

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2018, or fiscal year beginning JUL 1, 2018, and ending JUN 30, 2019

2018

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization

Employer identification number

ATLANTIC GENERAL HOSPITAL

52-1656507

Name and title of officer

**CHERYL NOTTINGHAM
VP FINANCE**

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

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here	▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>130,704,302.</u>
2a Form 990-EZ check here	▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here	▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here	▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here	▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize DIXON HUGHES GOODMAN LLP to enter my PIN 22102
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

54922252977

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ DIXON HUGHES GOODMAN LLP Date ▶ 07/14/20

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

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2018)

823051 10-26-18

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2018

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning **JUL 1, 2018** and ending **JUN 30, 2019**

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 ATLANTIC GENERAL HOSPITAL		D Employer identification number 52-1656507
	Doing business as		E Telephone number 410-641-1100
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 134,478,521.
	9733 HEALTHWAY DRIVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code BERLIN, MD 21811		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
F Name and address of principal officer: MICHAEL FRANKLIN 9733 HEALTHWAY DR, BERLIN, MD 21811		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.ATLANTICGENERAL.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1989	M State of legal domicile: MD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO CREATE A COORDINATED CARE DELIVERY SYSTEM THAT WILL PROVIDE ACCESS TO QUALITY CARE,		
	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	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	1077
	6 Total number of volunteers (estimate if necessary)	6	201
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	400,303.
b Net unrelated business taxable income from Form 990-T, line 38	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,692,083.	3,213,775.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	124,504,373.	128,530,093.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	780,861.	-2,703,879.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,972,346.	1,664,313.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	128,949,663.	130,704,302.
	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)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	66,525,949.	69,851,908.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 217,459.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	60,762,480.	64,957,145.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	127,288,429.	134,809,053.
19 Revenue less expenses. Subtract line 18 from line 12	1,661,234.	-4,104,751.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	112,413,712.	112,853,459.
	22 Net assets or fund balances. Subtract line 21 from line 20	55,802,642.	60,419,338.
		56,611,070.	52,434,121.

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	
	▶ CHERYL NOTTINGHAM, VP FINANCE Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name AMY BIBBY	Preparer's signature AMY BIBBY	Date 07/14/20	Check <input type="checkbox"/> if self-employed PTIN P00445891
	Firm's name ▶ DIXON HUGHES GOODMAN LLP	Firm's EIN ▶ 56-0747981	Phone no. 703-970-0400	
Firm's address ▶ 1410 SPRING HILL ROAD, 5TH FLOOR		TYSONS, VA 22102		

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: TO CREATE A COORDINATED CARE DELIVERY SYSTEM THAT WILL PROVIDE ACCESS TO QUALITY CARE, PERSONALIZED SERVICE, AND EDUCATION TO IMPROVE INDIVIDUAL AND COMMUNITY HEALTH. WE ACCOMPLISH OUR MISSION THROUGH OUR SET OF VALUES, WHICH ARE HONORED IN ALL OUR INTERACTIONS.

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

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

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

4a (Code:) (Expenses \$ 115,761,036. including grants of \$) (Revenue \$ 129,412,578.) ATLANTIC GENERAL HOSPITAL IS A NON PROFIT HEALTHCARE PROVIDER FOCUSING ON INPATIENT AND OUTPATIENT SERVICES FOR OUR LOCAL COMMUNITY. WE ALSO OPERATE MULTIPLE PHYSICIAN OFFICES THROUGHOUT THE REGION THAT PROVIDES FAMILY, INTERNAL AND SPECIALTY MEDICINE TO OUR LOCAL RESIDENTS. WE HAD THE FOLLOWING KEY STATISTICS DURING THE 2019 TAX YEAR: ADMISSIONS: 3,112, PATIENT DAYS: 10,463, ED VISITS: 36,541, SURGERIES: 6,822, OTHER OUTPATIENT VISITS: 57,624, TOTAL VISITS TO OUR PHYSICIAN PRACTICES WERE 107,477.

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

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

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

4e Total program service expenses 115,761,036.

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 temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
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? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		1077
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	X	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	X	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	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	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in 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 in Schedule O.		
	1a	20	
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b	18	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Did the organization have members or stockholders?	6	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?	7a	X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	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?	10a	X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13	Did the organization have a written whistleblower policy?	13	X
14	Did the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	X
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	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?	16a	X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **▶ MD**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in 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 **▶**
CHERYL NOTTINGHAM - 410-641-9095
9733 HEALTHWAY DRIVE, BERLIN, MD 21811

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.

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

Check this box if 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			
(2) CHRIS WOODLEY DIRECTOR	2.00	X						0.	0.	0.
(3) DALE SMACK DIRECTOR	2.00	X						0.	0.	0.
(4) DR. JON ANDES DIRECTOR	2.00	X						0.	0.	0.
(5) EDWIN CASTANEDA, MD DIRECTOR	2.00	X						0.	0.	0.
(6) HARRIET L JOHNSON DIRECTOR	2.00	X						0.	0.	0.
(7) J. RYAN BERGEY III DIRECTOR	2.00	X						0.	0.	0.
(8) JAY KNERR DIRECTOR	2.00	X						0.	0.	0.
(9) JEFFREY GREENWOOD, MD DIRECTOR	2.00	X						0.	0.	0.
(10) LOIS SIRMAN DIRECTOR	2.00	X						0.	0.	0.
(11) MICHAEL GUERRIERI DIRECTOR	2.00	X						0.	0.	0.
(12) PHILLIP SPINUZZA DIRECTOR	2.00	X						0.	0.	0.
(13) ROBERT THOMPSON DIRECTOR	2.00	X						0.	0.	0.
(14) TOM MEARS DIRECTOR	2.00	X						0.	0.	0.
(15) REBECCA L. JONES, WCHD EX-OFFICIO NON-VOTING	2.00	X						0.	0.	0.
(16) COREY CARPENTER, MD VICE CHIEF OF STAFF, EX-OFFICIO VOTI	2.00	X						0.	0.	0.
(17) TODD FERRANTE FOUNDATION BOARD CHAIRMAN	2.00	X						0.	0.	0.
(18) ALAE ZARIF, MD CHIEF OF STAFF, EX-OFFICIO VOTING	40.00	X						854,060.	0.	28,502.

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			
(19) GREGORY SHOCKLEY CHAIRMAN	2.00	X		X				0.	0.	0.
(20) WILLIAM ESHAM III VICE CHAIRMAN	2.00	X		X				0.	0.	0.
(21) DOUG COOK TREASURER	2.00	X		X				0.	0.	0.
(22) CHARLOTTE CATHELL SECRETARY	2.00	X		X				0.	0.	0.
(23) MICHAEL FRANKLIN PRESIDENT & CEO, EX-OFFICIO	40.00	X		X				531,230.	0.	28,502.
(24) CHERYL NOTTINGHAM CFO	40.00			X				239,074.	0.	27,808.
(25) TIMOTHY R. WHETSTINE VP PROFESSIONAL SERVICES	40.00			X				169,827.	0.	18,639.
(26) COLLEEN WAREING VP PATIENT CARE	40.00				X			178,879.	0.	5,702.
(27) RABINDRA PAUL PHYSICIAN	40.00					X		569,298.	0.	28,502.
1b Sub-total								2,542,368.	0.	137,655.
c Total from continuation sheets to Part VII, Section A								2,484,298.	0.	75,383.
d Total (add lines 1b and 1c)								5,026,666.	0.	213,038.

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 **90**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
EASI 7301 PKWY DR. S., HANOVER, MD 21076	CONSTRUCTION	1,617,248.
WILLOW CONSTRUCTION, 400 MARYLAND AVE. PO BOX 521, EASTON, MD 21601	CONSTRUCTION	1,479,387.
ALLSCRIPTS 24630 NETWORK PLACE, CHICAGO, IL 60673	IT SERVICES	1,173,522.
WEATHERBY LOCUMS, INC. 15300 WESTON PKWY STE. 105, CARY, NC 27513	MEDICAL SERVICES	1,002,961.
JOSEPH M. ZIMMER, INC. 2225 NORTHWOOD DR., SALISBURY, MD 21801	CONSTRUCTION	841,114.

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 **23**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees <i>(continued)</i>										
(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(28) JAMES P. CHERRY PHYSICIAN	40.00				X		566,147.	0.	28,502.	
(29) SCOTT KNOWLTON PHYSICIAN	40.00				X		402,723.	0.	28,142.	
(30) ROOPA GUPTA PHYSICIAN	40.00				X		461,552.	0.	6,875.	
(31) CURTIS D ASBURY PHYSICIAN	40.00				X		1,053,876.	0.	11,864.	
Total to Part VII, Section A, line 1c							2,484,298.	75,383.		

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	391,934.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	402,000.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,419,841.				
	g Noncash contributions included in lines 1a-1f: \$		12,900.				
	h Total. Add lines 1a-1f		3,213,775.				
	Program Service Revenue	2 a NET PATIENT REVENUE	Business Code 621110	124,549,444.	124,549,444.		
b PHARMACY		621110	3,878,673.	3,516,339.	362,334.		
c OTHER OPERATING		621110	101,976.	64,007.	37,969.		
d							
e							
f All other program service revenue							
g Total. Add lines 2a-2f			128,530,093.				
Other Revenue		3 Investment income (including dividends, interest, and other similar amounts)		435,716.			435,716.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	309,831.				
		(ii) Personal					
		b Less: rental expenses	29,042.				
		c Rental income or (loss)	280,789.				
	d Net rental income or (loss)		280,789.			280,789.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	361,634.				
		(ii) Other					
		b Less: cost or other basis and sales expenses	0.	3,501,229.			
		c Gain or (loss)	361,634.	-3,501,229.			
	d Net gain or (loss)		-3,139,595.			-3,139,595.	
	8 a Gross income from fundraising events (not including \$ 391,934. of contributions reported on line 1c). See Part IV, line 18	a	89,186.				
		b Less: direct expenses	93,425.				
c Net income or (loss) from fundraising events			-4,239.			-4,239.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses						
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a	255,498.					
	b Less: cost of goods sold	150,523.					
	c Net income or (loss) from sales of inventory		104,975.			104,975.	
Miscellaneous Revenue		Business Code					
11 a MISCELLANEOUS	621110	1,062,948.	1,062,948.				
	b CAFETERIA	621110	219,840.	219,840.			
	c						
	d All other revenue						
	e Total. Add lines 11a-11d		1,282,788.				
12 Total revenue. See instructions		130,704,302.	129,412,578.	400,303.	-2,322,354.		

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,121,058.		2,121,058.	
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	56,153,668.	52,343,686.	3,662,584.	147,398.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	858,796.		858,796.	
9 Other employee benefits	7,022,610.	2,724,789.	4,296,862.	959.
10 Payroll taxes	3,695,776.	3,238,705.	445,890.	11,181.
11 Fees for services (non-employees):				
a Management				
b Legal	201,233.	171,404.	29,829.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	5,544,046.	5,502,070.	41,976.	
12 Advertising and promotion	833,505.	827,798.	3,844.	1,863.
13 Office expenses	33,345,968.	32,797,503.	522,871.	25,594.
14 Information technology	5,176,610.	112,595.	5,064,015.	
15 Royalties				
16 Occupancy	1,017,487.	1,010,150.	7,337.	
17 Travel	120,533.	89,010.	28,699.	2,824.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	130,957.	70,302.	60,655.	
20 Interest	1,531,767.	1,531,767.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,628,371.	6,627,653.	718.	
23 Insurance	1,360,808.	1,360,808.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SERVICES & PR	3,444,552.	2,312,971.	1,127,248.	4,333.
b REPAIRS & MAINTENANCE	2,886,623.	2,386,737.	479,826.	20,060.
c OUTSIDE LAB SERVICES	1,210,136.	1,210,136.		
d DUES	352,361.	314,101.	36,323.	1,937.
e All other expenses	1,172,188.	1,128,851.	42,027.	1,310.
25 Total functional expenses. Add lines 1 through 24e	134,809,053.	115,761,036.	18,830,558.	217,459.
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		1	
	2 Savings and temporary cash investments	9,210,003.	2	7,784,202.
	3 Pledges and grants receivable, net	2,883,974.	3	3,508,673.
	4 Accounts receivable, net	11,737,547.	4	11,155,724.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	3,027,402.	8	2,491,024.
	9 Prepaid expenses and deferred charges	2,447,906.	9	2,322,096.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 140,052,091.		
	b Less: accumulated depreciation	10b 75,892,714.	61,665,021.	10c 64,159,377.
	11 Investments - publicly traded securities	12,406,020.	11	13,244,676.
	12 Investments - other securities. See Part IV, line 11	7,696.	12	7,696.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets	2,240,455.	14	2,223,207.
	15 Other assets. See Part IV, line 11	6,787,688.	15	5,956,784.
16 Total assets. Add lines 1 through 15 (must equal line 34)	112,413,712.	16	112,853,459.	
Liabilities	17 Accounts payable and accrued expenses	13,505,593.	17	13,651,743.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	31,685,211.	20	34,138,392.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	1,975,877.	23	1,800,813.
	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	8,635,961.	25	10,828,390.
	26 Total liabilities. Add lines 17 through 25	55,802,642.	26	60,419,338.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	52,663,746.	27	48,479,963.
	28 Temporarily restricted net assets	3,947,324.	28	3,954,158.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	56,611,070.	33	52,434,121.	
34 Total liabilities and net assets/fund balances	112,413,712.	34	112,853,459.	

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	130,704,302.
2	Total expenses (must equal Part IX, column (A), line 25)	2	134,809,053.
3	Revenue less expenses. Subtract line 2 from line 1	3	-4,104,751.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	56,611,070.
5	Net unrealized gains (losses) on investments	5	96,828.
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 in Schedule O)	9	-169,026.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	52,434,121.

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 in 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 in Schedule O and describe any steps taken to undergo such audits

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

Form 990 (2018)

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

2018

Open to Public Inspection

Name of the organization **ATLANTIC GENERAL HOSPITAL** Employer identification number **52-1656507**

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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2018. 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 - 2017. 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 - 2018. 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 - 2017. 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2018. 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 - 2017. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, 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 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Schedule A (Form 990 or 990-EZ) 2018

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 B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2018

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	AGH AUXILIARY 9733 HEALTHWAY DRIVE BERLIN, MD 21811	\$ 105,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	AGH JUNIOR AUXILIARY GROUP 9733 HEALTHWAY DRIVE BERLIN, MD 21811	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	BANK OF OCEAN CITY PO BOX 150 OCEAN CITY, MD 21843	\$ 40,150.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	BULL ON THE BEACH RESTAURANTS 12507 SUNSET AVENUE, #8 OCEAN CITY, MD 21842	\$ 27,520.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	CAREFIRST BLUECROSS BLUESHIELD 10455 MILL RUN CIRCLE OWINGS MILLS, MD 21117	\$ 101,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	CHRISTINE W. GLICK 10706 PINEY ISLAND DRIVE BISHOPVILLE, MD 21813-1452	\$ 10,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	COMMUNITY FOUNDATION OF THE EASTERN SHORE 1324 BELMONT AVENUE, SUITE 401 SALISBURY, MD 21804	\$ 105,586.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	EMERGENCY SERVICE ASSOCIATES, P.A. 100 E. CARROLL STREET SALISBURY, MD 21801	\$ 6,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	GLOBAL REIMBURSEMENT CONSULTANTS 656 QUINCE ORCHARD STREET, SUITE 620 GAITHERSBURG, MD 20878	\$ 6,560.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	HAL GLICK SERVICE AWARD GALA 11036 WORCESTER HIGHWAY BERLIN, MD 21811	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	HARVEY L. BERGER 11734 INDIAN RIDGE ROAD RESTON, VA 20191	\$ 7,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	JACK BURBAGE FOUNDATION, INC. 9919 STEPHEN DECATUR HIGHWAY UNIT 1 OCEAN CITY, MD 21842	\$ 300,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	<u>JOAN W. JENKINS FOUNDATION, INC.</u> <u>PO BOX 572</u> <u>OCEAN CITY, MD 21843</u>	\$ <u>10,250.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	<u>KELLY FOODS CORPORATION</u> <u>3337 MEDINA ROAD</u> <u>MEDINA, OH 44256</u>	\$ <u>12,300.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15	<u>MARYLAND HOSPITAL ASSOCIATION</u> <u>6820 DEERPATH ROAD</u> <u>ELKRIDGE, MD 21705</u>	\$ <u>681,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
16	<u>THE ARTHUR W. PERDUE FOUNDATION</u> <u>501 SILVERSIDE ROAD, SUITE 123</u> <u>WILMINGTON, MD 19809-1377</u>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17	<u>THE CAROUSEL GROUP</u> <u>11700 COASTAL HIGHWAY</u> <u>OCEAN CITY, MD 21842</u>	\$ <u>12,500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
18	<u>THE HARRISON GROUP</u> <u>PO BOX 160</u> <u>OCEAN CITY, MD 21843</u>	\$ <u>26,300.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19	<u>THE M&T CHARITABLE FOUNDATION</u> <u>1100 NORTH MARKET ST</u> <u>WILMINGTON, DE 19890</u>	\$ <u>22,700.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
20	<u>TOWN OF BERLIN</u> <u>10 WILLIAM STREET</u> <u>BERLIN, MD 21811</u>	\$ <u>25,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
21	<u>WILDE CHARITABLE FOUNDATION, INC.</u> <u>P.O. BOX 540</u> <u>OCEAN CITY, MD 21843-0540</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
22	<u>WILLOW CONSTRUCTION, LLC</u> <u>400 MARYLAND AVENUE</u> <u>EASTON, MD 21601</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
23	<u>WORCESTER COUNTY COMMISSIONERS</u> <u>PO BOX 248</u> <u>SNOW HILL, MD 21863-0248</u>	\$ <u>177,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
24	<u>AGH MEDICAL STAFF</u> <u>9733 HEALTHWAY DRIVE</u> <u>BERLIN, MD 21811</u>	\$ <u>7,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25	ESHAM FAMILY LIMITED PARTNERSHIP PO BOX 77 BERLIN, MD 21811	\$ 27,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
26	ESTATE OF ROSE M. WAINWRIGHT PO BOX 600 OCEAN CITY, MD 21843	\$ 18,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
27	MICHAEL A. FRANKLIN 11418 NEWPORT BAY DRIVE BERLIN, MD 21811-9642	\$ 8,335.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
28	W. THOMAS HERSHEY 27 MALLARD DRIVE EAST BERLIN, MD 21811-1748	\$ 14,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
29	HUMPHREYS FOUNDATION, INC. 9748 STEPHEN DECATUR HWY STE 103 OCEAN CITY, MD 21842	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
30	OCEAN DOWNS CASINO 10218 RACETRACK ROAD BERLIN, MD 21811	\$ 11,725.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31	<u>G. MARVIN STEEN</u> <u>627 B OCEAN PARKWAY</u> <u>OCEAN PINES, MD 21811</u>	\$ <u>6,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
32	<u>SUNSATIONS</u> <u>12501 COASTAL HIGHWAY</u> <u>OCEAN CITY, MD 21842</u>	\$ <u>9,560.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
33	<u>THOMAS G HANLEY TRUST</u> <u>8219 NEVIS PL</u> <u>WELLINGTON, FL 33414-3453</u>	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
34	<u>BILL ANDERSON</u> <u>32131 SPEARIN ROAD</u> <u>SALISBURY, MD 21804</u>	\$ <u>5,600.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
35	<u>ATLANTIC PHYSICAL THERAPY</u> <u>11070 CATHELL RD. UNIT 4</u> <u>BERLIN, MD 21811</u>	\$ <u>6,250.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
36	<u>BAREFOOT BEACH BRIDE</u> <u>11805 COASTAL HWY STE O</u> <u>OCEAN CITY, MD 21842</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
37	JOHN H. BURBAGE 12541 OCEAN REEF DRIVE BERLIN, MD 21811	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
38	TODD E. BURBAGE 9919 STEPHEN DECATUR HIGHWAY UNIT 1 OCEAN CITY, MD 21842	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
39	JENNIFER L. CROPPER 10950 ASSATEAGUE ROAD BERLIN, MD 21811	\$ 5,050.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
40	DELAWARE ELEVATOR, INC. PO BOX 412 SALISBURY, MD 21803	\$ 6,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
41	DUNES MANOR HOTEL 2800 N. BALTIMORE AVENUE OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
42	TROND O. EMBERLAND PO BOX 1371 BERLIN, MD 21811	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
43	WILLIAM E. ESHAM 11047 RACETRACK ROAD OCEAN PINES, MD 21811	\$ 5,475.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
44	O. PALMER GILLIS 3501 S. CANAL STREET OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
45	DONALD A. HASTINGS 10549 SUSSEX ROAD OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
46	I.G. BURTON CHEVROLET OF SEAFORD 24799 SUSSEX HWY SEAFORD, DE 19973	\$ 8,550.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
47	LEE W. KLEPPER 101 PINE FOREST DRIVE OCEAN PINES, MD 21811	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
48	KATHLEEN MARSHALL 12111 PIMLICO LANE BERLIN, MD 21811	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
49	DAWN MCGEE 36272 DIRICKSON CREEK ROAD FRANKFORD, DE 19945	\$ 5,750.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
50	KIMMERLY MESSICK 13031 NORTH SHORE ROAD OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
51	MYERS FAMILY FOUNDATION 11726 WINDING CREEK DRIVE BERLIN, MD 21811	\$ 71,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
52	RAYMOND C. NICHOLS 11810 PORFIN DRIVE BERLIN, MD 21811	\$ 22,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
53	THOMAS A. O'KEEFE 12538 DEER POINT CIRCLE BERLIN, MD 21811	\$ 10,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
54	OLD PRO GOLF, INC. 6801 COASTAL HIGHWAY OCEAN CITY, MD 21842	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
55	<u>PARKER FOUNDATION</u> <u>265 INDIES WAY #504</u> <u>NAPLES, FL 34110</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
56	<u>MELVIN V. ROSS</u> <u>11645 MANKLIN CREEK ROAD</u> <u>BERLIN, MD 21811</u>	\$ <u>5,100.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
57	<u>ROYAL PLUS ELECTRIC, INC.</u> <u>9939 JERRY MACK ROAD, SUITE 400</u> <u>OCEAN CITY, MD 21842</u>	\$ <u>7,900.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
58	<u>RAYMOND C. SHOCKLEY</u> <u>PO BOX 705</u> <u>OCEAN CITY, MD 21843</u>	\$ <u>21,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
59	<u>SINA COMPANIES, LLC</u> <u>5220 HOOD RD, STE. 110</u> <u>PALM BEACH GARDENS, FL 33418</u>	\$ <u>15,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
60	<u>MACKY STANSELL</u> <u>11708 GUM POINT ROAD</u> <u>BERLIN, MD 21811</u>	\$ <u>33,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
61	SUN COMMUNITIES, INC. 27777 FRANKLIN ROAD, SUITE 200 SOUTHFIELD, MI 48034	\$ 10,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
62	TALBOT STREET WATERSPORTS 311 TALBOT ST. OCEAN CITY, MD 21842	\$ 5,200.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
63	TAYLOR BANK PO BOX 5 BERLIN, MD 21811	\$ 44,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
64	THE INTERMED GROUP 13301 NW US HWY 441 ALACHUA, FL 32615	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
65	TONY'S PIZZA 3 ATLANTIC AVENUE OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
66	TOWN OF OCEAN CITY PO BOX 158 OCEAN CITY, MD 21843	\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
67	DEE WHITTINGTON 6 DECATUR ST. BERLIN, MD 21811	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
68	PAMELA F. ADKINS 37792 CEDAR ROAD SELBYVILLE, DE 19975	\$ 11,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
69	DAN MASON 1188 BROAD CREEK PLACE HERDON, VA 20170	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
39	ANNIVERSARY CELEBRATION HOST _____ _____ _____	\$ <u>5,000.</u>	<u>06/30/19</u>
57	ANNIVERSARY CELEBRATION LIGHTING _____ _____ _____	\$ <u>7,900.</u>	<u>06/30/19</u>
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2018
Open to Public Inspection

