FOUNDATIONS;
- > HEALTH CARE PRACTITIONERS & CLINICS;
- > FIRE AND RESCUE, LAW ENFORCEMENT, AND CRISIS INTERVENTION;
- > SCHOOL & UNIVERSITY SYSTEMS;
- > BEHAVIORAL HEALTH;
- > HOUSING & HOMELESSNESS;
- > FOOD SECURITY & DISTRIBUTION;
- > EMPLOYMENT & WORKFORCE DEVELOPMENT;
- > MULTIPLE FAITH COMMUNITIES & DENOMINATIONS;
- > LGBTQ COMMUNITIES;
- > PEOPLE WITH DISABILITIES;
- > MINORITY AND IMMIGRANT POPULATIONS.

TO ENSURE CONSISTENCY, A SCRIPT WAS DEVELOPED OUTLINING THE PURPOSE OF THE

INTERVIEW, HOW THE DATA WOULD BE USED, AND THREE PRIMARY QUESTIONS TO ASK.

EACH INTERVIEWEE WAS ASKED TO IDENTIFY WHAT THEY BELIEVED TO BE THE TOP

ISSUES IMPACTING THE HEALTH OF THE COMMUNITY; WHAT STRENGTHS AND RESOURCES

ARE AVAILABLE IN THE COMMUNITY; AND WHAT SERVICES OR RESOURCES THEY WOULD

LIKE TO SEE TO ADDRESS THE HEALTH NEEDS OF THEIR COMMUNITY.

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.

PUBLIC COMMENT: ADVENTIST HEALTHCARE WELCOMES FEEDBACK FROM THE PUBLIC ON

PAST AND CURRENT COMMUNITY HEALTH NEEDS ASSESSMENTS. A DEDICATED EMAIL

ADDRESS (OURCOMMUNITY@ADVENTISTHEALTHCARE.COM) IS LISTED ON THE ADVENTIST

HEALTHCARE WEBSITE ALONG WITH EACH HOSPITAL'S REPORT.

AHC-REHABILITATION - ROCKVILLE:

PART V, SECTION B, LINE 6A: ADVENTIST REHABILITATION TAKOMA PARK AND

ADVENTIST REHABILITATION ROCKVILLE CONDUCTED THEIR CHNAS IN PARTNERSHIP.

AHC-REHABILITATION - TAKOMA PARK:

PART V, SECTION B, LINE 6A: ADVENTIST REHABILITATION TAKOMA PARK AND

ADVENTIST REHABILITATION ROCKVILLE CONDUCTED THEIR CHNAS IN PARTNERSHIP.

AHC-REHABILITATION - ROCKVILLE:

PART V, SECTION B, LINE 7D: A HARD COPY OF THE CHNA IS ALSO AVAILABLE

UPON REQUEST FROM THE ADVENTIST HEALTHCARE SUPPORT CENTER (CORPORATE

OFFICE) WHICH IS LOCATED AT:

820 WEST DIAMOND AVENUE 4TH FLOOR, GAITHERSBURG, MD 20878

PART V, SECTION B, LINE 7A: THE CHNA REPORT IS FOUND OF THIS URL:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT](https://www.adventisthealthcare.com/about/community/health-needs-assessment)

AHC-REHABILITATION - TAKOMA PARK:

PART V, SECTION B, LINE 7D: A HARD COPY OF THE CHNA IS ALSO AVAILABLE

UPON REQUEST FROM THE ADVENTIST HEALTHCARE SUPPORT CENTER (CORPORATE

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.

OFFICE) WHICH IS LOCATED AT:

820 WEST DIAMOND AVENUE 4TH FLOOR, GAITHERSBURG, MD 20878

PART V, SECTION B, LINE 7A: THE CHNA REPORT IS FOUND ON THIS URL:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT](https://www.adventisthealthcare.com/about/community/health-needs-assessment)

AHC-REHABILITATION - ROCKVILLE:

PART V, SECTION B, LINE 11: IN 2020 ADVENTIST HEALTHCARE ADOPTED A

SYSTEM-LEVEL IMPLEMENTATION STRATEGY TO ADDRESS THE PRIORITY AREAS

IDENTIFIED THROUGH OUR COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) PROCESS:

CHRONIC DISEASE, BEHAVIORAL HEALTH, DISABILITY AND REHABILITATION

SERVICES, MATERNAL AND CHILD HEALTH, AND SOCIAL DETERMINANTS OF HEALTH.

A COMPLETE LIST OF ONGOING AND ANTICIPATED PROGRAMS ARE DETAILED HERE:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/AF087E4A-4571-420A-8CA](https://www.adventisthealthcare.com/app/files/public/af087e4a-4571-420a-8ca)

[F-C0B4166EA484/2020-CHNA-AHC-IMPLEMENTATIONSTRATEGY.PDF](https://www.adventisthealthcare.com/app/files/public/af087e4a-4571-420a-8ca/f-c0b4166ea484/2020-CHNA-AHC-IMPLEMENTATIONSTRATEGY.PDF)

PROGRAMS ARE BROKEN DOWN BY MAIN PRIORITY BEING ADDRESSED AND INCLUDE A

PROGRAM DESCRIPTION, THE ROLE ADVENTIST HEALTHCARE WILL BE PLAYING,

ADDITIONAL PRIORITY AREAS BEING ADDRESSED, EVALUATION METRICS AND

PARTNERS.

IN ADDITION TO THESE PROGRAMS, ADVENTIST HEALTHCARE IS COMMITTED TO

PROVIDING FINANCIAL SUPPORT TO IMPROVE THE HEALTH AND WELLBEING OF OUR

COMMUNITY THROUGH THE COMMUNITY PARTNERSHIP FUND. THE ADVENTIST HEALTHCARE

COMMUNITY PARTNERSHIP FUND PROVIDES FUNDING FOR 501(C)(3) NON-PROFIT

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.

ORGANIZATIONS WHOSE ACTIVITIES ALIGN WITH OUR MISSION AND THE FOLLOWING

FUNDING OBJECTIVES:

HEALTH & WELLNESS SUPPORT COMMUNITY HEALTH SERVICES, EDUCATION, AND

PREVENTION AND WELLNESS PROGRAMS;

CAPACITY BUILDING: IMPROVE COMMUNITY HEALTH THROUGH COLLABORATIVE

PARTNERSHIPS, ECONOMIC AND WORKFORCE DEVELOPMENT, AND ADVOCACY.

WHEN REVIEWING APPLICATIONS FOR GRANTS AND SPONSORSHIPS, THE PRIORITIES

FOR THE COMMUNITY PARTNERSHIP FUND INCLUDE:

> ACTIVITIES THAT ADDRESS A PRIORITY AREA OF NEED IDENTIFIED IN OUR

HOSPITALS' COMMUNITY HEALTH NEEDS ASSESSMENTS;

> ACTIVITIES THAT TARGET POPULATIONS IN ADVENTIST HEALTHCARE'S SERVICE

AREA THAT ARE SOCIALLY AND ECONOMICALLY DISADVANTAGED OR MEDICALLY

UNDERSERVED;

> ACTIVITIES THAT ALIGN WITH ADVENTIST HEALTHCARE'S COMMUNITY-BASED

MISSION;

> ACTIVITIES THAT HAVE A MEASURABLE IMPACT ON THE COMMUNITY BEING SERVED.

ADVENTIST HEALTHCARE WILL NOT DIRECTLY ADDRESS CANCER, ASTHMA, AND

INFECTIOUS DISEASES (I.E. HIV/AIDS AND INFLUENZA) AS PRIORITY AREAS FOR

THIS CHNA CYCLE. DUE TO THE WIDE RANGE OF HEALTH ISSUES IDENTIFIED AND

LIMITED RESOURCES, ADVENTIST HEALTHCARE ELECTED TO FOCUS ON THE AREAS OF

NEED IDENTIFIED AS HIGHER PRIORITY DURING THE CHNA PRIORITIZATION PROCESS.

AHC-REHABILITATION - TAKOMA PARK:

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.

PART V, SECTION B, LINE 11: IN 2020 ADVENTIST HEALTHCARE ADOPTED A

SYSTEM-LEVEL IMPLEMENTATION STRATEGY TO ADDRESS THE PRIORITY AREAS

IDENTIFIED THROUGH OUR COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) PROCESS:

CHRONIC DISEASE, BEHAVIORAL HEALTH, DISABILITY AND REHABILITATION

SERVICES, MATERNAL AND CHILD HEALTH, AND SOCIAL DETERMINANTS OF HEALTH.

A COMPLETE LIST OF ONGOING AND ANTICIPATED PROGRAMS ARE DETAILED HERE:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/AF087E4A-4571-420A-8CA](https://www.adventisthealthcare.com/app/files/public/af087e4a-4571-420a-8ca)

F-C0B4166EA484/2020-CHNA-AHC-IMPLEMENTATIONSTRATEGY.PDF

PROGRAMS ARE BROKEN DOWN BY MAIN PRIORITY BEING ADDRESSED AND INCLUDE A

PROGRAM DESCRIPTION, THE ROLE ADVENTIST HEALTHCARE WILL BE PLAYING,

ADDITIONAL PRIORITY AREAS BEING ADDRESSED, EVALUATION METRICS AND

PARTNERS.

IN ADDITION TO THESE PROGRAMS, ADVENTIST HEALTHCARE IS COMMITTED TO

PROVIDING FINANCIAL SUPPORT TO IMPROVE THE HEALTH AND WELLBEING OF OUR

COMMUNITY THROUGH THE COMMUNITY PARTNERSHIP FUND. THE ADVENTIST HEALTHCARE

COMMUNITY PARTNERSHIP FUND PROVIDES FUNDING FOR 501(C)(3) NON-PROFIT

ORGANIZATIONS WHOSE ACTIVITIES ALIGN WITH OUR MISSION AND THE FOLLOWING

FUNDING OBJECTIVES:

HEALTH & WELLNESS SUPPORT COMMUNITY HEALTH SERVICES, EDUCATION, AND

PREVENTION AND WELLNESS PROGRAMS;

CAPACITY BUILDING: IMPROVE COMMUNITY HEALTH THROUGH COLLABORATIVE

PARTNERSHIPS, ECONOMIC AND WORKFORCE DEVELOPMENT, AND ADVOCACY.

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.

WHEN REVIEWING APPLICATIONS FOR GRANTS AND SPONSORSHIPS, THE PRIORITIES

FOR THE COMMUNITY PARTNERSHIP FUND INCLUDE:

> ACTIVITIES THAT ADDRESS A PRIORITY AREA OF NEED IDENTIFIED IN OUR

HOSPITALS' COMMUNITY HEALTH NEEDS ASSESSMENTS;

> ACTIVITIES THAT TARGET POPULATIONS IN ADVENTIST HEALTHCARE'S SERVICE

AREA THAT ARE SOCIALLY AND ECONOMICALLY DISADVANTAGED OR MEDICALLY

UNDERSERVED;

> ACTIVITIES THAT ALIGN WITH ADVENTIST HEALTHCARE'S COMMUNITY-BASED

MISSION;

> ACTIVITIES THAT HAVE A MEASURABLE IMPACT ON THE COMMUNITY BEING SERVED.

ADVENTIST HEALTHCARE WILL NOT DIRECTLY ADDRESS CANCER, ASTHMA, AND

INFECTIOUS DISEASES (I.E. HIV/AIDS AND INFLUENZA) AS PRIORITY AREAS FOR

THIS CHNA CYCLE. DUE TO THE WIDE RANGE OF HEALTH ISSUES IDENTIFIED AND

LIMITED RESOURCES, ADVENTIST HEALTHCARE ELECTED TO FOCUS ON THE AREAS OF

NEED IDENTIFIED AS HIGHER PRIORITY DURING THE CHNA PRIORITIZATION PROCESS.

AHC-REHABILITATION - ROCKVILLE:

PART V, SECTION B, LINE 16J: THE POLICY IS ALSO STRATEGICALLY POSTED AT

OUR PATIENT FINANCIAL SERVICES OFFICE.

PART V, SECTION B, LINE 16A:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/PATIENTS/BILLING/FINANCIAL-ASSISTANCE/](https://www.adventisthealthcare.com/patients/billing/financial-assistance/)

PART V, SECTION B, LINE 16B: SAME URL AS LISTED ON LINE 16A

PART V, SECTION B, LINE 16C: SAME URL AS LISTED ON LINE 16A

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.

AHC-REHABILITATION - TAKOMA PARK:

PART V, SECTION B, LINE 16J: THE POLICY IS ALSO STRATEGICALLY POSTED AT

OUR PATIENT FINANCIAL SERVICES OFFICE.

PART V, SECTION B, LINE 16A:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/PATIENTS/BILLING/FINANCIAL-ASSISTANCE/](https://www.adventisthealthcare.com/patients/billing/financial-assistance/)

PART V, SECTION B, LINE 16B: SAME URL AS LISTED ON LINE 16A

PART V, SECTION B, LINE 16C: SAME URL AS LISTED ON LINE 16A

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:

IN CONSIDERATION FOR FINANCIAL ASSISTANCE TO OUR PATIENTS, ADVENTIST
HEALTHCARE ALSO CONSIDERS CIRCUMSTANCES BEYOND INCOME. THE PATIENT'S
CIRCUMSTANCES COULD INCLUDE THE NEEDS OF THE PATIENT AND/OR FAMILY AND
OTHER FINANCIAL RESOURCES. IT IS OUR MISSION TO PROVIDE NECESSARY MEDICAL
CARE TO THOSE WHO ARE UNABLE TO PAY FOR THAT CARE. IN GENERAL, ADVENTIST
HEALTHCARE HAS 15 LEVELS OF FINANCIAL ASSISTANCE. THEY ARE AS FOLLOWS:

- ANNUAL INCOME <= 1.0X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.00X AND <= 1.25X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.25X AND <= 1.50X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.50X AND <= 1.75X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.75X AND <= 2.00X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.00X AND <= 2.25X OF FPL, 10% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.25X AND <= 2.50X OF FPL, 20% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.50X AND <= 2.75X OF FPL, 30% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.75X AND <= 3.00X OF FPL, 40% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 3.00X AND <= 3.50X OF FPL, 50% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 3.50X AND <= 4.00X OF FPL, 60% PATIENT RESPONSIBILITY

Part VI Supplemental Information (Continuation)

- ANNUAL INCOME > 4.00X AND <= 4.50X OF FPL, 70% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 4.50X AND <= 5.00X OF FPL, 80% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 5.00X AND <= 5.50X OF FPL, 90% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 5.50X AND <= 6.00X OF FPL, 95% PATIENT RESPONSIBILITY

PART I, LINE 7:

FOR PURPOSES OF PREPARING SCHEDULE H OF FORM 990, ADVENTIST REHABILITATION HOSPITAL OF MARYLAND CALCULATED A COST TO CHARGE RATIO AS REFLECTED IN ITS 2020 AUDITED FINANCIAL STATEMENTS. THE COST TO CHARGE RATIO WAS USED TO REDUCE THE YEARLY CHARITY CARE PROVISION FROM CHARGE TO COST.

PART I, LINE 7G:

SUBSIDIZED HEALTH SERVICES INCLUDED PAYMENTS FOR NON-EMPLOYED BUT HOSPITAL-BASED PHYSICIANS, NON-RESIDENT HOSPITAL STAFF, HOSPITALISTS, EMERGENCY ON-CALL, OFF-CAMPUS EMERGENCY CENTER, AND WOMEN'S AND CHILDREN'S SERVICES SUBSIDIES.

PART II, COMMUNITY BUILDING ACTIVITIES:

ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.'S COMMUNITY BUILDING ACTIVITIES WERE DONE JOINTLY AT THE CORPORATE LEVEL WITH ADVENTIST HEALTHCARE, INC. TO CENTRALIZE THE ACTIVITIES PERFORMED AS A SYSTEM. ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. PLAYED AN INTEGRAL ROLE AND CONTRIBUTED TO SEVERAL OUTREACH PROGRAMS AS PART OF ITS MISSION. ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. AND ADVENTIST HEALTHCARE'S MISSION IS "WE EXTEND GOD'S CARE THROUGH THE MINISTRY OF PHYSICAL, MENTAL AND SPIRITUAL HEALING." ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. AND ADVENTIST HEALTHCARE GO BEYOND TRADITIONAL HOSPITAL CARE TO OFFER EXPERTISE AND RESOURCES THAT HELP STRENGTHEN THE COMMUNITY'S

Part VI Supplemental Information (Continuation)

INFRASTRUCTURE IN A WAY THAT PROMOTES HEALTH AND WELL-BEING.

IN 2020, A MAJORITY OF ADVENTIST HEALTHCARE'S COMMUNITY BUILDING

ACTIVITIES CONSISTED OF: LOWERING HEALTHCARE COSTS AND PROMOTING HEALTH

AND WELLBEING OF THE COMMUNITY; ADVOCATING ON COMMUNITY HEALTH

IMPROVEMENTS THROUGH OUR GOVERNMENT RELATIONS AND PUBLIC POLICY

DEPARTMENT; AND ESTABLISHING ADDITIONAL COMMUNITY PARTNERSHIPS.

GOVERNMENT RELATIONS AND PUBLIC POLICY DEPARTMENT INITIATIVES:

IN 2020, ADVENTIST HEALTHCARE WORKED WITH STATE AND FEDERAL LEADERS TO

ENSURE ACCESS TO CARE AND ADEQUATE SUPPORT FOR HEALTHCARE PROVIDERS

THROUGHOUT THE COVID19 PANDEMIC. WE ALSO CONTINUED TO SUPPORT OUR

COMMUNITY PARTNERS LIKE MANNA FOOD AND OTHERS TO ENSURE VULNERABLE

POPULATIONS HAD ACCESS TO FOOD AND OTHER ESSENTIAL NEEDS. WE WORKED WITH

THE MARYLAND HOSPITAL ASSOCIATION TO EXPAND ACCESS TO CARE, IN PART BY

SUPPORTING PUBLIC POLICY THAT SUPPORTS HEALTH PROFESSIONALS WHO PROVIDE

PUBLIC SERVICE IN MARYLAND STATE OR LOCAL GOVERNMENT OR NONPROFIT AGENCIES

IN MARYLAND TO LOW INCOME OR UNDERSERVED RESIDENTS. WE WORK CLOSELY WITH

LOCAL CHAMBERS OF COMMERCE TO SUPPORT ECONOMIC AND COMMUNITY DEVELOPMENT

PROJECTS ACROSS MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY.

HEALTH PARTNERSHIPS WITHIN THE COMMUNITY:

ADVENTIST HEALTHCARE AIMS TO IMPROVE THE HEALTH OF COMMUNITIES IT SERVES.

IT DOES THIS BY RAISING AWARENESS OF COMMUNITY HEALTH NEEDS AND LOCAL

DISPARITIES, IMPROVING ACCESS TO CULTURALLY APPROPRIATE CARE AND PROVIDING

COMMUNITY WELLNESS OUTREACH AND EDUCATION. A TEAM OF HEALTH EDUCATORS,

CLINICAL CARE COORDINATORS, NURSES, PATIENT NAVIGATORS, PUBLIC HEALTH

RESEARCHERS AND INTERNS WORK TOGETHER TO ENSURE THE DELIVERY OF

Part VI Supplemental Information (Continuation)

POPULATION-BASED CARE AND PROMOTE HEALTH EQUITY IN THE COMMUNITIES WE
SERVE.

ADVENTIST HEALTHCARE WORKS TO ADDRESS NOT JUST THE PHYSICAL AND MENTAL
HEALTH NEEDS OF OUR PATIENTS AND COMMUNITY MEMBERS, BUT TO ADDRESS
WHOLE-PERSON HEALTH. TO DO THIS, WE DEVELOP PARTNERSHIPS AND COLLABORATE
WITH KEY STAKEHOLDERS IN THE COMMUNITY. THROUGH COLLABORATION, WE CAN
EXPAND OUR EXPERTISE AND RESOURCES AND THEREFORE HAVE A LARGER COLLECTIVE
IMPACT ON THE HEALTH AND WELL-BEING OF OUR COMMUNITY. A SAMPLING OF OUR
PARTNERSHIPS IS DESCRIBED BELOW:

1) FAITH COMMUNITY NURSE NETWORK (FCN):

ADVENTIST HEALTHCARE, THROUGH OUR FAITH COMMUNITY HEALTH NETWORK, SERVES
THE LOCAL COMMUNITIES OF FAITH (CHURCHES, TEMPLES, MOSQUES, ETC.), BY
PROVIDING ASSESSMENT, TRAINING AND CONSULTATION, EMPOWERING THEM TO BECOME
CENTERS OF HEALTH AND HEALING, RESULTING IN IMPROVED WHOLE PERSON HEALTH.

WE "PROMOTE COMMUNITY HEALTH THROUGH FAITH LEADERS". TOGETHER, SINCE 1995,
THIS PARTNERSHIP HAS HELPED IN ACHIEVING A THRIVING CULTURE DEMONSTRATING
PHYSICAL, MENTAL AND SPIRITUAL WELLBEING.

OUR COMMITMENT IS TO HELP OUR COMMUNITIES OF FAITH TO DEVELOP STRONG
HEALTH MINISTRIES TO REACH THE MEMBERS AND SURROUNDING COMMUNITIES. THIS
IS ACCOMPLISHED THROUGH THE ON-GOING TRAININGS OF THE FAITH COMMUNITY
NURSES, HEALTH MINISTERS, HEALTH TEAMS, PASTORS AND ADMINISTRATORS,
SUPPLYING EVIDENCE-BASED EDUCATION AND TOOLS NECESSARY TO ASSESS THE NEEDS
AND RISK FACTORS, OUTLINE LIFESTYLE STRATEGIES FOR DISEASE PREVENTION AND

Part VI Supplemental Information (Continuation)

MANAGEMENT, IMPLEMENT HEALTH PROGRAMMING (BASED ON ASSESSMENT RESULTS)

WITH ONGOING MEASUREMENT AND EVALUATION OF HEALTH OUTCOMES, THEREBY

INCREASING THE POTENTIAL FOR OPTIMAL HEALTH AND WHOLENESS. ALL OF THIS IS

DONE IN CONJUNCTION WITH THE NEEDS IDENTIFIED IN THE ADVENTIST

HEALTHCARE'S COMMUNITY HEALTH NEEDS ASSESSMENT.

IT IS NOT A NEW IDEA FOR CHURCHES TO DEVELOP AND IMPLEMENT HEALTH

PROGRAMS. CHURCHES CAN BRING A HOLISTIC PERSPECTIVE TO AN UNDERSTANDING OF

HEALTH AS BEING IN HARMONY WITH ONESELF, ONE'S GOD, OTHERS AND THE

ENVIRONMENT. THE CHURCH IS A KNOWN AND TRUSTED PLACE WHERE PEOPLE FEEL

COMFORTABLE IN THEIR MOST VULNERABLE HOUR. IT IS A NATURAL "REFERENCE

POINT." AT ADVENTIST HEALTHCARE, WE BELIEVE THIS TO BE A NECESSARY,

NATURAL, SYMBIOTIC AND SYNERGISTIC PARTNERSHIP.

2)HEALTHY MONTGOMERY:

HEALTHY MONTGOMERY IS THE LOCAL HEALTH IMPROVEMENT COALITION FOR

MONTGOMERY COUNTY, MARYLAND. ADVENTIST HEALTHCARE PARTNERS WITH AND

SUPPORTS HEALTHY MONTGOMERY BOTH STRATEGICALLY AND FINANCIALLY.

REPRESENTATIVES FROM ADVENTIST HEALTHCARE SIT ON THE HEALTHY MONTGOMERY

STEERING COMMITTEE, THE HEALTH IN ALL POLICY WORKGROUP, AND THE HOSPITAL

WORKGROUP, AMONG OTHERS. ADVENTIST HEALTHCARE ALSO CONTRIBUTES \$50,000

ANNUALLY TO SUPPORT THE INFRASTRUCTURE OF HEALTHY MONTGOMERY.

