

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

**2018**

**Open to Public Inspection**

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](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2018 calendar year, or tax year beginning 7/01, 2018, and ending 6/30, 2019

<b>B</b> Check if applicable:	<b>C</b>	<b>D</b> Employer identification number
<input type="checkbox"/> Address change	Meritus Medical Center, Inc. 11116 Medical Campus Road Hagerstown, MD 21742	52-0607949
<input type="checkbox"/> Name change		<b>E</b> Telephone number
<input type="checkbox"/> Initial return		301-790-8872
<input type="checkbox"/> Final return/terminated		<b>G</b> Gross receipts \$ <u>456,898,024.</u>
<input type="checkbox"/> Amended return		<b>H(a)</b> Is this a group return for subordinates? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<input type="checkbox"/> Application pending	<b>F</b> Name and address of principal officer <u>Maulik Joshi, Dr. P.H.</u>	<b>H(b)</b> Are all subordinates included? Yes <input type="checkbox"/> No <input type="checkbox"/> If "No," attach a list. (see instructions)
<b>I</b> 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		<b>H(c)</b> Group exemption number ▶
<b>J</b> Website: ▶ <u>www.meritushealth.com</u>		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation <u>1904</u>	<b>M</b> State of legal domicile <u>MD</u>

**Part I Summary**

	1 Briefly describe the organization's mission or most significant activities. <u>Meritus Medical Center, Inc. (MMC) is an acute care hospital located in Hagerstown, Maryland and serves the residents of western Maryland, southern Pennsylvania and the eastern panhandle of West Virginia.</u>		
Activities & Governance	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	14
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	3,095
	6 Total number of volunteers (estimate if necessary)	6	246
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,657,420.
	7b Net unrelated business taxable income from Form 990-T, line 38	7b	286,295.
Revenue	8 Contributions and grants (Part VIII, line 1h)	512,301.	1,064,843.
	9 Program service revenue (Part VIII, line 2g)	401,585,026.	394,035,295.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,308,238.	9,007,903.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,582,212.	834,114.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	411,987,777.	404,942,155.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	354,038.	357,430.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
Expenses	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	178,072,801.	194,386,436.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	217,051,022.	217,036,123.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	395,477,861.	411,779,989.
19 Revenue less expenses. Subtract line 18 from line 12	16,509,916.	-6,837,834.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 611,483,521.	End of Year 607,113,019.
	21 Total liabilities (Part X, line 26)	330,046,121.	328,208,265.
	22 Net assets or fund balances. Subtract line 21 from line 20.	281,437,400.	278,904,754.

**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.

<b>Sign Here</b>	Signature of officer	Date <u>June 29, 2020</u>
	Thomas Chan	VP/Treasurer
	Type or print name and title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name MARY TORRETTA	Preparer's signature 	Date 6/26/2020	Check <input type="checkbox"/> if self-employed	PTIN P00847851
	Firm's name ▶ GRANT THORNTON LLP	Firm's EIN ▶ 36-6055558		Phone no 703-847-7500	
	Firm's address ▶ 1000 WILSON BLVD., SUITE 1400 ARLINGTON, VA 22209				

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. [X]

1 Briefly describe the organization's mission:

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior

Form 990 or 990-EZ? [ ] Yes [X] No
If "Yes," describe these new services on Schedule O.

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

If "Yes," describe these changes on Schedule O.

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

4a (Code: ) (Expenses \$ 340,955,827. including grants of \$ 357,430.) (Revenue \$ 394,149,294.)

See Schedule O

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 340,955,827.

**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)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II	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? If 'Yes,' complete Schedule C, Part III		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? If 'Yes,' complete Schedule D, Part 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? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		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? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V	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? If 'Yes,' complete Schedule D, Part VI	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? If 'Yes,' complete Schedule D, Part VII		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? If 'Yes,' complete Schedule D, Part VIII		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? If 'Yes,' complete Schedule D, Part IX	X	
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	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)? If 'Yes,' complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		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? If 'Yes,' complete Schedule F, Parts I and IV	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? If 'Yes,' complete Schedule F, Parts II and IV		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? If 'Yes,' complete Schedule F, Parts III and IV		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? If 'Yes,' complete Schedule G, Part I (see instructions)		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? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H	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? If 'Yes,' complete Schedule I, Parts I and II		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? If 'Yes,' complete Schedule I, Parts I and III.	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? If 'Yes,' complete Schedule J.	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? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.	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? If 'Yes,' complete Schedule L, Part 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? If 'Yes,' complete Schedule L, Part 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? If 'Yes,' complete Schedule L, Part II.		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? If 'Yes,' complete Schedule L, Part III.		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? If 'Yes,' complete Schedule L, Part IV.	X	
b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.		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? If 'Yes,' complete Schedule L, Part IV.		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M.		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M.		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I.		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II.		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? If 'Yes,' complete Schedule R, Part I.	X	
34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.	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)? If 'Yes,' complete Schedule R, Part V, line 2.	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2.		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? If 'Yes,' complete Schedule R, Part VI.	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
1 a 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?	X	

**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. . . . .		
	<b>2a</b> 3,095		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . .	X	
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .	X	
b	If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation 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? . . . . .		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .		X
b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided? . . . . .		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .		X
d	If 'Yes,' indicate the number of Forms 8282 filed during the year. . . . .		
	<b>7d</b>		
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	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . . . .		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
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	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12. . . . .		
	<b>10a</b>		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .		
	<b>10b</b>		
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders . . . . .		
	<b>11a</b>		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .		
	<b>11b</b>		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .		
	<b>12a</b>		
b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year . . . . .		
	<b>12b</b>		
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a	Is the organization licensed to issue qualified health plans in more than one state? . . . . .		
	<b>13a</b>		
<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . .		
	<b>13b</b>		
c	Enter the amount of reserves on hand. . . . .		
	<b>13c</b>		
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. . . . .		
	<b>14b</b>		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? . . . . .		X
If 'Yes,' see instructions and file Form 4720, Schedule N.			
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? . . . . .		X
If 'Yes,' complete Form 4720, Schedule O.			