Name of the organization ATLANTIC GENERAL HOSPITAL **Employer identification number** 52-1656507

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 (e.g., 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 SFAS 116 (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 SFAS 116 (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 SFAS 116 (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) 2018

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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	5,638,785.	5,180,221.	5,007,236.	5,306,622.	5,587,476.
b Contributions		404,325.	279,635.		
c Net investment earnings, gains, and losses	372,458.	88,495.	-74,567.	-63,878.	29,024.
d Grants or scholarships					
e Other expenditures for facilities and programs	164,495.			204,117.	270,811.
f Administrative expenses	33,701.	34,256.	32,083.	31,391.	39,067.
g End of year balance	5,813,047.	5,638,785.	5,180,221.	5,007,236.	5,306,622.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment 66.00 %
 - b Permanent endowment 34.00 %
 - c Temporarily restricted endowment .00 %
- 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 | | X |
| (ii) related organizations | | X |
- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,841,074.		5,841,074.
b Buildings		52,370,732.	19,867,313.	32,503,419.
c Leasehold improvements				
d Equipment		76,322,364.	56,025,401.	20,296,963.
e Other		5,517,921.		5,517,921.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				64,159,377.

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) DONOR RESTRICTED CASH	62,241.
(2) BOARD DESIGNATED RESTRICTED CASH	80,320.
(3) DEFERRED FINANCING COSTS	710,250.
(4) INSURANCE RECOVERABLE	5,103,973.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	5,956,784.

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) ADVANCES FROM THIRD PARTIES	1,269,820.
(3) CAPITAL LEASE	797,275.
(4) INSURANCE UNPAID LOSS	5,103,973.
(5) INSURANCE IBNR FOR CAPTIVE	1,500,000.
(6) SWAP CONTRACT	2,157,322.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	10,828,390.

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 FIN 48 (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	130,661,146.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	96,828.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	29,042.
e	Add lines 2a through 2d	2e	125,870.
3	Subtract line 2e from line 1	3	130,535,276.
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	169,026.
c	Add lines 4a and 4b	4c	169,026.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	130,704,302.

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	134,838,095.
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	29,042.
e	Add lines 2a through 2d	2e	29,042.
3	Subtract line 2e from line 1	3	134,809,053.
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	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	134,809,053.

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 V, LINE 4:

THE COMMUNITY FOUNDATION OF THE EASTERN SHORE HOLDS, AND ACCOUNTS FOR IN ITS FINANCIAL STATEMENTS, A PERMANENT ENDOWMENT FUND (THE "FUND") ESTABLISHED IN THE HOSPITAL'S NAME. THE HOSPITAL IS THE SOLE BENEFICIARY OF THE FUND AND IS ENTITLED TO INVESTMENT INCOME EARNED BY THE FUND. THE 2018 TAX YEAR ENDING BALANCE FOR THE FUND WAS \$1,984,141.

PART X, LINE 2:

THE CORPORATION IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AS A PUBLIC CHARITY. FEDERAL TAX LAW REQUIRES THAT THE CORPORATION BE OPERATED IN A MANNER CONSISTENT WITH ITS INITIAL EXEMPTION APPLICATION IN ORDER TO MAINTAIN ITS EXEMPT STATUS. MANAGEMENT

Part XIII Supplemental Information (continued)

HAS ANALYZED THE OPERATIONS OF THE CORPORATION AND CONCLUDED THAT IT REMAINS IN COMPLIANCE WITH THE REQUIREMENTS FOR EXEMPTION.

THE STATE IN WHICH THE CORPORATION OPERATES ALSO PROVIDES GENERAL EXEMPTION FROM STATE INCOME TAXATION FOR ORGANIZATIONS THAT ARE EXEMPT FROM FEDERAL INCOME TAXATION. HOWEVER, THE CORPORATION IS SUBJECT TO BOTH FEDERAL AND STATE INCOME TAXATION AT CORPORATE TAX RATES ON ITS UNRELATED BUSINESS INCOME. EXEMPTION FROM OTHER STATE TAXES, SUCH AS REAL AND PERSONAL PROPERTY TAXES, IS SEPARATELY DETERMINED.

CURRENT ACCOUNTING STANDARDS DEFINE THE THRESHOLD FOR RECOGNIZING UNCERTAIN INCOME TAX RETURN POSITIONS IN THE FINANCIAL STATEMENTS AS "MORE LIKELY THAN NOT" THAT THE POSITION IS SUSTAINABLE, BASED ON TECHNICAL MERITS, AND ALSO PROVIDE GUIDANCE ON THE MEASUREMENT, CLASSIFICATION, AND DISCLOSURE OF TAX RETURN POSITIONS IN THE FINANCIAL STATEMENTS. MANAGEMENT BELIEVES THERE IS NO IMPACT ON THE CORPORATION'S ACCOMPANYING FINANCIAL STATEMENTS RELATED TO UNCERTAIN INCOME TAX PROVISIONS.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES 29,042.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

RESTRICTED CONTRIBUTION 169,026.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES 29,042.

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ.**

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

Name of the organization
ATLANTIC GENERAL HOSPITAL

Employer identification number
52-1656507

Part I Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? **Yes** **No**

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

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	(d) Total events (add col. (a) through col. (c))	
		2019 ANNIVERSARY (event type)	2018 ANNUAL FALL GOLF CL (event type)	1 (total number)		
Revenue	1	Gross receipts	257,802.	128,005.	95,313.	481,120.
	2	Less: Contributions	204,077.	93,800.	94,057.	391,934.
	3	Gross income (line 1 minus line 2)	53,725.	34,205.	1,256.	89,186.
Direct Expenses	4	Cash prizes		1,594.		1,594.
	5	Noncash prizes	748.	7,273.	13,509.	21,530.
	6	Rent/facility costs	14,361.	8,568.		22,929.
	7	Food and beverages	31,152.	4,229.		35,381.
	8	Entertainment	875.			875.
	9	Other direct expenses	6,759.	1,038.	3,319.	11,116.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				93,425.
11	Net income summary. Subtract line 10 from line 3, column (d)				-4,239.	

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))	
Revenue	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.

**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

2018

Open to Public Inspection

Name of the organization **ATLANTIC GENERAL HOSPITAL** Employer identification number **52-1656507**

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			1540934.		1540934.	1.14%
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			1540934.		1540934.	1.14%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			897,987.	41.	897,946.	.67%
f Health professions education (from Worksheet 5)			319,002.	0.	319,002.	.24%
g Subsidized health services (from Worksheet 6)			12360092.	0.	12360092.	9.17%
h Research (from Worksheet 7)			0.			
i Cash and in-kind contributions for community benefit (from Worksheet 8)			57,773.		57,773.	.04%
j Total. Other Benefits			13634854.	41.	13634813.	10.12%
k Total. Add lines 7d and 7j			15175788.	41.	15175747.	11.26%

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			921.		921.	.00%
2 Economic development			2,545.		2,545.	.00%
3 Community support			106,860.		106,860.	.08%
4 Environmental improvements						
5 Leadership development and training for community members			150.		150.	.00%
6 Coalition building			20,054.		20,054.	.01%
7 Community health improvement advocacy			3,227.		3,227.	.00%
8 Workforce development			22,051.		22,051.	.02%
9 Other			109,807.		109,807.	.08%
10 Total			265,615.		265,615.	.19%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	3,374,773.
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	50,986,901.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	30,229,761.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	20,757,140.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

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

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

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

Part V Facility Information (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 ATLANTIC GENERAL HOSPITAL

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: 20 <u>18</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>WWW.ATLANTICGENERAL.ORG</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>WWW.ATLANTICGENERAL.ORG</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 ATLANTIC GENERAL HOSPITAL

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>300</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input 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 checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.ATLANTICGENERAL.ORG</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.ATLANTICGENERAL.ORG</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.ATLANTICGENERAL.ORG</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 type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group ATLANTIC GENERAL HOSPITAL

	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 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)		

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 ATLANTIC GENERAL HOSPITAL

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

Schedule H (Form 990) 2018

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.

ATLANTIC GENERAL HOSPITAL:

PART V, SECTION B, LINE 3J: THIS 2019-2021 CHNA COMBINES POPULATION HEALTH STATISTICS, IN ADDITION TO FEEDBACK GATHERED FROM THE COMMUNITY IN THE FORM OF SURVEYS AND FOCUS GROUPS. AGH USES HEALTHY COMMUNITIES INSTITUTE TO PROVIDE HEALTH INDICATOR AND RANKING DATA TO SUPPLEMENT COMMUNITY DATA PROVIDED BY PARTNERS OF THE COLLABORATION. WHEN COMBINED, FINDINGS FROM THE DATA AND COMMUNITY FEEDBACK ARE PARTICULARLY USEFUL IN IDENTIFYING PRIORITY HEALTH NEEDS AND DEVELOPING ACTION PLANS TO MEET THOSE NEEDS.

THIS ASSESSMENT INCORPORATES DATA FROM BOTH QUANTITATIVE AND QUALITATIVE SOURCES. QUANTITATIVE DATA INPUT INCLUDES PRIMARY RESEARCH (SURVEYS) AND SECONDARY RESEARCH (VITAL STATISTICS AND OTHER EXISTING HEALTH-RELATED DATA); THESE QUANTITATIVE COMPONENTS ALLOW FOR COMPARISON TO BENCHMARK DATA AT THE STATE AND NATIONAL LEVELS. QUALITATIVE DATA INPUT INCLUDES INFORMATION GATHERED THROUGH ONGOING KEY COMMUNITY GROUPS.

SECONDARY DATA COLLECTION AGH PARTNERS WITH SURROUNDING HOSPITALS, HEALTH DEPARTMENTS AND STATE AGENCIES TO BRING TO TOGETHER A MULTITUDE OF INFORMATION. THIS COMMUNITY HEALTH NEEDS ASSESSMENT, A FOLLOW-UP TO A SIMILAR STUDY CONDUCTED IN 2012 AND 2015, IS A SYSTEMATIC, DATA-DRIVEN APPROACH TO DETERMINING THE HEALTH STATUS, BEHAVIORS AND NEEDS OF RESIDENTS IN THE PRIMARY SERVICE AREA OF ATLANTIC GENERAL HOSPITAL. SUBSEQUENTLY, THIS INFORMATION MAY BE USED TO INFORM DECISIONS AND GUIDE EFFORTS TO IMPROVE COMMUNITY HEALTH AND WELLNESS. THE INFORMATION AS WELL AS OTHER SURVEYS, RESEARCH AND COMMUNITY DATA ARE USED TO IDENTIFY ISSUES OF GREATEST CONCERN AND GUIDE RESOURCE ALLOCATION TO THOSE AREAS, THEREBY

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.

MAKING THE GREATEST POSSIBLE IMPACT ON COMMUNITY HEALTH STATUS. THE NEEDS ASSESSMENT IS A PRIMARY TOOL USED BY THE HOSPITAL TO DETERMINE ITS COMMUNITY BENEFIT PRIORITIES, WHICH OUTLINES HOW THE HOSPITAL WILL GIVE BACK TO THE COMMUNITY IN THE FORM OF HEALTH CARE AND OTHER COMMUNITY SERVICES TO ADDRESS UNMET COMMUNITY HEALTH NEEDS. THIS ASSESSMENT INCORPORATES COMPONENTS OF PRIMARY DATA COLLECTION AND SECONDARY DATA ANALYSIS THAT FOCUSES ON THE HEALTH AND SOCIAL NEEDS OF OUR SERVICE AREA. A SAMPLING OF RESOURCES UTILIZED TO COMPLETE THE ASSESSMENT IS LISTED BELOW. A COMPREHENSIVE LIST IS FOUND UNDER CHNA FY19-21 REFERENCES.

- COMMUNITY MEETINGS WITH PERSONS REPRESENTING THE BROAD INTERESTS OF THE COMMUNITY
- AGH COMMUNITY NEEDS SURVEY
- MARYLAND STATE HEALTH IMPROVEMENT PROCESS (SHIP)
WWW.DHMH.MARYLAND.GOV/SHIP
- TRI-COUNTY HEALTH IMPROVEMENT PLAN (T-CHIP)
- HEALTHY PEOPLE 2020
- WORCESTER COUNTY COMMUNITY HEALTH IMPROVEMENT PLAN (CHIP) LHIC LOCAL HEALTH IMPROVEMENT COALITION
- 2018 MEDICAL STA DEVELOPMENT PLAN
- HEALTH FAIRS
- COMMUNITY EDUCATION EVENTS
- 2018 COUNTY HEALTH OUTCOMES & ROADMAPS
- STATE OF DELAWARE HEALTH NEEDS ASSESSMENT
WWW.DHSS.DELAWARE.GOV/DHSS/DPH/FLES/SHASHIP.PDF
- DELAWARE HEALTH AND SOCIAL SERVICES THROUGH THE DELAWARE HEALTH TRACKER
WW.DELAWAREHEALTHTRACKER.COM
- BEEBE MEDICAL CENTER COMMUNITY HEALTH NEEDS ASSESSMENT

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.

-US CENSUS BUREAU

THE COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY WAS DISTRIBUTED BY COMMUNITY OUTREACH PERSONNEL AND THE ATLANTIC GENERAL HOSPITAL WEBSITE. STAKEHOLDER INTERVIEWS AND FOCUS GROUPS WERE CONDUCTED BY COMMUNITY OUTREACH PERSONNEL. COMMUNITY SURVEYS REPRESENT INFORMATION THAT IS SELF-REPORTED. RESULTS FROM THE PAPER SURVEYS AND ELECTRONIC VERSIONS ARE FOUND IN CHNA FY19-21.

ATLANTIC GENERAL HOSPITAL:

PART V, SECTION B, LINE 5: THE HOSPITAL FACILITY TOOK INTO ACCOUNT INPUT FROM REPRESENTATIVES OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY, INCLUDING THOSE WITH SPECIAL EXPERTISE IN PUBLIC HEALTH AND REPRESENTATIVES FROM UNDERSERVED, UNINSURED OR MINORITY GROUPS. IN PARTICULAR, INFORMATION WAS GATHERED FROM PARTICIPANTS IN OUR FREE CLINICS AND SCREENINGS, CHURCH GROUPS (VARIOUS CONGREGATIONS TO WHOM WE PROVIDE SERVICES AND THROUGH THOSE REPRESENTED IN OUR FAITH BASED PARTNERSHIP), LOCAL BUSINESSES AND THROUGH OUR COMMUNITY HEALTH FAIRS. THIS PRIMARY DATA WAS COLLECTED THROUGH THE USE OF PAPER QUESTIONNAIRES PROVIDED DIRECTLY TO THE PARTICIPANTS, AS WELL AS QUESTIONNAIRES THAT COULD BE ACCESSED ON THE HOSPITAL FACILITY'S WEBSITE.

WE ALSO CONSULTED WITH NUMEROUS AGENCIES IN THE COMMUNITY WHO ARE KNOWLEDGEABLE ABOUT HEALTH NEEDS OF THE COMMUNITY, INCLUDING:

WORCESTER COUNTY HEALTH DEPARTMENT

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.

WORCESTER COUNTY PREVENTION OFFICE

WORCESTER COUNTY MENTAL/BEHAVIOR HEALTH SERVICES

MAC, INC. (MAINTAINING ACTIVE CITIZENS-YOUR AREA AGENCY OF AGING)

CAREGIVERS RESOURCE CENTER

LOCAL PARKS AND RECREATION DEPARTMENTS

TRI-COUNTY DIABETES ALLIANCE

TRI-COUNTY COMMUNITY HEALTH BOARD

COASTAL HOSPICE

WORCESTER COUNTY BOARD OF EDUCATION

WORCESTER YOUTH AND FAMILY SERVICES

ATLANTIC GENERAL HOSPITAL:

PART V, SECTION B, LINE 6A: PART OF THE DATA USED IN OUR COMMUNITY HEALTH NEEDS ASSESSMENT STEMS FROM THE TRI-COUNTY NEEDS ASSESSMENT UNDERTAKEN IN CONJUNCTION WITH PENINSULA REGIONAL MEDICAL CENTER IN SALISBURY AND MCCREADY HOSPITAL IN CRISFIELD.

ATLANTIC GENERAL HOSPITAL:

PART V, SECTION B, LINE 11: DURING THE HOSPITAL FACILITY'S 2019 TAX YEAR, IT CONTINUED TO ADDRESS COMMUNITY HEALTH NEEDS IDENTIFIED IN ITS MOST RECENTLY CONDUCTED CHNA PURSUANT TO THE IMPLEMENTATION STRATEGY. BELOW IS A BRIEF DESCRIPTION OF SOME OF THE ACTIVITIES UNDERTAKEN TO MEET IDENTIFIED COMMUNITY HEALTH NEEDS:

INITIATIVE: ACCESS TO CARE

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.

1) REDUCE UNNECESSARY HEALTHCARE COSTS AND REDUCTION IN HOSPITAL

ADMISSIONS AND READMISSIONS DURING FY19

A) DESCRIPTION: THROUGH AGH'S INITIATIVE TO IMPROVE ACCESS TO CARE

REDUCTION IN UNNECESSARY HEALTHCARE COSTS WOULD BE AN IMPACT OF OBJECTIVES IMPROVING ACCESS TO CARE, EDUCATING THE COMMUNITY ON ED APPROPRIATE USE, CHRONIC ILLNESS SELF-MANAGEMENT, AND COLLABORATION EFFORTS WITH COMMUNITY ORGANIZATIONS WITH A SHARED VISION.

2) INCREASE IN AWARENESS AND SELF-MANAGEMENT OF CHRONIC DISEASE DURING FY19

A) DESCRIPTION: UTILIZE FAITH-BASED PARTNERSHIPS, TO PROVIDE ACCESS TO HIGH RISK POPULATIONS FOR EDUCATION ABOUT HEALTHY LIFESTYLES AND CHRONIC DISEASE MANAGEMENT

3) REDUCE HEALTH DISPARITIES DURING FY19

A) DESCRIPTION:

STRATEGY #1-PARTICIPATE ON AGH'S HEALTH EQUITY STEERING COMMITTEE TO PROMOTE HEALTH EQUITY AND REDUCE DISPARITIES.

STRATEGY #2-PROVIDE COMMUNITY HEALTH EVENTS TO TARGET MINORITY POPULATIONS BY INCREASING RELATIONSHIPS WITH FAITH-BASED PARTNERSHIPS, LOCAL BUSINESSES AND CULTURAL/ETHNIC COMMUNITY EVENTS.

STRATEGY #3-EDUCATE COMMUNITY ON FINANCIAL ASSISTANCE OPTIONS TO IMPROVE AFFORDABILITY OF CARE AND REDUCE DELAY IN CARE.