HEALTHY MONTGOMERY, IN PARTNERSHIP WITH COMMUNITY STAKEHOLDERS SUCH AS

LOCAL POLICY MAKERS, HOSPITALS, ADVOCACY GROUPS AND ACADEMIC INSTITUTIONS,

AMONG OTHERS, REVIEWS THE NEEDS AND RESOURCES IN THE COUNTY AND WORKS TO

SET PRIORITIES FOR IMPROVING HEALTH AND WELL-BEING. THE OVERALL GOALS OF

HEALTHY MONTGOMERY ARE TO IMPROVE ACCESS TO HEALTH AND SOCIAL SERVICES,

Part VI Supplemental Information (Continuation)

ACHIEVE HEALTH EQUITY FOR ALL RESIDENTS, AND ENHANCE THE PHYSICAL AND
SOCIAL ENVIRONMENT TO SUPPORT OPTIMAL HEALTH AND WELL-BEING. AMONG ITS
MANY ACCOMPLISHMENTS, HEALTHY MONTGOMERY HAS BEEN ABLE TO PROVIDE LOCAL
LEVEL DATA THAT IS STRATIFIED BY SEX, AGE, RACE, AND ETHNICITY. BY MAKING
THIS DATA MORE EASILY AVAILABLE, COMMUNITY STAKEHOLDERS, ADVENTIST
HEALTHCARE INCLUDED, ARE BETTER ABLE TO IDENTIFY NEEDS IN THE COMMUNITY
THAT MAY HAVE OTHERWISE BEEN MASKED BY LESS GRANULAR DATA. THIS ALLOWS
FOR MORE STRATEGIC AND TARGETED HEALTH PREVENTION AND PROMOTION
PROGRAMMING TO BE DEVELOPED.

3) PRINCE GEORGE'S HEALTHCARE ACTION COALITION:

PRINCE GEORGE'S HEALTHCARE ACTION COALITION (PGHAC) SERVES AS A COMMUNITY
HEALTH NETWORK AND FORUM FOR COLLABORATION TO ADVANCE THE HEALTH OF PRINCE
GEORGE'S COUNTY. THIS COMMUNITY-POWERED COALITION REPRESENTS OVER 70
COMMUNITY ORGANIZATIONS, HEALTH CARE PROVIDERS AND STAKEHOLDERS IN
COMMUNITY HEALTH.

THE COALITION WAS FORMED IN 2012 UNDER THE LEADERSHIP OF PRINCE GEORGE'S
COUNTY HEALTH DEPARTMENT (PGCHD), WITH HEALTH OFFICER PAMELA CREEKMUR
SERVING AS CHAIRWOMAN. THE PGHAC LEADS THE PROCESS FOR DEVELOPING AND
EXECUTING THE COMMUNITY HEALTH IMPROVEMENT PLAN FOR THE COUNTY. THIS
INCLUDES ORGANIZING SEVERAL WORK GROUPS AND BRINGING TOGETHER PARTNERS IN
AREAS SUCH AS HEALTH EQUITY, BEHAVIORAL HEALTH AND HEALTHY EATING AND
ACTIVE LIVING.

4) NEXUS MONTGOMERY:

NEXUS MONTGOMERY IS A PARTNERSHIP OF FOUR HEALTH SYSTEMS IN MONTGOMERY
COUNTY, MARYLAND, INCLUDING ADVENTIST HEALTHCARE, HOLY CROSS HEALTH,

Part VI Supplemental Information (Continuation)

MEDSTAR MONTGOMERY AND SUBURBAN HOSPITAL. THE PARTNERSHIP IS FOCUSED ON
IMPROVING THE WELL-BEING OF PATIENTS AND COMMUNITY MEMBERS AND REDUCING
POTENTIAL AVOIDABLE UTILIZATION (PAU)'S AND TOTAL COST OF CARE. EXAMPLES
OF STRATEGIES AND PROGRAMS THAT THE PARTNERSHIP HAS WORKED ON INCLUDE:
WELLNESS AND INDEPENDENCE FOR SENIORS AT HOME (WISH), HOSPITAL CARE
TRANSITIONS, UNINSURED/PROJECT ACCESS AND SEVERELY MENTALLY ILL/BEHAVIORAL
HEALTH. THE GOALS OF THESE PROGRAMS ARE TO: STABILIZE HEALTH OF OLDER
ADULTS TO REDUCE HOSPITAL ADMISSIONS; IMPROVE TRANSITIONS FROM
HOSPITAL-TO-HOME; CONNECT UNINSURED TO SPECIALTY CARE; IMPROVE
COMMUNITY-BASED RESOURCES FOR THE SEVERELY MENTALLY ILL. MOST RECENTLY
NEXUS IS MOVING FORWARD WITH A REGIONAL INITIATIVE TO ADDRESS DIABETES
PREVENTION AND MANAGEMENT IN OUR COMMUNITY.

5) CASA:

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND (CPF) PROVIDED CASA DE
MARYLAND GRANT FUNDING TO SUPPORT ACCESS TO CARE AND SOCIAL SERVICES AMONG
LOW-INCOME POPULATIONS IN MONTGOMERY AND PRINCE GEORGE'S COUNTIES. FUNDS
WERE USED FOR SERVICES SUCH PROVIDE HEALTH AND SOCIAL SERVICE NAVIGATION
ASSISTANCE, ASSISTANCE ENROLLING IN OR PRESERVING HEALTH INSURANCE THROUGH
PUBLIC OPTIONS AND HEALTH LITERACY WORKSHOPS.
FUND WERE UTILIZED TO INCREASE CAPACITY FOR THEIR MULTILINGUAL HEALTH AND
SOCIAL SERVICES HOTLINE WHICH PROVIDES HEALTH EDUCATION AND INFORMATION,
AS WELL AS NAVIGATIONAL ASSISTANCE TO HEALTH SERVICES, FOOD BANKS,
SHELTER, AND OTHER VITAL SOCIAL SERVICES. THE HOTLINE WAS ALSO ASSISTING
CALLERS IN ACCESSING COVID TESTING AND TREATMENT, QUARANTINE SUPPORT AND
CONTACT TRACING, AS WELL AS UNEMPLOYMENT AND OTHER PUBLIC BENEFITS.

PART III, LINE 2:

Part VI Supplemental Information (Continuation)

TO ESTIMATE THE COST OF BAD DEBT THAT WE HAVE REPORTED ON SCHEDULE H, WE
MULTIPLIED THE ORGANIZATION'S COST TO CHARGE RATIO (CCR) TIMES THE BAD
DEBT PROVISION THAT HAS BEEN REPORTED IN THE 2020 AUDITED FINANCIAL
STATEMENTS. THE ORGANIZATION'S CCR IS THE QUOTIENT THAT RESULTS WHEN
TOTAL OPERATING EXPENSE IS DIVIDED BY TOTAL CHARGES AS REFLECTED IN THE
ORGANIZATION'S GENERAL LEDGER.

THE BAD DEBT EXPENSE THAT IS RECORDED IN THE GENERAL LEDGER REFLECTS THE
AMOUNT OF PROVISION MANAGEMENT DEEMS NECESSARY TO REPORT PATIENT ACCOUNTS
RECEIVABLE AT THEIR NET REALIZABLE VALUE. IN EVALUATING THE
COLLECTABILITY OF PATIENT ACCOUNTS RECEIVABLE, WE ANALYZE HISTORICAL
TRENDS FOR EACH MAJOR PAYOR AND ESTIMATE THE APPROPRIATE ALLOWANCE FOR
DOUBTFUL COLLECTIONS.

PART II, COMMUNITY BUILDING ACTIVITIES, CONTINUED:

6) LEADERSHIP MONTGOMERY

LEADERSHIP MONTGOMERY'S MISSION IS TO EDUCATE, INSPIRE, CONVENE, AND
CONNECT LEADERS TO ADVANCE MONTGOMERY COUNTY. THEY OFFER SEVERAL
PROGRAMS FOR BUILDING A NETWORK OF ENGAGED LEADERS IN OUR COMMUNITY.
THEY ALSO HAVE A STRONG FOCUS ON VOLUNTEERING THROUGH THEIR CORPORATE
VOLUNTEER COUNCIL PROGRAM WHICH IS DESIGNED TO CONNECT BUSINESSES AND
PROFESSIONALS TO STRUCTURED VOLUNTEER AND COMMUNITY ENGAGEMENT
OPPORTUNITIES. ADDITIONALLY, THEY HAVE A STRONG FOCUS ON RACIAL EQUITY
AND SOCIAL JUSTICE. THEIR REAL INCLUSION PROGRAM EXAMINES THE SYSTEMIC
BELIEFS, PRACTICES AND POLICIES THAT HAVE PERPETUATED RACIAL INEQUITIES
AND SITUATES THAT ANALYSIS WITHIN THE CONTEXT OF ORGANIZATIONAL
LEADERSHIP.

Part VI Supplemental Information (Continuation)

IN 2020 ADVENTIST HEALTHCARE PROVIDED LEADERSHIP MONTGOMERY WITH GRANT
FUNDING TO EXPAND THEIR RACIAL EQUITY PROGRAMS AND TRAININGS AS WELL AS
TO ASSIST WITH THE COORDINATION OF VIRTUAL VOLUNTEER OPPORTUNITIES IN
THE COMMUNITY.

7) IDENTITY

IDENTITY IS A NON-PROFIT AIMED AT CREATING OPPORTUNITIES FOR LATINO AND
OTHER MULTICULTURAL YOUTH IN MONTGOMERY COUNTY TO REALIZE THEIR HIGHEST
POTENTIAL THROUGH INCREASED RESILIENCE AGAINST NEGATIVE BEHAVIORS AND
INCREASED SELF-MANAGEMENT AND SELF-EFFICACY. THEIR PROGRAMS PROVIDE
SOCIAL AND EMOTIONAL SUPPORT, ACADEMIC AID, AND WORKFORCE DEVELOPMENT
SKILL-BUILDING SUPPORTED BY WRAPAROUND SERVICES, INCLUDING FAMILY CASE
MANAGEMENT, BEHAVIORAL HEALTH (INDIVIDUAL, FAMILY AND GROUP THERAPY
UTILIZING BOTH TRADITIONAL AND NON-TRADITIONAL TECHNIQUES), ACCESS TO
HEALTHCARE AND FITNESS AND RECREATION. ALL PROGRAMS ARE TRAUMA-INFORMED
AND ARE BASED ON THE POSITIVE YOUTH DEVELOPMENT MODEL.

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND PROVIDED IDENTITY
WITH GRANT DOLLARS IN 2020 TO RESPOND TO THE TRAUMATIC MENTAL HEALTH
IMPACTS OF COVID-19 BY SUPPORTING YOUTH DEVELOPMENT SPECIALISTS AND
PARENT OUTREACH WORKERS IN PROVIDING TRAUMA-INFORMED MENTAL HEALTH
SUPPORT SERVICES; UP TO 250 HOURS OF VIRTUAL CLINICAL THERAPY; AND
PSYCHO EDUCATIONAL GROUPS AND WEBINARS.

ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. AND ADVENTIST
HEALTHCARE AS A SYSTEM CONTINUES TO PROVIDE COMMUNITY BUILDING
ACTIVITIES IN 2021. PROVIDING COMMUNITY BUILDING ACTIVITIES IS
ESSENTIAL TO ACHIEVING AND MAINTAINING OUR MISSION.

Part VI Supplemental Information (Continuation)

PART III, LINE 4:

THE CORPORATION ASSESSES COLLECTABILITY ON PATIENT CONTRACTS PRIOR TO THE
RECOGNITION OF NET PATIENT SERVICE REVENUE. PATIENT ACCOUNTS RECEIVABLE
ARE REPORTED AT THEIR NET REALIZABLE VALUE. ACCOUNTS ARE WRITTEN OFF
THROUGH BAD DEBT EXPENSE WHEN THE CORPORATION HAS EXHAUSTED ALL COLLECTION
EFFORTS AND DETERMINES ACCOUNTS ARE IMPAIRED BASED ON CHANGES IN PATIENT
CREDIT WORTHINESS. PATIENT ACCOUNTS RECEIVABLE ALSO INCLUDES MANAGEMENT'S
ESTIMATE OF THE IMPACT OF CERTAIN UNDERCHARGES TO BE RECOUPED OR
OVERCHARGES TO BE PAID BACK FOR INPATIENT AND OUTPATIENT SERVICES IN
SUBSEQUENT YEARS RATES AS DISCUSSED EARLIER.

PART III, LINE 8:

MEDICARE:

IN ORDER TO DETERMINE THE COST OF PROVIDING MEDICARE SERVICES, WE
MULTIPLIED TOTAL MEDICARE CHARGES PER THE HOSPITAL'S GENERAL LEDGER TIMES
THE COST TO CHARGE RATIO REFLECTED IN THE ENTITY'S INCOME STATEMENT.

WE ESTIMATED TOTAL PAYMENTS RECEIVED BY MULTIPLYING THE HISTORICAL
COLLECTION PERCENTAGE OF MEDICARE ACCOUNTS TIMES TOTAL MEDICARE CHARGES AS
REPORTED IN THE HOSPITAL'S GENERAL LEDGER.

ANY DEFICIT REPORTED REPRESENTS THE DIFFERENCE BETWEEN TOTAL ESTIMATED
MEDICARE RECEIPTS AND TOTAL ALLOWABLE ESTIMATED COSTS INCURRED TO TREAT
THE HOSPITAL'S MEDICARE PATIENTS.

PART III, LINE 9B:

Part VI Supplemental Information (Continuation)

> THAT ALL PATIENTS RECEIVE A NOTICE ON FINANCIAL ASSISTANCE AND A PHONE

CALL, BY ADVENTIST HEALTHCARE'S STAFF AND OUTSOURCED VENDORS, MENTIONING

THE OPPORTUNITY TO HAVE THEIR BILL REDUCED IF THE DEBTOR QUALIFIES FOR

ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE.

> WHEN A DEBTOR HAS AFFIRMED A DEBT AND HAS BEEN GIVEN AN OPPORTUNITY TO

APPLY FOR ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE, AND HAS APPLIED FOR

AND BEEN GRANTED ASSISTANCE THAT REDUCED THE OUTSTANDING BALANCE BUT

LEAVING AN AMOUNT STILL OWED TO AN ADVENTIST HEALTHCARE FACILITY OR HAS

NOT APPLIED FOR ASSISTANCE IN THE ALLOTTED TIME PERIOD:

1) FOR EXISTING ACCOUNTS, THE COLLECTION AGENCY WILL RECEIVE "DAILY"

NOTIFICATION TO REDUCE THE OUTSTANDING BALANCE OF ANY DEBTOR WHO QUALIFIES

FOR ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE. THE AGENCY WILL SEND A

LETTER TO THE DEBTOR, ACKNOWLEDGING THE NEW BALANCE WITHIN 15 DAYS OF THE

NOTICE TO ADJUST.

2) ONCE THE DEBTOR AFFIRMS THE DEBT, THE AGENCY WILL INFORM THE DEBTOR

ABOUT ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE POLICY, AND ASK IF THEY

HAD RECEIVED INFORMATION ON HOW TO COMPLETE THE APPLICATION, OR THE

CRITERIA FOR QUALIFICATION.

3) WHEN A DEBTOR EXPRESSES A DESIRE TO COMPLETE THE APPLICATION FOR

FINANCIAL ASSISTANCE, THEY WILL BE REFERRED TO THE OFFICE OF ADVENTIST

HEALTHCARE'S MANAGER OF COLLECTIONS / CUSTOMER SERVICE (301-315-3660).

THE COLLECTION AGENCY WILL PLACE THE ACCOUNT ON "HOLD" FOR 2 WEEKS TO

ALLOW THE DEBTOR AMPLE TIME TO COMPLETE A FINANCIAL ASSISTANCE

APPLICATION.

4) WHEN THE DEBTOR HAS COMPLETED THE APPLICATION FOR FINANCIAL ASSISTANCE

AND BEEN APPROVED, THE AGENCY WILL RECEIVE IMMEDIATE NOTIFICATION FROM THE

MANAGER OF COLLECTIONS/CUSTOMER SERVICE. NOTIFICATION WILL INCLUDE THE

AMOUNT OF DEBT REDUCTION THE DEBTOR QUALIFIED FOR. THE MANAGER OF

Part VI Supplemental Information (Continuation)

COLLECTIONS/CUSTOMER SERVICE WILL ADJUST THE DEBTOR'S BALANCE ON ADVENTIST

HEALTHCARE'S BOOKS.

PART VI, LINE 2:

ADVENTIST HEALTHCARE REHABILITATION IS A MEMBER OF ADVENTIST HEALTHCARE

WHICH FORMED A COMMUNITY BENEFIT STEERING COMMITTEE (CBSC) IN 2011 TO

GUIDE ITS COMMUNITY BENEFIT ACTIVITIES AND STRATEGY. THE CBSC HAS

REPRESENTATION FROM EACH OUR HOSPITAL ENTITIES AS WELL AS ADDITIONAL KEY

SYSTEM-WIDE DEPARTMENTS SUCH AS FINANCE, POPULATION HEALTH AND MISSION

INTEGRATION. THE CBSC LEADS THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS

AND THE DEVELOPMENT AND MONITORING OF EACH HOSPITAL'S IMPLEMENTATION

STRATEGY. IN ADDITION TO COMPLETING OUR CHNAS EVERY THREE YEARS, ADVENTIST

HEALTHCARE ASSESSES THE NEEDS OF THE COMMUNITY WE SERVE THROUGH SEVERAL

METHODS:

> REPRESENTATIVES FROM ADVENTIST HEALTHCARE SERVE ON THE LOCAL HEALTH

IMPROVEMENT COALITIONS IN OUR SERVICE AREA, HEALTHY MONTGOMERY AND PRINCE

GEORGE'S HEALTH ACTION COALITION. BY PARTICIPATING IN THE STEERING

COMMITTEES AS WELL AS SEVERAL SUB-COMMITTEES AND WORKGROUPS, WE ARE ABLE

TO STAY APPRISED OF EXISTING AND DEVELOPING HEALTH NEEDS IN THE COMMUNITY

AND ARE ABLE TO WORK WITH OTHER STAKEHOLDERS TO DEVELOP STRATEGIES FOR

ADDRESSING THEM.

> WE ARE ALSO ABLE TO GATHER INFORMATION AROUND COMMUNITY NEEDS THROUGH

OUR NUMEROUS COMMUNITY PARTNERSHIPS AND OUTREACH EFFORTS. THROUGH OUR

OUTREACH EFFORTS, WE GATHER INFORMATION DIRECTLY FROM THE COMMUNITY

MEMBERS WE ARE SERVING. THROUGH OUR PARTNERSHIPS WITH COMMUNITY

ORGANIZATIONS, WE LEARN ABOUT THE NEEDS OF THE STAKEHOLDERS THOSE

Part VI Supplemental Information (Continuation)

ORGANIZATIONS REPRESENT. ONE EXAMPLE OF THIS IS OUR COMMUNITY PARTNERSHIP
FUND THROUGH WHICH WE DEVELOP COLLABORATIONS WITH OTHER ORGANIZATIONS AND
AWARD GRANT AND SPONSORSHIP FUNDING. ADDITIONALLY, SEVERAL OF OUR STAFF
AND LEADERS SERVE ON THE BOARDS OF LOCAL COMMUNITY ORGANIZATIONS AND
GATHER ADDITIONAL INSIGHT INTO THE NEEDS OF OUR COMMUNITY.

> ADDITIONALLY, ADVENTIST HEALTHCARE LEADS THE ONE HEALTH QUALITY
ALLIANCE, A CLINICALLY INTEGRATED NETWORK MADE UP OF PRIMARY AND SPECIALTY
CARE PHYSICIANS INCLUDING CLINICS AND FQHCs IN OUR COMMUNITY. ADVENTIST
HEALTHCARE HAS ALSO FORMED A CARE TRANSFORMATION ORGANIZATION AS PART OF
THE MARYLAND PRIMARY CARE PROGRAM. THROUGH BOTH THESE INITIATIVES, WE
MONITOR HEALTH NEEDS AND DATA ACROSS OUR COMMUNITY AND CAN HEAR FEEDBACK
REGARDING COMMUNITY NEEDS FROM OUR PROVIDERS AND PATIENTS.

AT ADVENTIST HEALTHCARE REHABILITATION, WE STRIVE TO PROVIDE THE BEST
CUSTOMER SERVICE EXPERIENCE POSSIBLE FOR OUR PATIENTS AND THEIR LOVED
ONES. WE FOCUS ON EACH PATIENT INDIVIDUALLY AND CARE FOR THE WHOLE PERSON
THROUGH THE REHABILITATIVE PROCESS. PRESS GANEY ADMINISTERS OUR CUSTOMER
SATISFACTION SURVEYS AND WE CONTINUOUSLY ANALYZE OUR SCORES TO IMPROVE OUR
OUTCOMES. WE ALSO REGULARLY CONVENE A PATIENT/FAMILY ADVISORY BOARD TO
RECEIVE FEEDBACK AND CONTINUE TO IMPROVE HOW WE OFFER CARE TO OUR PATIENTS
AND COMMUNITY MEMBERS.

ACUTE REHABILITATION HOSPITALS THROUGHOUT THE COUNTRY ENTER DATA INTO A
NATIONAL DATABASE AS A MEANS TO REPORT OUTCOMES AND AS A WAY TO EVALUATE
AND IMPROVE OVERALL RESULTS. WE STRIVE TO GET EACH PATIENT BACK TO THE
COMMUNITY AS QUICKLY AND SAFELY AS POSSIBLE. OUR OUTCOMES FOR PATIENTS
DISCHARGED DURING A SPECIFIED PERIOD ARE REPORTED IN OUR CHNAS.

Part VI Supplemental Information (Continuation)

THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) BREAKS DOWN THE
DIAGNOSTIC CATEGORIES FOR PATIENTS THAT UTILIZE ACUTE REHABILITATION
SERVICES INTO 21 REHAB IMPAIRMENT CATEGORIES CALLED RIC'S. THE 21 RIC'S
ARE FURTHER GROUPED INTO CMGS OR CASE MIX GROUPS. ALL ACUTE REHAB
HOSPITALS SUBMIT THEIR DATA TO CMS; THUS, WE CAN COMPARE OURSELVES TO
OTHERS NATIONWIDE AS WELL AS TO OUR REGIONAL AREA, WHICH INCLUDES DE, MD,
VA, DC, NC, SC, WV, GA AND FL. OUR VOLUMES ARE COMPARABLE TO THE NATION
AND REGION. WE ARE PROUD THAT OUR PATIENTS DEMONSTRATE MORE IMPROVEMENT
THAN THE NATION IN EVERY MAJOR DIAGNOSTIC CATEGORY WE SERVE (BRAIN INJURY,
SPINAL CORD INJURY, AMPUTEE, ORTHOPEDIC, GENERAL REHAB AND STROKE) THIS
SPEAKS TO STRONG CLINICAL OUTCOMES WITH OUR PROGRAM.

PART VI, LINE 3:

PATIENT EDUCATION OF ELIGIBILITY:

ADVENTIST HEALTHCARE EDUCATES OUR PATIENTS AND COMMUNITY RESIDENTS ABOUT
CHARITY CARE AND FINANCIAL ASSISTANCE IN MANY WAYS. THEY INCLUDE, BUT ARE
NOT LIMITED TO, THE FOLLOWING: (1) ADVENTIST HEALTHCARE HAS FINANCIAL
ASSISTANCE SIGNAGE IN ALL ITS FACILITIES, ON ALL PATIENT STATEMENTS AND ON
OUR HOSPITALS' WEBSITES; (2) DURING PRE-REGISTRATION AND REGISTRATION,
PATIENTS WHO ARE REGISTERED AS SELF-PAY, OR EXPRESS A FINANCIAL HARDSHIP,
ARE INFORMED ABOUT THE HOSPITAL'S CHARITY CARE POLICY AND MAILED OR GIVEN
A CHARITY APPLICATION. ADDITIONALLY, AN ADVENTIST HEALTHCARE PATIENT
FINANCIAL ADVISOR WILL VISIT ADMITTED PATIENTS TO REVIEW FINANCIAL
OPTIONS, INCLUDING AHC'S FINANCIAL ASSISTANCE PROGRAM; (3) WHEN GOING
THROUGH THE MEDICAID ELIGIBILITY SCREENING, SELF-PAY PATIENTS ARE GIVEN A
CHARITY APPLICATION DURING THAT PROCESS JUST IN CASE THE PATIENT DOES NOT
QUALIFY FOR MEDICAID; (4) WHEN PATIENTS WITH A BALANCE RECEIVES A

Part VI Supplemental Information (Continuation)

STATEMENT, THE PATIENT STATEMENT INCLUDES NOTIFICATION OF THE AVAILABILITY
OF FINANCIAL ASSISTANCE AND THE CONTACT INFORMATION TO SPEAK WITH A
REPRESENTATIVE OR OBTAIN A FINANCIAL ASSISTANCE PACKAGE; (5) WHEN PATIENTS
WITH A BALANCE CONTACT THE COLLECTION DEPARTMENT AND EXPRESS FINANCIAL
HARDSHIP, CUSTOMER SERVICE REPS AND SELF-PAY COLLECTORS WILL NOTIFY THE
PATIENT OF THE AVAILABILITY OF ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE
AND MAIL A CHARITY APPLICATION TO THE PATIENT AND (6) RESIDENTS WHO
PARTICIPATE IN OUR COMMUNITY PROGRAMS, SUCH AS BREAST CANCER, MATERNITY,
ETC., ARE INFORMED OF ADVENTIST HEALTHCARE'S CHARITY PROGRAM PRIOR TO
RECEIVING SERVICES.