**Part VI Governance, Management, and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes 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
1 a	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. <b>See Sch. O</b>		
1 a	20		
b	Enter the number of voting members included in line 1a, above, who are independent.		
1 b	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? <b>See Schedule O</b>	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7 a	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? <b>See Schedule O</b>	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? <b>See Sch O</b>	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.		X

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

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

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **MD**
- 18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain 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. **See Schedule O**
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records  
**Thomas T. Chan 11116 Medical Campus Road Hagerstown MD 21742 301-790-8872**

**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**

1 a 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 dotted 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			
(1) Wayne Alter, Jr. Director	3 0	X					0.	0.	0.
(2) Sharon Mailey, PhD, RN Director	3 0	X					0.	0.	0.
(3) Alfred E. Martin Director	3 0	X					0.	0.	0.
(4) William Su, MD Director	20 0	X					39,877.	0.	0.
(5) Barbara Miller, RN Director	3 0	X					0.	0.	0.
(6) Erin E. Hershey, MHA Director	3 0	X					0.	0.	0.
(7) James R. Stojak Director	3 0	X					0.	0.	0.
(8) The Rev. Dr. D. Stuart Dunnan Director	3 0	X					0.	0.	0.
(9) Debra Ann Gorbsky (off 11/1/18) Director	3 0	X					0.	0.	0.
(10) George Newman II, PhD, MD Director	50 0	X					157,275.	0.	0.
(11) William Reuter Director	3 0	X					0.	0.	0.
(12) Brendan D. Fitzsimmons, Ph.D. Director	3 0	X					0.	0.	0.
(13) Mary J.C. Hendrix, PhD Director	3 0	X					0.	0.	0.
(14) Shaheen Iqbal, MD Director	20 0	X					70,645.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted 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			
(15) Kent R. Reynolds Director	3 0	X					0.	0.	0.	
(16) Scott Worrell, MD Director	10 0	X					3,000.	0.	0.	
(17) Ralph Salvagno, MD Director	20 0	X					35,000.	0.	0.	
(18) Frederick C. Wright, III Director	3 0	X					0.	0.	0.	
(19) Gregory Snook Vice Chairman	3 0	X		X			0.	0.	0.	
(20) Steven Hull Chairman	5 0	X		X			0.	0.	0.	
(21) Joseph P. Ross (off 12/8/18) Former Pres&CEO	50 3	X		X			897,046.	0.	91,864.	
(22) Carolyn M. Simonsen Interim CEO	50 3	X		X			416,026.	0.	63,407.	
(23) Stephen Nelson (start 1/14/19) Secretary	50 0			X			0.	0.	0.	
(24) Thomas T. Chan VP/Treasurer	50 3			X			486,178.	0.	118,844.	
(25) Anthony Shaver Vice President	50 0				X		232,546.	0.	48,103.	
<b>1 b Sub-total</b>							<b>2,337,593.</b>	<b>0.</b>	<b>322,218.</b>	
<b>c Total from continuation sheets to Part VII, Section A</b>							<b>4,950,752.</b>	<b>0.</b>	<b>709,064.</b>	
<b>d Total (add lines 1b and 1c)</b>							<b>7,288,345.</b>	<b>0.</b>	<b>1,031,282.</b>	
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 ▶ 218										

	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
Mercy Specialized Billing Services PO Box 505125 St. Louis, MO 63150	Information Services	8,468,505.
MDICS Physicians Inpatient Care 7250 Parkway Drive, Suite 500 Hanove	Medical	3,855,871.
Shock Trauma Associates PA 11 S Paca St Ste 500 Baltimore, MD 21201	Medical	3,177,021.
Quest Diagnostics Nichols Institute PO Box 740709 Atlanta, GA 30374	Medical	1,056,119.
Roche Diagnostics Corp 9115 Hague Road Indianapolis, IN 46250	Medical	963,401.
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 ▶ 81		



Department of the Treasury  
Internal Revenue Service

Name of the Organization

Employer identification number

Meritus Medical Center, Inc.

52-0607949

**Part VII** Continuation: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
Carrie Adams ----- Vice President	50 ----- 0				X			334,070.	0.	82,356.
Jason Cole ----- Vice President	50 ----- 0				X			264,497.	0.	79,829.
Melanie Heuston ----- Vice President	50 ----- 0				X			311,919.	0.	104,863.
Douglas Spotts MD ----- Vice President	50 ----- 0				X			323,044.	0.	88,589.
Amy Dilcher (off 7/27/18) ----- VP/General Council	50 ----- 0				X			218,618.	0.	25,556.
Ali Akmal ----- Physician	50 ----- 0					X		828,345.	0.	68,777.
Hemant Chatrath MD ----- Physician	50 ----- 0					X		738,471.	0.	53,276.
Frank Collins MD ----- Physician	50 ----- 0					X		634,897.	0.	67,052.
Stephen Sachs MD ----- Physician	50 ----- 0					X		536,740.	0.	50,810.
Michael McCormack MD ----- Physician	50 ----- 0					X		506,669.	0.	56,840.
Melinda Cannon ----- Vice President	50 ----- 0						X	253,482.	0.	31,116.
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**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	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1 a</b>				
	<b>b</b> Membership dues	<b>1 b</b>				
	<b>c</b> Fundraising events	<b>1 c</b>				
	<b>d</b> Related organizations	<b>1 d</b> 577,091.				
	<b>e</b> Government grants (contributions)	<b>1 e</b> 299,714.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1 f</b> 188,038.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$					
	<b>h Total.</b> Add lines 1a-1f		1,064,843.			
<b>Program Service Revenue</b>	<b>Business Code</b>					
	<b>2 a</b> Patient revenue	900099	387045865.	387045865.		
	<b>b</b> School Nursing Program	900099	3,245,454.	3,245,454.		
	<b>c</b> Cafeteria sales	900099	2,020,438.	2,020,438.		
	<b>d</b> Retrospective Health Prem	900099	653,798.	653,798.		
	<b>e</b> Partnership income	541900	444,722.	444,722.		
	<b>f</b> All other program service revenue	WKS	625,018.	625,018.		
	<b>g Total.</b> Add lines 2a-2f		394035295.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts)		7,085,017.	11,962.	7,073,055.	
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6 a</b> Gross rents	(i) Real	(ii) Personal			
		543,323.				
		<b>b</b> Less: rental expenses				
		1,354,667.				
	<b>c</b> Rental income or (loss)					
	-811,344.					
	<b>d</b> Net rental income or (loss)		-811,344.		-811,344.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		51343636.	1,180,452.			
		<b>b</b> Less: cost or other basis and sales expenses				
		50601202.				
	<b>c</b> Gain or (loss)					
	742,434.	1,180,452.				
	<b>d</b> Net gain or (loss)		1,922,886.		1,922,886.	
	<b>8 a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>				
<b>b</b> Less: direct expenses	<b>b</b>					
<b>c</b> Net income or (loss) from fundraising events						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
<b>b</b> Less: direct expenses	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
<b>b</b> Less: cost of goods sold	<b>b</b>					
<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> Lab Revenue	621500	1,202,238.		1,202,238.		
<b>b</b> Clinical Trials	541700	443,220.		443,220.		
<b>c</b>						
<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d		1,645,458.				
<b>12 Total revenue.</b> See instructions		404942155.	394035295.	1,657,420.	8,184,597.	