STRATEGY #4-PROMOTE PATIENT ENGAGEMENT THROUGH ADULT HEALTH LITERACY INITIATIVE.

STRATEGY #5-PILOT SCHOOL BASED TELEHEALTH PROGRAM.

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.

4) INCREASE COMMUNITY CAPACITY AND COLLABORATION FOR SHARED RESPONSIBILITY TO ADDRESS UNMET HEALTH NEEDS DURING FY19

A) DESCRIPTION: PARTNERING WITH COMMUNITY ORGANIZATIONS AND PARTICIPATION ON COMMITTEES THAT ADDRESS ACCESS TO CARE AND HEALTH DISPARITIES:

-PARTNER WITH HOMELESS SHELTERS AND FOOD PANTRIES TO PROMOTE WELLNESS

-REFER COMMUNITY TO LOCAL AGENCIES SUCH AS SHORE TRANSIT AND WORCESTER

COUNTY HEALTH DEPARTMENT FOR TRANSPORTATION ASSISTANCE

-PARTICIPATE ON TRI COUNTY HEALTH PLANNING COUNCIL

-PARTICIPATE ON WORCESTER COUNTY LHIC

-PARTICIPATE ON HOMELESSNESS COMMITTEE AND HOT

5) INCREASE NUMBER OF PRACTICING PRIMARY CARE PROVIDERS AND SPECIALISTS TO COMMUNITY DURING FY19

A) DESCRIPTION: PROVIDER RECRUITMENT

INITIATIVE: DECREASE THE INCIDENCE OF ADVANCED BREAST, LUNG, COLON, AND SKIN CANCER IN COMMUNITY

1) INCREASE AWARENESS AROUND IMPORTANCE OF PREVENTION AND EARLY DETECTION AND REDUCE HEALTH DISPARITIES

A) DESCRIPTION:

-IMPROVE PROPORTION OF MINORITIES RECEIVING WOMEN'S PREVENTATIVE HEALTH SERVICES

-IMPROVE PROPORTION OF MINORITIES PARTICIPATING IN COMMUNITY HEALTH SCREENINGS

2) INCREASE PROVIDER SERVICES IN COMMUNITY TO PROVIDE FOR CANCER RELATED TREATMENT

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.

A) DESCRIPTION: RECRUIT PROPER PROFESSIONALS IN COMMUNITY TO PROVIDE FOR
CANCER RELATED TREATMENT

3) IMPROVE ACCESS AND REFERRALS TO COMMUNITY RESOURCES RESULTING IN BETTER
OUTCOMES

A) DESCRIPTION: PARTNER WITH LOCAL HEALTH AGENCIES TO FACILITATE GRANT
APPLICATION TO FUND CANCER PROGRAMS

4) INCREASE SUPPORT TO PATIENTS AND CAREGIVERS

A) DESCRIPTION: PATIENTS AND CAREGIVERS NEED SUPPORT THROUGHOUT THE
CANCER TREATMENT PROCESS. PATIENTS EXPERIENCE THE PHYSICAL AND EMOTIONAL
STRESSORS UNDERGOING TREATMENT WHILE CAREGIVERS FULFILL A PROMINENT AND
UNIQUE ROLE SUPPORTING CANCER PATIENTS AND MULTITUDE OF SERVICES SUCH AS
HOME SUPPORT, MEDICAL TASKS SUPPORT, COMMUNICATION WITH HEALTHCARE
PROVIDERS AND PATIENT ADVOCATE. AGH COMMUNITY EDUCATION OPPORTUNITIES
PROVIDE SUPPORT AND PROMOTE AN INFORMED PATIENT AND CAREGIVER.

5) INCREASE PARTICIPATION IN COMMUNITY CANCER SCREENINGS ESPECIALLY
AT-RISK AND VULNERABLE POPULATIONS

A) DESCRIPTION:

-PROVIDE COMMUNITY HEALTH SCREENINGS :

-IMPROVE PROPORTION OF MINORITIES RECEIVING COLONOSCOPY SCREENINGS

-IMPROVE PROPORTION OF MINORITIES RECEIVING LDCT SCREENINGS

-INCREASE THE PROPORTION OF PERSONS WHO PARTICIPATE IN BEHAVIORS THAT
REDUCE THEIR EXPOSURE TO HARMFUL ULTRAVIOLET (UV) IRRADIATION AND AVOID
SUNBURN THROUGH MELANOMA EDUCATION AND SKIN CANCER SCREENINGS

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.

INITIATIVE 3 - DECREASE INCIDENCE OF DIABETES IN THE COMMUNITY

PRIMARY OBJECTIVE OF INITIATIVE: REDUCE UNNECESSARY HEALTHCARE COSTS AND DECREASE HOSPITAL ADMISSIONS AND READMISSIONS

A) DESCRIPTION: THROUGH AGH'S INITIATIVE TO IMPROVE ACCESS TO CARE REDUCTION IN UNNECESSARY HEALTHCARE COSTS WOULD BE AN IMPACT OF OBJECTIVES IMPROVING ACCESS TO CARE, EDUCATING THE COMMUNITY ON ED APPROPRIATE USE, DIABETES CHRONIC ILLNESS SELF-MANAGEMENT, DIABETES PREVENTION, AND COLLABORATION EFFORTS WITH COMMUNITY ORGANIZATIONS WITH A SHARED VISION.

2) INCREASE AWARENESS AROUND IMPORTANCE OF PREVENTION OF DIABETES AND EARLY DETECTION

A) DESCRIPTION: STRATEGY #1 -PROVIDE DIABETES SCREENINGS IN COMMUNITY VIA HEALTH FAIRS AND CLINICAL SCREENING EVENTS STRATEGY #2 - INCREASE PREVENTION BEHAVIORS IN PERSONS AT HIGH RISK FOR DIABETES WITH PREDIABETES THROUGH COMMUNITY EDUCATION OPPORTUNITIES AND SUPPORT GROUPS.

3) INCREASE PATIENT ENGAGEMENT IN SELF-MANAGEMENT OF CHRONIC CONDITIONS

A) DESCRIPTION: DESCRIPTION: AGH PARTNERS WITH MAC, LOCAL SENIOR CENTERS AND FAITH-BASED PARTNERSHIPS TO BRING STANFORD SELF-MANAGEMENT WORKSHOPS TO THE COMMUNITY TO INCREASE PATIENT ENGAGEMENT AND SELF-MANAGEMENT OF CHRONIC DISEASE.

4) INCREASE PROVIDER SERVICES IN COMMUNITY TO PROVIDE FOR DIABETES RELATED TREATMENT

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.

A) DESCRIPTION: STRATEGY #1 EXPLORE DIABETES EDUCATION OPPORTUNITIES VIA TELEHEALTH

5) INCREASE COMMUNITY CAPACITY AND COLLABORATION FOR SHARED RESPONSIBILITY TO ADDRESS UNMET HEALTH NEEDS

A) DESCRIPTION: PARTNER WITH LOCAL HEALTH AGENCIES TO FACILITATE GRANT APPLICATIONS TO FUND DIABETES PROGRAMS. DPP FOR ASSOCIATES.

THE HOSPITAL FACILITY WILL NOT ATTEMPT TO ADDRESS ALL OF THE IDENTIFIED NEEDS IN ITS COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA). WHEN UNDERTAKING THE CHNA AND IMPLEMENTATION STRATEGY, THE HOSPITAL FACILITY WENT THROUGH A PRIORITIZATION PROCESS TO DETERMINE THOSE COMMUNITY HEALTH NEEDS THAT THE HOSPITAL FACILITY WOULD ATTEMPT TO ADDRESS. SOME OF THE FACTORS CONSIDERED WHEN PRIORITIZING THE NEEDS WERE THE SIZE AND SEVERITY OF THE NEED, THE HOSPITAL FACILITY'S ABILITY TO IMPACT THE NEED, THE AVAILABILITY OF OTHER RESOURCES AND STAKEHOLDERS IN THE COMMUNITY THAT ARE ALREADY ATTEMPTING TO MEET THE NEED, AND THE ABILITY FOR THE HOSPITAL TO EFFICIENTLY UTILIZE FINANCIAL RESOURCES TO EFFECT EACH NEED.

PURSUANT TO THE PRIORITIZATION PROCESS, THE HOSPITAL FACILITY DETERMINED THAT CERTAIN IDENTIFIED NEEDS WOULD NOT BE ADDRESSED BY THE HOSPITAL FACILITY, INCLUDING DENTAL HEALTH SERVICES, INJURY AND VIOLENCE, AND HIV STDS.

EACH OF THE HEALTH NEEDS LISTED IN THE HOSPITAL'S CHNA AS WELL AS WORCESTER COUNTY HEALTH DEPARTMENT'S COMMUNITY NEEDS ASSESSMENT IS IMPORTANT AND IS BEING ADDRESSED BY NUMEROUS PROGRAMS AND INITIATIVES

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.

OPERATED BY THE HOSPITAL AND/OR OTHER COMMUNITY PARTNERS OF THE HOSPITAL.

NEEDS NOT ADDRESSED AS A PRIORITY AREA IN THE IMPLEMENTATION PLAN ARE

BEING ADDRESSED IN THE COMMUNITY BY OTHER ORGANIZATIONS AND BY

ORGANIZATIONS BETTER SITUATED TO ADDRESS THE NEED.

NEEDS NOT ADDRESSED IN PLAN:

DENTAL/ORAL HEALTH

RATIONALE: NEED ADDRESSED BY WORCESTER COUNTY HEALTH DEPARTMENT'S DENTAL

SERVICES FOR PREGNANT WOMEN AND CHILDREN LESS THAN 21 YEARS OF AGE

-PRIORITY AREA WORCESTER CHIP

-NEED ADDRESSED BY LOWER SHORE DENTAL TASK FORCE & MISSION OF MERCY FOR

ADULT POPULATION

-NEED ADDRESSED BY AGH ED REFERRAL TO COMMUNITY RESOURCES

-NEED ADDRESSED BY CHESAPEAKE HEALTH SERVICES, A FEDERALLY FUNDED DENTAL

CLINIC FOR SOMERSET AND WICOMICO COUNTIES

INJURY & VIOLENCE

RATIONALE: NEED ADDRESSED BY WORCESTER COUNTY HEALTH DEPARTMENT PROGRAMS:

CHILD PASSENGER SAFETY SEATS (REFER TO WORC GOLD)

INJURY PREVENTION

HIGHWAY SAFETY PROGRAM

SAFE ROUTES TO SCHOOL

-NEED ADDRESSED BY WORCESTER COUNTY SHERIFF'S DEPARTMENT, STATE POLICE AND

MUNICIPAL LAW ENFORCEMENT AGENCIES

-NEED ADDRESSED BY AGH HEALTH LITERACY PROGRAM

HIV & STD (<2% EA)

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.

RATIONALE: NEED ADDRESSED BY WORCESTER COUNTY HEALTH DEPARTMENT

COMMUNICABLE DISEASE PROGRAMS

ATLANTIC GENERAL HOSPITAL:

PART V, SECTION B, LINE 20E: THE HOSPITAL FACILITY OR AN AUTHORIZED THIRD PARTY DID NOT UNDERTAKE ANY OF THE COLLECTION ACTIONS NOTED IN PART V, SECTION B, LINE 16 BEFORE MAKING REASONABLE EFFORTS TO DETERMINE ANY PATIENT'S ELIGIBILITY UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY. IN ORDER TO HELP DETERMINE PATIENTS' ELIGIBILITY UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL UNDERTAKES A NUMBER OF ACTIONS, INCLUDING NOTIFYING PATIENTS OF THE FINANCIAL ASSISTANCE POLICY ON ADMISSION, NOTIFYING PATIENTS OF THE FINANCIAL ASSISTANCE POLICY PRIOR TO DISCHARGE, NOTIFYING PATIENTS OF THE FINANCIAL ASSISTANCE POLICY IN COMMUNICATIONS WITH THE PATIENTS' BILLS, AND DOCUMENTING ITS DETERMINATION OF WHETHER PATIENTS WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.

ATLANTIC GENERAL HOSPITAL:

PART V, SECTION B, LINE 23: THE HOSPITAL FACILITY DOES NOT CHARGE ANY INDIVIDUALS THAT IT KNOWS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE AN AMOUNT EQUAL TO THE GROSS CHARGE FOR ANY SERVICE. THE HOSPITAL USES THE CHARGE MASTER RATES FOR A SERVICE AS A STARTING POINT AGAINST WHICH THE DISCOUNTS MANDATED IN THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY ARE APPLIED TO DETERMINE THE AMOUNT ACTUALLY BILLED TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY. THE HOSPITAL FACILITY WILL NOT COLLECT

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.

PAYMENT FROM ANY PATIENT ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY IN EXCESS OF THE REDUCED AMOUNT THAT IS ACTUALLY BILLED TO SUCH FINANCIAL ASSISTANCE PATIENT. IN ADDITION, IF THE HOSPITAL CHARGED AN INDIVIDUAL THAT HAD NOT YET BEEN DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE AT THE TIME OF CHARGE AN AMOUNT EQUAL TO GROSS CHARGES, THEN UPON DETERMINING THE INDIVIDUAL WAS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL PROMPTLY CORRECTS THE BILL.

PART V, SECTION, LINE 22

MARYLAND WAIVER MEDICARE EXEMPT

Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

How many non-hospital health care facilities did the organization operate during the tax year? 24

Name and address	Type of Facility (describe)
1 ATLANTIC HEALTH CENTER 9714 HEALTHWAY DR BERLIN, MD 21811	MEDICAL OFFICE
2 AGHS NEUROLOGY 314 FRANKLIN AVENUE, SUITE 104 BERLIN, MD 21811	MEDICAL OFFICE
3 AGHS SURGICAL ASSOCIATES AGH BARIATRI 10231 OLD OCEAN CITY BLVD, SUITE 207 BERLIN, MD 21811	MEDICAL OFFICE
4 ATLANTIC UROLOGY 10231 OLD OCEAN CITY BLVD, SUITE 206 BERLIN, MD 21811	MEDICAL OFFICE
5 ATLANTIC GENERAL INTERNAL MEDICINE 10324 OLD OCEAN CITY BLVD BERLIN, MD 21811	MEDICAL OFFICE
6 ATLANTIC GENERAL PRIMARY CARE & PULM 10344 OLD OCEAN CITY BLVD, SUITE B BERLIN, MD 21811	MEDICAL OFFICE
7 ATLANTIC GENERAL WOMEN'S HEALTH WEST 12308 OCEAN GATEWAY, UNIT 8 OCEAN CITY, MD 21842	MEDICAL OFFICE
8 REGIONAL CANCER CENTER 9707 HEALTHWAY DR BERLIN, MD 21811	MEDICAL OFFICE
9 ATLANTIC GENERAL PRIMARY CARE & ENDOC 11107 RACETRACK ROAD BERLIN, MD 21811	MEDICAL OFFICE
10 ATLANTIC GENERAL SPECIALTY CARE OCEAN 96 ATLANTIC AVENUE, UNIT #103 OCEAN VIEW, DE 19970	MEDICAL OFFICE

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Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

How many non-hospital health care facilities did the organization operate during the tax year? 24

Name and address	Type of Facility (describe)
11 ATLANTIC GENERAL PRIMARY & SPECIALTY 500 MARKET STREET EXCHANGE POCOMOKE, MD 21851	MEDICAL OFFICE
12 ATLANTIC GENERAL WOMEN'S HEALTH SELBY 38394 DUPONT BOULEVARD, UNIT H SELBYVILLE, DE 19975	MEDICAL OFFICE
13 ATLANTIC GENERAL PRIMARY & SPECIALTY 37464 LION DRIVE UNIT 2 SELBYVILLE, DE 19975	MEDICAL OFFICE
14 TOWNSEND MEDICAL CENTER 1001 PHILADELPHIA AVENUE OCEAN CITY, MD 21842	MEDICAL OFFICE
15 ATLANTIC GENERAL PRIMARY CARE & PEDIA 12308 OCEAN GATEWAY, UNIT 1 OCEAN CITY, MD 21842	MEDICAL OFFICE
16 ATLANTIC GENERAL PEDIATRICS 12308 OCEAN GATEWAY, UNIT 3 OCEAN CITY, MD 21842	MEDICAL OFFICE
17 ATLANTIC ENDOSCOPY CENTER 10231 OLD OCEAN CITY BLVD, SUITE 304 BERLIN, MD 21811	MEDICAL OFFICE
18 WOUND CARE CENTER 10231 OLD OCEAN CITY BLVD, SUITE 104 BERLIN, MD 21811	MEDICAL OFFICE
19 ATLANTIC GENERAL PRIMARY CARE OCEAN V 96 ATLANTIC AVENUE, UNIT 101 OCEAN VIEW, DE 19970	MEDICAL OFFICE
20 ATLANTIC GENERAL IMAGING WEST OCEAN C 12308 OCEAN GATEWAY, UNIT 5 OCEAN CITY, MD 21842	MEDICAL OFFICE

Schedule H (Form 990) 2018

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 ADDITION TO QUALIFYING FOR FINANCIAL ASSISTANCE BECAUSE THE PATIENT'S FAMILY INCOME FALLS BELOW THE FEDERAL POVERTY GUIDELINES THRESHOLDS (FREE CARE FOR FAMILY INCOME LESS THAN 200% OF THE FEDERAL POVERTY GUIDELINES, AND DISCOUNTED CARE FOR FAMILY INCOME LESS THAN 300% OF THE FEDERAL POVERTY GUIDELINES), A PATIENT MAY QUALIFY FOR FINANCIAL ASSISTANCE IF THAT PATIENT INCURS A FINANCIAL HARDSHIP AND HAS FAMILY INCOME UNDER 500% OF THE FEDERAL POVERTY GUIDELINES. A FINANCIAL HARDSHIP MEANS MEDICAL DEBT INCURRED BY A FAMILY OVER A TWELVE MONTH PERIOD THAT EXCEEDS 25% OF THE FAMILY'S INCOME. ONLY INCOME AND FAMILY SIZE WILL BE CONSIDERED IN APPROVING APPLICATIONS FOR FINANCIAL ASSISTANCE, UNLESS THE AMOUNT OWED IS GREATER THAN \$20,000, THE PATIENT'S TAX RETURN SHOWS A SIGNIFICANT AMOUNT OF INTEREST INCOME, OR THE PATIENT INDICATES THAT THE PATIENT HAS BEEN LIVING OFF OF THEIR SAVINGS ACCOUNT. IF ONE OF THE SCENARIOS LISTED ABOVE IS APPLICABLE, THEN THE ORGANIZATION MAY CONSIDER THE PATIENT'S LIQUID ASSETS, INCLUDING THE PATIENT'S CHECKING AND SAVINGS ACCOUNTS, STOCKS, BONDS, CD'S, MONEY MARKET OR ANY OTHER ACCOUNTS FOR THE PAST THREE MONTHS. HOWEVER, THE FOLLOWING ASSETS ARE ALWAYS EXCLUDED: THE FIRST \$10,000 OF

Part VI Supplemental Information (Continuation)

MONETARY ASSETS, UP TO \$150,000 IN A PRIMARY RESIDENCE, AND CERTAIN RETIREMENT BENEFITS, SUCH AS 401K PLANS WHERE THE IRS HAS GRANTED PREFERENTIAL TAX TREATMENT. IF THE PATIENT IS ALREADY ENROLLED IN A MEANS-TESTED PROGRAM, THE PATIENT IS DEEMED ELIGIBLE FOR FREE CARE ON A PRESUMPTIVE BASIS, WITHOUT REQUIRING ANY OF THE FINANCIAL DOCUMENTS REQUIRED ON A FULL APPLICATION.

SCHEDULE H, PART I, LINE 5

IT IS THE ORGANIZATION'S POLICY TO PROVIDE FINANCIAL ASSISTANCE TO ANY INDIVIDUAL THAT QUALIFIES UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY, REGARDLESS OF THE AMOUNT OF CHARITY CARE BUDGETED FOR BY THE ORGANIZATION DURING THE YEAR.

SCHEDULE H, PART I, LINE 6

THE ORGANIZATION FILES A COMMUNITY BENEFIT REPORT WITH THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION ANNUALLY. THE COMMUNITY BENEFIT REPORT IS AVAILABLE TO THE PUBLIC.

SCHEDULE H, PART I, LINE 7A, 7B AND 7F

MARYLAND HOSPITAL ASSOCIATION UNIFIED MARYLAND HOSPITAL RESPONSES SCHEDULE H PART I LINE 7A, 7B AND 7F 7A. CHARITY CARE AT COST AND 7F. HEALTH PROFESSIONS EDUCATION ARE EXPLAINED IN THE FOLLOWING: MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO
BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. 7B.
UNREIMBURSED MEDICAID IS EXPLAINED IN THE FOLLOWING: MARYLAND'S
REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT
DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW
COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS
AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR
THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL
PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN
EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO
BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.
COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND,
AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON
THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS,
THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID
BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE SETTING SYSTEM. DURING
THE 2019 TAX YEAR, THE MEDICAID PROVIDER ASSESSMENT WAS \$385,465.