PART VI, LINE 4:

ADVENTIST HEALTHCARE REHABILITATION HOSPITAL PRIMARILY SERVICES RESIDENTS
OF MONTGOMERY AND PRINCE GEORGE'S COUNTIES IN MARYLAND. APPROXIMATELY 85.0
PERCENT OF DISCHARGES COME FROM OUR TOTAL SERVICE AREA, WHICH IS
CONSIDERED ADVENTIST HEALTHCARE REHABILITATION HOSPITAL'S COMMUNITY
BENEFIT SERVICE AREA (CBSA). WITHIN THAT AREA, 60.0 PERCENT OF DISCHARGES
ACCOUNT FOR THE PRIMARY SERVICE AREA AND INCLUDE THE FOLLOWING ZIP

CODES/CITIES:

20906 SILVER SPRING, 20878 GAITHERSBURG, 20850 ROCKVILLE, 20854
POTOMAC, 20874 GERMANTOWN, 20904 SILVER SPRING, 20902 SILVER SPRING,
20877 GAITHERSBURG, 20852 ROCKVILLE, 20817 BETHESDA, 20901 SILVER
SPRING, 20853 ROCKVILLE, 20783 HYATTSVILLE, 20886 MONTGOMERY VILLAGE,
20910 SILVER SPRING, 20912 TAKOMA PARK, 20782 HYATTSVILLE, 20855
DERWOOD, 20832 OLNEY, 20814 BETHESDA, 20879 GAITHERSBURG, 20876
GERMANTOWN, 20706 - LANHAM.

Part VI Supplemental Information (Continuation)

THE REMAINING 25.0 PERCENT OF DISCHARGES ACCOUNT FOR OUR SECONDARY SERVICE

AREA (SSA) WHICH INCLUDES THE FOLLOWING ZIP CODES/CITIES:

20903 SILVER SPRING, 20705 BELTSVILLE, 20815 CHEVY CHASE, 20871
CLARKSBURG, 20872 DAMASCUS, 20895 KENSINGTON, 20851 ROCKVILLE, 20740
COLLEGE PARK, 20785 HYATTSVILLE, 20774 UPPER MARLBORO, 20905 SILVER
SPRING, 21703 FREDRICK, 20882 GAITHERSBURG, 20770 GREENBELT, 20784
HYATTSVILLE, 20743 CAPITOL HEIGHTS, 20837 POOLESVILLE, 21702 FREDERICK,
21701 FREDERICK, 20011 WASHINGTON, 20707 LAUREL, 20841 BOYDS, 20781
HYATTSVILLE, 20747 DISTRICT HEIGHTS, 20721 BOWIE, 20748 TEMPLE HILLS,
20737 RIVERDALE, 20866 BURTONSVILLE, 21771 MOUNT AIRY, 20012
WASHINGTON, 20019 WASHINGTON, 20744 FORT WASHINGTON, 20712 MOUNT
RAINIER, 20816 BETHESDA, 20833 BROOKEVILLE, 20772 UPPER MARLBORO, 20723
LAUREL, 20708 LAUREL, 20020 WASHINGTON, 20746 SUITLAND.

IN MARYLAND, THE POPULATION DEMOGRAPHICS ARE RAPIDLY CHANGING,
PARTICULARLY AMONG RESIDENTS LIVING IN MONTGOMERY AND PRINCE GEORGE'S
COUNTIES. ADVENTIST HEALTHCARE SERVES TWO OF THE MOST DIVERSE COMMUNITIES
IN THE UNITED STATES, CONSTANTLY UNDERGOING ECONOMIC, SOCIAL AND
DEMOGRAPHIC SHIFTS THAT RESULT FROM AN EVER-CHANGING, EVER-GROWING
POPULATION.

MONTGOMERY COUNTY IS THE MOST POPULOUS JURISDICTION IN MARYLAND AND HAS
RETAINED ITS STATUS AS THE SECOND LARGEST JURISDICTION IN THE WASHINGTON,
D.C. METROPOLITAN AREA. FROM 1990 TO 2017, MONTGOMERY COUNTY'S POPULATION
GREW 38 PERCENT, INCREASING FROM 765,476 TO 1,058,810 PEOPLE. THE GREATEST
POPULATION GROWTH OCCURRED INSIDE THE CAPITAL BELTWAY (INTERSTATE 495),
WHICH ALSO INCLUDES PRINCE GEORGE'S COUNTY. ACCORDING TO THE

Part VI Supplemental Information (Continuation)

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION (MNCPPC), THE
GROWTH IN MONTGOMERY COUNTY WAS DRIVEN LARGELY BY BIRTHS TO RESIDENTS AND
INCREASING INTERNATIONAL MIGRATION. AT 32.6 PERCENT, MONTGOMERY COUNTY HAS
A FOREIGN-BORN POPULATION TWICE THAT OF THE STATE OF MARYLAND. PRINCE
GEORGE'S COUNTY IS THE SECOND-LARGEST JURISDICTION IN MARYLAND WITH NEARLY
ONE MILLION RESIDENTS. THE COUNTY HAS SEEN SIGNIFICANT POPULATION GROWTH
INCREASING BY NEARLY 50,000 RESIDENTS OR 5.7 PERCENT FROM 2010 TO 2017.

BOTH MONTGOMERY AND PRINCE GEORGE'S COUNTIES ARE MAJORITY-MINORITY
COUNTIES MEANING THEY ARE MADE UP OF LESS THAN 50 PERCENT NON-HISPANIC
WHITES. THE MAJORITY OF RESIDENTS (62.0 PERCENT) IN PRINCE GEORGE'S COUNTY
ARE BLACK, FOLLOWED BY HISPANIC OR LATINO (19.1 PERCENT). THE MAJORITY OF
RESIDENTS (43.4 PERCENT) IN MONTGOMERY COUNTY ARE NON-HISPANIC WHITE,
FOLLOWED BY BLACK AND HISPANIC (19.9 PERCENT EACH), AND ASIAN (15.6
PERCENT). THE RACIAL AND ETHNIC DIVERSITY IN THE COUNTY HAS CONTINUED TO
INCREASE WITH THE INCREASE IN THE OVERALL POPULATION.

AGING POPULATION: ACCORDING TO THE MARYLAND-NATIONAL CAPITAL PARK AND
PLANNING COMMISSION (MNCPPC), THERE HAS BEEN A NOTICEABLE POPULATION AGE
SHIFT IN MONTGOMERY COUNTY FROM 1990 TO 2016, LARGELY IN PART TO THE AGING
BABY BOOMER GENERATION BORN BETWEEN 1946 AND 1964. FROM 1990-2016 THE
MEDIAN AGE OF RESIDENTS IN THE COUNTY ROSE FROM 33.9 YEARS TO 39 YEARS.
MEANWHILE, THE PERCENTAGE OF YOUNG ADULTS, 20 TO 34 YEARS, DECREASED BY
7.7 PERCENT AND ADULTS AGE 35 TO 44 YEARS DECREASED BY 3.9 PERCENT.
CHILDREN UNDER AGE 18 DECREASED MARGINALLY AND ARE PROJECTED TO REMAIN
STEADY.

ACCORDING TO DATA FROM THE U.S. CENSUS AMERICAN COMMUNITY SURVEY, THERE

Part VI Supplemental Information (Continuation)

HAS ALSO BEEN A SIGNIFICANT POPULATION AGE SHIFT IN PRINCE GEORGE'S COUNTY FROM 1990 TO 2016. SIMILAR TO MONTGOMERY COUNTY, THE LARGEST AGE GROUP IN 1990 WAS 20-34 YEARS, COMPARED TO 45-64 YEARS IN 2016. THE 35-44 AGE GROUP HAS DECREASED 4.0 PERCENT AND CHILDREN UNDER AGE 18 DECREASED MARGINALLY AND ARE PROJECTED TO REMAIN STEADY. THE FASTEST GROWING POPULATION, 65+, IS PROJECTED TO GROW 7.0 PERCENT IN MONTGOMERY AND 9.0 PERCENT IN PRINCE GEORGE'S, REACHING 21.0 PERCENT OF THE POPULATION IN BOTH COUNTIES BY THE YEAR 2040.

FOREIGN BORN POPULATION: ACCORDING TO THE U.S. CENSUS BUREAU, MARYLAND IS ONE OF THE TOP TEN DESTINATIONS FOR FOREIGN-BORN INDIVIDUALS WITH A SIGNIFICANT AMOUNT RESIDING IN MONTGOMERY COUNTY. FROM 1980 TO 2016, THE POPULATION OF FOREIGN-BORN INDIVIDUALS LIVING IN MONTGOMERY COUNTY INCREASED FROM 12.0 PERCENT TO 33.0 PERCENT. THE MAJORITY OF FOREIGN-BORN RESIDENTS WHO LIVE IN MONTGOMERY COUNTY COME FROM BOTH ASIA AND LATIN AMERICA, WITH THE TOP FIVE COUNTRIES CONSISTING OF EL SALVADOR, CHINA, INDIA, KOREA, AND ETHIOPIA. OF THOSE INDIVIDUALS WHO ARE FOREIGN-BORN AND LIVING IN MONTGOMERY COUNTY, 15.4 PERCENT PRIMARILY SPEAK ENGLISH, 30.8 PERCENT SPEAK SPANISH, 22.4 PERCENT SPEAK AN ASIAN OR PACIFIC ISLANDER LANGUAGE AND 21.4 PERCENT SPEAK AN INDO-EUROPEAN LANGUAGE. IN PRINCE GEORGE'S COUNTY, ONE OUT OF EVERY FIVE RESIDENTS OR 22.6 PERCENT ARE BORN OUTSIDE THE UNITED STATES. IN 2017 ALONE, THERE WERE OVER 200,000 FOREIGN-BORN RESIDENTS IN THE COUNTY. THE TOP FIVE COUNTRIES THAT CONTRIBUTE THE MOST TO THE FOREIGN-BORN POPULATION INCLUDE: EL SALVADOR, NIGERIA, GUATEMALA, MEXICO, AND JAMAICA. OF THE FOREIGN-BORN RESIDENTS LIVING IN PRINCE GEORGE'S COUNTY, ONE IN FIVE OR 21.5 PERCENT SPEAK ENGLISH AS THEIR PRIMARY LANGUAGE AND 44 PERCENT SPEAK SPANISH. IN THE WOMC CBSA, NEARLY 15.0 PERCENT OF INDIVIDUALS AGED 5+ ARE LIMITED ENGLISH

Part VI Supplemental Information (Continuation)

PROFICIENT. WHEN COMPARED TO BOTH COUNTIES AND MARYLAND, WOMC'S CBSA HAS
THE HIGHEST PERCENTAGE OVERALL OF LIMITED ENGLISH PROFICIENT RESIDENTS.

INCOME & POVERTY: THE MEDIAN HOUSEHOLD INCOMES IN MONTGOMERY AND PRINCE
GEORGE'S COUNTIES ARE \$103,178 AND \$78,607, RESPECTIVELY. COMPARATIVELY,
THE 2017 MEDIAN HOUSEHOLD INCOME IN MARYLAND IS \$78,916, WHICH IS HIGHER
THAN THE U.S. MEDIAN OF \$57,652. WHEN BROKEN DOWN BY RACE AND ETHNICITY,
SIGNIFICANT INCOME DISPARITIES EXIST. IN MONTGOMERY COUNTY, THE MEDIAN
INCOME OF WHITE AND ASIAN HOUSEHOLDS IS OVER \$30,000 HIGHER THAN THAT OF
BLACK AND HISPANIC HOUSEHOLDS. IN PRINCE GEORGE'S COUNTY, ASIAN AND WHITE
HOUSEHOLDS HAVE THE LARGEST MEDIAN HOUSEHOLD INCOME, FOLLOWED BY BLACK
HOUSEHOLDS AND HISPANIC HOUSEHOLDS WHO HAVE THE LARGEST INCOME INEQUALITY.

THE 2017 FEDERAL POVERTY LEVEL FOR A FAMILY OF FOUR IS \$24,600.19.
MONTGOMERY COUNTY EXPERIENCED A DECREASE IN RESIDENTS LIVING BELOW THE
FEDERAL POVERTY LEVEL FROM 7.5 PERCENT IN 2015 TO 7.0 PERCENT IN 2017. IN
2017, ACROSS ALL COUNTIES IN MARYLAND, LESS RESIDENTS WERE LIVING BELOW
THE POVERTY LEVEL (9.7 PERCENT) THAN IN 2015 (10.0 PERCENT). DESPITE THE
SLIGHT DECREASE IN POVERTY RATES, A LARGE INCOME INEQUALITY GAP PERSISTS.
IN MARYLAND, WHITE INDIVIDUALS HAVE THE LOWEST PERCENTAGE OF RESIDENTS
LIVING IN POVERTY WHEN COMPARED TO NON-WHITE INDIVIDUALS. IN PRINCE
GEORGE'S COUNTY WHITE RESIDENTS HAVE A HIGHER PERCENTAGE OF INDIVIDUALS
LIVING IN POVERTY COMPARED TO BLACK AND ASIAN RESIDENTS WHO EXPERIENCE THE
LOWEST RATES OF POVERTY. IN MONTGOMERY COUNTY BLACK AND HISPANIC RESIDENTS
EXPERIENCE POVERTY AT A RATE NEARLY THREE TIMES THAT OF WHITE RESIDENTS.

HEALTH INSURANCE COVERAGE: DESPITE MONTGOMERY COUNTY'S RELATIVE WEALTH
REGARDING INCOME, EDUCATION AND SUPPORT FOR PUBLIC SERVICES, BETWEEN

Part VI Supplemental Information (Continuation)

80,000 AND 90,000 RESIDENTS ARE UNINSURED. MORE THAN 100,000 RESIDENTS IN
PRINCE GEORGE'S COUNTY ARE UNINSURED. IN MONTGOMERY AND PRINCE GEORGE'S
COUNTIES AS WELL AS IN MARYLAND OVERALL, HISPANICS ARE SIGNIFICANTLY MORE
LIKELY TO NOT HAVE HEALTH INSURANCE COVERAGE COMPARED TO WHITE AND BLACK
INDIVIDUALS.

PART VI, LINE 5:

ADVENTIST HEALTHCARE REHABILITATION PARTNERS WITH COMMUNITY ORGANIZATIONS
AND AGENCIES TO PROVIDE EDUCATION ON PREVENTION AND REHABILITATION FOR
MANY HEALTH AND DISEASE-RELATED ISSUES FOR VALUABLE INPUT ON THE HEALTH
NEEDS OF COMMUNITY MEMBERS. THIS INCLUDES SENIOR CENTERS, CHURCHES,
SCHOOLS, SUPPORT GROUPS AND PROFESSIONAL ORGANIZATIONS. THE ADVENTIST
HEALTHCARE REHABILITATION-ROCKVILLE SITE IS ALSO THE HOST FACILITY FOR A
VARIETY OF SUPPORT GROUPS AND SPECIALTY THERAPEUTIC GROUPS FOR PATIENTS
PAST AND PRESENT ALONG WITH THEIR FAMILIES AND CAREGIVER NETWORKS. WE
PARTNER WITH CLINICS THAT SERVE THE LOW-INCOME RESIDENTS OF MONTGOMERY
COUNTY, MANY OF WHOM ARE LIMITED ENGLISH PROFICIENT AND/OR RACIAL AND
ETHNIC MINORITIES. ONE OF ADVENTIST HEALTHCARE REHABILITATION'S SAFETY NET
CLINIC PARTNERS IS MERCY HEALTH CLINIC, WHICH PROVIDES PRIMARY CARE TO
UNINSURED, LOW-INCOME ADULT RESIDENTS OF MONTGOMERY COUNTY. WE ALSO
PARTNER WITH MERCY HEALTH CLINIC BY PROVIDING FREE DIAGNOSTIC SERVICES/LAB
WORK TO THEIR UNINSURED PATIENTS. ANOTHER KEY PARTNER IS MOBILE MEDICAL
CARE (MOBILE MED), WHICH OPERATES THREE MOBILE HEALTHCARE VEHICLES AND
PROVIDES PRIMARY AND PREVENTATIVE HEALTHCARE TO THE UNINSURED, LOW INCOME,
WORKING POOR, AND HOMELESS IN MONTGOMERY COUNTY. WE ALSO PARTNER WITH
MOBILE MED BY PROVIDING FREE DIAGNOSTIC SERVICES/LAB WORK TO THEIR
UNINSURED PATIENTS. THESE CLINICS WERE ALSO SUPPORTED WITH CASH DONATIONS
FROM ADVENTIST HEALTHCARE THROUGH OUR COMMUNITY PARTNERSHIP FUND.

Part VI Supplemental Information (Continuation)

AS PART OF A PARTNERSHIP WITH THE MONTGOMERY CARES/PRIMARY CARE COALITION INITIATIVE, ADVENTIST HEALTHCARE REHABILITATION PROVIDES OVER 150 PHYSICAL THERAPY VISITS ANNUALLY ON AVERAGE FOR UNINSURED, LOW-INCOME MONTGOMERY COUNTY RESIDENTS.

AN ADDITIONAL KEY COMMUNITY PARTNERSHIP IS THAT WITH MONTGOMERY COUNTY PUBLIC SCHOOLS. BEGINNING IN 2013, ADVENTIST HEALTHCARE REHABILITATION BEGAN PROVIDING BASELINE CONCUSSION TESTING FOR STUDENT ATHLETES. IN THE EVENT THAT AN INJURY OCCURS, THE EXAMS ARE USED TO COMPARE WITH POST-INJURY TESTS. ADVENTIST HEALTHCARE REHABILITATION ALSO PROVIDES SUPPORT IN THE FORM OF ATHLETIC TRAINERS ON SITE AT THE SCHOOLS TO WORK TO KEEP ATHLETES SAFE FROM THE DANGERS OF CONCUSSIONS AND OTHER SPORTS INJURIES, PROVIDE SIDELINE CARE AT GAMES, AND MANAGE RETURN-TO-PLAY PROTOCOL. ADVENTIST HEALTHCARE REHABILITATION IS CURRENTLY PROVIDING THESE SERVICES TO 13 MONTGOMERY COUNTY HIGH SCHOOLS.

IN ADDITION TO THE FORMAL ADVISORY BOARD THAT HELPS ADDRESS COMMUNITY NEEDS, THE STAFF OF ADVENTIST HEALTHCARE AND ADVENTIST HEALTHCARE REHABILITATION PARTICIPATES IN VARIOUS WAYS IN THE COMMUNITY. IN ORDER TO OBTAIN INPUT AND GUIDANCE FROM THOSE WE SERVE, WE ESTABLISHED A PATIENT-FAMILY ADVISORY COUNCIL WHICH KEEPS OUR PROGRAMS AND SERVICES RELEVANT TO THE COMMUNITY'S HEALTH NEEDS AND ALLOWS FOR DIRECT DIALOGUE WITH OUR CUSTOMERS. FURTHER, WE ACTIVELY PARTICIPATE IN NUMEROUS COMMITTEES, COALITIONS, AND PARTNERSHIPS THAT PROVIDE INFORMATION ON THE HEALTH NEEDS IN THE COMMUNITY, SUCH AS HEALTHY MONTGOMERY, THE LOCAL HEALTH IMPROVEMENT COALITION. THE HEALTH PROFESSIONALS THAT PROVIDE PROGRAMS IN THE COMMUNITY ALSO PROVIDE VALUABLE INFORMATION AND KNOWLEDGE

Part VI Supplemental Information (Continuation)

OF COMMUNITY NEEDS.

PART VI, LINE 6:

AFFILIATED HEALTH CARE:

ADVENTIST HEALTHCARE, BASED IN GAITHERSBURG, MD., IS A FAITH-BASED,
NOT-FOR-PROFIT ORGANIZATION OF DEDICATED PROFESSIONALS WHO WORK TOGETHER
EACH DAY TO PROVIDE EXCELLENT WELLNESS, DISEASE MANAGEMENT AND HEALTH-CARE
SERVICES TO THE COMMUNITY. WE WERE FOUNDED UPON THE PRINCIPLE OF WELLNESS
MORE THAN 100 YEARS AGO AND TODAY PROVIDE INNOVATIVE CARE TO HEART-ATTACK
VICTIMS, CANCER PATIENTS, PREMATURE BABIES AND THE COMMUNITY AS A WHOLE.

OUR UNWAVERING FOCUS HAS ALWAYS BEEN ON THE HEALTH AND WELLNESS OF THE
COMMUNITIES WE SERVE. WE ARE ALREADY A STEP AHEAD AS HEALTH CARE REFORM IS
CHALLENGING HOSPITAL SYSTEMS NATIONWIDE TO IMPROVE THE HEALTH OF
POPULATIONS; OUR INTEGRATED, HEALTH-CARE DELIVERY NETWORK INCLUDES FOUR
NATIONALLY ACCREDITED, ACUTE-CARE AND SPECIALTY HOSPITALS, MENTAL HEALTH
SERVICES, HOME HEALTH AGENCIES AND URGENT CARE CENTERS, SERVING THE
WASHINGTON, D.C. METROPOLITAN AREA.

ADVENTIST HEALTHCARE INCLUDES: ADVENTIST HEALTHCARE SHADY GROVE MEDICAL
CENTER, ADVENTIST HEALTHCARE WHITE OAK MEDICAL CENTER, ADVENTIST
HEALTHCARE FORT WASHINGTON MEDICAL CENTER, ADVENTIST HEALTHCARE
REHABILITATION, ADVENTIST HEALTHCARE HOME CARE SERVICES, THE REGINALD S.
LOURIE CENTER FOR CHILDREN'S SOCIAL & EMOTIONAL WELLNESS, ADVENTIST
HEALTHCARE URGENT CARE CENTERS, AND OTHER HEALTH SERVICES. TOGETHER MORE
THAN 2,000 AFFILIATED PRIMARY AND SPECIALTY CARE PHYSICIANS, ADVENTIST
HEALTHCARE ENCOMPASSES MANY OF THE NECESSARY CARE DELIVERY COMPONENTS

Part VI Supplemental Information (Continuation)

NEEDED TO DELIVER POPULATION-BASED CARE ACROSS THE CONTINUUM.

OUR COMMITMENT TO THE COMMUNITY EXTENDS BEYOND OUR WALLS TO ENCOMPASS THE MOST VULNERABLE AND UNDERSERVED. IN 2020, THERE WERE APPROXIMATELY 673,144 OVERALL ENCOUNTERS ACROSS ALL OF OUR FACILITIES AND PROGRAMS. WE ALSO PROVIDED SIGNIFICANT CHARITY CARE AND COMMUNITY BENEFIT. AS ONE OF THE LARGEST EMPLOYERS IN THE STATE OF MARYLAND, WE ARE GRATEFUL TO HAVE THE DEDICATED COMMITMENT OF 5,934 EMPLOYEES AND NUMEROUS VOLUNTEERS PROVIDING OVER 25,929 HOURS OF TIME, THROUGHOUT ADVENTIST HEALTHCARE WHO PROVIDE COMPASSIONATE, HIGH-QUALITY CARE EACH AND EVERY DAY.

IN ADDITION TO PROVIDING CHARITY CARE AT OUR FACILITIES, ADVENTIST HEALTHCARE IS INVOLVED IN NUMEROUS OUTREACH INITIATIVES DESIGNED TO IMPROVE ACCESS TO HEALTH CARE FOR LOW-INCOME AND UNINSURED INDIVIDUALS, AS WELL AS HISTORICALLY UNDER-SERVED COMMUNITIES INCLUDING MINORITIES AND IMMIGRANTS. OUR GOAL IS EFFECTIVE PREVENTION, TREATMENT AND CARE PROGRAMS FOR ALL INDIVIDUALS, REGARDLESS OF THEIR ECONOMIC, CULTURAL, LINGUISTIC OR DEMOGRAPHIC CHARACTERISTICS.