**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  X

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.	357,430.	357,430.		
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.	4,522,439.	0.	4,522,439.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	154,203,404.	123,362,723.	30,840,681.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	5,675,188.	4,540,150.	1,135,038.	
9 Other employee benefits.	18,858,675.	15,086,940.	3,771,735.	
10 Payroll taxes.	11,126,730.	8,901,384.	2,225,346.	
11 Fees for services (non-employees):				
a Management.	23,529,406.	18,823,525.	4,705,881.	
b Legal.	1,716,068.	1,372,854.	343,214.	
c Accounting.	286,102.	228,882.	57,220.	
d Lobbying.	10,375.	8,300.	2,075.	
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.	489,675.	391,740.	97,935.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O, Sch. O.)	45,730,805.	36,584,643.	9,146,162.	
12 Advertising and promotion.	2,034,239.	2,034,239.		
13 Office expenses.	536,668.	429,334.	107,334.	
14 Information technology.	6,267,517.	5,014,014.	1,253,503.	
15 Royalties.				
16 Occupancy.	6,421,295.	5,137,036.	1,284,259.	
17 Travel.	914,339.	731,471.	182,868.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	917,601.	734,081.	183,520.	
20 Interest.	11,443,483.	9,154,786.	2,288,697.	
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	24,763,342.	19,810,674.	4,952,668.	
23 Insurance.	1,952,821.	1,562,257.	390,564.	
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 <u>Drugs &amp; pharmaceuticals</u>	30,875,891.	30,875,891.		
b <u>Medical supplies</u>	26,705,333.	26,705,333.		
c <u>Bad debt expense</u>	15,776,057.	15,776,057.		
d <u>Equipment and maintenance</u>	6,067,459.	4,853,967.	1,213,492.	
e All other expenses.	10,597,647.	8,478,116.	2,119,531.	
25 Total functional expenses. Add lines 1 through 24e.	411,779,989.	340,955,827.	70,824,162.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

**Part X Balance Sheet**

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

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	1 Cash – non-interest-bearing .....		1	
	2 Savings and temporary cash investments .....	95,136,745.	2	76,880,175.
	3 Pledges and grants receivable, net .....		3	
	4 Accounts receivable, net .....	38,281,366.	4	40,605,866.
	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 instructions). Complete Part II of Schedule L .....		6	
	7 Notes and loans receivable, net .....	334,928.	7	301,357.
	8 Inventories for sale or use .....	5,296,619.	8	5,424,683.
	9 Prepaid expenses and deferred charges .....	3,961,789.	9	3,761,299.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 437,834,050.		
	b Less: accumulated depreciation .....	10b 194,760,707.	250,236,731.	10c 243,073,343.
	11 Investments – publicly traded securities .....	156,651,490.	11	161,572,674.
	12 Investments – other securities. See Part IV, line 11 .....	14,808,000.	12	18,160,000.
	13 Investments – program-related. See Part IV, line 11 .....		13	
	14 Intangible assets .....		14	4,015,385.
	15 Other assets. See Part IV, line 11 .....	46,775,853.	15	53,318,237.
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	611,483,521.	16	607,113,019.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses .....	59,232,528.	17	60,323,498.
	18 Grants payable .....		18	
	19 Deferred revenue .....		19	
	20 Tax-exempt bond liabilities .....	260,573,437.	20	256,143,438.
	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 .....	3,901,465.	23	1,574,266.
	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 .....	6,338,691.	25	10,167,063.
	26 <b>Total liabilities.</b> Add lines 17 through 25 .....	330,046,121.	26	328,208,265.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets .....	275,084,652.	27	272,883,811.
	28 Temporarily restricted net assets .....	5,324,130.	28	4,992,325.
	29 Permanently restricted net assets .....	1,028,618.	29	1,028,618.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	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 <b>Total net assets or fund balances.</b> .....	281,437,400.	33	278,904,754.
	34 <b>Total liabilities and net assets/fund balances.</b> .....	611,483,521.	34	607,113,019.

**Part XI Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	404,942,155.
2	Total expenses (must equal Part IX, column (A), line 25)	2	411,779,989.
3	Revenue less expenses. Subtract line 2 from line 1	3	-6,837,834.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	281,437,400.
5	Net unrealized gains (losses) on investments	5	4,768,100.
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) See Schedule O	9	-462,912.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	278,904,754.

**Part XII Financial Statements and Reporting**

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
2 a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
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:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2 b	Were the organization's financial statements audited by an independent accountant?	X	
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:			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2 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?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3 a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3 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.		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2018**

Department of the Treasury  
Internal Revenue Service

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](http://www.irs.gov/Form990) for instructions and the latest information.

**Open to Public Inspection**

<b>Name of the organization</b> Meritus Medical Center, Inc.	<b>Employer identification number</b> 52-0607949
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 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		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

**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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513.						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> 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**

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

**Section D. Computation of Investment Income Percentage**

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

- 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? 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.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If 'Yes,' answer (b) and (c) below.		
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)? If 'Yes,' describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ('foreign supported organization')? If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? 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.		
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)? 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.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? 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).		
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? If 'Yes,' provide detail in Part VI.		
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? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
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))? If 'Yes,' provide detail in Part VI.		
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? If 'Yes,' provide detail in Part VI.		
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? If 'Yes,' provide detail in Part VI.		
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)? If 'Yes,' answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> 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>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in Part VI.		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> 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? 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.		
<b>2</b> 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? 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.		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> 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)? 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).		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> 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?		
<b>2</b> 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? If 'No,' explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> 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? If 'Yes,' describe in Part VI the role the organization's supported organizations played in this regard.		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> 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? 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.		
<b>b</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? 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.		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> 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? Provide details in Part VI.		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in Part VI the role played by the organization in this regard.		

**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.

<b>Section A – Adjusted Net Income</b>		(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	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B – Minimum Asset Amount</b>		(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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> 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	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C – Distributable Amount</b>			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	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7  Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

BAA

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

<b>Section D – Distributions</b>	<b>Current Year</b>
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 <b>Total annual distributions.</b> 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	

<b>Section E – Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2018</b>	<b>(iii) Distributable Amount for 2018</b>
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 <b>Excess distributions carryover to 2019.</b> 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.....			

**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.)

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**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](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

Name of the organization

Meritus Medical Center, Inc.

Employer identification number

52-0607949

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

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).

**BAA** For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

**Schedule B (Form 990, 990-EZ, or 990-PF) (2018)**

Name of organization <b>Meritus Medical Center, Inc.</b>	Employer identification number <b>52-0607949</b>
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**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Meritus Healthcare Foundation 11116 Medical Campus Road Hagerstown, MD 21742	\$ 577,091.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	Maryland Department of Health 201 W Preston Street Baltimore, MD 21201	\$ 189,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	Maryland Hospital Association, Inc. 6820 Deerpath Road Elkridge, MD 21075	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	Maryland Health Care Commission 4160 Patterson Avenue Baltimore, MD 21215	\$ 85,714.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	Estate of Philip Bray 480 North Potomac Street Hagerstown, MD 21740	\$ 69,848.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	Metz, Elmer P Irrev TUA 111 W. Ocean Blvd. Ste. 200 Long Beach, CA 90801	\$ 20,995.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

Meritus Medical Center, Inc.

52-0607949

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	Thomas W Pangborn Irrev Char Trust 1 East Pratt Street Baltimore, MD 21202	\$ 65,795.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)





Name of organization **Meritus Medical Center, Inc.** Employer identification number **52-0607949**

**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 information once. See instructions.) ▶ \$                      N/A  
 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
	N/A		

(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 C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**

**2018**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

**Open to Public Inspection**

**If the organization answered 'Yes,' on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered 'Yes,' on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered 'Yes,' on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

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

Name of organization <b>Meritus Medical Center, Inc.</b>	Employer identification number <b>52-0607949</b>
---	---

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of 'political campaign activities')
- 2 Political campaign activity expenditures (see instructions) ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities (see instructions) \_\_\_\_\_

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ \_\_\_\_\_ 0.
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ \_\_\_\_\_ 0.
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4 a Was a correction made?  Yes  No  
b If 'Yes,' describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities. ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b. ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year?  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)	-----			
(2)	-----			
(3)	-----			
(4)	-----			
(5)	-----			
(6)	-----			

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

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check  if the filing organization checked box A and 'limited control' provisions apply.