SCHEDULE H, PART I, LINE 7G

ATLANTIC GENERAL HOSPITAL INCURRED \$12,360,095 OF NET COMMUNITY BENEFIT
EXPENSE FROM UNDERTAKING SUBSIDIZED HEALTH SERVICES DURING ITS 2019 TAX
YEAR. OF THIS AMOUNT, \$12,213,351 WAS RELATED TO LOSSES ASSOCIATED
WITH OPERATING PHYSICIAN PRACTICES RUN DIRECTLY BY ATLANTIC GENERAL
HOSPITAL. ATLANTIC GENERAL HOSPITAL HAS PUT TOGETHER THIS PHYSICIAN
NETWORK, DESPITE THE FINANCIAL LOSS IT CREATES FOR THE ORGANIZATION, IN
ORDER TO MEET AN IDENTIFIED COMMUNITY NEED. IN PARTICULAR, THERE IS A
SHORTAGE OF PRIMARY CARE AND SPECIALIST PHYSICIANS IN THE COMMUNITY,
AND IN ORDER TO HELP PROVIDE ADEQUATE PHYSICIAN COVERAGE TO ITS

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

COMMUNITY, ATLANTIC GENERAL HAS RECRUITED AND EMPLOYED PHYSICIANS TO REDUCE THE GAP. THIS SHORTAGE OF PHYSICIANS IS PARTICULARLY ACUTE IN THE RURAL AREAS SURROUNDING THE HOSPITAL, WHICH ATLANTIC GENERAL HOSPITAL HAS ATTEMPTED TO ALLEVIATE BY LOCATING ITS PHYSICIAN OFFICES THROUGHOUT THE COMMUNITY (INCLUDING IN RURAL AREAS).

PART III, LINE 4:

TEXT FROM THE ORGANIZATION'S AFS FOOTNOTE:

NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE

NET PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD PARTY PAYERS, AND OTHERS FOR SERVICES RENDERED. PATIENT ACCOUNTS RECEIVABLE INCLUDE HOSPITAL AND PHYSICIAN CHARGES FOR ACCOUNTS DUE FROM MEDICARE, MARYLAND MEDICAL ASSISTANCE (MEDICAID), CAREFIRST, COMMERCIAL AND MANAGED CARE INSURERS, AND SELF-PAYING PATIENTS. DEDUCTED FROM PATIENT ACCOUNTS RECEIVABLE ARE ESTIMATES OF ALLOWANCES FOR THE EXCESS OF CHARGES OVER THE PAYMENTS ON PATIENT ACCOUNTS TO BE RECEIVED FROM THIRD PARTY PAYERS AND UNCOLLECTIBLE AMOUNTS RELATED TO SELF-PAYING PATIENTS. THESE ESTIMATES ARE CALCULATED BY MANAGEMENT BASED ON HISTORICAL COLLECTION EXPERIENCE AND ANALYSIS OF FINANCIAL CLASS AND AGE OF GROUPS OF ACCOUNTS RECEIVABLE. THESE ESTIMATES OF ALLOWANCES ARE INCLUDED IN NET PATIENT SERVICE REVENUE, WHEREAS THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS IS REPORTED AS AN OPERATING EXPENSE.

THE BAD DEBT EXPENSE REPORTED ON LINE 2 WAS THE AMOUNT OF GROSS PATIENT

Part VI Supplemental Information (Continuation)

CHARGES UNCOLLECTED FROM PATIENTS THAT DID NOT QUALIFY FOR FINANCIAL ASSISTANCE.

WE BELIEVE THAT A MATERIALLY SIGNIFICANT PERCENTAGE OF OUR BAD DEBT EXPENSE WOULD BE CLASSIFIED AS "CHARITY CARE" HAD THE PATIENT CREATING THE BAD DEBT EXPENSE FILED FOR FINANCIAL ASSISTANCE. HOWEVER, WE DO NOT CURRENTLY POSSESS THE CAPACITY FOR DETERMINING HOW MANY OF OUR PATIENTS WOULD HAVE BEEN ELIGIBLE FOR CHARITY CARE HAD THEY COMPLETED THE FINANCIAL ASSISTANCE APPLICATION. ANY ESTIMATE ON OUR PART WOULD BE PURELY "SPECULATIVE" AND WE COULD NOT SUPPORT IT THROUGH EMPIRICAL DATA, THEREFORE, WE HAVE CHOSEN TO LEAVE THIS NUMBER BLANK. WE HAVE NOT NOTED THE NUMBER AS BEING ZERO, SINCE WE KNOW SOME OF THE BAD DEBT EXPENSE WOULD QUALIFY AS CHARITY CARE, BUT WE HAVE LEFT THIS ANSWER BLANK BECAUSE WE FEEL AN ACCURATE ESTIMATE IS UNOBTAINABLE.

PART III, LINE 8:

WE USED THE MEDICARE COST REPORT TO DETERMINE MEDICARE ALLOWABLE COSTS COMPARED TO MEDICARE TOTAL REVENUE.

PART III, LINE 9B:

THE CURRENT FINANCIAL ASSISTANCE APPLICATION PROCESS ALLOWS FOR PATIENTS TO APPLY FOR, AND RECEIVE, FINANCIAL ASSISTANCE, AT ANY POINT, POST DISCHARGE. WHEN A PATIENT IS SUBSEQUENTLY FOUND ELIGIBLE FOR FINANCIAL ASSISTANCE POST DISCHARGE, THE ORGANIZATION WILL APPLY THE APPLICABLE FINANCIAL ASSISTANCE DISCOUNT TO ALL OUTSTANDING BALANCES ON THE PATIENT'S ACCOUNT AND IMMEDIATELY CEASE TO ATTEMPT TO COLLECT ANY AMOUNTS IN EXCESS OF ANY FINANCIAL ASSISTANCE DISCOUNTED AMOUNT STILL DUE. THE HOSPITAL WILL PROVIDE A REFUND FOR AMOUNTS PAID BY A PATIENT THAT WAS SUBSEQUENTLY

Part VI Supplemental Information (Continuation)

FOUND TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE ON THE DATE OF SERVICE WHICH AMOUNTS WERE IN EXCESS OF THE AMOUNT DUE AFTER THE APPLICATION OF THE APPLICABLE FINANCIAL ASSISTANCE DISCOUNT, SO LONG AS THE APPLICATION FOR FINANCIAL ASSISTANCE WAS SUBMITTED BY THE PATIENT WITHIN TWO YEARS OF THE DATE OF SERVICE.

PART VI, LINE 2:

THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITY IT SERVES THROUGH MANY DIFFERENT ACTIVITIES, STUDIES AND COLLABORATIONS WITH LOCAL GOVERNMENT AND NON-GOVERNMENT ORGANIZATIONS. THE HOSPITAL IS CURRENTLY WORKING UNDER THE STRATEGIC INITIATIVES WHICH WERE DEVELOPED FOR PLANNING THROUGH 2019. EACH YEAR, WITHIN THIS FRAMEWORK THE HOSPITAL MAKES PLANS FOR THE UPCOMING YEAR USING THE SWOT/GAP ANALYSIS MODEL. USING THIS MODEL THE LEADERSHIP TEAM MEETS WITH THE MEDICAL STAFF TO LOOK AT STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS TO PLAN FOR THE COMING FISCAL YEAR. THIS INFORMATION THEN GOES TO THE BOARD TO, ALONG WITH SENIOR LEADERSHIP, FINALIZE THE STRATEGIC INITIATIVES FOR THE COMING YEAR. USING THIS INFORMATION THE COMMUNITY BENEFITS COMMITTEE AND THE VISIONS FOR TOTAL HEALTH ADVISORY BOARD DETERMINE THE GOALS FOR THE COMING YEAR. THE DOCUMENTS USED BY THE HOSPITAL TO DETERMINE COMMUNITY NEEDS ARE: THE HEALTH ASSESSMENT PUBLICATION FROM THE HEALTH DEPARTMENT, LOCAL AGENCIES AND 3 HOSPITALS, WORCESTER COUNTY LOCAL HEALTH PLAN, FY2019 TRI-COUNTY ADOLESCENTS ASSOCIATION STATE OF MARYLAND CANCER REGISTRY LATEST CENSUS UPDATE FEEDBACK FROM AREA PHYSICIANS AND COMMUNITY MEMBERS QUESTIONNAIRES AND EVALUATIONS FROM OUR COMMUNITY EVENTS NCR PICKER PATIENT EVALUATIONS AND FEEDBACK HOSPITAL PERCEPTION SURVEY 2019 IN ADDITION, INFORMATION REGARDING COMMUNITY HEALTH NEEDS IS OBTAINED AS A RESULT OF THE ORGANIZATION'S LEADERSHIP MEMBERS SITTING ON THE BOARDS OF MANY COMMUNITY

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

ORGANIZATIONS, INCLUDING: T-CHIP, SART, SAFE, PLAY IT SAFE COMMITTEE, OCEAN CITY DRUG AND ALCOHOL ABUSE PREVENTION COMMITTEE, MHA ADVISORY BOARD, FAITH BASED COALITION, ENCORE, BLOOD BANK OF DELMARVA, LHIC, CHAMBERS OF COMMERCE OF TOWNS THROUGHOUT THE REGION, MANY HEALTH DEPARTMENT COUNCILS, MHA COMMITTEES, STATE HEALTH DEPARTMENT BOARDS, WE ALSO HAVE A "VISIONS (HEALTHY HAPPENINGS) BOARD COMPRISED OF COMMUNITY PROVIDERS OF HEALTH RELATED SERVICES INCLUDING TRADITIONAL AS WELL AS INTEGRATIVE HEALTH SERVICES. THROUGH THIS COMMITTEE WE CAN KEEP OUR FINGER ON THE PULSE OF THE AREA IN WHICH WE SERVE. THIS COMMITTEE GIVES US GREAT FEEDBACK ON SERVICES AND PROGRAMS THAT ARE NEEDED THOSE THAT ARE WORKING AND THOSE THAT AREN'T. IT IS THROUGH THIS COMMITTEE THAT PUTS ON A MAJOR HEALTH CONFERENCE EACH YEAR, WHICH PROVIDES HEALTH EDUCATION AS WELL AS SCREENINGS. WE MET WITH GREAT SUCCESS COMMUNITY HEALTH FAIRS. AND ACCORDING TO THE EVALUATIONS, WERE ABLE TO PROVIDE SERVICES TO PEOPLE WHO OTHERWISE WOULD NOT HAVE GOTTEN THEM. THE ORGANIZATION'S AUXILIARY VOLUNTEERS ARE ANOTHER GREAT RESOURCE FOR DETERMINING COMMUNITY HEALTH NEEDS. THE ORGANIZATION HAS OVER 400 AUXILLIANS. THEY ARE ACTIVE ON MANY COMMITTEES WITHIN THE HOSPITAL AND ALSO REPRESENT THE HOSPITAL ON DIFFERENT COMMUNITY BOARDS. IN ADDITION, THE ORGANIZATION WORKS VERY CLOSELY WITH ITS LOCAL HEALTH DEPARTMENT TO PLAN SERVICES TO MEET COMMUNITY NEEDS AND DECREASE THE DUPLICATION OF SERVICES IN THE COMMUNITY. MEMBERS OF THE HOSPITAL STAFF SIT ON MANY COMMITTEES, COMMUNITY BOARDS, AND BOARDS OF THE LOCAL HEALTH DEPARTMENT.

PART VI, LINE 3:

WE INFORM INDIVIDUALS IN THE COMMUNITY ABOUT THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY IN A NUMBER OF WAYS. FIRST, THERE IS SIGNAGE THROUGHOUT THE HOSPITAL, AS WELL AS BROCHURES IN ALL WAITING AREAS, EXPLAINING THAT

Part VI Supplemental Information (Continuation)

THE ORGANIZATION PROVIDES FINANCIAL ASSISTANCE. IN ADDITION, ARTICLES ARE PUBLISHED IN NEWSLETTERS THAT ARE DISTRIBUTED TO THE HOMES OF ALL RESIDENTS IN THE COMMUNITY NOTING THE EXISTENCE OF THE ORGANIZATION'S FINANCIAL ASSISTANCE PROGRAM. HOSPITAL STAFF IS EDUCATED TO ANSWER QUESTIONS RELATED TO APPLYING FOR FINANCIAL ASSISTANCE, AND HOSPITAL SUPPORT SERVICES HELPS PATIENTS APPLY FOR MEDICAL ASSISTANCE (SUCH AS MEDICAID). FURTHERMORE, HOSPITAL FINANCIAL COUNSELORS HELP GUIDE PATIENTS TO FINANCIAL AID SERVICES THEY MAY QUALIFY FOR. ALL INPATIENTS ARE PROVIDED WITH A FINANCIAL ASSISTANCE APPLICATION IN THEIR DISCHARGE PACKAGE. IN ADDITION, DURING THE REGISTRATION PROCESS, IF THE PATIENT DOES NOT HAVE INSURANCE THE REGISTRAR OR FINANCIAL COUNSELOR WILL ASK IF THEY ARE INTERESTED IN APPLYING FOR FINANCIAL ASSISTANCE AND HELP WITH FILLING OUT THE APPLICATION. ANY PATIENT WHO SEEKS FINANCIAL OR MEDICAL ASSISTANCE WILL READILY FIND INFORMATION AND HOSPITAL STAFF TO HELP WITH THE PROCESS.

PART VI, LINE 4:

ATLANTIC GENERAL IS LOCATED IN WORCESTER COUNTY, WHICH IS THE EASTERNMOST COUNTY LOCATED IN THE U.S. STATE OF MARYLAND. WORCESTER COUNTY COMPRISES ATLANTIC GENERAL'S PRIMARY SERVICE AREA. WORCESTER COUNTY CONTAINS THE ENTIRE LENGTH OF THE STATE'S ATLANTIC COAST LINE. IT IS HOME TO THE POPULAR VACATION RESORT AREA OF OCEAN CITY. THE COUNTY IS APPROXIMATELY 60 MILES LONG. ACCORDING TO THE U.S. CENSUS BUREAU, THE COUNTY HAS A TOTAL AREA OF 695 SQUARE MILES OF WHICH, 473 SQUARE MILES OF IT IS LAND AND 221 SQUARE MILES OF IT IS WATER. ATLANTIC GENERAL IS LOCATED IN A NON-URBAN AREA OF WORCESTER COUNTY, 10 MILES FROM THE ATLANTIC OCEAN. THE 2010 CENSUS SHOWED A POPULATION OF THE COUNTY OF 51,769 (2016 UPDATE), A 0.61% GROWTH IN POPULATION 2010-2016. THE LARGEST CONCENTRATION OF THE POPULATION IS IN THE NORTHERN PART OF THE COUNTY, WHICH IS WHERE THE OCEAN

Part VI Supplemental Information (Continuation)

CITY RESORT AREA IS LOCATED, AS WELL AS THE BERLIN/OCEAN PINES AREA. THE AREA IS A MECCA FOR RETIREES WHO LIVE HERE FULL TIME OR DIVIDE THEIR TIME BETWEEN MARYLAND AND FLORIDA. ETHNICITY IS AS FOLLOWS:

WHITE 42,024, BLACK/AF AMER 7,159, AM IND/AK NATIVE 143, ASIAN 729, NATIVE HI/PI 13, SOME OTHER RACE 699, 2+ RACES 1,002

MEDIAN HOUSEHOLD INCOME OF RESIDENTS OF WORCESTER COUNTY \$60,834. THE PERCENTAGE OF RESIDENTS BELOW THE POVERTY LEVEL IS 7.31%. THE AVERAGE AGE OF THE RESIDENTS IS BROKEN DOWN AS FOLLOWS:

2016 MALE POPULATION BY AGE 25,146

2016 POP, MALE: AGE <18 4,591 (18.26%)

2016 POP, MALE: AGE 18+ 20,555 (81.74%)

2016 POP, MALE: AGE 65+ 6,211 (24.70%)

2016 MEDIAN AGE MALE 47.9

2016 FEMALE POPULATION BY AGE 26,623

2016 POP, FEMALE: AGE <18 4,497 (16.89%)

2016 POP, FEMALE: AGE 18+ 22,126 (83.11%)

2016 POP, FEMALE: AGE 65+ 7,328 (27.53%)

2016 MEDIAN AGE FEMALE 50.3

50.82% OF THE PATIENTS CARED FOR AT THE HOSPITAL ARE MEDICARE PATIENTS.

THE REMAINING PAYOR MIX IS THE FOLLOWING: MEDICAID 12.62%, COMMERCIAL 10.37%, BLUE CROSS 17.23%, MCO 0.57%, SELF PAY 3.28%, DONOR 0.27%, WORKERS COMPT 0.95%, AND OTHER GOVERNMENT PROGRAMS 3.89%. IN THE WORCESTER COUNTY VITAL STATS 2014, THE AGE-ADJUSTED MORTALITY RATE IS 599/100,000.

ACCORDING TO THE WORCESTER COUNTY HEALTH DEPARTMENT 2017 COMMUNITY HEALTH

Part VI Supplemental Information (Continuation)

IMPROVEMENT PLAN, PRIORITY AREAS IN THE COUNTY INCLUDE; #1 PROMOTE HEALTHY LIFESTYLES AND PREVENT CHRONIC DISEASE #2 PROMOTE SAFE SCHOOL ENVIRONMENTS AND HEALTHY BEHAVIORS #3 ACCESS TO HEALTH CARE #4 STRENGTHEN BEHAVIORAL HEALTH SERVICES. DURING THE SUMMER MONTHS, THE ORGANIZATION PROVIDES A SIGNIFICANT AMOUNT OF HEALTH CARE SERVICES (PREDOMINANTLY EMERGENCY CARE) TO TOURISTS VISITING THE OCEAN RESORT OF OCEAN CITY, MD. THIS IS RELATED TO THE FACT THAT THE POPULATION OF OCEAN CITY INCREASES BY ABOUT 200,000 EACH YEAR DURING THE TOURIST SEASON.

PART VI, LINE 5:

THE ORGANIZATION'S GOVERNING BODY IS COMPOSED PRIMARILY OF INDEPENDENT MEMBERS FROM THE ORGANIZATION'S COMMUNITY. IN ADDITION, THE ORGANIZATION'S MEDICAL STAFF IS OPEN TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY. ALL FINANCIAL SURPLUSES EARNED BY THE ORGANIZATION ARE USED TO ENHANCE THE ORGANIZATION'S PATIENT SERVICES, INCLUDING THROUGH THE UNDERTAKING OF VARIOUS COMMUNITY BENEFIT ACTIVITIES. THE ORGANIZATION UNDERTAKES NUMEROUS ACTIVITIES TO PROMOTE THE HEALTH OF ITS COMMUNITY. IN PARTICULAR, THE ORGANIZATION HAS IDENTIFIED A COMMUNITY NEED FOR ACCESS TO ADDITIONAL PHYSICIANS LOCATED IN THE COMMUNITY. IN ORDER TO MEET THIS IDENTIFIED COMMUNITY NEED, THE ORGANIZATION HAS DIRECTLY EMPLOYED NUMEROUS PHYSICIANS AT A SUBSTANTIAL COST TO THE ORGANIZATION. DURING FY2019, THE PHYSICIAN PRACTICES INCURRED A LOSS OF \$12,213,35.

IN ADDITION, THE ORGANIZATION UNDERTAKES COMMUNITY BUILDING ACTIVITIES TO PROMOTE THE PROGRAMS THE ORGANIZATION OFFERS AND ASSURE THEY ARE REACHING THE TARGETED AUDIENCE. EXAMPLES OF THESE SPECIFIC ACTIVITIES WOULD BE THE SMALL NEIGHBORHOOD-TYPE HEALTH FAIRS IN WHICH WE ARE INVOLVED, AT WHICH EVENTS YOUNG PEOPLE ARE TARGETED AND NEEDS THAT ARE FILLED THROUGH OUR

Part VI Supplemental Information (Continuation)

SPEAKERS BUREAU.

OTHER INVOLVEMENT IN COMMUNITY BUILDING ACTIVITIES INCLUDE: OUR PARTICIPATION IN THE LOCAL SCHOOL MENTORING PROGRAMS IN WHICH OUR STAFF IS VERY ACTIVE. WE HAVE STUDENTS FROM OUR LOCAL HIGH SCHOOL WHO DO A SHADOWING PROGRAM THROUGHOUT ALL DEPARTMENTS OF OUR HOSPITAL. THIS HELPS THEM IN MAKING A CAREER CHOICE THROUGH EXPOSURE TO DIFFERENT JOBS IN THE HEALTH CARE ARENA.

WE HAVE STAFF WHO REPRESENT THE HOSPITAL ON MANY CIVIC BOARDS SUCH AS ALL THE LOCAL AREA CHAMBERS, VARIOUS CIVIC GROUPS, AND THE LOCAL COUNTY SCHOOL BOARD. WE ALSO PARTICIPATE IN THE ACS RELAY FOR LIFE, KOMEN RACE, AND OUT OF THE DARKNESS.

WE PROVIDE EMS TRAINING FOR THE LOCAL FIRE COMPANIES, MOST OF WHOM ARE VOLUNTEER STAFFED. WE OFFER AN EXCHANGE PROGRAM OF EQUIPMENT WHICH HELPS THEM WITH TRANSPORTS TO THE EMERGENCY DEPARTMENT.

AGH WORKS WITH THE LOCAL FAITH BASED COMMUNITIES BY PROVIDING EDUCATION AND SERVICES TO THEIR CONGREGATIONS. WE HAVE A FAITH BASED MEDICAL HOME GROUP WHICH MEETS WITH CLERGY AND LAY HEALTH AMBASSADORS FROM THEIR HOUSES OF WORSHIP TO FUNNEL THE MESSAGE OF HEALTH AND WELLNESS TO THEIR PEOPLE.