VISIT WWW.ADVENTISTHEALTHCARE.COM TO LEARN EVEN MORE ABOUT OUR SERVICES AND OUR LONGSTANDING BELIEF THAT A HEALTHY LIFESTYLE IS THE BEST WAY TO PREVENT DISEASE, AND THAT PREVENTION IS MUCH BETTER THAN A CURE.

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

MD

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2020

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization **ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.** Employer identification number **20-1486678**

Part I Questions Regarding Compensation

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

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

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

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

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

<input checked="" type="checkbox"/> Compensation committee	<input 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? **4a**

b Participate in or receive payment from a supplemental nonqualified retirement plan? **4b**

c Participate in or receive payment from an equity-based compensation arrangement? **4c**

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? **5a**

b Any related organization? **5b**

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? **6a**

b Any related organization? **6b**

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 **7**

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

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

	Yes	No
1b		
2		
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) 2020

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) JOHN SACKETT CHAIR; EVP & COO, AHC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	646,430.	194,690.	284,720.	26,000.	41,261.	1,193,101.	100,516.
(2) DANIEL L. COCHRAN PRESIDENT, SGM C	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	457,069.	116,669.	108,974.	157,560.	16,847.	857,119.	63,802.
(3) EUNMEE SHIM PRESIDENT OF FWMC & AHC AMB NETWK	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	407,395.	133,295.	125,029.	115,594.	30,480.	811,793.	64,375.
(4) MARTA BRITO PEREZ SVP, POP. HEALTH/POST-ACUTE CARE SVCS	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	429,700.	133,233.	112,816.	26,000.	15,973.	717,722.	0.
(5) ANTHONY STAHL PRESIDENT, WOMC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	330,524.	0.	200,896.	105,224.	17,366.	654,010.	0.
(6) BRENT REITZ SECY; PRES, POST-ACUTE CARE SRV, AHC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	312,524.	84,544.	97,933.	97,388.	21,962.	614,351.	53,449.
(7) VALERIE SUMMERLIN AVP, CHIEF NURSING OFFICER	(i)	195,774.	32,776.	2,373.	24,440.	8,010.	263,373.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) GEORGE R. GRANGE ADMINISTRATOR	(i)	179,005.	27,623.	1,437.	11,158.	23,076.	242,299.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) ELIZABETH KOTROBA ADMINISTRATOR	(i)	166,282.	23,859.	1,299.	17,454.	24,348.	233,242.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) SUSAN SAVERY AVP, POST-ACUTE CARE SVCS	(i)	166,183.	34,509.	1,046.	20,124.	7,050.	228,912.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) RASHIDAT ODUNEWU ASSISTANT NURSE MANAGER	(i)	146,103.	8,300.	1,268.	7,012.	21,689.	184,372.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(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 3:

PAY PRACTICE: ADVENTIST HEALTHCARE UTILIZES A SINGLE EMPLOYER ID FOR ALL
ITS AFFILIATED ENTITIES FOR EMPLOYMENT PURPOSES. AS SUCH, ACTUAL
COMPENSATION AND BENEFITS ARE CHARGED TO THE RESPECTIVE ENTITIES AND THE
RESULTING COMPENSATION AND BENEFITS ARE REPORTED ON EACH AFFILIATE IRS FORM
990 AS IF PAID DIRECTLY BY SUCH AFFILIATE. AS APPLICABLE, THE SAME AND
NON-ADDITIVE COMPENSATION AND EMPLOYMENT BENEFIT PLAN CONTRIBUTION AMOUNTS
WERE ALSO DISCLOSED IN THE ADVENTIST HEALTHCARE INC. RELATED ENTITIES
RETURNS.

INDEPENDENT GUIDELINES: WHEN SETTING COMPENSATION FOR THE OFFICERS,
DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE HIGHEST COMPENSATED EMPLOYEES,
ADVENTIST HEALTHCARE FULLY COMPLIES WITH THE PROCEDURAL SAFEGUARDS EMBODIED
IN IRS REGULATIONS. COMPENSATION FOR ADVENTIST HEALTHCARE OFFICERS,
DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE HIGHEST COMPENSATED EMPLOYEES
IS ENTIRELY SET BY A COMMITTEE OF ADVENTIST HEALTHCARE BOARD OF TRUSTEES.
IN SETTING COMPENSATION, THE GOVERNING BOARD COMMITTEE RELIES UPON MARKET
COMPARABILITY DATA PROVIDED BY AN INDEPENDENT OUTSIDE COMPENSATION

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.

CONSULTANT WHO PROVIDES A SUMMARY OF HEALTH CARE SALARIES AND BENEFITS FOR
COMPARABLE SIZED ORGANIZATIONS BOTH NATIONALLY AND IN THE
BALTIMORE-WASHINGTON REGION. TO FURTHER ENSURE REASONABLENESS, BOTH
COMPENSATION AND BENEFITS ARE TARGETED AT THE 50TH PERCENTILE (OR MEDIAN)
OF THE MARKET.

PART I, LINE 4B:

CERTAIN EMPLOYEES RECEIVED COMPENSATION FROM A DISTRIBUTION UNDER AN
EXECUTIVE RETENTION 457F PLAN, WHICH BECAME EFFECTIVE ON JANUARY 1, 2015.
PRE-TAX CONTRIBUTIONS ARE ACCUMULATED ANNUALLY AND ARE DISTRIBUTED ON
JANUARY 1ST OF THE 2ND YEAR, IF STILL EMPLOYED, OR SOONER BASED ON CERTAIN
EXCEPTIONS. THERE IS TYPICALLY A 2-YEAR DEFERRAL PERIOD BEFORE PAYMENTS
ARE RELEASED. CONTRIBUTIONS ACCUMULATED IN 2018 WERE GENERALLY DISTRIBUTED
ON JANUARY 1, 2020 AND CONTRIBUTIONS ACCUMULATED IN 2019 WILL GENERALLY BE
DISTRIBUTED ON JANUARY 1, 2021. AMOUNTS LISTED UNDER PART II, COLUMN F
INCLUDE PAYOUT AMOUNTS WHICH WERE CONSIDERED DEFERRED COMPENSATION FROM THE
457F PLAN IN OUR PRIOR YEAR RETURNS AND THESE AMOUNTS ARE NOW BEING SHOWN
UNDER THE OTHER REPORTABLE INCOME, COLUMN B (III).

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.

THE 457(F) PLAN DISCUSSED IMMEDIATELY ABOVE PAYS CERTAIN PARTICIPANTS

SUPPLEMENTAL RETIREMENT PAYMENTS IN DIRECT CASH, RATHER THAN RETENTION

BENEFITS OF DEFERRED CASH, AFTER ATTAINING THE PLAN'S RETIREMENT AGE. THE

FOLLOWING TWO EXECUTIVES RECEIVED SUPPLEMENTAL RETIREMENT PAYMENTS UNDER

THIS PLAN FEATURE:

JOHN SACKETT: \$130,857 EARLY LUMP-SUM;

MARTA BRITO PEREZ: \$88,930 EARLY LUMP-SUM.

PART I, LINE 7:

THE ANNUAL INCENTIVE COMPENSATION INCLUDES PAYMENTS BASED ON SATISFACTION

OF PRE-DETERMINED PERFORMANCE TARGETS SUCH AS QUALITY/PATIENT SAFETY GOALS,

EMPLOYEE AND PATIENT ENGAGEMENT GOALS, ORGANIZATIONAL GROWTH, AND FINANCIAL

PERFORMANCE, AMONG OTHER THINGS. THE ANNUAL INCENTIVE COMPENSATION APPLIES

TO DIRECTORS AND ABOVE.

SUPPLEMENTAL INFORMATION:

OTHER REPORTABLE COMPENSATION INCLUDES RETENTION PAYMENTS AND LUMP-SUM

ADJUSTMENTS IN LIEU OF THE ACROSS-THE-BOARD INCREASE (FOR EMPLOYEES WHO

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.

ARE AT OR REACH THE RANGE MAXIMUM FOR THEIR POSITION). OTHER

REPORTABLE COMPENSATION ALSO INCLUDES LONG-TERM DISABILITY COVERAGE,

CELL PHONE ALLOWANCES, CASH-OUT OF UNUSED PAID TIME OFF (PTO) HOURS

(ONLY FOR EMPLOYEES WHO LEAVE OUR ORGANIZATION), IMPUTED VALUE OF LIFE

INSURANCE BENEFITS, AND SEVERANCE, AS APPLICABLE. CERTAIN EXECUTIVES

CAN ALSO RECEIVE REPORTABLE COMPENSATION THROUGH A SUPPLEMENTAL

EXECUTIVE RETIREMENT PLAN (SERP), ONCE THEY HAVE VESTED IN THE PLAN.

NON-TAXABLE BENEFITS INCLUDES PRE-TAX PAYROLL DEDUCTIONS (SUCH AS

FLEXIBLE MEDICAL SPENDING, DEPENDENT CARE, AND EMPLOYEE HEALTH BENEFIT

PREMIUMS), AND THE EMPLOYER PORTION OF CERTAIN EMPLOYEE BENEFITS SUCH

AS HEALTH INSURANCE, DENTAL INSURANCE, VISION INSURANCE, AND LIFE

INSURANCE, ETC.

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

2020

Open to Public
Inspection

Name of the organization	ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number	20-1486678
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FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

EXPERT CARE TEAMS WORK SIDE-BY-SIDE WITH PATIENTS, USING INNOVATIVE
THERAPIES, STATE-OF-THE-ART EQUIPMENT AND GROUND-BREAKING TECHNOLOGY
COMBINE TO OFFER NEW WAYS TO HEAL. ADVENTIST HEALTHCARE REHABILITATION
IS BUILT AROUND OUR PATIENTS AND LEADS THE WAY BACK TO LIFE FROM
STROKE, BRAIN INJURY, SPINAL CORD INJURY, AMPUTATION AND TRAUMA. EVERY
DAY, WE CELEBRATE PATIENT ADVANCES, BIG AND SMALL. WE HAVE INPATIENT
LOCATIONS IN ROCKVILLE AND TAKOMA PARK WITH OUTPATIENT SERVICES IN
ROCKVILLE, GAITHERSBURG AND SILVER SPRING.

WE OFFER SPECIALIZED INPATIENT AND OUTPATIENT TREATMENT FOR PERSONS
WITH FUNCTIONAL LIMITATIONS, CARING FOR PATIENTS 18 AND OLDER, AND
UNDER SPECIAL CIRCUMSTANCES, EMANCIPATED MINORS. SOME OF OUR MANY
REHABILITATION PROGRAMS AND SERVICES INCLUDE:

- ACUTE INPATIENT REHABILITATION
- SPINAL CORD INJURY
- AMPUTEE PROGRAM
- STROKE
- BRAIN INJURY
- CONCUSSION MANAGEMENT
- ORTHOPEDICS & ORTHOTICS,
- OUTPATIENT REHABILITATION
- DRIVER REHABILITATION PROGRAM,
- LYMPHEDEMA THERAPY

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

Schedule O (Form 990 or 990-EZ) 2020

032211 11-20-20

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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- JOINT REPLACEMENT PROGRAM
- PELVIC HEALTH REHABILITATION
- SEATING & MOBILITY CLINIC
- LEE SILVERMAN VOICE TREATMENT (LSVT) SPEECH LANGUAGE & SWALLOWING THERAPY

ADVENTIST HEALTHCARE REHABILITATION IS ACCREDITED BY THE JOINT COMMISSION. THE ACCREDITATION PROCESS ESTABLISHED BY THE JOINT COMMISSION IS RECOGNIZED NATIONWIDE AS A SYMBOL OF QUALITY THAT REFLECTS AN ORGANIZATION'S COMMITMENT TO MEETING PERFORMANCE STANDARDS.

ADVENTIST HEALTHCARE REHABILITATION'S PROGRAMS HOLD THE SEAL OF APPROVAL FROM THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF), THE TOP JUDGE OF MANY TYPES OF HEALTH AND HUMAN SERVICES. THIS MEANS CARF RECOGNIZES OUR TEAM FOR THEIR SKILLS AND COMMITMENT TO YOUR SAFETY. THE MOST RECENT CERTIFICATION TOOK PLACE IN THE FALL OF 2020.

ADVENTIST HEALTHCARE REHABILITATION IS THE FIRST HOSPITAL IN THE D.C. METROPOLITAN AREA TO EARN A SPECIALTY ACCREDITATION IN AMPUTEE REHABILITATION FROM THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF) INTERNATIONAL. CARF INTRODUCED ITS AMPUTEE SPECIALTY STANDARDS IN JULY 2007 WITH INPUT FROM THE AMPUTEE COALITION OF AMERICA, VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF DEFENSE, AMERICAN ACADEMY OF ORTHOTISTS & PROSTHETISTS, AND PERSONS WITH LIMB LOSS. THE STANDARDS, WHICH BECAME EFFECTIVE IN JANUARY 2008, REQUIRE ACCREDITED AMPUTEE PROGRAMS TO PROVIDE A HOLISTIC, INTERDISCIPLINARY TEAM APPROACH TO CARE AND TO OFFER POST-CARE ASSISTANCE IN

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TRANSITIONING BACK TO THE COMMUNITY.

OUR ACUTE INPATIENT REHABILITATION PROGRAM IS RUN BY A TEAM OF REHABILITATION EXPERTS WHO GUIDE PATIENTS ALONG A PRACTICAL AND PERSONAL TREATMENT PROGRAM FOCUSED ON INCREASING SELF-RELIANCE AND GAINING INDEPENDENCE. THE TEAM IS LED BY A PHYSIATRIST, A MEDICAL DOCTOR WHO SPECIALIZES IN PHYSICAL REHABILITATION. WE PROVIDE SPECIALIZED REHABILITATION NURSING 24 HOURS A DAY, SEVEN DAYS A WEEK. THERAPY SERVICES INCLUDE PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH LANGUAGE PATHOLOGY AND RECREATIONAL THERAPY.

THE SPINAL CORD INJURY PROGRAM ADDRESSES BOTH TRAUMATIC SPINAL CORD INJURIES RESULT FROM A FALL OR ACCIDENT, AND NON-TRAUMATIC SPINAL CORD INJURIES THAT RESULT FROM A STROKE OR DISRUPTION, TUMOR, OR INFECTION ON THE SPINAL CORD. AGAIN, A TEAM APPROACH TO PUT TOGETHER AN INTERDISCIPLINARY PLAN OF CARE HELPS THE PATIENT ON THEIR ROAD TO RECOVERY.

OUR AMPUTEE PROGRAM UTILIZES AN INTERDISCIPLINARY TEAM APPROACH TO HELP PATIENTS ADJUST PHYSICALLY AND PSYCHOLOGICALLY AFTER THE LOSS OF A LIMB AND RESUME ACTIVE AND PRODUCTIVE LIVES. INDIVIDUALS MAY BE TREATED AS INPATIENTS OR OUTPATIENTS, DEPENDING ON THEIR NEEDS. PATIENTS WORK TO IMPROVE STRENGTH, COORDINATION AND ENDURANCE AND ALSO LEARN PROPER WOUND CARE. WHEN READY, OUR PATIENTS ARE PRESCRIBED PROSTHETIC DEVICES THAT ARE BOTH FUNCTIONAL AND COMFORTABLE TO WEAR. ONCE FITTED WITH A NEW LIMB, THE PATIENT LEARNS TO USE THE PROSTHESIS WITH CONFIDENCE AND TO INCORPORATE IT INTO DAILY LIFE.

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THE INTERDISCIPLINARY TEAM APPROACH OF THE BRAIN INJURY PROGRAM
ADDRESSES TRAUMATIC BRAIN INJURIES CAUSED BY AN EXTERNAL PHYSICAL
FORCE, SUCH AS A CAR ACCIDENT, FALL, SPORTS OR WORKPLACE INJURIES,
ETC.; AS WELL AS ACQUIRED NON-TRAUMATIC BRAIN INJURIES CAUSED BY
INTERNAL TRAUMA TO THE BRAIN, SUCH AS TUMORS, BLOOD CLOTS, SEIZURES,
INFECTIONS, ETC. EACH OF THESE TYPES OF BRAIN INJURIES MAY RESULT IN
IMPAIRMENT OF PHYSICAL, COGNITIVE, BEHAVIORAL AND/OR EMOTIONAL
CAPABILITIES. REHABILITATION FOLLOWING A BRAIN INJURY IS VERY COMPLEX
BECAUSE OF THE NEED TO ADDRESS MULTIPLE AREAS OF DEFICIT, INCLUDING
PHYSICAL IMPAIRMENTS, FUNCTIONAL DEFICIENCIES (SUCH AS DIFFICULTY
WALKING OR DRESSING), BEHAVIORAL DIFFICULTIES, EMOTIONAL CONSEQUENCES
AND SOCIAL OR INTERPERSONAL LIMITATIONS. OFTEN, SIGNIFICANT COGNITIVE
DEFICITS, SUCH AS LIMITED ATTENTION SPAN OR POOR MEMORY, UNDERLIE AND
EXACERBATE THESE PROBLEMS. PATIENTS IN OUR BRAIN INJURY PROGRAM RECEIVE
INTENSIVE, INTEGRATED REHABILITATION DESIGNED TO MAXIMIZE THEIR
RECOVERY. TEAM MEMBERS, INCLUDING A NEUROPSYCHOLOGIST, MEET AT LEAST
ONCE A WEEK TO DISCUSS GOALS, PROGRESS AND TREATMENT STRATEGIES.

WE CONTINUE TO PARTNER WITH MONTGOMERY COUNTY PUBLIC SCHOOLS (MCPS) ON
AN ATHLETIC TRAINING PROGRAM FOR COUNTY HIGH SCHOOL ATHLETES. THE
PARTNERSHIP REQUIRES ALL HIGH SCHOOL ATHLETES TO UNDERGO BASELINE
COGNITIVE TESTING PRIOR TO THEIR RESPECTIVE SPORTS SEASON.

OTHER PROGRAMS OFFERED INCLUDE A STROKE PROGRAM FOR RECOVERING STROKE
PATIENTS TO TAKE PART IN AN INTENSIVE COURSE OF INTEGRATED THERAPY AND
MEDICAL MANAGEMENT. THE OBJECTIVE IS TO RESTORE MOVEMENT, IMPROVE
SPEECH, TEACH SELF-CARE AND HOME CARE SKILLS, AND IMPROVE COGNITIVE AND
MEMORY FUNCTIONS. STROKE PATIENTS AND THEIR FAMILIES WILL BE GUIDED

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THROUGH A PATIENT-FOCUSED, COMPREHENSIVE AND OUTCOME-ORIENTED STROKE PROGRAM BY A CARING, EXPERIENCED TEAM OF HEALTHCARE PROFESSIONALS.

THE ORTHOPEDIC REHABILITATION PROGRAM IS DESIGNED FOR THOSE WHO HAVE UNDERGONE A TOTAL HIP OR KNEE REPLACEMENT OR HAVE SUSTAINED TRAUMA TO BONES OR JOINTS. THE PROGRAM FOCUSES ON HELPING PATIENTS REGAIN THEIR STRENGTH, MOBILITY, ENDURANCE AND RANGE OF MOTION.

THE CARDIAC REHABILITATION PROGRAM OFFERS CAREFULLY MONITORED COMPREHENSIVE REHABILITATION SERVICES TO IMPROVE ENDURANCE AND ABILITY TO COMPLETE ACTIVITIES OF DAILY LIVING FOR PATIENTS WITH A VARIETY OF HEART DISEASES AND AFTER OPEN HEART SURGERY.

TO MEET THE EXTRAORDINARY NEEDS OF OUR COMMUNITY IN RESPONSE TO THE CORONAVIRUS PANDEMIC AND ACCOMMODATE THE LARGE SURGE OF COVID CASES IN MARYLAND, ADVENTIST HEALTHCARE REHABILITATION AT TAKOMA PARK OPENED AN INPATIENT REHABILITATION UNIT SPECIFICALLY FOR COVID-19 PATIENTS IN APRIL AND CONVERTED AN INPATIENT RECOVERY UNIT INTO AN ALTERNATE CARE SITE. THROUGH OUR HIGH-QUALITY REHABILITATION PROGRAMS AND DEDICATED STAFF, WE BETTER MOBILIZED POST-COVID PATIENTS FOR RETURN TO DAILY LIVING AT HOME AND THEIR COMMUNITIES.

THE DRIVER REHABILITATION PROGRAM DETERMINES WHETHER IT IS SAFE FOR THE CLIENT TO CONTINUE DRIVING FOLLOWING AN INJURY/ILLNESS OR AGE-RELATED CHANGES. A DRIVING PROGRAM MAY INCLUDE A CLINICAL EVALUATION WHICH INCLUDES AN ASSESSMENT OF VISION, VISUAL PERCEPTION, COGNITION, REACTION TIME AND MOTOR SKILLS RELATED TO DRIVING. IT MAY ALSO INCLUDE A BEHIND-THE-WHEEL EVALUATION, IN ADDITION TO TRAINING CONDUCTED BY AN

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OCCUPATIONAL THERAPIST WHO SPECIALIZES IN DRIVING REHABILITATION.

OUR CERTIFIED LYMPHEDEMA THERAPISTS PROVIDE A COMPLETE DECONGESTIVE TREATMENT APPROACH FOR PEOPLE SUFFERING FROM LYMPHEDEMA. THIS INVOLVES A SPECIALIZED MASSAGE TECHNIQUE CALLED MANUAL LYMPH DRAINAGE (MLD), SKIN AND NAIL CARE, COMPRESSION BANDAGING AND GARMENTS, REMEDIAL EXERCISE AND SELF-CARE TRAINING. THE GOAL OF OUR PROGRAM IS TO HELP INDIVIDUALS REDUCE INCREASE VOLUME RESULTING FROM LYMPHEDEMA, RESTORE MOBILITY, IMPROVE COSMESIS, PREVENT INFECTION AND IMPROVE THEIR QUALITY OF LIFE.

A JOINT REPLACEMENT PROGRAM AT ADVENTIST HEALTHCARE REHABILITATION HELPS PATIENTS ACHIEVE GOALS FOR OPTIMAL RESULTS. ONE OF THE IMPORTANT CRITICAL FACTORS FOR SUCCESSFUL OUTCOMES FOLLOWING KNEE OR HIP REPLACEMENT FOR PATIENTS IS FOR PATIENTS TO DILIGENTLY FOLLOW THE PHYSICAL REHABILITATION PROCESS. WE PROVIDE BOTH THE SUPPORT AND RESOURCES FOR A POSITIVE OUTCOME.

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

LEE SILVERMAN VOICE TREATMENT (LSVT)-CERTIFIED SPEECH LANGUAGE PATHOLOGISTS AT ADVENTIST HEALTHCARE REHABILITATION CAN COMPLETE A COMPREHENSIVE ASSESSMENT TO DETERMINE CANDIDACY FOR LSVT. LSVT LOUD IS A HIGHLY EFFECTIVE INTENSIVE SPEECH THERAPY PROGRAM DESIGNED FOR PARKINSON'S PATIENTS TO IMPROVE SPEECH AND VOICE FUNCTION. THE THERAPY TARGETS VOCAL LOUDNESS IN ORDER TO TRIGGER IMPROVED FUNCTION AND COORDINATION ACROSS THE VARIOUS SUBSYSTEMS OF SPEECH. LSVT BIG-CERTIFIED PHYSICAL THERAPISTS FOCUS ON COMBINING MOTOR RETRAINING, SENSORY RE-TRAINING, AND HIGH AMPLITUDE MOVEMENTS TO ELICIT MAXIMUM

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OUTCOMES. THE TREATMENT REGIMEN INCLUDES EMPHASIS ON PATIENT EDUCATION
AND CARRYOVER OF GAINS TO DAILY COMMUNICATION ENVIRONMENTS. THE LSVT
PROTOCOL INVOLVES FOUR 1-HOUR THERAPY SESSIONS PER WEEK FOR 4 WEEKS.

ADVENTIST HEALTHCARE REHABILITATION IS BUILT AROUND OUR PATIENTS AND
LEADS THE WAY BACK TO LIFE FROM STROKE, BRAIN INJURY, SPINAL CORD
INJURY, AMPUTATION AND TRAUMA. EXPERT CARE TEAMS WORKING SIDE-BY-SIDE
WITH PATIENTS, USING INNOVATIVE THERAPIES, STATE-OF-THE-ART EQUIPMENT
AND GROUND-BREAKING TECHNOLOGY COMBINE TO OFFER NEW WAYS TO HEAL.