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

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) Total
<b>2 a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column (e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

BAA

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

For each 'Yes' response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		10,375.
j Total. Add lines 1c through 1i			10,375.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If 'Yes,' enter the amount of any tax incurred under section 4912			
c If 'Yes,' enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

**Part IV** Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

**Additional Information**

For fiscal year 2019, lobbying activities accounted for 4.8 percent of MMC's

Maryland Hospital Association dues. The total calculated lobbying expense for MMC

is \$10,375.

**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

**Open to Public Inspection**

Employer identification number

Meritus Medical Center, Inc.

52-0607949

**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.....	2 a
b Total acreage restricted by conservation easements.....	2 b
c Number of conservation easements on a certified historic structure included in (a).....	2 c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register.....	2 d

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, 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)?.....  Yes  No

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.

1 a 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..... ▶ \$ \_\_\_\_\_

**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.

1 a 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	1 c
d Additions during the year	1 d
e Distributions during the year	1 e
f Ending balance	1 f

2 a 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
1 a Beginning of year balance	1,045,925.	1,031,912.	1,035,650.	1,003,685.	1,032,034.
b Contributions					
c Net investment earnings, gains, and losses	26,022.	14,013.	8,501.	37,181.	2,233.
d Grants or scholarships					
e Other expenditures for facilities and programs			12,239.	5,216.	582.
f Administrative expenses					
g End of year balance	1,071,947.	1,045,925.	1,031,912.	1,035,650.	1,033,685.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  %
  - b Permanent endowment  100.00 %
  - c Temporarily restricted endowment  %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a 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?		
3b		

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

**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
1 a Land		6,670,317.		6,670,317.
b Buildings		214,299,988.	76,830,449.	137,469,539.
c Leasehold improvements		21,977,828.	11,377,818.	10,600,010.
d Equipment		193,087,268.	106,552,440.	86,534,828.
e Other		1,798,649.		1,798,649.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				243,073,343.

**Part VII Investments – Other Securities.**

N/A

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

**Part VIII Investments – Program Related.**

N/A

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)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (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) Net assets held by MHF	4,583,356.
(2) Other assets	1,646,851.
(3) Retro premium credit receivable	10,462,461.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.) ..	53,318,237.

**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.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Accrued retirement benefits	2,392,343.
(3) Due to related entities	7,774,720.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.) ..	10,167,063.

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. See Part XIII



**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return. N/A**

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

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

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. N/A**

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

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

**Part XIII Supplemental Information.**

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

**Part V, Line 4 - Intended Uses Of Endowment Fund**

The purpose of the Endowment Funds is to pay the outstanding balances for those patients who meet certain criteria. In order to qualify, individuals must have made 10 consecutive payments, have not been turned over to collections, and have never applied for financial assistance.

**Part X - FIN 48 Footnote**

MMC follows the accounting guidance for uncertainties in income tax positions which requires that a tax position be recognized or derecognized based on a "more likely

**Part XIII** Supplemental Information *(continued)*

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**Part X - FIN 48 Footnote (continued)**

than not" threshold. This applies to positions taken or expected to be taken in a tax return. MMC does not believe its consolidated financial statements include any material uncertain tax positions. As of June 30, 2019, the Meritus tax years ended June 30, 2016 through June 30, 2019 for federal tax jurisdiction remain open to examination.

**SCHEDULE F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 14b, 15, or 16.  
▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

Name of the organization

Meritus Medical Center, Inc.

Employer identification number

52-0607949

**Part I** General Information on Activities Outside the United States. Complete if the organization answered 'Yes' on Form 990, Part IV, line 14b.

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ...  Yes  No

**2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

**3 Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
(1) Cen Ame and the Caribbean			Program services	Insurance	1,528,530.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
<b>3 a</b> Subtotal .....					1,528,530.
<b>b</b> Total from continuation sheets to Part I .....					
<b>c</b> Totals (add lines 3a and 3b) ..	0	0			1,528,530.



**Part III Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of noncash assistance	(g) Description of noncash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If 'Yes,' the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* .....  Yes  No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If 'Yes,' the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* .....  Yes  No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If 'Yes,' the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)* .....  Yes  No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If 'Yes,' the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* .....  Yes  No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If 'Yes,' the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* .....  Yes  No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If 'Yes,' the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* .....  Yes  No

**Part V** Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information. See instructions.

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**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2018**

**Open to Public Inspection**

▶ **Complete if the organization answered 'Yes' on Form 990, Part IV, question 20.**  
▶ **Attach to Form 990.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Department of the Treasury  
Internal Revenue Service

Name of the organization **Meritus Medical Center, Inc.**

Employer identification number  
**52-0607949**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If 'No,' skip to question 6a .....	<input checked="" type="checkbox"/>	
<b>1b</b> If 'Yes,' was it a written policy? .....	<input checked="" type="checkbox"/>	
<b>2</b> 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		
<b>3</b> 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.		
<b>a</b> 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 _____ %	<input checked="" type="checkbox"/>	
<b>b</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 checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400%    Other _____ %	<input checked="" type="checkbox"/>	
<b>c</b> 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.		
<b>4</b> 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'?	<input checked="" type="checkbox"/>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? .....	<input checked="" type="checkbox"/>	
<b>b</b> If 'Yes,' did the organization's financial assistance expenses exceed the budgeted amount? .....	<input checked="" type="checkbox"/>	
<b>c</b> 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? .....		<input checked="" type="checkbox"/>
<b>6a</b> Did the organization prepare a community benefit report during the tax year? .....	<input checked="" type="checkbox"/>	
<b>b</b> If 'Yes,' did the organization make it available to the public? .....	<input checked="" type="checkbox"/>	

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**

<b>Financial Assistance and Means-Tested Government Programs</b>	<b>(a) Number of activities or programs (optional)</b>	<b>(b) Persons served (optional)</b>	<b>(c) Total community benefit expense</b>	<b>(d) Direct offsetting revenue</b>	<b>(e) Net community benefit expense</b>	<b>(f) Percent of total expense</b>
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....		1,695	3,979,627.		3,979,627.	1.00
<b>b</b> Medicaid (from Worksheet 3, column a) .....						
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d</b> Total. Financial Assistance and Means-Tested Government Programs ..	0	1,695	3,979,627.	0.	3,979,627.	1.00
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....		59,444	1,213,113.	22,238.	1,190,875.	0.30
<b>f</b> Health professions education (from Worksheet 5) .....		4,472	222,424.	2,700.	219,724.	0.06
<b>g</b> Subsidized health services (from Worksheet 6) .....		269,478	71,508,910.	37,888,262.	33,620,648.	8.49
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .		1,905	767,159.	40,531.	726,628.	0.18
<b>j</b> Total. Other Benefits .....	0	335,299	73,711,606.	37,953,731.	35,757,875.	9.03
<b>k</b> Total. Add lines 7d and 7j. ....	0	336,994	77,691,233.	37,953,731.	39,737,502.	10.03