ONE OF OUR BUILDINGS ON CAMPUS HOUSES OUR COUNTY CHILD ADVOCACY CENTER. THROUGH THIS STATE OF THE ART FACILITY THE VICTIM HAS TO TELL THEIR STORY ONLY ONCE TO ONE PERSON WHILE ALL THE OTHERS WHO NEED TO SEE AND HEAR THE TESTIMONY CAN WATCH THROUGH A CLOSED CIRCUIT SYSTEM.

Part VI Supplemental Information (Continuation)

ALSO PART OF OUR COMMUNITY BUILDING PROGRAM INCLUDES OUR PARTICIPATION IN DISASTER PREPAREDNESS. BECAUSE WE ARE GEOGRAPHICALLY LOCATED IN AN AREA OF EXTREME POTENTIAL DISASTER, ONLY 6 MILES FROM THE ATLANTIC OCEAN, WE WOULD BE THE SOURCE OF CARE AND PROTECTION FOR MANY IN THE AREA SHOULD A MAJOR HURRICANE HIT OUR AREA OF COASTLINE. PART OF THE HOSPITAL'S PROVISION FOR THE COMMUNITY IN SUCH A DISASTER WOULD BE TO PROVIDE CLEAN DRINKING WATER FOR THEM; THROUGH THE NEW WATER PURIFICATION SYSTEM WHICH WE RECENTLY PURCHASED AND INSTALLED WE HAVE THE ABILITY TO PROVIDE CLEAN WATER FOR NOT JUST OUR PATIENTS AND STAFF BUT FOR THE COMMUNITY AT LARGE.

WE ALSO WORK CLOSELY WITH OUR LOCAL PUBLIC AND PRIVATE SCHOOLS TO OFFER EDUCATION PROGRAMMING. EACH YEAR WE HOST STUDENTS FOR OUR HOSPITAL TOURS. THIS SERVES TO INTRODUCE THEM TO THE SERVICES OF THE HOSPITAL IN HOPES THAT THEIR TRIP FOR SERVICES WILL NOT BE AS FRIGHTENING. MANY OF OUR ASSOCIATES SERVE ON VARIOUS BOARDS OF THE SCHOOL SYSTEM OFFERING OUR EXPERTISE. THROUGH OUR SPEAKER'S BUREAU WE SEND SPEAKERS INTO MANY CLASSROOMS FOR INSTRUCTION. THE INTEGRATED HEALTH LITERACY PROGRAM (IHLP) SERVES APPROXIMATELY 3,500 STUDENTS ACROSS WORCESTER COUNTY. CURRENTLY, THE PROGRAM IS IMPLEMENTED IN GRADES ONE THROUGH EIGHT COUNTY-WIDE. STUDENTS ARE TAUGHT FOUR HEALTH LESSONS THAT ARE INTEGRATED INTO THEIR CORE AREA (MATHEMATICS, SCIENCE, READING LANGUAGE ARTS, AND SOCIAL STUDIES) CURRICULUM. ALL LESSONS IN THE PROGRAM ARE TAUGHT BY CORE AREA CLASSROOM TEACHERS. THE IHLP TEAM EXPANDED THE PROGRAM TO INCLUDE A HIGH SCHOOL SENIOR HEALTH SURVEY. THE SURVEY WILL PROVIDE A BENCHMARK SINCE THOSE STUDENT SURVEYED HAD NOT PARTICIPATED IN THE IHLP. THE SURVEY WILL ENABLE THE IHLP TEAM TO EVALUATE THE IHLP LESSON HEALTH CONCEPTS RETAINED BY STUDENTS AS THEY GRADUATE. THE GOAL OF THE PROGRAM IS TO GRADUATE A HEALTH LITERATE ADULT.

Part VI Supplemental Information (Continuation)

SOME ADDITIONAL SERVICES WHICH THE HOSPITAL PROVIDES FOR FREE TO THE COMMUNITY, WHICH PROMOTE HEALTH INCLUDE:

1. LIVING WELL PROGRAM - THIS CHRONIC DISEASE SELF MANAGEMENT PROGRAM FROM STANFORD UNIVERSITY TEACHES PEOPLE HOW TO LIVE A BETTER LIFE IN THE MIDST OF THE LIMITATIONS CAUSED BY THEIR CHRONIC CONDITIONS.

2. HYPERTENSION CLINICS - BLOOD PRESSURE SCREENINGS IN LOCAL PHARMACIES MONTHLY AS WELL AS AT MANY OTHER MEETINGS AND CONVENTIONS IN THE AREA. THESE HELP RESIDENTS MONITOR THEIR BLOOD PRESSURE AND RELIEVE SOME OVERCROWDING IN PHYSICIAN OFFICES. THIS ALLOWS US THE OPPORTUNITY TO PROVIDE ONE-ON-ONE TEACHING TO INDIVIDUALS.

3. HEALTHFAIRS -THE HOSPITAL IS INVOLVED IN SEVERAL LARGE AND SMALL HEALTHFAIR EVENTS IN VARIOUS LOCATIONS THROUGHOUT THE YEAR. ONE SUCH EVENT IS A PARTNERSHIP WITH AARP/TOWN OF OCEAN CITY TO OFFER A FAIR WITH MANY SCREENINGS AND HEALTH INFORMATION. WE ALSO SPONSOR EDUCATIONAL AND SCREENING CONFERENCES THROUGHOUT THE YEAR LED BY THE HEALTHY HAPPENINGS COMMITTEE. THIS IS HELD IN VARIOUS LOCATIONS WITHIN OUR SERVICE AREA WHICH ALLOWS US TO PROVIDE FREE SERVICES TO THOSE WHO MIGHT NOT OTHERWISE BE ABLE TO ACCESS HEALTH CARE. WE ALSO PARTNER WITH MANY CHURCHES AND COMMUNITY GROUPS TO OFFER SMALL HEALTH FAIRS.

4. WE PROVIDE EDUCATION IN WRITTEN FORM THROUGH LOCAL PUBLICATIONS (NEWSPAPERS AND MAGAZINES) AND OUR OWN ON CALL QUARTERLY PUBLICATION. MANY OF OUR PHYSICIANS PROVIDE ARTICLES FOR THESE.

Part VI Supplemental Information (Continuation)

5. WE ALSO HAVE A SPEAKER'S BUREAU WHICH PROVIDES EDUCATIONAL PRESENTATIONS FOR AREA CIVIC GROUPS, BUSINESSES, CHURCHES, SCHOOLS AND CONVENTIONS WHICH ARE HELD IN OUR RESORT AREA.

6. WE PROVIDE EDUCATION FOR THE LOCAL SCHOOLS THROUGH OUR HOSPITAL TOUR PROGRAM AND IHLP. THESE PROGRAMS ALLOW US TO SPREAD THE HEALTH MESSAGE AGAINST CHILDHOOD OBESITY TO THE YOUNGER GENERATION. FY19 CONTINUED A YOUTH SPEAKERS BUREAU FOR SCHOOL AGE AND ADOLESCENT HEALTH TOPICS.

7. BEING IN A BEACH RESORT COMMUNITY THERE ARE MANY SPORTING EVENTS WHICH OCCUR LOCALLY. WE PARTICIPATE IN MANY OF THESE BY PROVIDING FIRST AID ON SITE FOR THOSE IN ATTENDANCE AND THOSE PARTICIPATING IN THE ACTIVITY.

PART VI, LINE 6:

IN ADDITION TO OPERATING AN ACUTE CARE HOSPITAL THAT PROVIDES A 24 HOUR ER, ATLANTIC GENERAL HOSPITAL EMPLOYS A NETWORK OF PRIMARY CARE AND SPECIALIST PHYSICIANS THAT PROVIDE NEEDED HEALTH CARE SERVICES THROUGHOUT ATLANTIC GENERAL'S COMMUNITY, INCLUDING SERVING SOME OF THE HOSPITAL'S MORE RURAL AREAS. BECAUSE OF THE RURAL NATURE OF THE COMMUNITIES THE HOSPITAL SERVES, TRANSPORTATION FOR HEALTHCARE CAN BE CHALLENGING. BY LOCATING THESE EMPLOYED PHYSICIANS' OFFICES THROUGHOUT THE HOSPITAL'S SERVICE REGION, THE HOSPITAL IS ABLE TO HELP IMPROVE ACCESS TO PHYSICIANS' SERVICES FOR MEMBERS OF THE COMMUNITY.

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

MD

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2018

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 **ATLANTIC GENERAL HOSPITAL** Employer identification number **52-1656507**

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

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

4 During the year, did any person listed 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) 2018

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) ALAE ZARIF, MD CHIEF OF STAFF, EX-OFFICIO VOTING	(i)	602,843.	250,964.	253.	6,875.	21,627.	882,562.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) MICHAEL FRANKLIN PRESIDENT & CEO, EX-OFFICIO	(i)	385,542.	121,563.	24,125.	6,875.	21,627.	559,732.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) CHERYL NOTTINGHAM CFO	(i)	201,761.	18,560.	18,753.	6,181.	21,627.	266,882.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) TIMOTHY R. WHETSTINE VP PROFESSIONAL SERVICES	(i)	162,598.	6,976.	253.	0.	18,639.	188,466.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) COLLEEN WAREING VP PATIENT CARE	(i)	147,112.	12,871.	18,896.	4,680.	1,022.	184,581.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) RABINDRA PAUL PHYSICIAN	(i)	486,208.	83,000.	90.	6,875.	21,627.	597,800.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) JAMES P. CHERRY PHYSICIAN	(i)	547,509.	0.	18,638.	6,875.	21,627.	594,649.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) SCOTT KNOWLTON PHYSICIAN	(i)	397,699.	4,964.	60.	6,875.	21,267.	430,865.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) ROOPA GUPTA PHYSICIAN	(i)	429,927.	31,625.	0.	6,875.	0.	468,427.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) CURTIS D ASBURY PHYSICIAN	(i)	254,115.	781,720.	18,041.	6,875.	4,989.	1,065,740.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(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.

Multiple horizontal lines for supplemental information.

Supplemental Information on Tax-Exempt Bonds

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

Name of the organization **ATLANTIC GENERAL HOSPITAL** Employer identification number **52-1656507**

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MHHEFA SERIES A		NONE	09/01/17	7,501,000.			X		X		X
B MHHEFA SERIES B		NONE	09/01/17	20013000.			X		X		X
C MAYOR AND COUNCIL OF BERLIN, MD		NONE	09/01/17	10000000.			X		X		X
D											

Part II Proceeds										
	A		B		C		D			
1 Amount of bonds retired				3,356,555.						
2 Amount of bonds legally defeased										
3 Total proceeds of issue	7,501,000.		20,013,000.		10,000,000.					
4 Gross proceeds in reserve funds										
5 Capitalized interest from proceeds										
6 Proceeds in refunding escrows										
7 Issuance costs from proceeds				402,264.		127,253.				
8 Credit enhancement from proceeds										
9 Working capital expenditures from proceeds										
10 Capital expenditures from proceeds				5,340,103.		8,500,563.				
11 Other spent proceeds										
12 Other unspent proceeds										
13 Year of substantial completion										
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?		X		X		X				
15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X		X		X				
16 Has the final allocation of proceeds been made?	X		X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X					

Part III Private Business Use

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

Part IV Arbitrage

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

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

2018

Open to Public
Inspection

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

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

PERSONALIZED SERVICE, AND EDUCATION TO IMPROVE INDIVIDUAL AND COMMUNITY
HEALTH. WE ACCOMPLISH OUR MISSION THROUGH OUR SET OF VALUES, WHICH ARE
HONORED IN ALL OUR INTERACTIONS.

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

THE DIRECTOR OF FINANCE COMPILES THE NECESSARY INFORMATION FROM THE
ORGANIZATION'S ACCOUNTING RECORDS, INFORMATION RECEIVED FROM THE
FOUNDATION, AND INFORMATION RECEIVED FROM THE PATIENT BILLING OFFICE. THE
COMPILED INFORMATION IS THEN SENT TO THE ORGANIZATION'S OUTSIDE TAX
ACCOUNTANTS TO HELP PREPARE THE FORM 990. A DRAFT OF THE FORM 990 IS THEN
REVIEWED BY THE DIRECTOR OF FINANCE, THE CFO, AND THE CEO OF THE
ORGANIZATION AND ANY COMMENTS ARE REFLECTED IN A FURTHER REVISED DRAFT.
PRIOR TO FILING THE FORM 990, THE LATEST VERSION OF THE FORM 990 IS MADE
AVAILABLE TO ALL MEMBERS OF THE BOARD FOR THEIR REVIEW AND COMMENTS.

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

IT IS THE POLICY OF ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM THAT MEMBERS OF
THE BOARD OF DIRECTORS, THE HOSPITAL PRESIDENT, AND THE SENIOR LEADERSHIP
STAFF WILL BE REQUIRED TO SIGN AN ANNUAL CONFLICT OF INTEREST STATEMENT AND
TO ADHERE TO THE CONFLICT OF INTEREST POLICY. THIS WILL BE SIGNED ANNUALLY
IN OCTOBER. ALL CANDIDATES FOR BOARD MEMBERSHIP MUST BE ADVISED OF THIS
POLICY PRIOR TO THEIR ELECTION TO THE BOARD.

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

THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE, A WRITTEN EMPLOYMENT

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

Schedule O (Form 990 or 990-EZ) (2018)

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
--	---

**CONTRACT, A COMPENSTION SURVEY OR STUDY AND AN APPROVAL BY THE BOARD OR
COMPENSATION COMMITTEE.**

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

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

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

NET ASSETS RELEASED FROM RESTRICTION	-169,026.
---	------------------

FORM 990, PART XII, LINE 2C:

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

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

2018

For calendar year 2018 or other tax year beginning JUL 1, 2018, and ending JUN 30, 2019

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

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

Department of the Treasury
Internal Revenue Service

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

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3)) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) ATLANTIC GENERAL HOSPITAL</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 9733 HEALTHWAY DRIVE</p> <p>City or town, state or province, country, and ZIP or foreign postal code BERLIN, MD 21811</p>	<p>D Employer identification number (Employees' trust, see instructions.) 52-1656507</p> <p>E Unrelated business activity code (See instructions.) 446110</p>
--	------------------------------	---	---

<p>C Book value of all assets at end of year 112,143,209.</p>	<p>F Group exemption number (See instructions.) ▶</p>	<p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>
--	--	---

H Enter the number of the organization's unrelated trades or businesses. ▶ 2 Describe the only (or first) unrelated trade or business here ▶ PHARMACY. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

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

J The books are in care of ▶ CHERYL NOTTINGHAM Telephone number ▶ 410-641-9095

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales <u>375,175.</u>			
b Less returns and allowances <u>12,841.</u> c Balance ▶	1c <u>362,334.</u>		
2 Cost of goods sold (Schedule A, line 7)	2 <u>305,127.</u>		
3 Gross profit. Subtract line 2 from line 1c	3 <u>57,207.</u>		<u>57,207.</u>
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from a partnership or an S corporation (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule)	12		
13 Total. Combine lines 3 through 12	13 <u>57,207.</u>		<u>57,207.</u>

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

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	<u>141.</u>
16 Repairs and maintenance	16	<u>3,189.</u>
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	
19 Taxes and licenses	19	<u>4,042.</u>
20 Charitable contributions (See instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	<u>SEE STATEMENT 1</u>
29 Total deductions. Add lines 14 through 28	29	<u>149,996.</u>
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	<u>-100,161.</u>
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32 Unrelated business taxable income. Subtract line 31 from line 30	32	<u>-100,161.</u>

Part III Total Unrelated Business Taxable Income

33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	26,744.
34	Amounts paid for disallowed fringes	34	
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions) STMT 2	35	26,744.
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34	36	
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	1,000.
38	Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	0.

Part IV Tax Computation

39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21)	39	0.
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	40	
41	Proxy tax. See instructions	41	
42	Alternative minimum tax (trusts only)	42	
43	Tax on Noncompliant Facility Income. See instructions	43	
44	Total. Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	0.

Part V Tax and Payments

45a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	45a	
b	Other credits (see instructions)	45b	
c	General business credit. Attach Form 3800	45c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d	
e	Total credits. Add lines 45a through 45d	45e	
46	Subtract line 45e from line 44	46	0.
47	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	47	
48	Total tax. Add lines 46 and 47 (see instructions)	48	0.
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49	0.
50a	Payments: A 2017 overpayment credited to 2018	50a	
b	2018 estimated tax payments	50b	
c	Tax deposited with Form 8868	50c	
d	Foreign organizations: Tax paid or withheld at source (see instructions)	50d	
e	Backup withholding (see instructions)	50e	
f	Credit for small employer health insurance premiums (attach Form 8941)	50f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	50g	
51	Total payments. Add lines 50a through 50g	51	
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	52	
53	Tax due. If line 51 is less than the total of lines 48, 49, and 52, enter amount owed	53	
54	Overpayment. If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid	54	
55	Enter the amount of line 54 you want: Credited to 2019 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	55	

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

56	At any time during the 2018 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here	Yes	No
57	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
58	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

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

Sign Here
 Signature of officer: _____ Date: _____
 Title: **VP FINANCE**
 May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only
 Print/Type preparer's name: **AMY BIBBY** Preparer's signature: **AMY BIBBY** Date: **07/14/20**
 Check if self-employed PTIN: **P00445891**
 Firm's name: **DIXON HUGHES GOODMAN LLP** Firm's EIN: **56-0747981**
 Firm's address: **1410 SPRING HILL ROAD, 5TH FLOOR TYSONS, VA 22102** Phone no.: **703-970-0400**

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

1	Inventory at beginning of year	1	0.	6	Inventory at end of year	6	0.
2	Purchases	2	305,127.	7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	305,127.
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (attach schedule)	4a					
b	Other costs (attach schedule)	4b					
5	Total. Add lines 1 through 4b	5	305,127.				X

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

(see instructions)

1. Description of property

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

2. Rent received or accrued

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

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

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

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

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

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

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

Nonexempt Controlled Organizations

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

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

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

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

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.
Totals		0.	0.			0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

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

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

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

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

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

FORM 990-T

OTHER DEDUCTIONS

STATEMENT 1

DESCRIPTION

AMOUNT

PURCHASED SERVICES	174.
OFFICE EXPENSES	1,256.
SUPPLIES	33,908.
CONTRACT SERVICE	113,793.
ADVERTISING	865.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	149,996.

FORM 990-T

NET OPERATING LOSS DEDUCTION

STATEMENT 2

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
06/30/05	308,028.	212,537.	95,491.	95,491.
06/30/06	232,633.	0.	232,633.	232,633.
06/30/07	343,156.	0.	343,156.	343,156.
06/30/08	366,549.	0.	366,549.	366,549.
06/30/09	390,246.	0.	390,246.	390,246.
06/30/10	71,125.	0.	71,125.	71,125.
06/30/18	22,864.	0.	22,864.	22,864.
NOL CARRYOVER AVAILABLE THIS YEAR			1,522,064.	1,522,064.

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

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

ENTITY 1

OMB No. 1545-0687

2018

For calendar year 2018 or other tax year beginning JUL 1, 2018, and ending JUN 30, 2019.

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

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

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

Department of the Treasury
Internal Revenue Service (99)

Name of the organization **ATLANTIC GENERAL HOSPITAL** Employer identification number **52-1656507**

Unrelated business activity code (see instructions) ▶ **561000**

Describe the unrelated trade or business ▶ **PHYSICIAN BILLING SERVICES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	<u>37,969.</u>			
b Less returns and allowances				
c Balance ▶		1c 37,969.		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3 37,969.		37,969.
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule)		12		
13 Total. Combine lines 3 through 12		13 37,969.		37,969.

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

14 Compensation of officers, directors, and trustees (Schedule K)		14		
15 Salaries and wages		15		5,781.
16 Repairs and maintenance		16		1,320.
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		450.
20 Charitable contributions (See instructions for limitation rules)		20		
21 Depreciation (attach Form 4562)	<u>5.</u>	21		
22 Less depreciation claimed on Schedule A and elsewhere on return		22a		5.
23 Depletion		23		
24 Contributions to deferred compensation plans		24		
25 Employee benefit programs		25		693.
26 Excess exempt expenses (Schedule I)		26		
27 Excess readership costs (Schedule J)		27		
28 Other deductions (attach schedule)	SEE STATEMENT 3	28		2,976.
29 Total deductions. Add lines 14 through 28		29		11,225.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30		26,744.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		31		
32 Unrelated business taxable income. Subtract line 31 from line 30		32		26,744.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

ATLANTIC GENERAL HOSPITAL

52-1656507

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

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

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

(see instructions)

1. Description of property

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

2. Rent received or accrued

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

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

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

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

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

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 3

DESCRIPTION

AMOUNT

OFFICE EXPENSE
PURCHASED SERVICES
OCCUPANCY

445.
2,480.
51.

TOTAL TO SCHEDULE M, PART II, LINE 28

2,976.