AS A NONPROFIT ORGANIZATION, ADVENTIST HEALTHCARE REHABILITATION
DEPENDS ON THIS SUPPORT AND DOLLAR FOR DOLLAR, EVERY DONATION MAKES A
DIFFERENCE BY HELPING US MAINTAIN OUTSTANDING PROGRAMS AND SERVICES AND
KEEP PACE WITH THE LATEST ADVANCES IN TECHNOLOGY AND EQUIPMENT FOR
REHABILITATIVE CARE.

ADVENTIST HEALTHCARE REHABILITATION ALSO FEATURES OUTPATIENT SERVICES
IN DOWNTOWN CROWN IN GAITHERSBURG, MD. EXPERT SERVICES ARE PROVIDED BY
PHYSICAL THERAPISTS AND PHYSICIANS WHO SPECIALIZE IN ORTHOPEDIC AND
SPORTS-RELATED INJURIES. THE REHABILITATION SERVICES PROVIDE CLIENTS
WITH EVIDENCE-BASED TREATMENT APPROACHES THAT ARE BOTH SAFE AND
EFFECTIVE FOR MANY SPORTS-RELATED INJURIES. COMMON CONDITIONS WE TREAT
INCLUDE: MUSCLE TEARS AND TENDONITIS, BACK AND NECK PAIN, LIGAMENT
SPRAINS, SPINAL DISC INJURIES, POST-SURGERY BONE FRACTURES AND JOINT
REPLACEMENT, POST-SURGICAL LIGAMENT RECONSTRUCTION, SPORTS-RELATED
INJURIES AND SCIATICA.

ADVENTIST HEALTHCARE REHABILITATION OPENED A NEW OUTPATIENT LOCATION IN

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THE WHITE OAK MEDICAL PAVILION IN SILVER SPRING, MD IN SEPTEMBER OF
 2020. A NOTABLE EXPANSION TO OUR CARDIAC REHABILITATION PROGRAM WAS
 EXECUTED IN THIS LOCATION, WHILE CONTINUING TO PROVIDE OUR CORE
 OUTPATIENT SERVICES OF OCCUPATIONAL HEALTH, SPEECH AND LANGUAGE
 PATHOLOGY, PHYSICAL THERAPY, CANCER/LYMPHEDEMA THERAPY AND ORTHOPEDIC
 REHAB.

SOME OF OUR OUTPATIENT SERVICES INCLUDE: CERTIFIED MANUAL THERAPISTS,
 FREE INJURY SCREENINGS, DRY NEEDLING FOR PAIN MANAGEMENT AND
 ANTI-GRAVITY TREADMILL EQUIPMENT.

FORM 990, PART VI, SECTION A, LINE 6:
 ADVENTIST HEALTHCARE, INC. IS THE SOLE CORPORATE MEMBER OF ADVENTIST
 REHABILITATION HOSPITAL OF MARYLAND, INC. WITH THE AUTHORITY TO APPROVE ITS
 BOARD MEMBERSHIP.

FORM 990, PART VI, SECTION A, LINE 7A:
 THE BOARD OF TRUSTEES OF ADVENTIST HEALTHCARE, INC. APPOINTS THE MEMBERS OF
 ADVENTIST REHABILITATION HOSPITAL OF MARYLAND GOVERNING BODY.

FORM 990, PART VI, SECTION A, LINE 7B:
 THE BOARD OF TRUSTEES APPROVES ALL ACTIONS OF MANAGEMENT.

FORM 990, PART VI, SECTION B, LINE 11B:
 DURING THE PREPARATION PROCESS, EXECUTIVE MANAGEMENT TEAM REVIEWED VARIOUS
 SECTIONS OF THE DRAFT FORM 990 BASED ON A PLANNED COMPLETION TIME TABLE. IN
 ADDITION, THE EXECUTIVE COMMITTEE OF THE BOARD REVIEWED CERTAIN KEY

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
--	--

SECTIONS OF THE FORM. PRIOR TO FILING, ALL MEMBERS OF THE BOARD ARE PROVIDED A COPY OF THIS FORM 990 THROUGH EMAIL, WHICH IS LINKED TO THE COMPANY'S INTRANET WEBSITE.

FORM 990, PART VI, SECTION B, LINE 12C: PURSUANT TO THE ORGANIZATION'S CONFLICT OF INTEREST POLICY, EACH FACILITY BOARD MEMBER, OFFICER, DIRECTOR AND ANY EMPLOYEE IN A POSITION THAT REQUIRES COORDINATION AND/OR NEGOTIATION WITH CONTRACTORS OR SUPPLIES, IS REQUIRED ON AN ANNUAL BASIS TO DISCLOSE ANY BUSINESS OR FINANCIAL RELATIONSHIP OUTSIDE OF THE ORGANIZATION.

AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, OR THE PERCEPTION OR APPEARANCE OF A CONFLICT OF INTEREST, OCCURS WHEN A COVERED PERSON IS IN A POSITION TO INFLUENCE A DECISION THAT MAY RESULT IN A PERSONAL GAIN FOR THAT EMPLOYEE, A RELATIVE, OR OTHER PERSON LIVING IN THE SAME HOUSEHOLD, AS A RESULT OF ADVENTIST HEALTHCARE'S BUSINESS ACTIVITIES. A RELATIVE IS DEFINED AS ANY PERSON WHO IS RELATED BY BLOOD OR MARRIAGE, OR WHOSE RELATIONSHIP WITH THE COVERED PERSON IS SIMILAR TO THAT OF PERSONS WHO ARE RELATED BY BLOOD OR MARRIAGE.

NO "PRESUMPTION OF GUILT" IS CREATED BY THE MERE EXISTENCE OF A RELATIONSHIP BETWEEN AN ADVENTIST HEALTHCARE EMPLOYEE AND AN OUTSIDE FIRM OR BUSINESS ENDEAVOR, OR OTHER POTENTIAL CONFLICT OF INTEREST. HOWEVER, IF A COVERED PERSON HAS ANY BUSINESS, FINANCIAL, OR OTHER RELATIONSHIP WITH ANY ORGANIZATION WHEREBY THE EXISTENCE OF THAT RELATIONSHIP EITHER CREATES A CONFLICT OF INTEREST OR IS PERCEIVED TO CREATE A CONFLICT OF INTEREST, THE COVERED PERSON MUST DISCLOSE THIS RELATIONSHIP TO THE DESIGNATED SENIOR MANAGER, OR GOVERNING BOARD, AS THE CASE MAY BE, AT THE LOCATION WHERE THE

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
--	--

EMPLOYEE IS ASSIGNED. THE SENIOR MANAGER WILL REVIEW THE RELATIONSHIP, MAKE

COMMENTS AND RECOMMENDATIONS, AND FORWARD ALL DOCUMENTATION TO THE

ORGANIZATIONAL INTEGRITY COMMITTEE FOR A FINAL DECISION.

COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IS MONITORED AND ENFORCED

BY THE HUMAN RESOURCES DEPARTMENT, ORGANIZATIONAL INTEGRITY DEPARTMENT AND

THE LEGAL DEPARTMENT.

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

WHEN SETTING COMPENSATION FOR EXECUTIVES, OFFICERS, KEY EMPLOYEES, AND ALL

EMPLOYEES, THE ORGANIZATION FULLY COMPLIES WITH THE PROCEDURAL SAFEGUARDS

EMBEDDED IN THE IRS REGULATIONS. COMPENSATION IS ENTIRELY SET BY A

COMMITTEE OF THE BOARD OF TRUSTEES. IN SETTING COMPENSATION, THE GOVERNING

BOARD COMMITTEE RELIES UPON MARKET COMPARABILITY DATA PROVIDED BY AN

INDEPENDENT OUTSIDE COMPENSATION CONSULTANT. TO ENSURE REASONABLENESS,

COMPENSATION IS SET AT THE 50TH PERCENTILE OF THE NATURAL MARKET.

GENERAL EXPLANATION:

EMPLOYEES OF ANY OF THE ADVENTIST HEALTHCARE INC. AND AFFILIATED TAX EXEMPT

ENTITIES IN THE STATE OF MARYLAND (INCLUDING ADVENTIST REHABILITATION

HOSPITAL OF MARYLAND, INC.) ARE PAID THROUGH A COMMON PAYMASTER, ADVENTIST

HEALTHCARE, INC. AND ARE REPORTED ON ITS FORM 941. SALARY AND BENEFIT

EXPENSES REPORTED ON THEIR RESPECTIVE RETURNS ARE ACTUAL CHARGES RELATED TO

THE EMPLOYEES WORKING ON THE SPECIFIC TAX EXEMPT ENTITY.

COMPENSATION INCLUDED REGULAR BASE SALARY, BONUS, PAID TIME OFF CASH OUT

(ONLY FOR EMPLOYEES WHO LEAVE OUR ORGANIZATION), TAXABLE RELOCATION

ALLOWANCE, HOLIDAY GIFT, RETROACTIVE COMPENSATION ADJUSTMENT, BEREAVEMENT

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.

Employer identification number 20-1486678

LEAVE, EDUCATION, AND WITHDRAWAL OF DEFERRED COMPENSATION, AS APPLICABLE.

THE SAME AND NON-ADDITIVE COMPENSATION AND EMPLOYMENT BENEFIT PLAN

CONTRIBUTION AMOUNTS WERE ALSO DISCLOSED IN THE ADVENTIST HEALTHCARE INC.'S

RELATED ENTITIES RETURNS.

VENDOR PAYMENTS FOR ANY OF THE ADVENTIST HEALTHCARE, INC. AND RELATED

ENTITIES IN THE STATE OF MARYLAND ARE MADE THROUGH A COMMON PAYMASTER,

ADVENTIST HEALTHCARE, INC.

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

THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL

STATEMENTS, ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

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

NET ORGANIZATION TRANSFER 6,102,629.

OTHER RESTRICTED NET ASSETS ACTIVITY -5,193.

TOTAL TO FORM 990, PART XI, LINE 9 6,097,436.

**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

2020

**Open to Public
Inspection**

Name of the organization **ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.** Employer identification number **20-1486678**

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
ADVENTIST HEALTHCARE, INC. - 52-1532556 820 W. DIAMOND AVE SUITE 600 GAITHERSBURG, MD 20878-1419	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	LINE 3	MID-ATLANTIC ADVENTIST HEALTHCARE		X
ADVENTIST HEALTHCARE URGENT CARE CENTERS, INC. - 46-1577511, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	CLINIC - EMERGENCY CARE	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X
ADVENTIST HOME HEALTH SERVICES, INC. - 52-0986808, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	HOME CARE SERVICES	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X
ADVENTIST PHYSICIAN SERVICES, INC - 20-4600646, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	PHYSICIAN SERVICES	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X

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

Schedule R (Form 990) 2020

SEE PART VII FOR CONTINUATIONS

Part II Continuation of Identification of Related Tax-Exempt Organizations

(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 organization?	
						Yes	No
ADVENTIST REHABILITATION, INC. - 30-0780513 820 W. DIAMOND AVE SUITE 600 GAITHERSBURG, MD 20878-1419	REHABILITATION SERVICES	MARYLAND	501(C)(3)	LINE 10	ADVENTIST REHABILITATION HOSPITAL OF	X	
MID-ATLANTIC ADVENTIST HEALTHCARE CORPORATION - 52-1884153, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	HOLDING COMPANY	MARYLAND	501(C)(3)	LINE 10	N/A		X
REGINALD S. LOURIE CENTER FOR INFANTS AND YOUNG CHILDREN - 52-1255870, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	BEHAVIORAL CARE	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X
SHADY GROVE ADVENTIST HOSPITAL FOUNDATION, INC. - 52-1216429, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	FUNDRAISING	MARYLAND	501(C)(3)	LINE 12A, I	N/A		X
WASHINGTON ADVENTIST HOSPITAL FOUNDATION, INC. - 52-1692158, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	FUNDRAISING	MARYLAND	501(C)(3)	LINE 12A, I	ADVENTIST HEALTHCARE, INC.		X
ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC. - 84-2670875, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	ACUTE CARE HOSPITAL	MARYLAND	501(C)(3)	LINE 3	ADVENTIST HEALTHCARE, INC.		X

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	
SHADY GROVE MEDICAL BUILDING, LLC - 27-4599411, 1650 TYSONS BOULEVARD, STE 820, MCLEAN, VA 22102	MEDICAL OFFICE BUILDING	MD	N/A	RELATED				X	N/A		X	
NEXUS MONTGOMERY REGIONAL PARTNERSHIP, LLC - 81-5410250, 820 WEST DIAMOND AVE. SUITE 600, GAITHERSBURG, CORELIFE ADVENTIST, LLC - 84-1813204, 821 WEST BENFIELD ROAD, SUITE 5, SEVERNA PARK, MD 21146	HEALTHCARE & COMMUNITY SERVICE FOR IMPROVED HEALTH PROVIDES WELLNESS AND WEIGHT MANAGEMENT	MD	N/A	RELATED				X	N/A		X	
ADVENTIST HEALTHCARE SURGERY CENTER AT NATIONAL HARBOR LLC - 85-2814304, 251 NATIONAL HARBOR BOULEVARD, SUITE 200,	AMBULATORY SURGICAL SERVICES	MD	N/A	RELATED				X	N/A		X	

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

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

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)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:

NAME OF RELATED ORGANIZATION:

ADVENTIST HEALTHCARE, INC.

DIRECT CONTROLLING ENTITY: MID-ATLANTIC ADVENTIST HEALTHCARE CORPORATION

NAME OF RELATED ORGANIZATION:

ADVENTIST REHABILITATION, INC.

DIRECT CONTROLLING ENTITY: ADVENTIST REHABILITATION HOSPITAL OF MARYLAND,

INC.

PART III, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS PARTNERSHIP:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

NEXUS MONTGOMERY REGIONAL PARTNERSHIP, LLC

EIN: 81-5410250

820 WEST DIAMOND AVE. SUITE 600

GAITHERSBURG, MD 20878

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

ADVENTIST HEALTHCARE SURGERY CENTER AT NATIONAL HARBOR LLC

EIN: 85-2814304

251 NATIONAL HARBOR BOULEVARD, SUITE 200

OXEN HILL, MD 20745

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Financial Statements
and Supplementary Information

December 31, 2020 and 2019

Adventist HealthCare, Inc. and Controlled Entities

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December 31, 2020 and 2019

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Independent Auditors' Report

To the Board of Trustees of
Adventist HealthCare, Inc. and Controlled Entities

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Adventist HealthCare, Inc. and Controlled Entities (collectively, the Corporation), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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 consolidated financial position of Adventist HealthCare, Inc. and Controlled Entities as of December 31, 2020 and 2019, and the results of their operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Wilkes-Barre, Pennsylvania
May 17, 2021

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Balance Sheets

December 31, 2020 and 2019

(In Thousands)

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 55,444	\$ 25,807
Medicare advance and accelerated payments	140,112	-
Short-term investments	250,502	226,700
Assets whose use is limited	3,795	3,716
Patient accounts receivable	117,816	117,498
Other receivables	41,574	13,764
Inventories	11,567	12,418
Prepaid expenses and other current assets	10,089	8,076
	<u>630,899</u>	<u>407,979</u>
Total current assets	630,899	407,979
Property and Equipment, Net	729,007	724,844
Financing Lease Right-of-Use Asset	10,364	2,966
Operating Lease Right-of-Use Asset	99,334	73,138
Assets Whose Use is Limited		
Under trust indentures and mortgage loan agreement, held by trustees and banks	43,266	40,291
Professional liability trust fund	16,361	13,948
Deferred compensation fund	1,405	1,538
Cash and Cash Equivalents Restricted for Capital Acquisitions	1,075	922
Investments and Investments in Unconsolidated Subsidiaries	29,021	22,555
Land Held for Healthcare Development	49,430	48,091
Intangible Assets, Net	7,717	7,919
Deposits and Other Noncurrent Assets	6,104	3,678
Assets Held for Sale	12,029	15,940
	<u>12,029</u>	<u>15,940</u>
Total assets	<u>\$ 1,636,012</u>	<u>\$ 1,363,809</u>

See notes to consolidated financial statements

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Balance Sheets

December 31, 2020 and 2019

(In Thousands)

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 124,674	\$ 108,334
Accrued compensation and related items	55,350	45,675
Interest payable	9,312	9,916
Deferred revenues	52,512	2,003
Due to third party payors	20,897	19,589
Medicare advance and accelerated payments	60,771	-
Estimated self-insured professional liability	1,942	1,929
Current maturities of:		
Long-term obligations	13,991	14,071
Financing lease obligations	1,922	1,054
Operating lease obligations	15,042	13,243
	<u>356,413</u>	<u>215,814</u>
Total current liabilities		
	356,413	215,814
Construction Payable	3,878	10,894
Long-Term Obligations, Net		
Bonds payable	526,600	536,332
Notes payable	26,529	30,889
Financing Lease Obligations	8,347	1,748
Operating Lease Obligations	86,228	60,969
Other Liabilities	9,893	13,789
Medicare Advance and Accelerated Payments	79,341	-
Estimated Self-Insured Professional Liability	17,995	16,139
	<u>1,115,224</u>	<u>886,574</u>
Total liabilities		
	1,115,224	886,574
Net Assets		
Net assets without donor restrictions	513,402	471,276
Net assets with donor restrictions	7,386	5,959
	<u>520,788</u>	<u>477,235</u>
Total net assets		
	520,788	477,235
Total liabilities and net assets	<u>\$ 1,636,012</u>	<u>\$ 1,363,809</u>

See notes to consolidated financial statements

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Statements of Operations
Years Ended December 31, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
Revenues		
Net patient service revenue	\$ 873,273	\$ 821,576
Other revenues	57,416	40,927
COVID-19 grant income	44,222	-
Total revenues	<u>974,911</u>	<u>862,503</u>
Expenses		
Salaries and wages	414,329	384,439
Employee benefits	78,553	73,676
Contract labor	67,926	38,699
Medical supplies	125,485	107,737
General and administrative	132,269	127,423
Building and maintenance	51,311	44,001
Insurance	10,357	6,951
Interest	25,414	16,586
Depreciation and amortization	45,906	41,582
Loss on disposal of property and equipment	-	3,265
Total expenses	<u>951,550</u>	<u>844,359</u>
Income from operations	<u>23,361</u>	<u>18,144</u>
Other Income (Expense)		
Investment income	14,346	14,156
Other loss	(612)	(1,511)
Loss on extinguishment of debt	(281)	-
Inherent contribution on business combination	-	7,046
Total other income	<u>13,453</u>	<u>19,691</u>
Revenues in excess of expenses from continuing operations	36,814	37,835
Change in net unrealized gains and losses on investments in debt securities	4,271	8,144
Net assets released from restrictions for purchase of property and equipment	5,687	1,778
Deferred compensation plan liability adjustment	860	(789)
Other net asset activity	2,070	675
Increase in net assets without donor restrictions from continuing operations	49,702	47,643
Loss From Discontinued Operations	<u>(7,576)</u>	<u>(14,841)</u>
Increase in net assets without donor restrictions	<u>\$ 42,126</u>	<u>\$ 32,802</u>

See notes to consolidated financial statements

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2020 and 2019

(In Thousands)

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions		
Revenues in excess of expenses from continuing operations	\$ 36,814	\$ 37,835
Change in net unrealized gains and losses on investments in debt securities	4,271	8,144
Net assets released from restrictions for purchase of property and equipment	5,687	1,778
Deferred compensation plan liability adjustment	860	(789)
Other net asset activity	<u>2,070</u>	<u>675</u>
Increase in net assets without donor restrictions from continuing operations	49,702	47,643
Loss from discontinued operations	<u>(7,576)</u>	<u>(14,841)</u>
Increase in net assets without donor restrictions	<u>42,126</u>	<u>32,802</u>
Net Assets With Donor Restrictions		
Restricted gifts and donations	9,623	6,175
Net assets released from restrictions for purchase of property and equipment	(5,687)	(1,778)
Net assets released from restrictions used for operations	(2,564)	(3,516)
Change in value of beneficial interest in trusts and charitable gift annuity obligation	47	(205)
Change in discount of pledges receivable and provision for doubtful pledges	-	26
Donor restricted investment income	<u>8</u>	<u>9</u>
Increase in net assets with donor restrictions	<u>1,427</u>	<u>711</u>
Increase in net assets	43,553	33,513
Net Assets, Beginning	477,235	444,820
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(1,098)</u>
Net Assets, Ending	<u>\$ 520,788</u>	<u>\$ 477,235</u>

See notes to consolidated financial statements

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 43,553	\$ 33,513
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	45,906	41,582
Change in operating lease right-of-use asset and obligations	18,214	12,459
Amortization of deferred financing costs	212	229
Deferred compensation plan liability adjustment	(860)	789
Loss on extinguishment of debt	281	-
Restricted contributions and grants	(7,907)	(4,768)
Earnings recognized from unconsolidated subsidiaries and affiliates	(300)	(2,198)
Inherent contribution on business combination, net of cash received	-	(8,338)
Cumulative effect of change in accounting principle	-	1,098
Loss on disposal of property and equipment	4,763	14,671
Net realized and unrealized gains and losses on investments	(1,682)	(7,382)
Change in net unrealized gains and losses on investments in debt securities	(4,271)	(8,144)
Change in value of beneficial interest in trusts and charitable gift obligation	(47)	205
Change in discount on pledges receivable and provision for doubtful pledges	-	(26)
Changes in assets and liabilities:		
Patient accounts receivable	(318)	(20,226)
Other receivables	(27,810)	(307)
Inventories, prepaid expenses and other current assets	(1,162)	(1,915)
Accounts payable and accrued expenses	16,340	16,706
Accrued compensation and related items	9,675	7,243
Interest payable	(604)	141
Deferred revenues	50,509	1,026
Estimated self-insured professional liability	1,869	1,343
Due to third party payors	1,308	(972)
Medicare advance and accelerated payments	140,112	-
Operating lease obligations	(17,352)	(15,962)
Other noncurrent assets and liabilities	(5,415)	(226)
Net cash provided by operating activities	<u>265,014</u>	<u>60,541</u>

See notes to consolidated financial statements

Adventist HealthCare, Inc. and Controlled Entities

Consolidated Statements of Cash Flows
 Years Ended December 31, 2020 and 2019
 (In Thousands)

	<u>2020</u>	<u>2019</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	\$ (56,946)	\$ (157,328)
Increase in investments and investments in unconsolidated subsidiaries	(157,148)	(15,129)
Additions to land held for healthcare development	(1,339)	(2,686)
Distributions from investments in unconsolidated subsidiaries	583	9,608
Purchase of investment in unconsolidated subsidiary	(7,562)	(3,781)
Cash received in the acquisition of Fort Washington	-	1,293
Decrease in trustee held funds and restricted cash	5,199	57,058
	<u>(217,213)</u>	<u>(110,965)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities		
Payment of financing costs	(206)	(590)
Proceeds from issuance of long-term obligations, net	314	-
Repayments on long-term obligations, net	(14,435)	(9,236)
Repayment of financing lease obligations	(1,058)	(1,089)
Proceeds from restricted contributions and grants	7,907	4,768
	<u>(7,478)</u>	<u>(6,147)</u>
Net cash used in financing activities		
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	40,323	(56,571)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>43,503</u>	<u>100,074</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 83,826</u>	<u>\$ 43,503</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 25,476</u>	<u>\$ 18,919</u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Financing lease obligation incurred for equipment	<u>\$ 8,525</u>	<u>\$ -</u>
Operating lease obligations incurred for right-of-use asset	<u>\$ 40,961</u>	<u>\$ -</u>
Land contributed to investment in unconsolidated subsidiary	<u>\$ -</u>	<u>\$ 8,627</u>
Construction payable for property and equipment	<u>\$ 3,878</u>	<u>\$ 10,894</u>
Long-term debt refinanced	<u>\$ 20,500</u>	<u>\$ -</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	\$ 55,444	\$ 25,807
Cash and cash equivalents restricted for capital acquisitions	1,075	922
Cash and cash equivalents included in the current portion of assets whose use is limited	3,795	3,716
Cash and cash equivalents included in the noncurrent portion of assets whose use is limited	<u>23,512</u>	<u>13,058</u>
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 83,826</u>	<u>\$ 43,503</u>

See notes to consolidated financial statements

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
December 31, 2020 and 2019
(In Thousands)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Adventist HealthCare, Inc. (AHC) is a nonstock membership corporation organized to effectuate coordinated administration of hospitals and other health care organizations through the provision of key management and administrative services. The mission of AHC is to extend God's care through the ministry of physical, mental and spiritual healing. AHC is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (IRC). AHC is not exempt from income taxes for unrelated business income. AHC's sole corporate member is Mid-Atlantic Adventist HealthCare, Inc. AHC is comprised of several operating divisions and controlled entities, as follows:

Shady Grove Medical Center (SGMC) is a 329-bed acute care hospital located in Rockville, Maryland. Behavioral Health & Wellness Services (BH&WS) is a department of SGMC and as a result is reimbursed under SGMC's global budget revenue agreement. BH&WS is comprised of BH&WS - Rockville, a 117-bed psychiatric hospital.