**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			189,018.		189,018.	0.05
2 Economic development			1,864.		1,864.	
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members			9,952.		9,952.	
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	0	0	200,834.	0.	200,834.	0.05

**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. .... Part VI	2	15,776,057.
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. .... Part VI	3	2,366,409.
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. .... Part VI		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) .....	5	187,085,175.
6 Enter Medicare allowable costs of care relating to payments on line 5 .....	6	183,157,549.
7 Subtract line 6 from line 5. This is the surplus (or shortfall) .....	7	3,927,626.
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: .....		Part VI
<input type="checkbox"/> Cost accounting system	<input checked="" type="checkbox"/> Cost to charge ratio	<input type="checkbox"/> Other

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? .....	9a	X
b If 'Yes,' did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI. .... 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 %
1 Maryland Care, Inc.	Healthcare	25.0000		
2 Tri-State Health Part., Inc	PHO	100.0000		
3 THP-Meritus ACO, LLC	ACO	100.0000		
4 Trivergent Health Alliance	Management Services	33.3300		
5 Meritus Health ACO, LLC	ACO	100.0000		
6 MD Care Management, Inc.	Healthcare	25.0000		
7 General Surgery Re, LLC	Real Estate	50.0000		
8 GI Real Estate Company, LLC	Real estate	50.0000		
9				
10				
11				
12				
13				

**Part V Facility Information**

Section A. Hospital Facilities (list in order of size, from largest to smallest – see instructions)	Licensed hospital	General medical and surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER 24 hours	ER other	Other (describe)	Facility reporting group
How many hospital facilities did the organization operate during the tax year? <u>1</u>										
Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)										
<u>1 Meritus Medical Center, Inc.</u> <u>1116 Medical Campus Road</u> <u>Hagerstown, MD 21742</u> <u>www.meritushealth.com</u> <u>21-0001</u>	X	X		X			X			
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**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 Meritus Medical Center, Inc.

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

**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? ..... **1**
- 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 ..... **2**
- 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 ..... **3**  
If 'Yes,' indicate what the CHNA report describes (check all that apply):
  - a  A definition of the community served by the hospital facility
  - b  Demographics of the community
  - c  Existing health care facilities and resources within the community that are available to respond to the health needs of the community
  - d  How data was obtained
  - e  The significant health needs of the community
  - f  Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
  - g  The process for identifying and prioritizing community health needs and services to meet the community health needs
  - h  The process for consulting with persons representing the community's interests
  - i  The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)
  - j  Other (describe in Section C)
- 4 Indicate the tax year the hospital facility last conducted a CHNA: 2019
- 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 ..... **5** Part V
- 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 ..... **6a**
- 6b 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 ..... **6b**
- 7 Did the hospital facility make its CHNA report widely available to the public? ..... **7**  
If 'Yes,' indicate how the CHNA report was made widely available (check all that apply):
  - a  Hospital facility's website (list url): www.meritushealth.com
  - b  Other website (list url): \_\_\_\_\_
  - c  Made a paper copy available for public inspection without charge at the hospital facility
  - d  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 ..... **8**
- 9 Indicate the tax year the hospital facility last adopted an implementation strategy: 2019
- 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? ..... **10**
  - a If 'Yes,' (list url): https://www.meritushealth.com/documents/CHNA/CHNA-FY19-Appen
  - b If 'No,' is the hospital facility's most recently adopted implementation strategy attached to this return? ..... **10b**
- 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. **Part V**
- 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)? ..... **12a**
- 12b If 'Yes' to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? ..... **12b**
- 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? \$ \_\_\_\_\_

	Yes	No
<b>1</b>		X
<b>2</b>		X
<b>3</b>	X	
<b>5</b>	X	
<b>6a</b>		X
<b>6b</b>	X	
<b>7</b>	X	
<b>8</b>	X	
<b>10</b>	X	
<b>10b</b>		X
<b>12a</b>		X
<b>12b</b>		

**Part V Facility Information (continued)**

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group Meritus Medical Center, Inc.

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?..... If 'Yes,' indicate the eligibility criteria explained in the FAP:	X	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of _____ % and FPG family income limit for eligibility for discounted care of <u>250</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 checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?.....	X	
15	Explained the method for applying for financial assistance?..... 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):	X	
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?..... If 'Yes,' indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>see Part VI, line 3e</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>see Part VI, line 3e</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>see Part VI, line 3e</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V

Part V

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group Meritus Medical Center, Inc.

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

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
	a <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
	b <input 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 checked="" type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method <span style="float: right;">Part V</span>		
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? .....		X
	If 'Yes,' explain in Section C.		
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? .....		X
	If 'Yes,' explain in Section C.		

**Part V Facility Information (continued)**

Copy of

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

**Part V, Line 5 - Account Input from Person Who Represent the Community**

Facility: Meritus Medical Center, Inc.

The primary data collection process included the development of a health needs survey that was designed, approved, and distributed by the steering committee throughout the community. The survey questions were developed based on the Behavioral Risk Factor Surveillance Survey (BRFSS) questions that allowed comparison of our results with data from the most recent BRFSS information collected by the Maryland Department of Health and Centers for Disease Control. In addition, feedback from the membership of the local health improvement coalition was obtained to help explain the perceived barriers that prevent people from accessing health care services; finances, transportation, hours of operation, social needs, limitations, etc.

The community survey was written in English and translated to Spanish, and was distributed both electronically via email and websites as well as via written copies. The survey period was open from June 25, 2018 - September 14, 2018. A representative sample of 1,514 Washington County adults responded and completed the survey questionnaire. The survey process was designed to obtain a sample that mirrored the census population, racial/ethnic and socio-demographic make-up of the community. This was accomplished by coordinating the promotion of the survey county-wide by the health systems and providers including the free clinic, government, school system, social service organizations and the local chamber of commerce.

While the community survey process obtained an excellent representative sample of the Washington County, we wanted to ensure that input was obtained directly from members of the community who were not well represented in the survey sample. We focused on the under-represented percentages in the survey that included men, African Americans and

Hispanic communities. In an effort to obtain in-depth feedback related to the biggest health challenges and assets in the community are, we interviewed physicians and

**Part V Facility Information (continued)**

Copy of

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

**Part V, Line 5 - Account Input from Person Who Represent the Community (continued)**

hospital care managers. Finally, we focused on populations with specific health challenges to include seniors and behavioral health (mental health and substance abuse). The series of focus groups and interviews were conducted from August 28, 2018, to November 2, 2018. Finally a public meeting was held November 20, 2018 to review the data and prioritize the health needs for our community.

**Part V, Line 6b - CHNA Conducted by Organizations Other Than Hospital**

Facility: Meritus Medical Center, Inc.