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

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

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

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JAN 1, 2018**, and ending **DEC 31, 2018**

Attachment
Sequence No. **121**

Name of person filing this return ATLANTIC GENERAL HOSPITAL <small>Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)</small> 9733 HEALTHWAY DRIVE City or town, state, and ZIP code BERLIN, MD 21811 Filer's tax year beginning JUL 1, 2018 , and ending JUN 30, 2019	A Identifying number 52-1656507 B Category of filer (See instructions. Check applicable box(es): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 20.00 % D Check box if this is a final Form 5471 for the foreign corporation <input type="checkbox"/> E Check if any excepted specified foreign financial assets are reported on this form (see instructions) <input type="checkbox"/> F Person(s) on whose behalf this information return is filed:
--	--

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

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

1a Name and address of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD. P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS				b(1) Employer identification number, if any 98-0464065	
				b(2) Reference ID number (see instructions)	
				c Country under whose laws incorporated CAYMAN ISLANDS	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
12/14/04	CAYMAN ISLANDS	525100	OTHER INSURANCE FUND	UNITED STATES, DOLLAR	

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

a Name, address, and identifying number of branch office or agent (if any) in the United States		b If a U.S. income tax return was filed, enter:	
		(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
		0.	0.
c Name and address of foreign corporation's statutory or resident agent in country of incorporation ARTEX RISK SOLUTIONS (CAYMAN) LIMIT P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS		d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different SAME AS 2C	

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

Schedule C Income Statement

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

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

Schedule F Balance Sheet

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

Assets	(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	
2a Trade notes and accounts receivable	2a	
b Less allowance for bad debts	2b () ()	
3 Derivatives	3	
4 Inventories	4	
5 Other current assets (attach statement)	5	
6 Loans to shareholders and other related persons	6	
7 Investment in subsidiaries (attach statement)	7	
8 Other investments (attach statement)	8	
9a Buildings and other depreciable assets	9a	
b Less accumulated depreciation	9b () ()	
10a Depletable assets	10a	
b Less accumulated depletion	10b () ()	
11 Land (net of any amortization)	11	
12 Intangible assets:		
a Goodwill	12a	
b Organization costs	12b	
c Patents, trademarks, and other intangible assets	12c	
d Less accumulated amortization for lines 12a, 12b, and 12c	12d () ()	
13 Other assets (attach statement)	13	
14 Total assets	14	
Liabilities and Shareholders' Equity		
15 Accounts payable	15	
16 Other current liabilities (attach statement)	16	
17 Derivatives	17	
18 Loans from shareholders and other related persons	18	
19 Other liabilities (attach statement)	19	
20 Capital stock:		
a Preferred stock	20a	
b Common stock	20b	
21 Paid-in or capital surplus (attach reconciliation)	21	
22 Retained earnings	22	
23 Less cost of treasury stock	23 () ()	
24 Total liabilities and shareholders equity	24	

Schedule G Other Information

- | | | |
|---|--------------------------|-------------------------------------|
| | Yes | No |
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?
If "Yes," see the instructions for required statement. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2 During the tax year, did the foreign corporation own an interest in any trust? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from its owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branch (see instructions)?
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions). | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?
If "Yes," complete lines 4b and 4c. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b Enter the total amount of the base erosion payments | ▶ \$ | _____ |
| c Enter the total amount of the base erosion tax benefit | ▶ \$ | _____ |
| 5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?
If "Yes," complete line 5b. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b Enter the total amount of the disallowed deductions (see instructions) | ▶ \$ | _____ |

Schedule G Other Information (continued)

Yes No

- 6a Is the filer of this Form 5471 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule M? Yes No
If "Yes," complete lines 6b, 6c, and 6d.
- b Enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) (see instructions) \$ _____
- c Enter the amount of gross income derived from a license of property to the foreign corporation that the filer included in its computation of FDDEI (see instructions) \$ _____
- d Enter the amount of gross income derived from services provided to the foreign corporation that the filer included in its computation of FDDEI (see instructions) \$ _____
- 7 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? Yes No
- 8 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? Yes No
- 9 If the answer to question 7 is "Yes," was the foreign corporation a participant in a cost sharing arrangement that was in effect before January 5, 2009? Yes No
- 10 If the answer to question 7 is "Yes," did a U.S. taxpayer make any platform contributions as defined under Regulations section 1.482-7(c) to that cost sharing arrangement during the taxable year? Yes No
- 11 If the answer to question 10 is "Yes," enter the present value of the platform contributions in U.S. dollars \$ _____
- 12 If the answer to question 10 is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s):
 Comparable uncontrolled transaction method Income method Acquisition price method
 Market capitalization method Residual profit split method Unspecified methods
- 13 From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))? Yes No
- 14a Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the taxable year? Yes No
If "Yes," go to line 14b.
- b Enter the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the taxable year \$ _____
- 15 During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)? Yes No
If "Yes," see instructions and attach statement.
- 16 During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? Yes No
If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).
- 17 During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)? Yes No
- 18 During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended? Yes No
- 19 Did you answer "Yes" to any of the questions in the instructions for line 19? Yes No
If "Yes," enter the corresponding code(s) from the instructions and attach statement (see instructions) _____

Schedule I Summary of Shareholder's Income From Foreign Corporation

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

Name of U.S. shareholder	Identifying number	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b
c Other Subpart F income (enter the result from Worksheet A in the instructions)		1c
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2
3 Previously excluded export trade income withdrawn from investment in export trade assets (enter the result from Worksheet C in the instructions)		3
4 Factoring income See instructions for reporting amounts on lines 1 through 4 on your income tax return.		4
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5
6 Exchange gain or (loss) on a distribution of previously taxed income		6

- Was any income of the foreign corporation blocked? Yes No
- Did any such income become unblocked during the tax year (see section 964(b))? Yes No

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

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

Name of person filing Form 5471 ATLANTIC GENERAL HOSPITAL		Identifying number 52-1656507
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE CO	EIN (if any) 98-0464065	Reference ID number (see instr.)
a Separate Category (Enter code-see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

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

1	Current year net income or (loss) per foreign books of account		1
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	Net Additions	Net Subtractions	
a	2a	1,910,754.	
b	2b		
c	2c		
d	2d		
e	2e		
f	2f		
g	2g		
h	2h		
i	2i	3,005,533. 4,916,437.	
3	3	4,916,287.	
4	4	4,916,437.	
5a	Current earnings and profits (line 1 plus line 3 minus line 4)		5a -150.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)		5b
c	Combine lines 5a and 5b		5c -150.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))		5d -150.
		Enter exchange rate used for line 5d ▶	1.000000

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

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

(December 2018)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ Attach to Form 5471.

OMB No. 1545-0123

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

Name of person filing Form 5471
ATLANTIC GENERAL HOSPITAL

Identifying number
52-1656507

Name of foreign corporation
FREESTATE HEALTHCARE INSURANCE COMP

EIN (if any)
98-0464065

Reference ID number (see instr.)

Separate Category (enter code - see instructions) ▶		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 4916437.		
2	Exclusions			
a	Effectively connected income			
b	Subpart F income	2b 4916437.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 4916437.		
4	Gross income less total exclusions (line 1 minus line 3)	4		
5	Deductions properly allocable to amount on line 4	5		
6	Tested income (loss) (line 4 minus line 5) (see instructions for line 6)	6	1.000000	
Other Amounts (see instructions)				
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9	Interest expense	9	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (12-2018)

**SCHEDULE J
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 5471.

OMB No. 1545-0123

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

Name of person filing Form 5471

Identifying number

ATLANTIC GENERAL HOSPITAL

52-1656507

Name of foreign corporation

EIN (if any)

Reference ID number

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

98-0464065

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

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. Shareholders' information to complete amount for columns (e)(ii)-(e)(iv) and (e)(vii)-(ix) (see instructions).

Important: Enter amounts in functional currency.

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

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

	(e) Previously Taxed E&P (see instructions)							(f)
	(iii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(vi) Subpart F Income (section 959(c)(2))	(vii) Section 965(a) Inclusion (section 959(c)(2))	(viii) Section 965(b)(4)(A) (section 959(c)(2))	(ix) Section 951A Inclusion (section 959(c)(2))	Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(ix))
1a								-12877111.
1b								
1c								-12877111.
2a								
2b								
3								
4								
5a								
5b								
6								
7								
8								
9								
10								
11								
12								
13								
14								-12877261.

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

Enter amounts in functional currency.

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

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 4

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
RELATED PARTY PREMIUMS	0.	4,916,437.
RELATED PTY LOSS RESERVES & CLAIM	3,005,533.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	<u>3,005,533.</u>	<u>4,916,437.</u>

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

OMB No. 1545-0026

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

Attachment
 Sequence No. **128**

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

Name of transferor ATLANTIC GENERAL HOSPITAL	Identifying number (see instructions) 52-1656507
--	--

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

Controlling shareholder	Identifying number

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

Name of parent corporation	EIN of parent corporation

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

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

Name of partnership	EIN of partnership

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

Part II Transferee Foreign Corporation Information (see instructions)

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

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

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

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

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash			1,068,197.		

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

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

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

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

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

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

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

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

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

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

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

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

Supplemental Part III Information Required To Be Reported (see instructions)
SEE STATEMENT 5

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

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

REGULATION 1.6038B-1T(C)(1): TRANSFEROR:
ATLANTIC GENERAL HOSPITAL CORPORATION
EIN: 52-1656507
9733 HEALTHWAY DRIVE
BERLIN, MD 21811

REGULATION 1.6038B-1T(C)(2): TRANSFEREE:
(I.): FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.
EIN: 98-0464065
P.O. BOX 10233
GRAND CAYMAN KY1-1002, CAYMAN ISLANDS
INCORPORATED IN THE CAYMAN ISLANDS

(II.): INSURANCE PREMIUMS RECEIVED FROM RELATED PARTIES CONSIDERED TO BE DEEMED CONTRIBUTIONS TO CAPITAL OF THE ABOVE CORPORATION OCCURRED ON VARIOUS DATES THROUGHOUT THE YEAR. THE TOTAL AMOUNT OF THESE DEEMED CONTRIBUTIONS WAS \$1,068,197.

REGULATION 1.6038B-1T(C)(3): CONSIDERATION RECEIVED:
NOTHING WAS RECEIVED IN CONSIDERATION IN EXCHANGE FOR DEEMED CASH CONTRIBUTIONS TO CAPITAL OF \$1,068,197. THE TAXPAYER OWNED 20% OF THE STOCK OF THE TRANSFEREE CORPORATION BOTH BEFORE AND AFTER THESE TRANSFERS.

REGULATION 1.6038B-1T(C)(4): PROPERTY TRANSFERRED:
CASH IN THE AMOUNT OF \$1,068,197 (US DOLLARS)

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

Department of the Treasury
Internal Revenue Service

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

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

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

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

	Enter filer's identifying number	
Type or print	Name of exempt organization or other filer, see instructions. ATLANTIC GENERAL HOSPITAL	Employer identification number (EIN) or 52-1656507
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 9733 HEALTHWAY DRIVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BERLIN, MD 21811	

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

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

CHERYL NOTTINGHAM

- The books are in the care of ▶ **9733 HEALTHWAY DRIVE - BERLIN, MD 21811**
Telephone No. ▶ **410-641-9095** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 15, 2020** , to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year _____ or
▶ tax year beginning **JUL 1, 2018** , and ending **JUN 30, 2019** .

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

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

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

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

Department of the Treasury
Internal Revenue Service

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

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

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

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

		Enter filer's identifying number
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. ATLANTIC GENERAL HOSPITAL	Employer identification number (EIN) or 52-1656507
	Number, street, and room or suite no. If a P.O. box, see instructions. 9733 HEALTHWAY DRIVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BERLIN, MD 21811	

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

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

CHERYL NOTTINGHAM

- The books are in the care of ▶ **9733 HEALTHWAY DRIVE - BERLIN, MD 21811**
 Telephone No. ▶ **410-641-9095** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 15, 2020** , to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2018** , and ending **JUN 30, 2019** .

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

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

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

Electronic Filing PDF Attachment

Atlantic General Hospital Corporation

Audited Financial Statements

Years Ended June 30, 2019 and 2018

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Independent Auditors' Report

Board of Trustees
Atlantic General Hospital Corporation
Berlin, Maryland

We have audited the accompanying financial statements of Atlantic General Hospital Corporation (the Corporation), which comprise the balance sheets as of June 30, 2019 and 2018, and the related statements of operations, changes in net assets, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Atlantic General Hospital Corporation as of June 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 3 to the financial statements, the Corporation adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance on revenue recognition and related disclosure using the modified retrospective method in 2019. Our opinion is not modified with respect to this matter.

Dixon Hughes Goodman LLP

Gaithersburg, Maryland
October 28, 2019

Atlantic General Hospital Corporation
Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,784,202	\$ 9,210,003
Investments	9,395,770	8,801,622
Patient accounts receivable (see Note 3)	10,631,908	11,039,161
Supply inventory	2,491,024	3,027,402
Current portion of pledges receivable	2,144,666	1,340,407
Prepaid expenses and other current assets	<u>2,845,912</u>	<u>3,146,294</u>
Total current assets	35,293,482	36,564,889
Land, buildings and equipment, net	64,159,377	61,665,021
Other assets:		
Assets whose use is limited:		
Cash and cash equivalents restricted by donor	62,241	62,241
Cash and cash equivalents internally designated for an endowment	80,320	209,252
Investments internally designated for an endowment	3,828,906	3,584,398
Noncurrent pledges receivable, net	1,364,007	1,543,567
Swap contracts	-	1,134,417
Long-term investments	27,696	27,696
Goodwill and intangible assets	2,223,207	2,240,455
Other noncurrent assets	<u>5,103,973</u>	<u>4,527,369</u>
Total other assets	12,690,350	13,329,395
Total assets	<u>\$ 112,143,209</u>	<u>\$ 111,559,305</u>

See accompanying notes.

Atlantic General Hospital Corporation
Balance Sheets
June 30, 2019 and 2018

(Continued)

	<u>2019</u>	<u>2018</u> (As Adjusted)
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,401,574	\$ 6,712,783
Salaries, wages, and related items	6,143,344	6,696,497
Interest payable	106,825	96,315
Advances from third party payers	1,269,820	1,135,346
Current portion of long-term obligations	<u>1,562,622</u>	<u>1,564,361</u>
Total current liabilities	16,484,185	16,205,302
Noncurrent liabilities:		
Long-term obligations, less current portion and net of unamortized debt issuance costs	34,463,608	32,467,237
Swap contracts	2,157,322	-
Other liabilities	<u>6,603,973</u>	<u>6,275,696</u>
Total liabilities	59,709,088	54,948,235
Net assets:		
Without donor restrictions		
General	44,575,613	48,870,096
Board-designated	3,904,350	3,793,650
With donor restrictions	<u>3,954,158</u>	<u>3,947,324</u>
Total net assets	<u>52,434,121</u>	<u>56,611,070</u>
Total liabilities and net assets	<u>\$ 112,143,209</u>	<u>\$ 111,559,305</u>

See accompanying notes.

Atlantic General Hospital Corporation
Balance Sheets
June 30, 2019 and 2018

(Continued)

	2019	2018
		(As Adjusted)
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,401,574	\$ 6,712,783
Salaries, wages, and related items	6,143,344	6,696,497
Interest payable	106,825	96,315
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Current portion of long-term obligations	1,562,622	1,564,361
Total current liabilities	16,484,185	16,205,302
Noncurrent liabilities:		
Long-term obligations, less current portion and net of unamortized debt issuance costs	34,463,608	32,467,237
Swap contracts	2,157,322	-
Other liabilities	6,603,973	6,275,696
Total liabilities	59,709,088	54,948,235
Net assets:		
Without donor restrictions		
General	44,575,613	48,870,096
Board-designated	3,904,350	3,793,650
With donor restrictions	3,954,158	3,947,324
Total net assets	52,434,121	56,611,070
Total liabilities and net assets	\$ 112,143,209	\$ 111,559,305

See accompanying notes.

Atlantic General Hospital Corporation
Statements of Operations
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue:		
Patient service revenue, net of contractual allowance and discounts		\$ 126,433,804
Provision for bad debts		<u>(5,169,684)</u>
Net patient service revenue (see Note 3)	\$ 124,549,444	121,264,120
Other operating revenue	<u>5,016,562</u>	<u>3,749,503</u>
Total operating revenue	129,566,006	125,013,623
Operating expenses:		
Salaries	58,274,726	55,361,163
Employee benefits and other related expenses	11,575,862	11,404,532
Professional fees and contracted services	11,090,279	11,176,905
Supplies and other expense	35,141,583	31,486,985
Utilities	1,563,530	1,402,692
Maintenance and repairs	7,642,127	6,880,151
Insurance	1,360,808	1,701,623
Interest	1,531,767	1,169,556
Depreciation	6,635,165	6,852,427
Amortization	<u>22,248</u>	<u>22,248</u>
Total operating expenses	<u>134,838,095</u>	<u>127,458,282</u>
Loss from operations	(5,272,089)	(2,444,659)
Other income (expense):		
Investment income	797,350	748,112
Net unrealized gains on trading portfolio	96,828	654,814
Change in fair value of swap contracts	(3,291,739)	1,326,790
Other	<u>632,759</u>	<u>816,177</u>
Total other income (loss)	<u>(1,764,802)</u>	<u>3,545,893</u>
Revenue and gains (losses) in excess of expenses	<u>\$ (7,036,891)</u>	<u>\$ 1,101,234</u>

See accompanying notes.

Atlantic General Hospital Corporation
Statements of Change in Net Assets
Years Ended June 30, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Nets assets, beginning of year (as adjusted)	\$ 52,663,746	\$ 3,947,324	\$ 56,611,070
Revenue and gains (losses) in excess of expenses	(7,036,891)	-	(7,036,891)
Restricted contributions	-	3,028,968	3,028,968
Net assets released from restrictions used for operations	-	(169,026)	(169,026)
Net assets released from restrictions used for capital acquisitions	2,853,108	(2,853,108)	-
Change in net assets	(4,183,783)	6,834	(4,176,949)
Net assets, end of year	<u>\$ 48,479,963</u>	<u>\$ 3,954,158</u>	<u>\$ 52,434,121</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year (as adjusted)	\$ 51,562,512	\$ 2,933,000	\$ 54,495,512
Revenue and gains in excess of expenses	1,101,234	-	1,101,234
Restricted contributions	-	1,214,814	1,214,814
Net assets released from restrictions used for operations	-	(200,490)	(200,490)
Change in net assets	1,101,234	1,014,324	2,115,558
Net assets, end of year	<u>\$ 52,663,746</u>	<u>\$ 3,947,324</u>	<u>\$ 56,611,070</u>

See accompanying notes.

Atlantic General Hospital Corporation
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities and other gains:		
Change in net assets	\$ (4,176,949)	\$ 2,115,558
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities and other gains:		
Depreciation and amortization expense	6,657,413	6,874,675
Amortization of debt issuance costs	144,159	108,119
Provision for bad debts	-	5,169,684
Recognition of change in fair value of swap contract	3,291,739	(1,326,790)
Realized gains on sale of investments	(361,634)	(345,714)
Unrealized gains on trading portfolio	(96,828)	(654,814)
Loss on extinguishment of debt	-	365,192
Loss on disposal of equipment	209,490	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Patient accounts receivable, net	407,253	(6,128,229)
Supply inventory	536,378	(288,863)
Prepaid expenses and other current assets	300,382	(714,722)
Other assets	(1,206,303)	(597,361)
Increase (decrease) in:		
Accounts payable and accrued expenses	688,791	856,094
Salaries, wages and related items	(553,153)	781,369
Interest payable	10,510	49,997
Third party advances	134,474	200,684
Other liabilities	328,277	(34,790)
	<u>6,313,999</u>	<u>6,430,089</u>
Net cash and cash equivalents provided by operating activities and other gains		
Cash flows from investing activities:		
Net (purchase) sale of trading investments	(380,194)	502,776
Proceeds from sale of equipment	215,000	-
Purchase of land, building, and equipment	(9,554,011)	(19,046,785)
Acquisition of radiation oncology business	-	(2,500,000)
	<u>(9,719,205)</u>	<u>(21,044,009)</u>
Net cash and cash equivalents used in investing activities		
Cash flows from financing activities:		
Payments on long-term debt	(1,506,082)	(19,909,237)
Proceeds from issuance of long-term debt	3,356,555	32,341,935
Payments for debt issuance costs	-	(553,409)
	<u>1,850,473</u>	<u>11,879,289</u>
Net cash and cash equivalents provided by financing activities		
Net change in cash and cash equivalents	(1,554,733)	(2,734,631)
Cash, cash equivalents, and restricted cash at beginning of year	<u>9,481,496</u>	<u>12,216,127</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 7,926,763</u>	<u>\$ 9,481,496</u>
Supplemental cash flow disclosure:		
Interest paid	<u>\$ 1,521,258</u>	<u>\$ 1,119,559</u>

See accompanying notes.

Notes to Financial Statements

1. Organization and Nature of Activities

Atlantic General Hospital Corporation (the Corporation) is a non-stock, non-profit Maryland corporation organized on April 4, 1989, primarily for the purpose of constructing, owning and operating Atlantic General Hospital (the Hospital) in Worcester County, Maryland. On May 21, 1993, the Hospital commenced operations as a full-service acute care inpatient and outpatient health care facility. Admitting physicians are primarily practitioners in the local area. Prior to May 21, 1993, the Corporation's primary activity was the planning and development of the Hospital.