White Oak Medical Center (WOMC) is a 178-bed acute care hospital located in Silver Spring, Maryland. On August 25, 2019, the newly constructed WOMC opened.

Rehabilitation (Rehab) operates one inpatient hospital with two sites in Maryland, as well as two outpatient locations. Rehab - Rockville is a 55-bed rehabilitation facility and Rehab - Takoma Park is a 42-bed rehabilitation facility. The Rehab - Takoma Park facility plans to relocate to WOMC in 2021.

Adventist HealthCare Imaging (Imaging) operates seven clinical sites and provides inpatient and outpatient imaging services at SGMC and WOMC.

Clinical Integration Services (CIS) is comprised of Adventist Medical Group (AMG). AMG is a not-for-profit entity that provides primary care and specialty care physician professional health services to the communities it serves. AHC contracted with Medical Faculty Associates, Inc. (MFA) to employ the AMG employees, through a wholly owned affiliate of MFA, in exchange for certain economic support to facilitate the growth by MFA of the AMG physician practices. In December 2017, however, AHC terminated its contract with MFA as it relates to the primary care, physiatry and endocrinology practices. The termination was effective July 2018, at which time AHC began operating the primary care, physiatry and endocrinology practices. The remaining specialty care practices will continue to be operated by MFA, with the respective operating results recorded in SGMC and WOMC. CIS also includes the administration needed to facilitate the coordination of patient care across conditions, providers and settings.

The Other Health Services (OHS) operating division is comprised of two entities. Lifework Strategies (LWS) provides employee assistance and employee wellness programs to client employees. LWS's mission is to help individuals live healthier, happier and more productive lives. Capital Choice Pathology Lab (CCPL) provides full pathology production services to client hospitals.

In May 2020, an alternate care site (ACS) opened to increase the number of beds available in the State of Maryland to care for COVID-19 patients as a result of the following sequence of events. In March 2020, the Secretary of Health within the State of Maryland identified the Takoma Park campus as a potential location for the treatment, isolation and quarantining of COVID-19 patients. On April 4, 2020, the Maryland Health Care Commission approved an Emergency Certificate of Need to establish a 200 bed ACS. In accordance with the terms of the agreement with the State of Maryland, all costs to open, operate and close and decommission the campus will be reimbursed.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

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(In Thousands)

The Corporation has amount due from the State of Maryland of \$12,297 as of December 31, 2020 which is included in other receivables in the accompanying consolidated balance sheets. Any reimbursement received by the Corporation for services provided to patients is required to be remitted to the State of Maryland. The Corporation has amounts due to the State of Maryland of \$6,054 as of December 31, 2020 which is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets. The agreement will remain in effect until the earlier of the determination by the State of Maryland and the Corporation that the ACS is no longer needed or the termination of the State of Emergency and a Catastrophic Health Emergency proclamation by the Governor of Maryland. The financial results of the ACS are included in OHS.

The Support Center is comprised of the Corporate Office (CO) and the AHC benefit business unit. The CO provides corporate and centralized shared service functions that benefit the entire AHC system. The AHC benefit business unit administers the self-insurance health benefit program, including health insurance, dental and vision coverage for AHC and controlled entities.

In October 2019, Adventist HealthCare Fort Washington Medical Center, Inc., a subsidiary of AHC, acquired Fort Washington Medical Center (FWMC) (Note 3). FWMC is a 28-bed acute care hospital located in Fort Washington, Maryland.

The Lourie Center for Infants and Young Children (Lourie Center) is a not-for-profit organization that specializes in the diagnosis, treatment and prevention of developmental and emotional disorders in children from birth through ten years of age.

Adventist Home Care Services, Inc. (AHCS) is a nonstock membership corporation organized to provide home health services in Maryland and includes Adventist Home Assistance (AHA). AHA provides nonclinical assistance to homebound patients who cannot perform certain daily activities on their own.

Adventist HealthCare Urgent Care Center, Inc. (Urgent Care) is comprised of three urgent care centers located in Germantown, Laurel and Rockville, Maryland. These centers provide ambulatory services to patients without life threatening conditions, as well as occupational health screenings to the community.

One Health Quality Alliance (OHQA) is a physician-led clinically integrated network designed to deliver value to payors, employers and consumers through the highest quality care at a lower cost. Through this alliance, participating physicians gain access to resources to support the transition to value-based care, while maintaining their independence. Through this collaboration, OHQA aims to improve the health of patient populations and communities, while enhancing the patient experience and reducing the costs of health care. The OHQA currently has over 1,180 physician members, most of whom are on the medical staff of AHC, including primary care, orthopedics and other community and hospital based specialists.

The Foundations operating division is comprised of Washington Adventist Hospital Foundation, Inc., d/b/a White Oak Medical Center Foundation Inc. and Shady Grove Medical Center Foundation, Inc. (collectively, the Foundations). Each are separate nonstock corporations that operate for the furtherance of each named hospital's health care objectives primarily through the solicitation of contributions, gifts and bequests. The Foundations also exist to help fund new equipment purchases and capital improvement projects for their respective hospitals.

All of the operating divisions and controlled entities mentioned above are tax-exempt under Section 501(c)(3) of the IRC.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Principles of Consolidation

The consolidated financial statements include the accounts of AHC, the controlling parent, SGMC, WOMC, Rehab, Imaging, CIS, LWS, CCPL, the Support Center, FWMC, the Lourie Center, AHCS, Urgent Care, OHQA, and the Foundations, which include their majority-owned subsidiaries and controlled affiliates (collectively, the Corporation). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements of the Corporation.

Reclassification

Certain 2019 amounts have been reclassified to conform to the 2020 consolidated financial statements presentation.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through May 17, 2021, the date the consolidated financial statements were issued.

Use of Estimates

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

Maryland Health Services Cost Review Commission

Certain hospital charges are subject to review and approval by the Maryland Health Services Cost Review Commission (HSCRC). The HSCRC has jurisdiction over hospital reimbursement in Maryland by agreement with the Centers for Medicare and Medicaid Services (CMS). This agreement is based on a waiver from the Medicare Prospective Payment System reimbursement principles granted under Section 1814(b) of the Social Security Act. Management has filed the required forms with the HSCRC and believes all entities that fall under the HSCRC's jurisdiction are in compliance with applicable requirements.

In January 2014, the Centers for Medicare and Medicaid Services approved a modernized waiver that grants Maryland (via the HSCRC) the authority to regulate hospital revenue within a rigorous per capita expenditure limit. Maryland's All Payer Model Agreement builds on decades of innovation and equity in healthcare payment and delivery - with an aim to enhance patient care, improve health outcomes and lower costs.

As a result of the waiver, the HSCRC introduced revenue arrangements, including the Global Budget Revenue (GBR) model. The GBR methodology encourages hospitals to focus on population health strategies by establishing a fixed annual revenue cap for each GBR hospital. The agreement establishes a fixed amount of charging authority (i.e. revenue) at the beginning of the rate year. It is evergreen in nature and covers both regulated inpatient and outpatient revenues. Annual revenue is calculated from a base year and is adjusted annually for inflation, infrastructure requirements, population changes, performance in quality-based programs and changes in the levels of uncompensated care. Revenue may also be adjusted annually for market levels and shifts of services from one health system to another and from a regulated setting to an unregulated setting (or vice versa).

In 2014, AHC entered into GBR Agreements with the HSCRC for SGMC, WOMC and Shady Grove Germantown Emergency Center. FWMC entered into a GBR agreement with the HSCRC in 2014. The agreements set an initial fixed amount of revenue for each entity for the period July 1, 2013 through June 30, 2014 and is subsequently updated on an annual basis every July 1.

Adventist HealthCare, Inc. and Controlled Entities

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(In Thousands)

HSCRC requires rate-regulated hospitals under its jurisdiction to calculate the amount of revenue lost or gained due to variances from approved rates. Revenue lost due to undercharges in rates is recouped through increases in prospective rates. Similarly, revenue gained due to overcharges in rates is paid back, wholly or in part, through reductions in prospective rates. The Corporation reported net undercharge of \$801 and a net overcharge of \$1,022 as of December 31, 2020 and 2019, respectively. These price variances reflect the variance between actual patient charges and the pro-rata share of approved rate orders. The net amounts are reported as a component of net patient service revenue and patient accounts receivable in the accompanying consolidated financial statements. Since the HSCRC's rate year extends from July 1 through June 30, these amounts will continue to fluctuate until the end of the rate year as actual patient charges deviate from the total approved charging authority. At the conclusion of the rate year ended June 30, 2019, any over/under charges are amortized on the straight-line basis over the following rate year when the price variance adjustments are actually built into each entity's rate order. Due to unique funding made available by the Coronavirus Aid, Relief and Economic Security (CARES) Act during 2020, net patient service revenue for hospital under the HSCRC jurisdiction were recognized as actual charges and no accrual for net overcharges or undercharges were made for the period July 1, 2019 through December 31, 2020. The variance between the HSCRC approved Global Budget and the amount charged for services during this period was calculated as lost revenues covered by the CARES Act Provider Relief Fund and reported as other revenues in the accompanying consolidated statements of operations.

Under Maryland law, charges of specialty hospitals such as Rehab are subject to review and approval by the HSCRC. HSCRC regulations also include a provision whereby a hospital may apply for an exemption from the requirements to charge for services in accordance with HSCRC regulations. Certain conditions regarding the percentage of revenue related to Medicare and Medicaid patients and total revenues must be met to receive the initial exemption and must be met each year thereafter. Reporting requirements as established by the HSCRC continue even if an exemption regarding charging for services is received. The Corporation's management believes Rehab met the conditions for exemption during 2020 and 2019.

Cash and Cash Equivalents

Cash and cash equivalents include investments in money market funds and certificates of deposit purchased with original maturities of less than 90 days, excluding assets whose use is limited. For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less.

Patient Accounts Receivable

The Corporation assesses collectability on patient contracts prior to the recognition of net patient service revenue. Patient accounts receivable are reported at their net realizable value. Accounts are written off through bad debt expense when the Corporation has exhausted all collection efforts and determines accounts are impaired based on changes in patient credit worthiness. Patient accounts receivable also includes management's estimate of the impact of certain undercharges to be recouped or overcharges to be paid back for inpatient and outpatient services in subsequent years rates as discussed earlier.

Other Receivables

Other receivables represent amounts due to the Corporation for charges other than providing health care services to patients and pledges from donors and are reported at their net realizable value. These services include, but are not limited to, fees from educational programs, rental of health care facility space, interest earned and management services provided to unconsolidated subsidiaries. Other receivables are written off when they are determined to be uncollectible based on management's assessment of individual accounts.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

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(In Thousands)

Assets Whose Use Is Limited

Assets whose use is limited includes assets held by bond trustees under trust indentures, assets set aside as required by the Corporation's self-funded professional liability trust, assets set aside for deferred compensation agreements and those set aside in accordance with the United States Department of Housing and Urban Development (HUD) mortgage loan payable. Amounts available to meet current liabilities of the Corporation have been reclassified as current assets in the accompanying consolidated balance sheets.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Cash and cash equivalents and certificates of deposit are carried at cost which approximates fair value. Investments in joint ventures are accounted for using the equity or cost method of accounting depending on the Corporation's ownership interest. Investment income or loss (including realized and unrealized gains and losses on investments, write-downs of the cost basis of investments in debt securities due to an other-than-temporary decline in fair value, interest and dividends) is included in the determination of revenues in excess of expenses from continuing operations unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments in debt securities are excluded from the determination of revenues in excess of expenses from continuing operations. Donor restricted investment income is reported as an increase in net assets with donor restrictions. Investments available for current operations have been classified as short-term investments in the accompanying consolidated balance sheets.

The Corporation's investments are comprised of a variety of financial instruments. The fair values reported in the consolidated balance sheets are subject to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term.

Inventories

Inventories of drugs, medical supplies and surgical supplies are valued at the lower of cost or net realizable value. Cost is determined primarily by the weighted average cost method.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

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

Impairment losses are recognized in the consolidated statements of operations as a component of revenues in excess of expenses from continuing operations as they are determined. The Corporation reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, the Corporation calculates the estimated future net cash flows to be generated by the asset. If those future net cash flows are less than the carrying value of the asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the asset. There were no impairment losses reported in 2020 or 2019.

Adventist HealthCare, Inc. and Controlled Entities

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(In Thousands)

Leases and Right-of-Use Assets

Under Topic 842, the Corporation evaluates at contract inception whether a lease exists and recognizes a lease obligation and right-of-use (ROU) asset for all leases with a term greater than 12 months. Leases are classified as either financing or operating. All lease liabilities are measured as the present value of the future lease payments using a discount rate. The future lease payments used to measure the lease liability include fixed payments, as well as the exercise price of any options to purchase the underlying asset that have been deemed reasonably certain of being exercised, if applicable. Future lease payments for optional renewal periods that are not reasonably certain of being exercised are excluded from the measurement of the lease liability. For all leases, the ROU asset is initially derived from the measurement of the lease liability and adjusted for certain items, such as initial direct costs and lease incentives received. ROU assets are subject to long-lived impairment testing.

Amortization of financing lease ROU assets, which is recognized on a straight-line basis over the lesser of the lease term or the estimated useful life of the asset, is included within depreciation and amortization expense in the consolidated statements of operations. Interest expense associated with financing lease obligations is included within interest expense in the consolidated statements of operations. Operating lease expense is recognized on a straight-line basis over the lease term and is included within building and maintenance in the consolidated statements of operations. The lease term is determined based on the date the Corporation acquires control of the leased premises through the end of the lease term.

Intangible Assets

The Corporation's intangible assets primarily include costs in excess of net assets acquired related to certain business acquisitions. The Corporation is amortizing certain intangible assets over a period not to exceed 40 years. Amortization of these intangible assets was \$202 in 2020 and \$231 in 2019. Accumulated amortization of intangible assets was \$4,259 and \$4,057 as of December 31, 2020 and 2019, respectively.

Goodwill, which is included in intangible assets in the accompanying consolidated balance sheets, is reviewed annually for impairment or more frequently if events or circumstances indicate the carrying amount of the goodwill will not be recoverable.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term obligations have been deferred and are being amortized over the term of the related obligation using the straight-line method. Deferred financing costs remaining as of December 31, 2020 and 2019 totaled \$5,024 and \$5,213, respectively, and are included in the consolidated balance sheets as a reduction of bonds payable. Amortization expense was \$212 and \$229 in 2020 and 2019, respectively, and is included as a component of interest expense in the consolidated statements of operations.

Due to Third Party Payors

The Corporation receives advances from third party payors to provide working capital for services rendered to the beneficiaries of such services. These advances are principally determined based on the timing differences between the provision of care and the anticipated payment date of the claim for service in accordance with HSCRC's rate regulations. These advances are subject to periodic adjustment.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Settlements with third party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on reimbursable costs, the terms of the payment agreement with the payor, correspondence with the payor and the Corporation's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information become available), or as years are settled or no longer subject to such audits, reviews and investigations. Adjustments arising from a change in the transaction price, were not significant in 2020 or 2019.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result, health care entities, may from time to time and in the ordinary course of business, receive requests for information and notices from government agencies regarding alleged noncompliance with those laws and regulations, some of which may result in settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. Management is not aware of any material incidents of noncompliance, however, there can be no assurance that regulatory authorities will not challenge the Corporation's compliance in the future.

Medicare Advance and Accelerated Payments

The CARES Act included provisions to expand the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advance Payment Program in order to improve cash flows for providers impacted by the COVID-19 pandemic. In April 2020, the Corporation received \$140,112 in advance payments under this program, of which \$60,771 is classified as a current liability and \$79,341 is classified as a long-term liability in the accompanying consolidated balance sheets. The proceeds received were invested in short-term investments and are separately classified on the accompanying consolidated balance sheets.

Repayment of the advances is scheduled to begin one year after receipt of the advances and end 17 months later (29 months from initial payment), at which time the advances are required to be repaid in full. The Corporation began repaying the Medicare advance during April 2021 and has recorded an estimated current portion based on historical Medicare payment trends. The repayments are expected to occur automatically through a partial offset in Medicare payments due to the Corporation for services rendered to Medicare program beneficiaries.

Estimated Self-Insured Professional Liability

The provision for estimated self-insured professional liability includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including costs associated with litigating or settling claims. Anticipated insurance recoveries associated with reported claims are reported separately in the Corporation's consolidated balance sheets at net realizable value.

Net Assets

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

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

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Net Assets With Donor Restrictions - Net assets with donor restrictions include amounts subjected to donor imposed restrictions which are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Net assets were released from donor restriction by satisfying their restricted purposes in the amount of \$8,251 in 2020 and \$5,294 in 2019.

Net assets with donor restrictions includes those whose use by the Corporation has been limited by donors to specific purposes in the amount of \$7,386 and \$5,618 as of December 31, 2020 and 2019, respectively.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the underlying conditions have been substantially met. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Restricted funds to be used for capital acquisitions have been reported as noncurrent assets in the accompanying consolidated balance sheets, while other restricted cash and investments are included with the cash and cash equivalents of net assets without donor restrictions.

Measure of Operations

The consolidated statements of operations reflect all changes in net assets without donor restrictions, including changes from both operating and nonoperating activities. Operating revenues and expenses consist of those items that are an integral part of the Corporation's provision of healthcare and related supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Revenues in Excess of Expenses From Continuing Operations

The consolidated statements of operations include the determination of revenues in excess of expenses from continuing operations. Revenues in excess of expenses from continuing operations is the Corporation's performance indicator. Changes in net assets without donor restriction which are excluded from the determination of revenues in excess of expenses from continuing operations, consistent with industry practice, include the change in net unrealized gains and losses on investments in debt securities, the effective portion of the net unrealized gain on derivative financial instruments, the deferred compensation plan liability adjustment, contributions of long-lived assets (including contributions which by donor restriction were to be used for the purpose of acquiring such long-lived assets), other net asset without donor restriction activity and the loss from discontinued operations.

Net Patient Service Revenue

Net patient service revenue is recognized at the amount that reflects the consideration to which the Corporation 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 Corporation 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.

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Performance obligations are determined based on the nature of the services provided by the Corporation. Revenues for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected (or actual) charges, ultimately adjusted in accordance with the charging authority awarded at the beginning of every year by the HSCRC. The Corporation 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 Corporation 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 Corporation 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 Corporation measures the performance obligation from the commencement of the outpatient service, 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 Corporation's performance obligations generally relate to contracts with a duration of less than one year, therefore, the Corporation has elected to apply the optional exemptions provided in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14(a) 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.

The Corporation determines the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third party payors, financial assistance provided to uninsured or underinsured patients in accordance with the Corporation's policies, and/or implicit price concessions provided to uninsured or underinsured patients. The Corporation determines its estimates of contractual adjustments based on contractual agreements, its financial assistance policies and historical experience. The Corporation determines its estimates of implicit price concessions based on its historical collection experience with a respective class of patient. Certain amounts categorized as implicit price concessions under ASC 606 were previously categorized as provision for doubtful accounts. The Corporation pursues collection of amounts defined as implicit price concessions.

The Corporation has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third party payors for the effects of a significant financing component due to the Corporation'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.

COVID-19 Grant Income and Deferred Revenues

COVID-19 grant income includes amounts received from federal, state and local funding sources related to the COVID-19 pandemic. The Corporation accounts for this funding in accordance with the FASB ASC 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met which occurs when the Corporation complies with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

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(In Thousands)

In March 2020, the CARES Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund to provide financial support for hospitals and other healthcare providers. The Company received \$96,102 in the year ended December 31, 2020 related to this funding. In accordance with the terms and conditions in place at December 31, 2020, the Corporation could apply the funding against eligible expenses, and then lost revenues. The Corporation's methodology for calculating lost revenues was based on the difference between charges and the prospective Global Budget allowed by the HSCRC for hospitals falling under jurisdiction of HSCRC rate setting and the difference between 2020 budgeted and actual 2020 net patient service revenues for revenues not subject to HSCRC rate setting. The Corporation also received COVID-19 related assistance of \$4,756 from various other sources in the year ended December 31, 2020.

Noncompliance with the terms and conditions could result in repayment of some or all of the support, which can be subject to government review and interpretation. The Department of Health and Human Services (HHS) has indicated Provider Relief Fund payments are subject to future reporting and audit requirements. These matters could cause reversal or claw-back of amounts previously recognized, however, an estimate of the possible effects cannot be made as of the date these financial statements were issued. In addition, it's unknown whether there will be further developments in the regulatory guidance.

The Corporation has incurred lost revenues and eligible expenses in accordance with the terms and conditions of the Provider Relief Fund and other funding sources that were applicable as of December 31, 2020 of \$44,222, which were recognized and included in COVID-19 grant income in the accompanying consolidated statements of operations for the year ended December 31, 2020. A portion of the funding was also applied to eligible capital expenditures of \$5,839 and is included in net assets released from restriction for purchase of property and equipment in the accompanying consolidated statements of operations for the year ended December 31, 2020.

Deferred revenues are primarily comprised of funding received related to the above funding sources which the Company has not overcome the barriers for recognition and, therefore, are reflected as a refundable advance in the accompanying consolidated balance sheets as of December 31, 2020. In 2021, the Corporation also received additional funding of \$2,322 to combat the ongoing financial effects of COVID-19.

Income Taxes

The Corporation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2020 or 2019.

The Corporation's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Such patients are identified based on financial information obtained from the patient (or their guarantor) and subsequent analysis which includes the patient's ability to pay for services rendered. Because the Corporation 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.

Adventist HealthCare, Inc. and Controlled Entities

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The Corporation maintains records to identify and monitor the level of charity care it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. The level of charity care provided by the Corporation amounted to \$15,302 in 2020 and \$13,819 in 2019.

Advertising Costs

The Corporation expenses advertising costs as they are incurred.

2. Accounting Standards

Disclosure Requirements for Fair Value Measurement

During 2020, the Corporation adopted the FASB's Accounting Standards Update (ASU) No. 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, *Fair Value Measurement*. The amendments are based on concepts in the FASB's Concepts Statement, *Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements*, which the Board finalized on August 28, 2018. The adoption of ASU No. 2018-13 did not result in a change in the Corporation's net assets, however, certain disclosures related to fair value measurements have been revised accordingly.

Goodwill

During January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment*. ASU No. 2017-04 simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. ASU No. 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Corporation does not believe that the adoption of ASU No. 2017-04 will have a material effect on its consolidated financial statements.

Contributed Nonfinancial Assets

During September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. The Corporation has not yet determined the impact adoption of ASU No. 2020-07 will have on its consolidated financial statements.

3. Business Combination

On October 27, 2019, AHC and Adventist Healthcare Fort Washington Medical Center, Inc. entered into an asset purchase agreement (the Purchase Agreement) with Fort Washington Medical Center, Inc., Fort Washington Ambulatory Services, LLC, Nexus Health, Inc. (owner of Fort Washington Medical Center, Inc. and Fort Washington Ambulatory Services, LLC) and Carolyn Boone Lewis Health Care Center (former subsidiary of Nexus Health, Inc.) (collectively, Fort Washington). In accordance with the terms of the Purchase Agreement, substantially all assets and liabilities of Fort Washington were acquired in exchange for no consideration. The contractual amounts of accounts receivable approximate fair value due to their short-term nature.