The other groups involved in the CHNA creation are Brooklane, Healthy Washington County and Washington County Health Department.

**Part V, Line 11 - Explanation of Needs Not Addressed and Reasons Why**

Facility: Meritus Medical Center, Inc.

As a community hospital, MMC purposefully incorporates our commitment to community service into our internal management and governance structures as well as strategic and operational plans. MMC conducts a community health needs assessment every three years to identify and prioritize community health needs and service gaps. An action plan of initiatives and goals is developed to address the prioritized health needs. The action plan is reviewed by the MMC Strategic Planning Committee and approved by the MMC Board.

The most recent prioritized community health needs from FY 2019 MMC CHNA include:

- 1.Reduce substance abuse to protect the health, safety and quality of life
- 2.Improve mental health through prevention and by ensuring access to appropriate, quality mental health treatment
- 3.Promote health and reduce risk of chronic disease through the promotion of consuming a healthy diet and physical activity
- 4.Improve health related quality of life and well-being for persons living in the community, smoking cessation and medication adherence



**Part V** Facility Information (continued)

Copy of

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

**Part V, Line 11 - Explanation of Needs Not Addressed and Reasons Why (continued)**

5.Improve the management of diabetes and reduce mortality

6.Reduce heart disease mortality and manage hypertension

At the conclusion of the CHNA data assessment, it was recognized that many more needs were identified and exist than cannot be successfully met by the hospitals alone due to limited, finite resources. The prioritization criterion and assigned weights assisted the coalition to narrow the focus and directly address the issues that would have the greatest impact for improving the health of people in our community. When other community organizations have a mission aligned to meet the CHNA needs that were identified, the need was scored as a lower priority for MMC, avoiding the duplication of existing community services and providing an opportunity to coordinate the linkage of patients to alternative services whenever appropriate. Our community providers are using the results of the CHNA to help target these unmet needs based on strengths, expertise and resources of individual organizations, and where interests are shared, new collaborative relationships between organizations will be formed.

Other identified CHNA needs not addressed

At the conclusion of the CHNA health needs ranking it was recognized that many more needs were identified and exist than the top six identified health needs alone. Some of the health needs that were not identified as the highest ranked priorities for the community include cancer, access to dental care, teen pregnancy, senior needs, homelessness, and poverty among others. Our community providers are using the results of the CHNA to help target these unmet needs based on the strengths, expertise and resources of individual organizations, and when interests are shared, new collaborative relationships between organizations can be formed. Findings from the FY2019 CHNA may be used to support grant procurement, donations and gifts to fund new program services.

**Part V Facility Information** (continued)

Copy of

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

**Part V, Line 11 - Explanation of Needs Not Addressed and Reasons Why (continued)**

The local Washington County Health Improvement Coalition is using the CHNA to address access to affordable healthcare issues and a lack of health insurance by providing locations for the MD Health Exchange Navigators to reach uninsured persons. MMC has a financial assistance policy for persons deemed unable to afford the cost of care. The county is fortunate to have two Federally Qualified Health Centers located in Hancock and Hagerstown, MD, both of which are committed to providing quality healthcare services on a sliding-scale basis. The Community Free Clinic located in Hagerstown provides quality, comprehensive outpatient health care services, free of cost, to all Washington County residents who are uninsured.

**Part V, Line 13b - Criteria For Providing Discounted Care If Not FPG**

Facility: Meritus Medical Center, Inc.

Meritus strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Meritus reserves the right to grant financial assistance without formal application being made by patients. These patients may include the homeless or individuals with returned mail and no forwarding address. Patients who are uninsured, underinsured, ineligible for a government program or otherwise unable to pay for medically necessary care may be eligible for Meritus' Financial Assistance Program.

**Part V, Line 16j - Other Means Hospital Facility Publicized the Policy**

Facility: Meritus Medical Center, Inc.

Meritus made available brochures informing the public of its Financial Assistance Policy. Such brochures are available throughout the community and within MMC locations. Notices of the availability of financial assistance are posted at appropriate admission areas, the Patient Financial Services department and other key patient access areas. A statement on the availability of financial assistance is

**Part V** Facility Information (continued)

Copy of

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

**Part V, Line 16j - Other Means Hospital Facility Publicized the Policy (continued)**

included on patient billing statements. If there are any questions regarding the Financial Assistance Policy, the patient access/registration personnel refer the uninsured and/or low-income patients to financial counselors to discuss the policy. The financial assistance policy for MMC is available on the website and is translated into Spanish.

**Part V, Line 22d - Other Billing Determination of Individuals Without Insurance**

Facility: Meritus Medical Center, Inc.

All patients presenting to Meritus for emergency services are treated regardless of their ability to pay. For emergent services, applications to FAP are completed, received and evaluated retrospectively and do not delay patients receiving care.

Individuals eligible for reduced-cost care under this policy are not charged more than the hospital's standard charges, as set by Maryland's Health Services Cost Review Commission (HSCRC).

Meritus' rate structure is governed by the HSCRC rate setting authority. As an "all-payer system", all patient care is charged according to the resources consumed in treating them regardless of the patient's ability to pay. Charges are developed based on a relative predetermined value set by the HSCRC at the approved unit rate developed by the HSCRC.



**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.
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- 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 6a - Related Organization Community Benefit Report**

Meritus Medical Center (MMC) prepares a community benefits report through the Maryland Health Services Cost Review Commission (HSCRC), and it is available via their website. This is in addition to the Community Health Needs Assessment report prepared by MMC in accordance with IRC Section 501(r).

**Part I, Line 7 - Explanation of Costing Methodology**

The direct cost was calculated by using the expense categories for salaries and wages, benefits, expendable supplies, purchased services, repairs and maintenance and depreciation. The indirect cost was calculated using the approved methodology on the community benefit report.

**Part I, Line 7, Column F - Explanation of Bad Debt Expense**

Meritus Medical Center (MMC) is committed to providing quality health care for all patients regardless of their ability to meet the associated financial obligation and without discrimination on the grounds of race, color, national origin or creed. It is the policy of MMC to ensure that all appropriate and reasonable efforts have been made prior to referring an account to bad debt, a collection agency or outside attorney. In addition, a satisfactory level of control is maintained over bad debts and levels of management are involved in the decision making process prior to write-off and/or assignment of bad debt. The percentages in column F are based on community benefit expense as a percentage of total expense less bad debt expense of

**Part VI Supplemental Information**

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**Part I, Line 7, Column F - Explanation of Bad Debt Expense (continued)**

\$15,776,057.

**Part I, Line 7g - Costs Associated With Physicians Clinics**

Subsidized health services for Meritus Medical Center include the following:

- (1) Hospital Owned Practices
- (2) The Medication Assistance Center
- (3) MMG Physician Practices
- (4) Level III Trauma Program
- (5) On-call Fees for Emergency Specialists
- (6) Hospice Voluntary Write-offs (Hospice of Washington County)
- (7) Medical Urgent Care
- (8) Hospitalist Subsidy
- (9) Community Health (Community Health, Employee Wellness, Parish Nursing)
- (10) Family Practice Residency Program
- (11) Health @ Work

**Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense**

MMC uses historical reimbursement trends in determining bad debt expense and adjusts the accounting based on known variances or adjustments. MMC utilizes HFMA statement #15 to report bad debt expense. Bad debt expense is reported at the undiscounted

**Part VI Supplemental Information**

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**Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense (continued)**

rate which matches the reporting of the bad debt on the financial statements.