2. Summary of Significant Accounting Policies

Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

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

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

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

In fiscal year 2019, the Corporation adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The primary impact of adopting ASU 2016-14 for the Corporation is the presentation of net assets without donor restrictions and expanded disclosures related to functional expenses and liquidity and availability, as disclosed in notes 10 and 13, respectively. The Corporation has retrospectively adopted the guidance in ASU 2016-14 to the 2018 financial statement information and disclosures, except for the disclosures around liquidity and availability of resources and analysis of expenses by nature and function. These disclosures have only been presented for 2019, as permitted under the standard.

Atlantic General Hospital Corporation
Notes to Financial Statements

The impact on net assets as of June 30, 2018 upon adoption of this standard was as follows:

<u>Net Asset Classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
As previously presented:			
Unrestricted	\$ 52,663,746	\$ -	\$ 52,663,746
Temporarily restricted	-	3,947,324	3,947,324
Net assets as reclassified	<u>\$ 52,663,746</u>	<u>\$ 3,947,324</u>	<u>\$ 56,611,070</u>

Board-designated unrestricted net assets

Board-designated unrestricted net assets represent assets whose use by the Hospital has been designated by the Board of Trustees for a particular purpose. The Board of Trustees may remove or modify the designations at any time. The board-designated assets were a result of the Hospital being named beneficiary in a portion of an estate pursuant to a will in 2001.

The Board of Trustees has determined that any investment income on the endowment will be internally designated by using a three year rolling average market value method, of which 3% annually can be used to fund physician practice development.

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

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

Risk factors

The Corporation's ability to maintain and/or increase future revenues could be adversely affected by: (1) the growth of managed care organizations promoting alternative methods for health care delivery and payment of services such as discounted fee-for-service networks and capitated fee arrangements (the rate setting process in the State of Maryland prohibits hospitals from entering into discounted fee arrangements, however, managed care contracts may provide for exclusive service arrangements); (2) proposed and/or future changes in the laws, rules, regulations, and policies relating to the definition, activities, and/or taxation of not-for-profit tax-exempt entities; (3) the outcome of the federal budget debate, and the enactment into law of all or any part of the current budget resolutions under consideration by Congress related to Medicare and Medicaid reimbursement methodology and/or further reductions in payments to hospitals and other health care providers; (4) the ultimate impact of the federal health care reform legislation (5) the future of Maryland's certificate of need program, where future deregulation could result in the entrance of new competitors, or future additional regulation may eliminate the Hospital's ability to expand or add new services; and (6) the future of the Maryland Health Services Cost Review Commission's authority to regulate

Atlantic General Hospital Corporation Notes to Financial Statements

rates, where future changes could result in reductions to revenues since payers would be allowed to negotiate discounts not currently allowed.

The Joint Commission, a non-governmental privately owned entity, provides accreditation status to hospitals and other health care organizations in the United States of America. Such accreditation is based upon a number of requirements including undergoing periodic surveys conducted by Joint Commission personnel. Certain managed care payers require hospitals to have appropriate Joint Commission accreditation in order to participate in those programs. In addition, the Center for Medicare and Medicaid Services of the U.S. Department of Health and Human Services (CMS), the agency with oversight of the Medicare and Medicaid programs, provides “deemed status” for facilities having Joint Commission accreditation. In other words, by being Joint Commission accredited, facilities are “deemed” to be in compliance with the Medicare and Medicaid conditions of participation. Termination as a Medicare provider or exclusion from any or all of these programs/payers would have a materially negative impact on the future financial position, operating results and cash flows of the Corporation. The Hospital has been accredited by the Joint Commission through September 25, 2021.

The Medicare and Medicaid reimbursement programs represent a substantial portion of the Hospital's revenues. The Corporation's operations are subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse.

Cash and cash equivalents

The Corporation invests excess cash in financial instruments, which are converted into cash as needed to meet the Corporation's obligations. Cash equivalents are highly liquid financial instruments with original maturities of less than three months or containing provisions for early redemption without penalty. The Corporation has cash holding in commercial banks that routinely exceed the Federal Deposit Insurance Corporation maximum insurance limit of \$250,000.

The composition of cash and cash equivalents at June 30 is as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents, classified as a current asset	\$ 7,784,202	\$ 9,210,003
Amounts restricted by donor	62,241	62,241
Amounts internally designated for an endowment	<u>80,320</u>	<u>209,252</u>
Total cash and cash equivalents (as reported in the accompanying statements of cash flows)	<u>\$ 7,926,763</u>	<u>\$ 9,481,496</u>

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the accompanying balance sheets based on quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in other income, unless the income or loss is restricted by donor or law. Long-term investments represent charitable gift annuities recorded at the present value of the expected gift and investment in a captive insurance company.

Atlantic General Hospital Corporation
Notes to Financial Statements

The composition of investments at June 30 is as follows:

	<u>2019</u>	<u>2018</u>
Investments:		
Common stock	\$ 3,189,551	\$ 2,499,350
Mutual funds - equities	8,230,816	8,580,213
Mutual funds - fixed maturity	<u>1,832,005</u>	<u>1,334,153</u>
	13,252,372	12,413,716
Less investments internally designated for an endowment	3,828,906	3,584,398
Less long-term investments	<u>27,696</u>	<u>27,696</u>
Undesignated investments	<u>\$ 9,395,770</u>	<u>\$ 8,801,622</u>

Investment income for the years ended June 30 consists of:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 435,716	\$ 402,398
Realized gains	<u>361,634</u>	<u>345,714</u>
	<u>\$ 797,350</u>	<u>\$ 748,112</u>

During 2008, the Corporation joined Maryland e-Care, LLC, a joint venture formed by six Maryland hospitals to provide remote monitoring technology with clinical decision support and physician/nursing services for their use in the intensive care units and other clinical areas within their respective hospitals. The Corporation maintained a 23% interest (\$20,000) in this joint venture, which was reported using the cost method of accounting in the accompanying financial statements. In June 2019, the existing members of the joint venture approved to dissolve Maryland eCare, LLC.

Fair value measurements

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

- Level 1:** Quoted prices in active markets for identical assets or liabilities such as debt and equity securities, mutual funds, and money market accounts that are traded in an active market, and other cash equivalents. Level one investments include common stocks, equity mutual funds and money market funds that are traded in an active market.
- Level 2:** Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level two investments include corporate bonds, U.S. government obligations, and asset and mortgage backed securities. A third party pricing service may be used to determine the fair value of each of these investment securities. Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

Atlantic General Hospital Corporation Notes to Financial Statements

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. Level three investments can include limited liability partnerships and limited liability companies. The fair value for these investments are determined by applying the ownership percentage to the net asset value of the investment fund. Underlying investments of the funds can include hedge funds, real estate funds, mortgage backed securities, asset backed securities, and global equity fund of funds.

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

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of the timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset.

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

The fair value of the Corporation's interest rate swap contracts are based on the proprietary model of a third party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the swap, and considers the credit risk of the Corporation and the counterparty. The method used to determine the fair value calculates the estimated future payments required by the swap and discounts these payments using an appropriate discount rate. The value represents the estimated exit price that the Corporation would pay to terminate the agreement.

Atlantic General Hospital Corporation
Notes to Financial Statements

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Total Fair Value</u>
ASSETS			
Mutual funds:			
Fixed maturity:			
High Yield Bond	\$ 439,637	\$ -	\$ 439,637
Inflation-Protected Bond	157,066	-	157,066
Intermediate-term Bond	1,235,302	-	1,235,302
Equities:			
Absolute	352,588	-	352,588
Directional	345,631	-	345,631
International Emerging Markets	604,711	-	604,711
International Blend	29,320	-	29,320
International Developed	2,043,873	-	2,043,873
International REIT Funds	155,969	-	155,969
U.S. Large/Mid-Cap	3,634,026	-	3,634,026
U.S. REIT Funds	138,418	-	138,418
U.S. Small-Cap	926,281	-	926,281
Common stocks:			
Basic Materials	58,261	-	58,261
Energy	78,740	-	78,740
Consumer Goods	310,964	-	310,964
Financial	528,090	728,540	1,256,630
Healthcare	514,254	-	514,254
Industrial Goods	165,650	-	165,650
Services	189,682	-	189,682
Technology	380,544	-	380,544
International Developed	76,508	-	76,508
Other Equity	31,953	-	31,953
Real Estate	32,163	-	32,163
Utilities	74,201	-	74,201
Total	<u>\$ 12,503,832</u>	<u>\$ 728,540</u>	<u>\$ 13,232,372</u>
LIABILITIES			
Interest rate swaps liabilities	<u>\$ -</u>	<u>\$ 2,157,322</u>	<u>\$ 2,157,322</u>
	<u>\$ 12,503,832</u>	<u>\$ 1,428,782</u>	<u>\$ 11,075,050</u>

Atlantic General Hospital Corporation
Notes to Financial Statements

The following table presents the Corporation's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of June 30, 2018:

ASSETS	<u>Level 1</u>	<u>Level 2</u>	<u>Total Fair Value</u>
Mutual funds:			
Fixed maturity:			
High Yield Bond	\$ 288,188	\$ -	\$ 288,188
Inflation-Protected Bond	153,503	-	153,503
Intermediate-term Bond	892,463	-	892,463
Equities:			
Bank Loan	99,085	-	99,085
Commodities Broad Basket	77,492	-	77,492
Diversified Emerging Markets	691,527	-	691,527
Equity Energy	37,380	-	37,380
Foreign Large Blend	783,558	-	783,558
Foreign Large Growth	1,120,928	-	1,120,928
Foreign Large Value	105,597	-	105,597
Foreign Small/Mid Growth	-	-	-
Large Blend	210,095	-	210,095
Large Growth	1,616,277	-	1,616,277
Large Value	1,098,328	-	1,098,328
Mid-Cap Growth	510,214	-	510,214
Mid-Cap Value	473,972	-	473,972
Option Writing	320,032	-	320,032
Real Estate	323,323	-	323,323
Small Blend	963,068	-	963,068
Small Growth	149,336	-	149,336
Common stocks:			
Basic Materials	58,033	-	58,033
Consumer Goods	167,788	-	167,788
Financial	745,951	611,440	1,357,391
Healthcare	463,331	-	463,331
Industrial Goods	109,708	-	109,708
Services	53,896	-	53,896
Technology	225,527	-	225,527
Utilities	43,676	-	43,676
Total	<u>\$ 11,782,276</u>	<u>\$ 611,440</u>	<u>\$ 12,393,716</u>
Interest rate swaps assets	<u>\$ -</u>	<u>\$ 1,134,417</u>	<u>\$ 1,134,417</u>
	<u>\$ 11,782,276</u>	<u>\$ 1,745,857</u>	<u>\$ 13,528,133</u>

There were no significant transfers between fair value hierarchy levels for the years ended June 30, 2019 and 2018.

Supply inventory

Supply inventory is stated at the lower of cost or market, with cost determined principally by the first-in, first-out method.

Atlantic General Hospital Corporation

Notes to Financial Statements

Land, buildings, and equipment

Land, buildings, and equipment are carried at cost, including net interest on related borrowings capitalized during periods of construction. Donated items are recorded at fair value at the date of the donation. Capital leases are carried at the lower of the present value of their net minimum lease payments or the fair value of the leased properties at the inception of the lease less accumulated amortization. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. The carrying amounts of significant assets sold, retired, or otherwise disposed of and the related allowances for depreciation are eliminated from the accounts.

Depreciation, which includes amortization of equipment under capital leases, is recorded on the straight-line basis using the half-year convention over the estimated useful lives (or lease term if shorter) of 10 to 40 years for buildings and improvements and 5 to 10 years for equipment. Any acquisitions from July 1, 1999 and forward that are in excess of \$100,000 are depreciated on the straight-line basis without using the half-year convention.

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

Patient accounts receivable

Net patient service revenue is reported at estimated net realizable amounts from patients, third party payers, and others for services rendered. Patient accounts receivable include Hospital and physician charges for accounts due from Medicare, Maryland Medical Assistance (Medicaid), CareFirst, commercial and managed care insurers, and self-paying patients. Deducted from patient accounts receivable are estimates of implicit price concessions in 2019 or the provision for uncollectible accounts in 2018 for the excess of charges over the payments on patient accounts to be received from third party payers and uncollectible amounts related to self-paying patients. These estimates are calculated by management based on historical collection experience and analysis of financial class and age of groups of accounts receivable.

Goodwill

Goodwill represents the excess of the cost over the fair value of the identified net assets of acquired businesses. The Company evaluates goodwill for impairment at the entity level. Goodwill is tested for impairment at least annually.

Charity care

The Hospital provides care to patients who meet certain criteria under its financial assistance 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 and use of the federal poverty limits as guidelines. Since the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as a component of net patient service revenue or net patient accounts receivable.

Under current accounting standards, the Hospital is required to report the cost of providing charity care. The cost of charity care provided by the Hospital totaled \$1,369,586 and \$1,612,423 for the years ended June 30, 2019 and 2018, respectively. Rates charged by the Hospital for regulated services are determined based on an assessment of direct and indirect cost calculated pursuant to the methodology established by the Maryland Health Services Cost Review Commission (the Commission). For any charity services rendered by the Corporation, the cost of charity care is calculated by applying the estimated total cost-to-charge ratio for the Hospital services to the total amount of charges for services provided to patients benefitting from the charity care policies of the Hospital.

A Maryland hospital either receives payments from or makes payments to the Commission with respect to an Uncompensated Care Fund (UCC) established for rate-regulated hospitals in Maryland. The UCC is intended to

Atlantic General Hospital Corporation

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provide Maryland hospitals with funds to support the provision of uncompensated care at those hospitals. The Hospital received net payments from the UCC of \$1,342,218 and \$1,005,416 for the years ended June 30 2019 and 2018, respectively.

Revenue and gains in excess of expenses

The statements of operations include revenue and gains in excess of expenses. Changes in net assets without donor restrictions, which are excluded from revenue and gains in excess of expenses, consistent with industry practice, include contributions of (and assets released from donor restrictions related to) long-lived assets and other items that are required by accounting principles generally accepted in the United States of America to be reported separately.

Maryland Health Services Cost Review Commission (the Commission)

Certain of the Hospital's charges are subject to review and approval by the Commission. The Hospital has filed the required reports with the Commission and believes it is in compliance with the Commission's requirements. The rate of reimbursement for principally all inpatient services and certain other services to patients under the Medicare and Medicaid programs prior to January 1, 2014 was based on a 36-year-old agreement between the Centers for Medicare and Medicaid Services (CMS) and the Commission. This agreement was based upon a waiver from the Medicare prospective payment system reimbursement principles granted to the State of Maryland under Section 1814(b) of the Social Security Act. In January 2014, CMS approved a new waiver to modernize Maryland's unique all-payer rate-setting system for hospital services. The current waiver consists of a five-year performance period. Maryland hospitals commit to achieving significant quality improvements including reductions in 30-day readmissions and hospital acquired conditions. Maryland also limits the annual Medicare per capita hospital cost growth to a rate lower than the national annual per capita growth rate per year for 2016 to 2019. Under this model, Medicare is estimated to save at least \$330 million over the five years. Under the waiver, Maryland shifts virtually all of its hospital revenue over the five year performance period into global payment models. Beginning January 2019 the new "Total Cost of Care Model" (the "Model") was approved and builds upon the successes of the all-payer model. The Model encourages continued clinical redesign and provides tools to providers to treat complex and chronic conditions and is built on the same global budget arrangement mechanics for revenue setting as the predecessor model. This Model is approved for a 10-year term provided Maryland meets the Model performance requirements.

Patient service revenue is recorded at rates established by the Commission. The Hospital entered into the Global Budget Revenue (GBR) agreement with the Commission. The GBR agreement renews each year for a one-year period unless it is cancelled by the Commission or by the Hospital. The GBR agreement provides the Hospital with a fixed revenue amount (CAP) under which it must operate each year. The CAP is adjusted annually for inflation, change in the Hospital's payer mix and uncompensated care, change in population and quality incentives.

Other operating revenue

Majority of other operating revenue is derived from retail pharmacy sales. During 2019 and 2018, the Corporation generated pharmacy revenue totaling \$3,878,673 and \$3,089,215, respectively. Other operating revenue also includes rental income, rebates, physician billing fees and miscellaneous income earned from refunds.

Advertising and marketing costs

The Corporation expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were approximately \$1,434,000 and \$1,566,000 for the fiscal years ended June 30, 2019 and 2018, respectively, and are reported as supplies and other expense in the accompanying statements of operations. No advertising or marketing costs have been capitalized in the accompanying balance sheets.

Income taxes

The Corporation is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code as a public charity. Federal tax law requires that the Corporation be operated in a manner consistent with its initial

Atlantic General Hospital Corporation Notes to Financial Statements

exemption application in order to maintain its exempt status. Management has analyzed the operations of the Corporation and concluded that it remains in compliance with the requirements for exemption.

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

Current accounting standards define the threshold for recognizing uncertain income tax return positions in the financial statements as “more likely than not” that the position is sustainable, based on technical merits, and also provide guidance on the measurement, classification, and disclosure of tax return positions in the financial statements. Management believes there is no impact on the Corporation’s accompanying financial statements related to uncertain income tax provisions.

Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported change in net assets.

Subsequent events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through October 28, 2019, the date the financial statements were available to be issued.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases. The amendments in this ASU are effective for the Corporation for fiscal year ending June 30, 2022, with early adoption permitted, and should be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements.

In May 2019, the FASB issued ASU 2019-06, *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958)*. The amendments in this ASU extend the private company alternatives from *Topic 350* and *Topic 805* to non-for-profit entities. The alternative allow goodwill to be amortized over a period of 10 years (or less). The Corporation intends to adopt the amendment in this ASU effective for the fiscal year ending June 30, 2020.

The Corporation is currently evaluating the impact of these ASU’s on its financial position, results of operations, and cash flows. At the present time, management has not yet determined what the effects of adopting these ASUs will have on its financial statements.

3. Net Patient Service Revenue

During fiscal year 2019, the Corporation adopted FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, using the modified retrospective method (ASC 606). The information in the prior year comparative period has not been restated and continues to be reported under the accounting standards in effect for that period. The overall impact of adoption was not material to the accompanying financial statements, with the primary changes related to presentation of certain information, as described below, and expanded disclosures related to revenue recognition principles, disaggregation of revenues and other matters.

As part of the adoption of ASC 606, the Corporation elected certain available practical expedients under the standard. First, the Corporation elected the practical expedient that allows nonrecognition of the promised amount

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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. However, the Corporation does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the respective contracts. Additionally, the Corporation has applied the practical expedient whereby all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

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

As a result of the adoption of ASC 606, estimated uncollectible amounts from patients that were previously presented as the provision for bad debts in the statements of operations are now considered implicit price concessions (as defined in ASC 606) and, therefore, included in net patient service revenue in 2019. Such implicit price concessions reflected in net patient service revenue in the accompanying financial statements for the year ended June 30, 2019 were \$5,230,923. Prior to July 1, 2018, the provision for bad debts was presented consistent with the previous revenue recognition standards separately as a component of patient service revenue. Upon adoption of ASC 606, the allowance for doubtful accounts of \$10,148,028 at June 30, 2018, was reclassified as a direct reduction of patient accounts receivable. Such implicit price concessions continue to be presented as a direct reduction of patient accounts receivable.

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 – the Corporation has entered into agreements by which the third-party payors pay a percentage of approved HSCRC charges. A reduced percentage can be obtained if the payor advances a certain amount of working capital.
- Physician practice services – Corporation has entered into agreements by which the third-party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.
- Regional cancer center revenue – Corporation has entered into agreements by which the third-party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.
- Unregulated hospital patient revenue - the Corporation has entered into agreements by which the third-party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected (or actual) charges. 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

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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 under applicable standards and as a result is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance, which vary in amount. The 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 explicit price concession, financial assistance, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

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

Net patient service revenue disaggregated by service type for the year ended June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Global budget revenue	\$ 95,883,757	\$ 95,096,026
Physician services revenue	18,081,792	19,331,287
Regional cancer center revenue	9,619,406	5,699,420
Unregulated hospital revenue	<u>964,489</u>	<u>1,137,387</u>
Total	<u>\$ 124,549,444</u>	<u>\$ 121,264,120</u>

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Net patient service revenue disaggregated by payor for the years ended June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Medicare	\$ 53,288,858	\$ 52,757,720
Medicaid	11,838,415	11,740,069
Commercial insurance and HMOs	9,449,828	9,198,467
CareFirst	17,217,344	17,360,564
Self-pay and others	<u>4,089,312</u>	<u>4,039,206</u>
	95,883,757	95,096,026
Physician services revenue	18,081,792	19,331,287
Regional cancer center revenue	9,619,406	5,699,420
Unregulated hospital revenue	<u>964,489</u>	<u>1,137,387</u>
Total	<u>\$ 124,549,444</u>	<u>\$ 121,264,120</u>

The following table presents the detail of net patient service revenue:

	<u>2019</u>	<u>2018</u>
Gross charges	\$ 180,090,295	\$ 174,118,965
Price concessions		
Explicit price concessions (contractual and other allowances in 2018)	(47,921,468)	(45,117,605)
Implicit price concessions (provision for bad debts in 2018)	(5,230,923)	(5,169,684)
Charity care	<u>(2,388,460)</u>	<u>(2,567,556)</u>
Net patient service revenue	<u>\$ 121,549,444</u>	<u>\$ 121,264,120</u>

4. Land, Buildings, and Equipment

Land, buildings, and equipment are comprised of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Land, buildings, and improvements	\$ 58,211,806	\$ 56,704,352
Fixed equipment	26,808,637	24,228,014
Movable equipment	46,535,542	40,010,654
Capital lease equipment	<u>2,978,185</u>	<u>2,978,185</u>
	134,534,170	123,921,205
Less accumulated depreciation	<u>75,892,714</u>	<u>70,514,829</u>
	58,641,456	53,406,376
Construction in process	<u>5,517,921</u>	<u>8,258,645</u>
	<u>\$ 64,159,377</u>	<u>\$ 61,665,021</u>

Atlantic General Hospital Corporation
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Accumulated amortization on leased equipment totaling \$2,164,372 and \$1,782,175 is included in the balance of accumulated depreciation as of June 30, 2019 and 2018, respectively. Amortization expense associated with capital lease equipment was \$382,198 for the years ended June 30, 2019 and 2018, and is included in the balance of depreciation expense in the accompanying statements of operations.