Adventist HealthCare, Inc. and Controlled Entities

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In accordance with the authoritative guidance, the assets and liabilities of Fort Washington were recorded at fair market value as of the date of acquisition as follows:

Assets Acquired	
Cash and cash equivalents	\$ 1,293
Accounts receivable	2,516
Trustee held funds	1,659
Property and equipment	17,273
Other assets	2,202
Inventories	1,299
	<hr/>
Total assets acquired	26,242
Liabilities Assumed	
Accounts payable and accrued expenses	7,160
Other liabilities	5,072
Long-term obligations	6,857
	<hr/>
Total liabilities assumed	19,089
	<hr/>
Net Assets Assumed	\$ 7,153
	<hr/>
Inherent Contribution Without Donor Restrictions	\$ 7,046
	<hr/>
Inherent Contribution With Donor Restrictions	\$ 107
	<hr/>

4. Discontinued Operations and Assets Held for Sale

In July 2019, AHC entered into an agreement to sell the Takoma Park campus to an unrelated third party for \$12,000. The opportunities for growth and expansion at the Takoma Park campus were limited, and the Corporation wanted to expand access to care throughout the Washington DC region, leading to the decision to sell the campus. The closing is expected to take place in 2021 upon the closure of the ACS (Note 1) and the relocation of Rehab to WOMC.

The current operations on the Takoma Park Campus consist of a walk-in clinic, which began in August 2019, which is included in the loss from discontinued operations in the accompanying consolidated statements of operations.

As a result of entering into the sale agreement, a significant amount of property and equipment (other than real estate) was disposed of and a loss of \$11,576 was recognized in 2019 and included in the loss from discontinued operations in the accompanying consolidated statements of operations. During 2020, an additional loss on disposal of \$4,822 was recognized and included in the loss from discontinued operations in the accompanying consolidated statements of operations.

Assets held for sale in the accompanying consolidated balance sheets is comprised of land and improvements of \$264 and \$330 and building and improvements of \$11,765 and \$15,610 at December 31, 2020 and 2019, respectively, that will be sold as part of the agreement. No gain or loss on sale has been recognized in 2020 or 2019.

Adventist HealthCare, Inc. and Controlled Entities

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The following amounts related to discontinued operations are included in the loss from discontinued operations in the accompanying consolidated statements of operations:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ -	\$ 308
Total expenses, including loss on disposal of \$4,822 in 2020 and \$11,576 in 2019	<u>(7,576)</u>	<u>(15,149)</u>
Loss on discontinued operations	<u>\$ (7,576)</u>	<u>\$ (14,841)</u>

5. Net Patient Service Revenue

The Corporation 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 - SGMC, WOMC and FWMC have 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.
- Rehabilitation services - Rehab has entered into agreements by which the third party payors pay at a contract rate per day or visit.
- Physician practice services - AMG has entered into agreements by which the third party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.
- Imaging services - Imaging has entered into agreements by which the third party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.
- Home health services - AHCS has entered into agreements by which the third party payors pay negotiated rates on a per visit basis.

Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation also provides services to uninsured patients, and offers those uninsured or underinsured patients financial assistance, by either policy or law, from standard charges. The Corporation 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 contractual adjustment, financial assistance and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenues 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 Corporation's mission, care is provided to patients regardless of their ability to pay. Therefore, the Corporation has determined it has provided implicit price concessions to uninsured patients and other patient balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Corporation expects to collect based on its collection history with those patients.

Adventist HealthCare, Inc. and Controlled Entities

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The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Tables providing details of these factors are presented below.

Net patient service revenues disaggregated by service type for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Global budget revenue	\$ 737,799	\$ 673,535
Rehabilitation services	47,781	51,093
Physician practice services	24,775	29,281
Imaging services	25,605	29,654
Home health services	27,917	29,742
Other health services	9,396	8,271
	<u>\$ 873,273</u>	<u>\$ 821,576</u>
Total		

Net patient service revenues disaggregated by payor for the years ended December 31, 2020 and 2019 are as follows:

	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Third Party Payors</u>	<u>Self-Pay and Other</u>	<u>Total</u>
December 31, 2020	\$ 323,111	\$ 87,327	\$ 419,171	\$ 43,664	\$ 873,273
December 31, 2019	\$ 312,084	\$ 85,808	\$ 391,027	\$ 32,657	\$ 821,576

6. Investments

Short-Term Investments

The Corporation's short-term investments at December 31, 2020 and 2019 are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 25,011	\$ 17,761
Corporate bonds	107,316	66,539
Asset backed securities	80,143	49,013
Marketable equity securities	22,564	-
U.S. government securities:		
U.S. treasury notes	93,033	61,879
Mutual funds:		
Fixed income	50,195	-
Equity, balanced	6,457	19,697
Equity, growth	5,895	11,811
	<u>390,614</u>	<u>226,700</u>
Total		
Less Medicare advance and accelerated payments	<u>(140,112)</u>	<u>-</u>
Total short-term investments	<u>\$ 250,502</u>	<u>\$ 226,700</u>

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
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Assets Whose Use is Limited

The composition of assets whose use is limited at December 31, 2020 and 2019 is set forth in the following tables:

	<u>2020</u>	<u>2019</u>
Under trust indentures and mortgage loan agreement, held by trustees and banks:		
Cash and cash equivalents	\$ 24,781	\$ 14,586
U.S. government securities:		
U.S. treasury notes	20,338	26,294
U.S. government agency notes	-	1,198
Total	<u>45,119</u>	<u>42,078</u>
Less funds held for current liabilities	<u>1,853</u>	<u>1,787</u>
Noncurrent portion of assets held under trust indentures and mortgage loan agreement	<u>\$ 43,266</u>	<u>\$ 40,291</u>
Professional liability trust fund:		
Cash and cash equivalents	\$ 2,526	\$ 2,188
Mutual funds:		
Equity, large value	2,962	4,189
Equity, growth	3,275	1,745
Fixed income, intermediate	3,026	3,821
Fixed income, multi-sector	2,504	1,958
Fixed income, short-term	4,010	1,976
Total	<u>18,303</u>	<u>15,877</u>
Less funds held for current liabilities	<u>1,942</u>	<u>1,929</u>
Noncurrent portion of professional liability trust fund	<u>\$ 16,361</u>	<u>\$ 13,948</u>
Deferred compensation fund:		
Mutual funds:		
Equity, growth	\$ 292	\$ 300
Equity, large value	237	277
Equity, midcap value	110	112
Equity, other	298	423
Fixed income, intermediate	468	426
	<u>\$ 1,405</u>	<u>\$ 1,538</u>

The indenture requirements of certain tax-exempt financings provide for the establishment and maintenance of various accounts with a trustee (Note 12). These arrangements require the trustee to control the payment of interest and the ultimate repayment of respective debt to bondholders.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
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The composition of trustee held and escrow funds at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Debt service reserve funds	\$ 28,804	\$ 28,804
Principal and interest funds	9,185	9,179
Project fund	5,471	2,436
Mortgage reserve funds	<u>1,659</u>	<u>1,659</u>
Total	<u>\$ 45,119</u>	<u>\$ 42,078</u>

Investment income and gains and losses for investments, assets whose use is limited and cash and cash equivalents without donor restrictions are comprised of the following in 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Investment income:		
Interest and dividends, net	\$ 12,126	\$ 5,820
Interest on trustee held funds	538	954
Net realized and unrealized gains and losses on investments	<u>1,682</u>	<u>7,382</u>
Total	<u>\$ 14,346</u>	<u>\$ 14,156</u>

Other changes in net assets without donor restriction:

Change in net unrealized gains and losses on investments in debt securities	<u>\$ 4,271</u>	<u>\$ 8,144</u>
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7. Fair Value Measurements and Financial Instruments

The Corporation measures its short-term investments, assets whose use is limited, investments, beneficial interest in trusts and derivative financial instrument at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Corporation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

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(In Thousands)

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The fair value of the Corporation's financial instruments was measured using the following inputs at December 31:

	2020			
Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Reported at Fair Value				
Assets:				
Mutual funds:				
Fixed income, intermediate	\$ 3,494	\$ 3,494	\$ -	\$ -
Fixed income, multi-sector	2,504	2,504	-	-
Fixed income, short-term	54,205	54,205	-	-
Equity, growth	9,463	9,463	-	-
Equity, large value	3,199	3,199	-	--
Equity, balanced	6,457	6,457	-	-
Equity, midcap value	110	110	-	-
Equity, other	298	298	-	-
Marketable equity securities	22,564	22,564		
U.S. government securities:				
U.S. treasury notes	113,372	-	113,372	-
Asset backed securities	80,143	-	80,143	-
Corporate bonds	107,316	-	107,316	-
Beneficial interest in trusts	554	-	-	554
Total assets measured at fair value	403,679	\$ 102,294	\$ 300,831	\$ 554
Cash and cash equivalents	53,242			
Total	\$ 456,921			

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

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(In Thousands)

	2019			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Reported at Fair Value				
Assets:				
Mutual funds:				
Fixed income, intermediate	\$ 4,247	\$ 4,247	\$ -	\$ -
Fixed income, multi-sector	1,958	1,958	-	-
Fixed income, short-term	1,976	1,976	-	-
Equity, growth	13,857	13,857	-	-
Equity, large value	4,466	4,466	-	-
Equity, balanced	19,697	19,697	-	-
Equity, midcap value	112	112	-	-
Equity, other	423	423	-	-
U.S. government securities:				
U.S. treasury notes	88,173	-	88,173	-
U.S. government agency notes	1,198	-	1,198	-
Asset backed securities	49,013	-	49,013	-
Corporate bonds	66,539	-	66,539	-
Beneficial interest in trusts	566	-	-	566
Total assets measured at fair value	252,225	\$ 46,736	\$ 204,923	\$ 566
Cash and cash equivalents	35,449			
Total	\$ 287,674			
Liabilities:				
Derivative financial instrument	\$ 236	\$ -	\$ 236	\$ -

The following represents a reconciliation of the assets reported at fair value included in the fair value table within the accompanying consolidated balance sheets at December 31:

	2020	2019
Short-term investments (Note 6)	\$ 250,502	\$ 226,700
Medicare advance and accelerated payments (Note 6)	140,112	-
Assets whose use is limited (Note 6):		
Current portion	3,795	3,716
Under trust indentures and mortgage loan agreement, held by trustees and banks	43,266	40,291
Professional liability trust fund	16,361	13,948
Deferred compensation fund	1,405	1,538
Investments held by foundations (Note 9)	926	915
Beneficial interest in trusts, included in deposits and other noncurrent assets	554	566
	\$ 456,921	\$ 287,674

Adventist HealthCare, Inc. and Controlled Entities

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The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at December 31, 2020 and 2019.

Mutual funds and marketable equity securities are valued based on quoted market prices.

U.S. government securities, asset backed securities and corporate bonds are valued based on estimated quoted market prices of similar securities.

Beneficial interest in trusts are valued based on the fair value of the trusts underlying assets which represents a proxy for discounted present value of future cash flows. Beneficial interest in trusts are included in deposits and other noncurrent assets in the accompanying consolidated balance sheets.

The Corporation measures its derivative financial instrument at fair value based on proprietary models of an independent third party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instrument and considers the credit risk of the Corporation and counterparty. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instrument and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Corporation would pay to terminate the agreement.

8. Property and Equipment, Net

Property and equipment, net at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 38,263	\$ 35,833
Buildings and improvements	742,391	704,920
Office furniture and equipment	204,016	205,545
Computer software and hardware	136,769	131,687
Total	1,121,439	1,077,985
Less accumulated depreciation and amortization	(409,895)	(367,927)
Total	711,544	710,058
Construction in progress	17,463	14,786
	<u>\$ 729,007</u>	<u>\$ 724,844</u>

Interest incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During 2020 and 2019, the Corporation capitalized \$365 and \$763, respectively.

Construction in progress as of December 31, 2020 consists primarily of major renovation and expansion projects of clinical facilities. Purchase commitments related to these and other miscellaneous projects were \$17,794 at December 31, 2020. The cost of these projects is expected to be funded through operations, as well as transfers from the Corporation's related foundations.

Adventist HealthCare, Inc. and Controlled Entities

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9. Investments and Investments in Unconsolidated Subsidiaries

The Corporation's investments and investments in unconsolidated subsidiaries include the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Investment in healthcare entities	\$ 28,171	\$ 21,721
Investments held by foundations	850	834
Total	<u>\$ 29,021</u>	<u>\$ 22,555</u>

Investment in Healthcare Entities

The Corporation recognized earnings of \$313 and \$431 during 2020 and 2019, respectively, related to its ownership interest in the healthcare entities accounted for under the equity method. A brief description of these investments is presented below:

Chesapeake Potomac Regional Cancer Center (CPRCC) - CPRCC provides outpatient radiation oncology services to patients in Maryland. The Corporation has a 20 percent ownership interest in CPRCC.

Doctors Regional Cancer Center (DRCC) - DRCC provides outpatient radiation oncology services to patients in Bowie and Lanham, Maryland. The Corporation has a 20 percent ownership interest in DRCC.

Shady Grove Medical Building, LLC (SGMB) - SGMB was organized for the purpose of developing and constructing a cancer care center on the campus of SGMC. The Corporation has a 50 percent ownership interest in SGMB.

White-Oak AHF-1 Manager, LLC (White-Oak) - White-Oak was organized for the purpose of developing and constructing a medical office building on the White Oak campus of WOMC. The Corporation has a 50 percent ownership in White-Oak.

The Corporation has invested \$259 in Advanced Health Collaborative, LLC for a 25 percent ownership interest. This organization was formed to share ideas and explore opportunities to enhance quality of healthcare in the state of Maryland.

The Corporation has invested \$3,885 in Advanced Health Collaborative II, LLC (AHC II) for a 25 percent interest. AHC II was formed to hold a 24 percent interest in Maryland Health Advantage, LLC which is a Medicare preferred provider network providing health services to its members.

The Corporation has invested \$450 in CoreLife Adventist, LLC (CoreLife) for a 50 percent interest. CoreLife was formed to provide weight loss services.

The Corporation has invested \$6,000 in CoreLife Management Services, Inc. (CoreLife Management) for a 15 percent interest. CoreLife Management was formed to develop, manage and coordinate the provision of a comprehensive scope of integrated medical, nutrition, behavioral and exercise services to treat obesity and its related chronic illnesses.

Adventist HealthCare, Inc. and Controlled Entities

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Summarized financial information related to these entities is presented below:

	<u>2020</u>	<u>2019</u>
Net revenue	\$ 25,109	\$ 20,940
Revenues (less than) in excess of expenses	(429)	1,845
Total assets	99,632	84,300
Total liabilities	59,153	44,572

Investments Held by Foundations

The Foundations also hold marketable debt and equity securities for funds not required to be expended in less than 90 days. These marketable securities are subject to credit and market risks.

10. Land Held for Healthcare Development

From 2002 through 2011, the Corporation acquired various parcels of land in Clarksburg, Maryland totaling approximately 200 acres. Several parcels of the land are fully owned by the Corporation, and the remainder is owned by Cabin Branch Commons, LLC (Cabin Branch), of which the Corporation owns 45 percent.

In May 2013, the Corporation and Cabin Branch entered into a purchase and sale agreement with an unrelated third party to sell 48.8 acres of the land located in Clarksburg. In June 2015, the Corporation and Cabin Branch closed on the sale of the land at a purchase price of \$28,250. The Corporation's portion of the proceeds was \$25,102.

In April 2017, the Corporation entered into a purchase and sale agreement with an unrelated third party to sell 1.6 acres of the land located in Clarksburg. The Corporation closed on the sale of the land in April 2017 at a purchase price of \$1,330 and the proceeds were received in April 2017.

In April 2017, the Corporation entered into a purchase and sale agreement with an unrelated third party to sell 9.95 acres of the land located in Clarksburg at a purchase price of \$7,251. The Corporation's share of \$4,565 was received in November and December 2018.

The total proceeds received related to the parcels of land sold by the Corporation through December 31, 2020 was \$30,997. No gain or loss was recognized on the sale of the parcels of land as of December 31, 2020 and 2019. Total remaining land held for healthcare development in Clarksburg as of December 31, 2020 and 2019, was \$49,340 and \$48,091, respectively.

11. Short-Term Financing

The Corporation has a \$10,000 unsecured line of credit with a commercial bank, with interest at LIBOR plus 1.50 percent (1.65 percent at December 31, 2020). There were no borrowings outstanding under this line of credit as of December 31, 2020 or 2019.

Adventist HealthCare, Inc. and Controlled Entities

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12. Long-Term Obligations

Long-term obligations as of December 31, 2020 and 2019 are comprised of the following:

	<u>2020</u>	<u>2019</u>
Fixed Rate Revenue Bonds	\$ 509,232	\$ 520,240
Variable Rate Revenue Bonds	20,300	21,165
Note payable	20,481	21,296
Mortgage loan payable	6,247	7,105
Other long-term liabilities	<u>4,521</u>	<u>7,184</u>
Total obligations	560,781	576,990
Plus bond premium	11,363	9,515
Less:		
Current maturities	(13,991)	(14,071)
Deferred financing costs	<u>(5,024)</u>	<u>(5,213)</u>
Noncurrent portion of long-term obligations, net	<u>\$ 553,129</u>	<u>\$ 567,221</u>

Fixed Rate Revenue Bonds

Fixed Rate Revenue Bonds consist of the Maryland Health and Higher Educational Facilities Authority Refunding Revenue Bonds. Fixed Rate Revenue Bonds consist of the following at December 31:

	<u>Par Amounts</u>	<u>Interest Rates</u>	<u>2020</u>	<u>2019</u>
Adventist Healthcare, Inc.:				
Series 2011A	\$ 57,205	5-6.25%	\$ 57,205	\$ 57,205
Series 2013	15,623	3.21%	6,037	6,750
Series 2014A	24,280	3.56%	-	21,315
Series 2016A	269,750	5.00%	267,315	269,750
Series 2016B	126,395	3.72%	122,350	126,395
Series 2017	40,000	2.77%	37,600	38,825
Series 2020	18,725	4.00%	<u>18,725</u>	<u>-</u>
Total			<u>\$ 509,232</u>	<u>\$ 520,240</u>

In December 2020, the Maryland Health and Higher Educational Facilities Authority issued \$18,725 of Hospital Revenue Bonds on behalf of the Corporation. The proceeds of the Series 2020 Bonds were used for the purpose of refunding the Series 2014A Bonds and expenses incurred in connection with the issuance. The Bonds are due in varying annual installments of principal and interest through January 2038. In conjunction with the refunding, a loss on refinancing was recognized in the accompanying consolidated statements of operations, which is comprised of the following:

Write-off of unamortized deferred financing costs	\$ 183
Redemption premium	<u>98</u>
Loss on refinancing	<u>\$ 281</u>

The Corporation also entered into a forward bond delivery purchase agreement with the Maryland Health and Higher Educational Facilities Authority related to the expected issuance of the Series 2021 Revenue Bonds of \$48,120 in October 2021 for the purpose of refunding the Series 2011A and expenses incurred in connection with the issuance.

Adventist HealthCare, Inc. and Controlled Entities

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The above bond issues are subject to trust indentures which impose various covenants on SGMC, WOMC, Rehab, Imaging, CIS, Other Health Services and the Support Center (collectively, the Obligated Group) which include restrictions on the transfer or disposition of property, the incurrence of additional liabilities and the achievement of certain pre-established financial indicators. Management believes it has complied with these required financial covenants for the years ended December 31, 2020 and 2019. Debt service reserve funds are required on the Series 2011A, Series 2016A and Series 2017 Bonds.

Variable Rate Revenue Bonds

The Variable Rate Revenue Bonds consist of the Maryland Health and Higher Educational Facilities Authority Revenue Refunding Bonds, Series 2014B, Adventist HealthCare, Inc. which had an outstanding balance of \$20,300 and \$21,165 as of December 31, 2020 and 2019, respectively. The Series 2014B Bonds bear interest at a variable rate of one month LIBOR plus 2.3 percent (2.45 percent at December 31, 2020). The Series 2014B Bonds are subject to an Amended and Restated Master Trust Indenture that imposes various covenants on the Obligated Group which include restrictions on the transfer or disposition of property, the incurrence of additional liabilities and the achievement of certain pre-established financial indicators. Management believes it has complied with these required financial covenants for the years ended December 31, 2020 and 2019.

The Bonds subject to the Amended and Restated Master Trust Indenture are secured by the unrestricted revenues of the Obligated Group as well as a mortgage interest in the facilities of SGMC, WOMC and Rehab.

Note Payable

In December 2014, the corporation entered into a taxable term note for \$25,000 with a commercial bank, which is secured by a Master Note issued under the Amended and Restated Master Trust Indenture dated as of February 1, 2003. The note bears interest at one month LIBOR plus 2.45 percent (2.6 percent as of December 31, 2020). The amortization on the note extends to December 18, 2034, however, the note matures on December 18, 2024. As of December 31, 2020 and 2019, the outstanding balance was \$20,481 and \$21,296, respectively.

Mortgage Loan Payable

On December 23, 2004, FWMC entered into an \$11,055 taxable mortgage loan insured by HUD through the Federal Housing Administration. The loan provided for the satisfaction of FWMC's previous bond obligation and for construction, new equipment and financing costs.

During the year ended December 31, 2013, the loan was refinanced through the same lender to lower the interest from 6.125 percent to 3.95 percent per annum payable in monthly installments. The term of the loan was not changed and the last payment is due in 2030.

As of December 31, 2020 and 2019, the outstanding balance on the loan was \$6,247 and \$7,105, respectively, and payable in monthly installments, including interest at 3.95 percent. The loan is subject to restrictive covenants, including restrictions on additional long-term borrowings and prepayment of the outstanding obligation. In accordance with the terms of the Regulatory Agreement with HUD, FWMC is required to meet certain financial covenants in order to distribute assets to affiliates or incur additional indebtedness. Under the terms of the HUD-insured mortgage loan, FWMC is required to maintain certain deposits with a trustee. Such deposits are included in assets whose use is limited. The loan is secured by FWMC's premises and all the assets and cash flows contained therein.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
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Other Long-Term Liabilities

This category consists of other long-term obligations. Interest rates on these other long-term liabilities range from 2.70 percent - 3.40 percent.

Scheduled principal repayments of long-term obligations, excluding financing and operating lease obligations at December 31, 2020 are as follows:

Years ending December 31:		
2021	\$	13,991
2022		14,195
2023		13,545
2024		13,361
2025		13,167
Thereafter		<u>492,522</u>
Total	\$	<u>560,781</u>

13. Leases

The Corporation leases office space and equipment used in operations. For many of these leases, the Corporation is responsible for paying property taxes, insurance, as well as maintenance and repair costs. The Corporation's real estate leases generally have initial lease terms of 3 to 20 years or more and typically include one or more options to renew, with renewal terms that generally extend the lease term for an additional five to ten years or more. The Corporation assesses renewal options using a "reasonably certain" threshold, which is understood to be a high threshold and, therefore, the majority of its leases' terms do not include renewal periods for accounting purposes. For leases where the Corporation is reasonably certain to exercise its renewal option, the option periods are included within the lease term and, therefore, the measurement of the right-of-use asset and lease liability. The payment structure of the Corporation's leases generally include annual escalation clauses that are either fixed or variable in nature, some of which are dependent upon published indices. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and expenses for these leases are recognized on a straight-line basis over the lease term as an operating expense.

Certain leases include an option to purchase the leased assets. The Corporation assesses the likelihood of exercising the purchase option using a "reasonably certain" threshold, which is understood to be a high threshold and, therefore, purchase options are generally accounted for when a compelling economic reason to exercise the option exists. Certain leases include an option to terminate the lease, the terms and condition of which vary by contract. These options allow the parties to the contract to terminate their obligations typically in return for an agreed upon financial consideration amount. The Corporation's lease agreements do not contain material residual value guarantees.

The Corporation makes certain assumptions and judgements in determining the discount rate, as most leases do not provide an implicit rate. The Corporation uses a risk-free discount rate based on information available at the commencement date in determining the present value of lease payments. In order to apply discount rate, a portfolio approach was utilized to group assets based on similar lease terms in a manner whereby the Corporation reasonably expects that the application does not differ materially from application to individual leases.