**Part III, Line 3 - Methodology of Estimated Amount & Rationale for Including in Community Benefit**

The costs for patients accepted under MMC's financial assistance policy are included in charity care and are not a part of MMC's bad debt expense. MMC is using an estimation process to calculate MMC's bad debt expense attributable to patient's that are eligible but denied under MMC's financial assistance policy. MMC takes into account the number of financial assistance applications that are denied. MMC has determined there is historically a denial rate that equates to approximately 15% of total bad debt expense. These denied financial assistance applicants normally present as future bad debt cases that are written off. There is no bad debt expense included in the net community benefit expense.

**Part III, Line 4 - Bad Debt Expense**

Estimates for uncollectible amounts are based on the aging of accounts receivable, historical collection experience for similar payors and patients, current market conditions, and other relevant factors. Subsequent changes that are determined to be the result of an adverse change in the payor's or patient's ability to pay are recorded as bad debt expense. Bad debt expense for the year ended June 30, 2019 was not significant to the consolidated financial statements.

**Part VI Supplemental Information**

Provide the following information.

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**Part III, Line 8 - Explanation Of Shortfall As Community Benefit**

MMC uses the cost to charge ratio to determine the Medicare allowable costs of care relating to total revenue received from Medicare. MMC did not report a shortfall in Medicare revenue received that would be treated as a community benefit.

**Part III, Line 9b - Provisions On Collection Practices For Qualified Patients**

1. Meritus expects patient payment at the time service is provided or within thirty (30) days of the first billing to patient for services not covered by insurance or financial assistance.
2. Meritus must take effective action to maintain timely accounts receivable turnover and ensure that the value of accounts receivable is accurately stated. To do this, patient accounts will be aged and written off as bad debts or charity and may be outsourced to collection agencies for further follow-up.
3. Emergency services will be provided to all patients regardless of ability to pay. Scheduled services will be provided after appropriate financial arrangements are confirmed by Meritus. Deposits may be required prior to scheduling services. Failure to pay required deposits may result in the rescheduling of the service.
4. Financial Assistance is potentially available for patients based on financial need as defined in the Meritus' Financial Assistance Policy. It is the patient's responsibility to provide accurate information regarding address, employment and health insurance in order to determine eligibility for services, amounts due from



**Part VI Supplemental Information**

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**Part III, Line 9b - Provisions On Collection Practices For Qualified Patients (continued)**

the patient and/or eligibility for Financial Assistance.

5. Meritus complies with all state and federal law and third party regulations to perform credit and collection functions in a dignified and respectful manner.
6. Meritus does not discriminate on the basis of age, race, creed, sex or ability to pay.
7. Meritus will not sell the bad debt receivables or charge a prejudgment interest rate for self-pay or balances after insurance.
8. Meritus may use external collection agencies for extended business office, legal and/or collection activity to assist with collecting on patient accounts. These agencies do not sell the receivable and act as an extended business office on behalf of Meritus.
9. Prior to initiating any extraordinary collection activities (ECAs), Meritus shall provide written notice to the patient or responsible party at least thirty (30) days prior to the referral. Such written notice shall inform the patient of the availability of financial assistance and identify the actions that Meritus intends to initiate to obtain payments as follows:
  - a) Reporting adverse information to a consumer credit reporting agency or credit bureau;
  - b) Garnishment of wages; or

**Part VI Supplemental Information**

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**Part III, Line 9b - Provisions On Collection Practices For Qualified Patients (continued)**

c) Initiating a civil action.

The above listed collection practices are followed for all patients.

**Part VI, Line 2 - Needs Assessment**

Community Health Needs Assessment Plan and Implementation as required by IRC Section 501(r).

Meritus Medical Center ("MMC") conducted a Community Health Needs Assessment that conforms to the IRS definition. This report includes a comprehensive review and analysis of the data regarding health issues and needs of Washington County, MD.

Upon full review of the CHNA findings the MMC Board of Directors approved and adopted the plan of action on March 28, 2019. Following Board approval the FY2019 CHNA was publicly posted at: [www.meritushealth.com/financial assistance](http://www.meritushealth.com/financial%20assistance).

The most recent prioritized community health needs from FY2019 MMC CHNA include:

#1 To improve access to care and reduce overdose deaths related to substance abuse by incorporating the following: screening for substance use disorder to identify, intervene, and link patients with treatment and supportive resources; provide an inpatient consultative team and peer recovery support program which can successfully help patients establish a plan of recovery; continue crisis stabilization, management of withdrawal, and follow-up treatment for hospitalized patients by

**Part VI** Supplemental Information

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**Part VI, Line 2 - Needs Assessment (continued)**

transferring the patients directly to drug rehab when indicated; continue participation in a neonatal abstinence syndrome collaborative to intervene with mothers of drug-affected newborns, improve inpatient treatment, and partner to support our community treatment providers; provide free support group and education services to family members of persons with addiction.

#2 To improve access to care, earlier identification and to reduce stigma of mental health by incorporating the following: provide targeted mental health education and support groups to decrease stigma and increase awareness of behavioral health issues; provide practical mental health education and support at no cost; provide continued integration of behavioral health professionals in primary care practices to help support depression screening, mental health evaluation, crisis stabilization, and linkage; partner to provide case management services to help link patients at high-risk for a return to the ED with needed community resources; provide expedited access to timely psychiatry evaluation to avoid ED visit or higher level of care when indicated.

#3 Weight status; reduce obesity by increasing physical activity and eating a healthy diet by incorporating the following: expand the CATCH program (Coordinated Approach to Child Health) which is a standardized, evidenced-based program proven to reduce the rate of obesity among children in after school clubs; sponsor and promote

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**Part VI, Line 2 - Needs Assessment (continued)**

four large community events centered on promotion of physical activity and health; provide a bi-weekly community weight loss support group led by a registered dietitian that is open to the public and free of charge; offer BMI screening, health and nutrition information at two public health events with a focus on diet, nutrition and exercise.

#4 Wellness; promote healthy lifestyles with healthful nutrition, exercise, smoking cessation and stress reduction by incorporating the following: offer non-traditional, alternative health interventions that have demonstrated positive health benefits; provide wellness checks and general health screenings to provide patients with understanding of their health status; partner with local health improvement coalition and partners to provide the community-based One for Good initiative with focus on making healthier food choices, increasing physical activity, stop smoking, and taking medication as prescribed; increase participant awareness to contemplate need to make lifestyle changes; provide wellness education for practical, applicable information to current health topics, exercise, and trends; provide support groups that cover a wide range of health related issues including cancer, stroke, stress and grief.