5. Pledges Receivable

Unconditional promises to give cash and others assets are recorded at fair value in the year that they are made net of allowance for uncollectible accounts and discounted to their present value. As of June 30, 2019, promises to give that are expected to be received in less than one year total \$2,144,666, one to five years total \$1,666,780 and more than five years total \$111,429. The promises to give in future years are discounted in the amount of \$250,499 at a rate of 4% at June 30, 2019. Conditional promises to give are recorded at the time they become unconditional and are reported in prepaid expenses and other current assets and noncurrent pledges receivable of the accompanying balance sheet. The allowance for doubtful accounts for pledges receivable was \$163,703 and \$76,000 at June 30, 2019 and 2018, respectively.

6. Non-Current Liabilities

Long-term debt as of June 30 is comprised of the following:

	<u>2019</u>	<u>2018</u>
<p>\$7,501,000 Series A Bond payable to Maryland Health and Higher Educational Facilities Authority (MHHEFA) with interest of 2.21% per annum for the immediately succeeding interest payment date, with an interest rate based on LIBOR thereafter. The interest rate was 3.55% as of June 30, 2019. Interest payments are due monthly beginning October 1, 2018. Principal and interest payments are due monthly commencing September 1, 2023; matures July 1, 2027.</p>	\$ 7,501,000	\$ 7,501,000
<p>\$20,013,000 Series B Bond maximum principal amount, payable to MHHEFA with interest of 2.45% per annum for the immediately succeeding interest payment date, with an interest rate based on LIBOR thereafter. The interest rate was 3.92% as of June 30, 2019. Interest payments are due monthly beginning October 1, 2018. Principal and interest payments are due monthly commencing August 2, 2027; matures March 3, 4042.</p>	16,484,490	13,127,935
<p>\$10,000,000 Berlin, Maryland Hospital Refunding Revenue Bonds (Atlantic General Hospital Facility), Series 2018; interest is 2.36% for the first LIBOR Interest Period, with an interest rate based on the floating LIBOR rate thereafter. The interest rate was 3.71% as of June 30, 2019. Interest payments are due monthly beginning November 1, 2018. Principal and interest payments are due monthly commencing April 1, 2042; matures July 1, 2047.</p>	10,000,000	10,000,000
<p>\$1,713,000 loan payable from M&T Bank for repayment of 2008 loan and transaction costs, with an interest rate of LIBOR + 1.80%. The interest rate was 4.2% as of June 30, 2019. Principal and interest payments are due monthly commencing October 2, 2018; matures August 1, 2019.</p>	152,902	1,056,276

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(continued)

	<u>2019</u>	<u>2018</u>
\$1,950,000 loan payable from Bank of Ocean City, secured by real property, interest of 3.99%; payable in monthly principal and interest installments of \$11,810 commencing June 23, 2014; matures May 23, 2034.	751,169	860,629
\$680,000 loan payable from Bank of Ocean City, secured by real property, with interest of 3.99%; payable in monthly principal and interest installments of \$4,118 commencing July 30, 2015; matures June 30, 2035.	585,653	611,250
\$660,730 loan payables from unrelated third parties; with interest ranging 3.99% to 5.00%; payable in principal and interest installments commencing between December 2015 and April 1, 2016; maturing between December 31, 2023 and March 1, 2026.	463,991	503,998
Capital leases payable, with interest ranging from 3.54% to 5.44%, secured by selected equipment.	<u>797,275</u>	<u>1,224,920</u>
Total long-term debt	<u>36,736,480</u>	<u>34,886,008</u>
Less – net unamortized debt issuance costs.	<u>(710,250)</u>	<u>(854,410)</u>
Less – current portion	<u>(1,562,622)</u>	<u>(1,564,361)</u>
	<u>\$ 34,463,608</u>	<u>\$ 32,467,237</u>

Maturities of long-term debt, including capital leases, for years ending June 30 are as follows:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>After 2024</u>
Future minimum lease payments	\$ 472,869	\$ 320,363	\$ 36,427	\$ 6,071	\$ -	\$ -
Less interest	<u>30,123</u>	<u>7,406</u>	<u>899</u>	<u>27</u>	<u>-</u>	<u>-</u>
	442,746	312,957	35,528	6,044	-	-
Notes/loans payable	253,974	212,280	221,359	230,832	236,876	645,492
Bonds payable	<u>865,902</u>	<u>877,000</u>	<u>903,000</u>	<u>929,000</u>	<u>954,000</u>	<u>29,609,490</u>
	<u>\$ 1,562,622</u>	<u>\$ 1,402,237</u>	<u>\$ 1,159,887</u>	<u>\$ 1,165,876</u>	<u>\$ 1,190,876</u>	<u>\$30,254,982</u>

Swap agreements

During 2017, the swap agreement connected with the issuance of the 2008 term loan and commercial loan was terminated upon repayment of the respective debt. During 2018, the Corporation obtained a new swap agreement connected with the 2017 Series revenue bonds. The fair value of the swap agreements as of June 30, 2019 and 2018 (as determined after consultation with investment hedging consultants), based on the present value of cash flow differences over the lives of the swap agreements between the interest rate calculated on the swap agreements at inception and rates available on similar swap agreements as of June 30, is \$2,157,322 (liability) and \$1,134,417 (asset), respectively. Payments made to the counterparty to the Swap Agreement were \$178,490 and \$115,944 for the years ended June 30, 2019 and 2018, respectively. The Corporation is exposed to credit loss in the event of nonperformance by the counterparty on the swap agreements, but does not anticipate nonperformance by the counterparty.

2015 Commercial Mortgage Loan

During 2015, the Corporation obtained a \$680,000 commercial mortgage from a commercial bank for the purposes of purchasing a condominium unit in the medical office building. The loan is collateralized by a mortgage lien against the condominium. Principal and interest payments of \$4,118 are made monthly and the loan matures on June 30, 2035.

2017 Series revenue bonds

On September 1, 2017, pursuant to a loan and financing agreement (the 2017 Loan and Financing Agreement) between the Corporation, the Issuer, and M&T Bank (the Lender), the Issuer issued the Hospital Revenue Bonds (Atlantic General Hospital Facility) 2017 Series A in the amount of \$7,501,000 and Series B in the amount of \$20,013,000. The Series A Bond proceeds were to refund a portion of the 2010 Series Revenue Bonds and to refinance a portion of the 2008 Commercial Mortgage Loan. The Series B Bond was issued in the maximum principal amount of \$20,013,000 in order to finance the 2017 Project, consisting of building renovations and equipment acquisitions, to refund a portion of the 2001 Series Refunding Revenue Bonds, 2002 Series Revenue Bonds, and 2010 Series Revenue Bonds, and to refinance a portion of the 2008 Commercial Mortgage Loan.

The financing requires monthly payments by the Corporation directly to the Lender sufficient to meet the principal and interest requirements of the 2017 Series A and Series B Bonds through their maturity on July 1, 2027, and March 3, 2042, respectively. Interest payments for Series A and Series B Bonds began on October 1, 2017. Principal and interest payments for Series A are to begin September 3, 2019, with any outstanding interest and principal due July 1, 2027. Principal and interest payments for Series B are to begin August 2, 2027, with any outstanding interest and principal due March 3, 2042.

The 2017 Series Bonds bear interest at the respective index floating rates applicable to the bonds, excluding the immediately succeeding interest payments date, in which the interest rate was 2.21% and 2.45% for Series A and B respectively. Thereafter, the index floating rate is determined by the LIBOR Interest Period.

Each Series 2017 Bond is subject to redemption at the option of MHHEFA upon the request of the Corporation, on any date upon not less than five days' notice to the lender, at a redemption price of 100% of the principal amount of the bond redeemed plus accrued interest to the redemption date.

The Bonds may also be redeemed at the option of MHHEFA upon the request of the Corporation through purchase at a price equal to 100% of the principal amount of the bond plus accrued interest on the date set for redemption.

On September 1, 2017, the Corporation also entered into a financing agreement between the Corporation, the Mayor and Council of Berlin, and the Lender for a 2017 Bond in the amount of \$10,000,000 to finance the 2017 Project. The 2018 Bond bears interest at the index floating rate, excluding the immediately succeeding interest payment date, in which the interest rate was 2.37%. Thereafter, the index floating rate is determined by the LIBOR Interest Period. Interest payments began November 1, 2017. Principal and interest payments are to begin April 1, 2042, with any outstanding interest and principal due July 1, 2047.

The 2017 Bond is subject to redemption at the option of the Corporation, in whole or in part, on any date upon not less than five days' notice to the lender, at a redemption price of 100% of the principal amount of the bond redeemed plus accrued interest to the redemption date.

2017 Term Loan

During 2017, the Corporation obtained a \$1,713,000 loan from M&T Bank for repayment of the 2008 commercial mortgage loan. Principal and interest payments began on October 2, 2017, with any outstanding interest and principal due on August 1, 2019. Interest shall accrue on the principal amount from and including the first day of each interest period until, but not including, the last day of such interest period, or until the principal amount is paid in full at a rate per annum equal to 1.80% above the LIBOR rate.

7. Business Combination

In March 2018, the Company acquired 100% of the equity interest of Berlin Radiation Therapy Treatment Center, LLC (the Center). The Center is in the business of providing cancer care services to Berlin, MD and the surrounding area. The Company paid \$2,500,000 and acquired medical and office equipment of \$308,171. Goodwill of \$2,191,837 was recorded as part of the acquisition, which included the assembled workforce and noncompete agreements, as well as the Center's brand. Goodwill is not subject to amortization; rather, it will be assessed for impairment at least annually. No impairment was recognized in 2019.

8. Professional Liability Insurance Coverage

The Corporation is presently exposed to asserted and unasserted potential legal claims encountered in the ordinary course of business. In the opinion of management, the resolution of such matters will not have a material adverse impact on the Corporation's June 30, 2019 financial position or the results of operations for the year then ended.

Prior to 2005, the Corporation had claims-made professional liability insurance through a commercial insurance carrier covering claims arising from the performance of professional services and brought against the Corporation while the policy was in force. Insurable limits under this policy were \$1 million per claim and \$3 million annual aggregate shared limit basis. In addition, the Corporation maintained an umbrella policy of \$15,000,000 per occurrence and aggregate.

During 2005, the Hospital, in conjunction with eight other Maryland hospitals, (Shareholders) formed Freestate Healthcare Insurance Company, Ltd. (Captive), a Cayman Islands company, to provide claims-made professional and general liability coverage for the risks of the Shareholders, their controlled affiliates, and their respective employees. Each of the Shareholders is a Maryland nonprofit corporation, exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (Code or IRC), as an organization described in Section 501(c)(3) of the Code. The Shareholders are not affiliated with one another through common ownership or control. As of June 30, 2019, the Captive had five Shareholders.

The Captive provides primary coverage to the Shareholders and their affiliates with limits of liability of \$1,000,000 for each and every claim (Retained Layer), and provides an excess policy with various limits of liability which is fully reinsured through commercial carriers. The Corporation has \$10,000,000 of additional reinsurance in the aggregate through such reinsurance arrangements. The estimated unpaid loss liability reserved by the captive for the Hospital was \$5,103,973 and \$4,527,369 at June 30, 2019 and 2018, respectively. In accordance with current accounting standards, the June 30, 2019 and 2018 unpaid loss liability is recorded as a noncurrent liability, and the related insurance recovery was reported as a noncurrent asset, in the accompanying balance sheets. An estimated liability for incurred but not reported professional liability claims has also been recorded in the amount of approximately \$1,500,000 and \$1,748,000 as a noncurrent liability as of June 30, 2019 and 2018, respectively.

Premiums are calculated by an actuary under a retrospectively rated policy and are based primarily on the experience of the Shareholders. The total premium is allocated to each of the Shareholders based on their experience. Premiums for the Corporation's professional and general liability insurance of approximately \$1,330,000 and \$1,260,000 were charged to operations during fiscal years 2019 and 2018. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment or credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. In management's opinion, the assets of the Captive are sufficient to meet its obligations as of June 30, 2019. If the financial condition of the Captive were to materially deteriorate in the future, and the Captive was unable to pay its claim obligations, the responsibility to pay those claims would return to the member hospitals.

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9. Commitments

Employment agreements

The Corporation has entered into various employee agreements with certain physicians whereby the Corporation has agreed to pay reasonable expenses of the physicians' practices in addition to compensation for services rendered. These agreements are generally for a period of two years.

Lease agreements

The Corporation has entered into various lease agreements for equipment and facilities. Most lease arrangements contain a renewal option. Total rent expense for the years ended June 30, 2019 and 2018 was approximately \$1,541,000 and \$1,368,000 respectively. Future minimum payments on noncancelable office and equipment leases, with initial or remaining terms of one year or more, for years ending June 30 are as follows:

2020	\$ 1,577,441
2021	1,266,458
2022	903,788
2023	697,946
2024	667,879
Thereafter	<u>1,723,294</u>
	<u>\$ 6,836,807</u>

Retirement plans

The Corporation sponsors a 403(b) retirement covering substantially all employees of the Corporation. Participants may elect to contribute a percentage of their pretax annual compensation, as defined by the Plan, not to exceed the maximum allowable contributions under the Internal Revenue Code (IRC). The Corporation matches 50% of the first 5% of participants' elective deferrals and participants become fully vested in employer contributions after three years of continuous service. Plan expenses were approximately \$858,000 and \$883,000 for the years ended June 30, 2019 and 2018, respectively.

Effective January 31, 2003, the Corporation entered into an agreement to sponsor a Section 457 deferred compensation plan. All contributions to the Section 457 plan are from participating employees; however, all assets of the Section 457 plan are the sole property of the Corporation and are fully subject to claims by the Corporation's general creditors.

Self-insured plans

Effective May 1, 2002, the Corporation joined the Maryland Hospital Association (MHA) Workers' Compensation Self-Insurance Group to self-insure for worker's compensation benefits. The annual premium for worker's compensation is calculated based on the Corporation's payroll estimate and MHA rates per payroll classification. The MHA rates are determined based on past experience. Amounts charged to operations for workers' compensation expense were \$689,421 and \$663,538 for the years ended June 30, 2019 and 2018, respectively.

In lieu of paying unemployment tax premiums to the State of Maryland, the Corporation secured a letter of credit with M&T Bank, effective May 21, 2004. As of June 30, 2019 the letter of credit was in the amount of \$427,306. Additionally, the Corporation paid actual Maryland unemployment claims in the amount of \$33,362 and \$85,949 for the years ended June 30, 2019 and 2018, respectively.

The Corporation maintains an agreement with a third party to administer a self-insured health plan that benefits Hospital employees and their dependents. On behalf of participating employees, the Corporation pays the cost of health claims and an administration fee for each subscriber employee. The participating associates share in the cost by remitting a pre-established premium through payroll deductions. Additionally, the Hospital obtains stop loss insurance to cover possible claims in excess of expected claims. The stop loss insurance agreements are annual

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agreements, subject to annual renewals. The Corporation submits a claim for reimbursement of stop loss insurance when claims exceed a pre-established ceiling. The Corporation's net health benefit expense for the fiscal years ended June 30, 2019 and 2018 was \$5,739,318 and \$5,752,905, respectively, net of premiums received from associates during the fiscal years of \$1,115,892 and \$1,083,192, respectively.

The Corporation maintains an agreement with a third party to coordinate the administration of dental health benefits to Hospital employees and their dependents. This is an annual agreement, subject to annual renewals. On behalf of participating employees, the Hospital pays the cost of claims and a fee for each subscriber employee, and the participating employees remit a portion of the Corporation's cost through a pre-established schedule of payroll deductions.

10. Functional expenses

The Corporation provides general health care services and related services to individual within its geographic location. Expenses related to providing these services, based on management's estimates of expense allocations, are as follows for the year ended June 30:

	2019		
	Healthcare Services	General and Administrative	Total
Salaries	\$ 45,920,256	\$ 12,354,470	\$ 58,274,726
Employee benefits and other related expenses	9,414,273	2,161,589	11,575,862
Professional fees and contracted services	8,002,510	3,087,769	11,090,279
Supplies and other expenses	31,882,553	3,259,030	35,141,583
Utilities	1,115,585	447,945	1,563,530
Maintenance and repairs	6,142,209	1,499,918	7,642,127
Insurance	615,525	745,283	1,360,808
Interest	444,168	1,087,599	1,531,767
Depreciation	5,150,150	1,485,015	6,635,165
Amortization	22,228	-	22,248
Total	<u>\$108,709,477</u>	<u>\$ 26,128,618</u>	<u>\$134,838,095</u>

	2018
Health care services	\$ 103,007,775
General and administrative	<u>24,450,507</u>
	<u>\$ 127,458,282</u>

The financial statements report certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest, and other occupancy costs, are allocated to a function based on a square footage basis.

11. Business and Credit Concentrations

The Corporation grants credit to patients, many 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.

Atlantic General Hospital Corporation
Notes to Financial Statements

At June 30, the Corporation had gross accounts receivable from third-party payers and others as follows:

	<u>2019</u>	<u>2018</u>
Medicare	\$ 5,825,434	\$ 7,059,204
Medicaid	844,639	826,565
Commercial insurance and HMOs	5,000,672	4,257,924
CareFirst	2,719,124	2,966,415
Self-pay and others	<u>13,411,253</u>	<u>11,972,169</u>
	<u>\$ 28,124,670</u>	<u>\$ 27,082,277</u>

Gross patient charges, by payer class, consisted of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Medicare	51%	51%
Medicaid	12%	13%
Commercial insurance and HMOs	14%	14%
CareFirst	18%	18%
Self-pay and others	<u>5%</u>	<u>4%</u>
	<u>100%</u>	<u>100%</u>

12. Grant Awards

In January 2002, the Hospital received notice indicating it was a recipient of a conditional award of up to \$750,000 through the Perdue Kresge Challenge for the Community, an endowment challenge grant program for nonprofit organizations serving the Lower Eastern Shore of Maryland. This grant was contingent upon the Hospital's ability to raise, at a minimum, slightly more than two-thirds of the \$750,000 match (\$502,500) in qualified gifts in the Hospital's named agency-restricted endowment fund (the Fund). During 2005, the Hospital met the full challenge and Purdue Kresge matched the \$750,000. By Board designation, all of the income distributed from the Perdue Kresge Challenge endowment will be used to fund physician practice development in the community.

On January 15, 2002, an endowment fund (the Fund) was established in the Hospital's name in order for the Hospital to participate in the Perdue Kresge Challenge for the Community. The Fund is held by and accounted for in the financial statements of the Community Foundation of the Eastern Shore. An unrelated third party actively manages the investments, which are invested currently in various bonds, mutual funds, and equities. All realized gains and losses are reinvested in the Fund. The Fund has no minimum value requirement. All gifts to the Fund will be invested in perpetuity. The Hospital, as sole beneficiary to any interest earned on the Fund, will receive income distributions earned on the assets of the Fund with no external restrictions regarding use; however, the Board of Trustees has designated all investment income from this endowment fund for funding physician practice development in the community. Income distributions will be made on an annual basis.

Fund activity is presented below for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Beginning fund balance	\$ 2,054,387	\$ 1,958,131
Interest and dividends	80,642	80,583
Net realized and unrealized losses	(32,157)	133,368
Administrative and management fees	(19,442)	(20,079)
Annual income distributions	<u>(99,289)</u>	<u>(97,616)</u>
Ending fund balance	<u>\$ 1,984,141</u>	<u>\$ 2,054,387</u>

Atlantic General Hospital Corporation
Notes to Financial Statements

13. Liquidity and Availability

As of June 30, 2019, the Corporation has working capital of approximately \$18,809,000 and 60 average days (based on normal expenditures) unrestricted cash and marketable securities on hand.

Financial assets available for general expenditure within one year of the balance sheet date consist of the following at June 30, 2019 (in accordance with applicable transitional guidance, 2018 amounts have not been presented):

	<u>2019</u>
Cash and cash equivalents	\$ 7,784,202
Marketable securities	<u>13,324,996</u>
	21,109,198
Accounts receivable, net	10,631,908
Other receivables	<u>472,493</u>
Total	<u>\$ 32,213,599</u>

In addition to the assets in the table above, the Corporation has other investments and assets whose use is limited for specified purposes, and because they are not available for general expenditure within one year are not reflected in the amounts above. The Corporation does, however, have investments and certain other long-term assets whose use is limited by board designation that could be made available for general expenditure within one year, if necessary.

DHG