Subsequent to the lease commencement date, the Corporation reassesses lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
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(In Thousands)

Future minimum payments under operating lease obligations as of December 31, 2020 were as follows:

Years ending December 31:	
2021	\$ 18,538
2022	18,452
2023	17,224
2024	11,653
2025	9,255
Thereafter	<u>41,783</u>
Total	116,905
Lease amount representing interest	<u>15,635</u>
Total operating lease obligations	101,270
Less current portion	<u>15,042</u>
Long-term obligation	<u><u>\$ 86,228</u></u>

Future minimum payments under financing lease obligations as of December 31, 2020 were as follows:

Years ending December 31:	
2021	\$ 2,199
2022	2,093
2023	1,579
2024	1,379
2025	1,348
Thereafter	<u>2,694</u>
Total	11,292
Less amount representing interest	<u>1,023</u>
Total financing lease obligations	10,269
Less current portion	<u>1,922</u>
Total	<u><u>\$ 8,347</u></u>

Total lease costs are comprised of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financing lease cost:		
Amortization of right-of-use asset	\$ 1,127	\$ 1,126
Interest on lease obligations	72	104
Operating lease cost	<u>18,214</u>	<u>17,035</u>
Total lease cost	<u><u>\$ 19,413</u></u>	<u><u>\$ 18,265</u></u>

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
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(In Thousands)

Other supplemental information as of and for the years ended December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2020</u>
Weighted-average remaining lease term:		
Financing lease obligations	6.20 years	3.03 years
Operating lease obligations	8.50 years	6.12 years
Weighted-average discount rate:		
Financing lease obligations	3.03 %	3.19 %
Operating lease obligations	3.81 %	4.44 %

Certain lease agreements contain a number of restrictive covenants that, among other things, and subject to certain exemptions, impose operating and financial restrictions on the Corporation.

14. Retirement, Health Plan and Life Insurance

Defined Contribution Retirement Plan

The Corporation sponsors a 401(a) defined contribution retirement plan, which covers substantially all full-time employees. After 12 months of full-time or regular part-time employment of at least 1,000 base hours, the Corporation will contribute a total of 2 percent of eligible employees' compensation, plus a matching employer contribution equal to 50 percent of employee contributions (to the 403(b) plan) up to 6 percent of base salary. The Corporation also has a 403(b) retirement savings plan for employees. Employee contributions are made to the 403(b) retirement savings plan. Retirement plan expense was \$12,023 in 2020 and \$11,087 in 2019.

Supplemental Executive Retirement Plan

The Corporation also has a Supplemental Executive Retirement Plan (SERP) that became effective in 2015 and covers a group of key executives. SERP expense was \$161 in 2020 and \$201 in 2019. In addition, a SERP liability adjustment was recorded for (\$860) in 2020 and \$789 in 2019, which was recognized in net assets without donor restriction in the consolidated statements of changes in net assets. At December 31, 2020 and 2019, the Corporation's liability for the SERP was \$2,312 and \$3,010, respectively, which is included in other liabilities in the consolidated balance sheets.

Executive Retention 457(F) Plan

Effective January 1, 2015, the Corporation established the Executive Retention 457(F) Plan (the 457(F) Plan). The 457(F) Plan is a tax-deferred plan offered to key executives, whereby annual employer contributions are made to the Plan. Plan participants become vested in the contributions and receive plan payments in the second calendar year after the contribution is made, if the participant is still employed. The final contribution will be made to the Plan for the year in which the plan participant becomes 62. The 457(F) plan expense was \$2,142 in 2020 and \$2,198 in 2019. The Corporation's liability for the 457(F) plan at December 31, 2020 and 2019 was \$3,480 and \$2,993, respectively, which is included in other liabilities in the consolidated balance sheets.

Salary Deferral (457(b)) Plan

Employees who contribute the maximum allowable amount to the 403(b) retirement plan have an opportunity to contribute additional funds on a tax-deferred basis to a 457(b) retirement plan up to the maximum tax-sheltered opportunity. There are no employer contributions to this plan.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements
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Health Plan

The Corporation maintains a self-insurance employee program for its health insurance coverage. The Corporation accrues the estimated costs of incurred and reported and incurred but not reported claims, after consideration of its stop-loss insurance coverage, based upon data provided by the third party administrator of the program and historical claims experience.

Life Insurance

Full-time and part-time employees are insured, through a third party carrier, for an amount equal to one times their base salary at time of enrollment up to \$450,000 for full-time employees and \$10,000 for part-time employees. In addition, if death is caused by accident, the employee is insured for an additional benefit equal to the amount of their life insurance.

15. Commitments and Contingencies

Litigation and Claims

The Corporation is subject to asserted and unasserted claims (in addition to litigation) encountered in the ordinary course of business. In the opinion of management and after consultation with legal counsel, the Corporation has established adequate reserves related to all known matters. The outcome of any potential investigative, regulatory or prosecutorial activity that may occur in the future cannot be predicted with certainty. However, any associated potential future losses resulting from such activity could have a material adverse effect on the Corporation's future financial position, results of operations and liquidity.

Insurance

The Corporation's primary coverage for professional liability is provided through a self-funded insurance retention trust (the Trust) established on January 1, 1993. The Trust is funded based on actuarial estimates and provides coverage of \$4,000,000 per occurrence with no annual aggregate limitation. The Trust also provides general liability coverage up to \$1,000,000 per occurrence and \$3,000,000 in the aggregate. The Corporation also carries umbrella excess liability insurance on a claims made basis with a commercial carrier, with limits of \$20,000,000 per occurrence and in aggregate.

It is the Corporation's policy to accrue for the ultimate cost of uninsured asserted and unasserted malpractice claims, if any, when incidents occur. Based on a review of the Corporation's prior experience and incidents occurring through December 31, 2020, management determined that the fully-funded professional liability reserve reported at December 31, 2020 and 2019 is adequate in light of the program's excess umbrella policy currently in force and historical claims experience. The estimated professional liability for both asserted and unasserted claims was \$19,937 and \$18,068 at December 31, 2020 and 2019, respectively. The discount rate used in determining these liabilities was 2.5 percent at both December 31, 2020 and 2019.

The Corporation is self-insured for unemployment and workers' compensation benefits. The liability for unemployment and worker's compensation claims payable is an estimate based on the Corporation's past experience and is included in the accompanying consolidated balance sheets. It is reasonably possible that the estimates used could change materially in the near term.

Remediation

Certain buildings, which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe fashion prior to demolition and renovation of these buildings. At this time, the Corporation has no plans to demolish or renovate these buildings and, as such, cannot reasonably estimate the fair value of the liability for such asbestos removal.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

COVID-19

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. The Corporation's evaluation of the effects of these events is ongoing as of the date the accompanying consolidated financial statements were issued. COVID-19 may impact various parts of the Corporation's 2021 operations and financial performance. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

16. Business and Credit Concentrations

The Corporation grants credit to patients, substantially all of whom are local residents. The Corporation generally does not require collateral or other security in extending credit, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits receivable under their health insurance programs, plans or policies.

At December 31, 2020 and 2019, concentrations of gross receivables from third party payors and others are as follows:

	<u>2020</u>	<u>2019</u>
Medicare	19 %	21 %
Medicaid	16	13
Other third party payors	30	46
Self-pay and others	<u>35</u>	<u>20</u>
	<u>100 %</u>	<u>100 %</u>

The Corporation maintains its cash and cash equivalents with several financial institutions. Cash and cash equivalents on deposit with any one financial institution are insured up to \$250,000.

17. Liquidity and Availability

The Corporation's financial assets available for general expenditure within one year of the consolidated balance sheets date, consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 55,444	\$ 25,807
Medicare advance and accelerated payments (Note 1)	140,112	-
Short-term investments	250,502	226,700
Patient accounts receivable	117,816	117,498
Other receivables	41,574	13,764
Assets whose use is limited:		
Professional liability trust fund	<u>16,361</u>	<u>13,948</u>
Total	<u>\$ 621,809</u>	<u>\$ 397,717</u>

The Corporation has designated certain assets as available for settling professional liability claims, however, these assets could be used for general expenditure if necessary and, therefore, have been included in the information above.

As part of the Corporation's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Corporation invests excess cash in short-term investments.

Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

18. Functional Expenses

A summary of the Corporation's operating expenses by function for the year ended December 31, 2020 is as follows:

	Hospital Acute and Ambulatory Services	Home Care Services	Other Health Care Services	Other, Including General and Administrative	Fundraising	Total
Salaries and wages	\$ 263,923	\$ 18,146	\$ 88,188	\$ 44,072	\$ -	\$ 414,329
Employee benefits	51,944	3,198	15,270	8,141	-	78,553
Contract labor	55,010	106	12,507	303	-	67,926
Medical supplies	116,966	529	7,614	376	-	125,485
General and administrative	60,105	969	21,907	47,550	1,738	132,269
Building and maintenance	34,321	814	13,782	2,394	-	51,311
Insurance	5,350	117	1,775	3,115	-	10,357
Interest	22,675	-	480	2,259	-	25,414
Depreciation and amortization	32,351	267	4,031	9,257	-	45,906
Total	<u>\$ 642,645</u>	<u>\$ 24,146</u>	<u>\$ 165,554</u>	<u>\$ 117,467</u>	<u>\$ 1,738</u>	<u>\$ 951,550</u>

In 2020, the Corporation also incurred other health care services expenses of \$7,576 related to the Takoma Park campus that were included in the loss from discontinued operations in the consolidated statements of operations. These expenses were comprised of the loss on disposal of \$4,822 and miscellaneous other operating expenses related to the operations of the walk-in clinic.

A summary of the Corporation's operating expenses by function for the year ended December 31, 2019 is as follows:

	Hospital Acute and Ambulatory Services	Home Care Services	Other Health Care Services	Other, Including General and Administrative	Fundraising	Total
Salaries and wages	\$ 237,700	\$ 19,812	\$ 88,847	\$ 38,080	\$ -	\$ 384,439
Employee benefits	46,479	3,414	15,608	8,175	-	73,676
Contract labor	35,781	479	2,167	272	-	38,699
Medical supplies	101,993	407	5,369	(32)	-	107,737
General and administrative	56,215	1,137	21,347	46,742	1,982	127,423
Building and maintenance	29,983	688	11,154	2,176	-	44,001
Insurance	4,778	118	2,007	48	-	6,951
Interest	13,355	-	536	2,695	-	16,586
Depreciation and amortization	26,247	322	4,108	10,905	-	41,582
Loss on disposal of property and equipment	-	-	-	3,265	-	3,265
Total	<u>\$ 552,531</u>	<u>\$ 26,377</u>	<u>\$ 151,143</u>	<u>\$ 112,326</u>	<u>\$ 1,982</u>	<u>\$ 844,359</u>

In 2019, the Corporation also incurred other health care services expenses of \$15,150 related to the Takoma Park campus that were included in the loss from discontinued operations in the consolidated statements of operations. These expenses were comprised of the loss on disposal of \$11,576, building and maintenance of \$1,174, interest of \$1,860 and miscellaneous other operating expenses related to the operations of the walk-in clinic.

Adventist HealthCare, Inc. and Controlled Entities

Consolidating Schedule, Balance Sheet

December 31, 2020

(In Thousands)

	Shady Grove Medical Center	White Oak Medical Center	Rehab	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	Fort Washington Medical Center	Lourie Center	Adventist Home Care Services	Urgent Care	One Health Quality Alliance	Foundations	Eliminating Entries	Consolidated Adventist HealthCare, Inc.
Assets																	
Current Assets																	
Cash and cash equivalents	\$ 315,949	\$ (90,072)	\$ 34,108	\$ (28,371)	\$ (41,454)	\$ (8,001)	\$ (141,539)	\$ -	\$ 40,620	\$ 9,612	\$ 643	\$ 18,381	\$ (14,680)	\$ (3,546)	\$ 4,414	\$ -	\$ 55,444
Medicare advance and accelerated payments	-	-	-	-	-	-	140,112	-	140,112	-	-	-	-	-	-	-	140,112
Short-term investments	-	-	-	-	-	-	250,502	-	250,502	-	-	-	-	-	-	-	250,502
Assets whose use is limited	-	-	-	-	-	-	3,795	-	3,795	-	-	-	-	-	-	-	3,795
Patient accounts receivable	61,401	38,254	4,912	2,250	192	-	432	-	107,441	6,150	-	3,050	1,175	-	-	-	117,816
Other receivables	3,074	5,313	127	2,603	1,165	19,170	8,752	(2,388)	37,816	1,100	1,623	29	(20)	-	1,026	-	41,574
Inventories	5,001	5,164	96	-	-	133	-	-	10,394	1,173	-	-	-	-	-	-	11,567
Prepaid expenses and other current assets	1,084	639	143	69	127	155	7,617	-	9,834	214	-	38	77	(74)	-	-	10,089
Total current assets	386,509	(40,702)	39,386	(23,449)	(39,970)	11,457	269,671	(2,388)	600,514	18,249	2,266	21,498	(13,448)	(3,620)	5,440	-	630,899
Property and Equipment, Net	170,831	446,674	10,349	6,847	2,980	121	64,296	-	702,098	19,090	1,235	850	5,734	-	-	-	729,007
Financing Lease Right-of-Use Asset	5,251	601	736	2,783	-	-	493	-	9,864	500	-	-	-	-	-	-	10,364
Operating Lease Right-of-Use Asset	32,685	39,255	640	4,381	2,053	501	7,538	-	87,053	1,665	1,638	1,761	7,217	-	-	-	99,334
Assets Whose Use is Limited																	
Under trust indentures and mortgage loan agreement, held by trustees and banks	1,361	36,402	454	-	-	-	3,390	-	41,607	1,659	-	-	-	-	-	-	43,266
Professional liability trust fund	-	-	-	-	-	-	16,361	-	16,361	-	-	-	-	-	-	-	16,361
Deferred compensation fund	-	-	-	-	-	-	1,405	-	1,405	-	-	-	-	-	-	-	1,405
Cash and Cash Equivalents Restricted for Capital Acquisitions	-	-	138	-	-	-	-	-	138	-	361	-	-	-	576	-	1,075
Investments and Investments in Unconsolidated Subsidiaries	(1,690)	13,967	-	-	-	-	25,692	-	37,969	-	-	-	-	-	850	(9,798)	29,021
Land Held for Healthcare Development	-	-	-	-	-	-	49,430	-	49,430	-	-	-	-	-	-	-	49,430
Intangible Assets, Net	1,391	1	749	5,435	-	6	-	-	7,582	-	-	135	-	-	-	-	7,717
Deposits and Other Noncurrent Assets	741	31	43	233	21	33	2,875	-	3,977	445	5	31	201	-	1,445	-	6,104
Assets Held for Sale	-	-	-	-	-	12,029	-	-	12,029	-	-	-	-	-	-	-	12,029
Total assets	\$ 597,079	\$ 496,229	\$ 52,495	\$ (3,770)	\$ (34,916)	\$ 24,147	\$ 441,151	\$ (2,388)	\$ 1,570,027	\$ 41,608	\$ 5,505	\$ 24,275	\$ (296)	\$ (3,620)	\$ 8,311	\$ (9,798)	\$ 1,636,012

Adventist HealthCare, Inc. and Controlled Entities

Consolidating Schedule, Balance Sheet

December 31, 2020

(In Thousands)

	Shady Grove Medical Center	White Oak Medical Center	Rehab	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	Fort Washington Medical Center	Lourie Center	Adventist Home Care Services	Urgent Care	One Health Quality Alliance	Foundations	Eliminating Entries	Consolidated Adventist HealthCare, Inc.
Liabilities and Net Assets (Deficit)																	
Current Liabilities																	
Accounts payable and accrued expenses	\$ 42,798	\$ 24,403	\$ 2,665	\$ 1,019	\$ 1,440	\$ 13,485	\$ 30,841	\$ -	\$ 116,651	\$ 6,313	\$ 247	\$ 522	\$ 511	\$ 412	\$ 18	\$ -	\$ 124,674
Accrued compensation and related items	18,156	11,764	3,559	370	1,006	391	16,090	(2,388)	48,948	3,036	1,068	1,787	509	2	-	-	55,350
Interest payable	-	-	-	-	-	-	9,312	-	9,312	-	-	-	-	-	-	-	9,312
Deferred revenues	-	-	-	-	164	-	50,071	-	50,235	2,061	216	-	-	-	-	-	52,512
Due to third party payors	11,929	8,303	(44)	-	-	-	68	-	20,256	641	-	-	-	-	-	-	20,897
Medicare advance and accelerated payments	-	-	-	-	-	-	57,675	-	57,675	3,096	-	-	-	-	-	-	60,771
Estimated self-insured professional liability	-	-	-	-	-	-	1,942	-	1,942	-	-	-	-	-	-	-	1,942
Current maturities of:																	
Long-term obligations	2,972	8,637	-	-	-	-	1,673	-	13,282	520	-	-	189	-	-	-	13,991
Financing lease obligations	684	78	96	900	-	-	64	-	1,822	100	-	-	-	-	-	-	1,922
Operating lease obligations	7,326	2,348	271	970	450	213	1,533	-	13,111	318	614	415	584	-	-	-	15,042
Total current liabilities	83,865	55,533	6,547	3,259	3,060	14,089	169,269	(2,388)	333,234	16,085	2,145	2,724	1,793	414	18	-	356,413
Construction Payable	974	2,397	163	29	-	10	16	-	3,589	289	-	-	-	-	-	-	3,878
Long-Term Obligations, Net																	
Bonds payable	122,684	362,059	4,302	-	-	-	37,555	-	526,600	-	-	-	-	-	-	-	526,600
Notes payable	-	-	-	-	-	-	17,096	-	17,096	5,484	-	-	3,949	-	-	-	26,529
Financing Lease Obligations	4,565	522	640	1,778	-	-	428	-	7,933	414	-	-	-	-	-	-	8,347
Operating Lease Obligations	26,319	37,156	376	3,520	1,667	304	6,276	-	75,618	1,368	1,056	1,402	6,784	-	-	-	86,228
Other Liabilities	1,477	27	-	-	422	-	7,508	-	9,434	411	-	-	-	-	48	-	9,893
Medicare Advance And Accelerated Payments	-	-	-	-	-	-	71,093	-	71,093	8,248	-	-	-	-	-	-	79,341
Estimated Self-Insured Professional Liability	-	-	-	-	-	-	17,995	-	17,995	-	-	-	-	-	-	-	17,995
Total liabilities	239,884	457,694	12,028	8,586	5,149	14,403	327,236	(2,388)	1,062,592	32,299	3,201	4,126	12,526	414	66	-	1,115,224
Net Assets (Deficit)																	
Net assets (deficit) without donor restrictions	356,849	37,776	40,143	(12,356)	(40,065)	9,744	113,257	-	505,348	9,202	2,081	20,149	(12,822)	(4,034)	3,169	(9,691)	513,402
Net assets with donor restrictions	346	759	324	-	-	-	658	-	2,087	107	223	-	-	-	5,076	(107)	7,386
Total net assets (deficit)	357,195	38,535	40,467	(12,356)	(40,065)	9,744	113,915	-	507,435	9,309	2,304	20,149	(12,822)	(4,034)	8,245	(9,798)	520,788
Total liabilities and net assets (deficit)	\$ 597,079	\$ 496,229	\$ 52,495	\$ (3,770)	\$ (34,916)	\$ 24,147	\$ 441,151	\$ (2,388)	\$ 1,570,027	\$ 41,608	\$ 5,505	\$ 24,275	\$ (296)	\$ (3,620)	\$ 8,311	\$ (9,798)	\$ 1,636,012

Adventist Healthcare, Inc. and Controlled Entities

Consolidating Schedule, Statement of Operations

Year Ended December 31, 2020

(In Thousands)

	Shady Grove Medical Center	White Oak Medical Center	Rehab	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	Fort Washington Medical Center	Lourie Center	Adventist Home Care Services	Urgent Care	One Health Quality Alliance	Foundations	Eliminating Entries	Consolidated Adventist HealthCare, Inc.
Revenues																	
Net patient service revenue	\$ 419,808	\$ 287,096	\$ 50,771	\$ 25,605	\$ 7,486	\$ 22	\$ -	\$ (353)	\$ 790,435	\$ 47,127	\$ 1,053	\$ 27,917	\$ 6,792	\$ -	\$ -	\$ (51)	\$ 873,273
Other revenues	9,870	2,927	317	1,919	1,047	26,367	9,520	(10,157)	41,810	389	15,566	290	1,082	724	2,201	(4,646)	57,416
COVID-19 grant income	19,401	10,369	3,726	189	279	487	5,747	-	40,198	3,817	16	108	83	-	-	-	44,222
Total revenues	449,079	300,392	54,814	27,713	8,812	26,876	15,267	(10,510)	872,443	51,333	16,635	28,315	7,957	724	2,201	(4,697)	974,911
Expenses																	
Salaries and wages	155,095	102,933	30,155	14,628	7,155	4,379	44,072	-	358,417	25,117	9,069	18,146	3,507	73	-	-	414,329
Employee benefits	30,850	19,121	5,805	2,551	1,107	757	8,141	-	68,332	4,497	1,878	3,198	634	14	-	-	78,553
Contract labor	28,823	22,866	467	(1,654)	77	10,878	303	-	61,760	5,569	171	106	160	656	-	(496)	67,926
Medical supplies	59,742	52,120	2,397	1,277	436	2,786	376	-	119,134	5,366	111	529	345	-	-	-	125,485
General and administrative	37,339	25,919	4,272	3,718	1,788	4,992	49,639	(7,282)	120,385	6,440	2,885	1,009	1,096	523	1,738	(1,807)	132,269
Building and maintenance	27,005	8,572	1,990	4,179	1,598	2,360	2,394	(3,228)	44,870	2,364	2,028	814	1,279	1	-	(45)	51,311
Insurance	3,280	2,074	294	453	229	5	3,115	-	9,450	706	11	117	73	-	-	-	10,357
Interest	5,915	16,430	181	145	-	-	2,259	-	24,930	330	-	-	154	-	-	-	25,414
Depreciation and amortization	15,756	15,927	1,089	2,085	174	53	9,257	-	44,341	771	160	267	367	-	-	-	45,906
IT depreciation	5,630	2,648	412	76	-	24	(8,857)	-	(67)	-	-	67	-	-	-	-	-
IT services	21,458	11,653	2,108	1,177	119	131	(37,340)	-	(694)	-	-	694	-	-	-	-	-
Shared services	19,812	11,914	1,686	508	781	76	(35,575)	-	(798)	-	320	423	55	-	-	-	-
Management fees	9,941	5,716	1,417	494	493	146	(19,571)	-	(1,364)	-	339	875	150	-	-	-	-
Total expenses	420,646	297,893	52,273	29,637	13,957	26,587	18,213	(10,510)	848,696	51,160	16,972	26,245	7,820	1,267	1,738	(2,348)	951,550
Income (loss) from operations	28,433	2,499	2,541	(1,924)	(5,145)	289	(2,946)	-	23,747	173	(337)	2,070	137	(543)	463	(2,349)	23,361
Other Income (Expense)																	
Investment income	5,365	443	598	-	-	31	7,561	-	13,998	-	22	326	-	-	-	-	14,346
Other (loss) income	(221)	(93)	(5)	-	-	-	257	-	(62)	-	-	-	(550)	-	-	-	(612)
Loss on extinguishment of debt	-	-	-	-	-	-	(281)	-	(281)	-	-	-	-	-	-	-	(281)
Total other income (expense)	5,144	350	593	-	-	31	7,537	-	13,655	-	22	326	(550)	-	-	-	13,453
Revenues in excess of (less than) expenses from continuing operations	33,577	2,849	3,134	(1,924)	(5,145)	320	4,591	-	37,402	173	(315)	2,396	(413)	(543)	463	(2,349)	36,814
Change in net unrealized gains and losses on investments in debt securities	2,201	66	250	-	-	14	1,613	-	4,144	-	3	124	-	-	-	-	4,271
Transfers from (to) subsidiaries	57,522	78,473	5,373	(1,158)	802	(23,369)	(122,854)	-	(5,211)	-	(273)	5,461	-	-	-	23	-
Net assets released from restrictions for purchase of property and equipment	1,762	3,515	-	-	-	-	123	-	5,400	287	-	-	-	-	-	-	5,687
Deferred compensation plan liability adjustment	-	-	-	-	-	-	860	-	860	-	-	-	-	-	-	-	860
Other net asset activity	-	-	-	-	-	-	701	-	701	1,390	-	-	-	-	2	(23)	2,070
Increase (decrease) in net assets (deficit) without donor restrictions from continuing operations	95,062	84,903	8,757	(3,082)	(4,343)	(23,035)	(114,966)	-	43,296	1,850	(585)	7,981	(413)	(543)	465	(2,349)	49,702
Loss from discontinued operations	-	-	-	-	-	(7,576)	-	-	(7,576)	-	-	-	-	-	-	-	(7,576)
Increase (decrease) in net assets (deficit) without donor restrictions	\$ 95,062	\$ 84,903	\$ 8,757	\$ (3,082)	\$ (4,343)	\$ (30,611)	\$ (114,966)	\$ -	\$ 35,720	\$ 1,850	\$ (585)	\$ 7,981	\$ (413)	\$ (543)	\$ 465	\$ (2,349)	\$ 42,126