#5 Diabetes; reduce diabetes disease burden through prevention, improved management, access to care and education by incorporating the following: provide targeted

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**Part VI, Line 2 - Needs Assessment (continued)**

diabetes education to patients through care management support directly in PCP offices; provide the evidenced-based Living Well diabetes education series for disease management in the community at no cost; complete initial requirements for establishment of a national diabetes prevention program to teach lifestyle changes and reduce risk of developing Type II diabetes; continue to provide diabetes self-management education services; continue partnership with a local church as a "health hub" in at-risk neighborhoods by providing diet, nutrition counseling, health education and support groups that ensure direct communication with a physician.

#6 Heart disease and hypertension; improve cardiovascular health through prevention, management of blood pressure and early identification of risk by incorporating the following: conduct blood pressure screenings at health outreach events, in churches and community neighborhoods to identify persons with hypertension, provide education and refer to medical management; continue the community wide blood pressure awareness to change the community culture to focus on personal health status; sponsor heart healthy activities and events that promote heart health education; provide telehealth support and monitoring to persons with congestive heart failure to improve overall management.

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**Part VI, Line 3 - Patient Education of Eligibility for Assistance**

Financial assistance is offered before, during, or after services are rendered at MMC. Meritus offers a financial assistance application and a self pay brochure at the point of registration. After applying, the hospital will send an acknowledgment letter to the patient within two (2) business days and an eligibility determination will be made within thirty (30) days.

Notice of the Availability of Financial Assistance:

- a. Meritus made available brochures informing the public of its Financial Assistance Policy. Such brochures will be available throughout the community and within Meritus locations.
- b. Notices of the availability of financial assistance are posted at appropriate admission areas, the Patient Financial Services department, the ER and other key patient access areas.
- c. A statement on the availability of financial assistance is included on patient billing statements.
- d. A Plain Language Summary of Meritus' Financial Assistance Policy is provided to patients receiving inpatient services with their Summary Bill and is made available to all patients upon request.
- e. Meritus' Financial Assistance Policy, a Plain Language Summary of the policy, and the Financial Assistance Application are available to patients upon request at

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**Part VI, Line 3 - Patient Education of Eligibility for Assistance (continued)**

Meritus, through mail (postal service), and on Meritus' website at [www.meritushealth.com/financialassistance](http://www.meritushealth.com/financialassistance).

f. Meritus' Financial Assistance Policy, Plain Language Summary, and Financial Assistance Application are available in Spanish.

g. On an annual basis, Meritus shall assess the needs of our limited English proficiency community and determine whether additional translations are needed.

h. MMC employs an on-site Washington County Social Worker that screens and notifies patients and potential patients of their eligibility for all public assistance programs offered by the county, state and federal governments. MMC has policies including financial assistance, billing and collections and emergency care that insure compliance with the legislation of section 501R.

Part V, question 16 a,b & c

[https://www.meritushealth.com/patients-vistors/financial assistance](https://www.meritushealth.com/patients-vistors/financial%20assistance)

**Part VI, Line 4 - Community Information**

MMC, western Maryland's largest health care provider, is located at the crossroads of western Maryland, southern Pennsylvania and the eastern panhandle of West Virginia. The hospital has committed to caring for the community for more than a century. MMC, a Joint Commission accredited, not-for-profit, state-of-the-art hospital, is the flagship facility of the organization. It received its first Magnet® Recognition in

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- 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 VI, Line 4 - Community Information (continued)**

April 2019, making it the only hospital in western Maryland and the tri-state region it serves, to receive professional nursing's highest honor. The hospital officially added teaching to its list of services with the introduction of the Meritus Family Medicine Residency Program in July 2019. The program is an ACGME accredited graduate medical education initiative and the only one of its kind in western Maryland. MMC directly links to Robinwood Professional Center, creating a one-million square-foot combined campus, the largest health services footprint in the state of Maryland. The hospital's emergency department is a level III trauma center and EMS Base Station as designated by the Maryland Institute for Emergency Medical Services Systems or MIEMSS and its cardiac cath lab, stroke and rehabilitation programs have all received recognition for comprehensive, quality care and service.

**Part VI, Line 4 - Community Building Activities**

Part II, Lines 1-10

In order to promote the health of the community, MMC was involved in many community building activities. MMC spent \$189,018 on physical improvements to the community and improvements to housing in the community. The physical improvements included contributions to St. Mary's Catholic Church to construct a wall between MMC's Walnut Street Practice building and the Church. MMC also spent \$9,952 on leadership development and training by Leadership Washington County for several MMC employees.



**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 VI, Line 4 - Community Building Activities (continued)**

Lastly, MMC gave \$1,864 towards economic development.

**Part VI, Line 5 - Promotion of Community Health**

MMC believes that healthcare is not just for people when they are sick or injured. Through many avenues, we reach out to the community and offer ways to help you stay healthy. One example is the collaboration with the Herald-Mail, MMC and Washington County Public Schools known as "Healthy Washington County". The goal of Healthy Washington County is to educate as many adults in the region as possible about the importance of understanding your own personal health numbers and what they mean for your overall health status.

The Medication Assistance Center (MAC) provides access to free or reduced-cost prescription drugs to low-income or chronically ill patients with no prescription insurance. The center serves some 3,400 residents of Washington County and those who are treated by physicians located in Washington County or at MMC. Since 2000, MMC has provided this service free of charge.

Medical screenings keep our community healthy and are held throughout the year. Free vascular, blood pressure, and other screenings are held at MMC, the Walnut Street Health Fair, and other community events.

The Make a Difference Breast Cancer program is a breast cancer outreach, education and screening project that provide services to uninsured and underinsured women of

**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.
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- 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 VI, Line 5 - Promotion of Community Health (continued)**

Washington County and the tri-state area. The program is funded by a grant from the Maryland Affiliate of Susan G. Komen for the Cure, MMC's John R. Marsh Cancer Center, Washington County Health Department's Breast and Cervical Cancer Program (BCCP), Breast Cancer Awareness - Cumberland Valley (BCA-CV) and Diagnostic Imaging Services.

Our financial assistance program serves MMC patients who are unable to pay all or part of their medical bills. Improving healthcare access to those with limited incomes and resources is an important part of MMC's mission.

The Your Health Matters program uses magazine, radio and newsletters to keep the public informed of MMC-sponsored community workshops, support groups, classes - and offers tips on living a healthier life.

Spring through fall our Farmers's Market presents the public with healthy food choices and gives local farmers an opportunity to market their fresh produce.

55 and Up is for people age 55 and older who enjoy learning about health-related topics over lunch. The group meets with physicians and healthcare professionals once a month to understand health topics of interest.

Parish Nursing, or faith community nursing, encourages parishioners of all ages and faiths to become active partners in the management of their health. Parish nurses act as a vital link between the faith and medical communities.

**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 VI, Line 5 - Promotion of Community Health (continued)**

The Sexual Assault Forensic Examiner (SAFE) program is a comprehensive and compassionate approach to the treatment of victims of sexual assault and abuse. MMC's SAFE program uses trained and certified SAFE examiners to provide specialized medical care, evidence collection, and emotional support to victims of sexual assault.

Each year MMC employees contribute time and money to improve the well-being of our friends and neighbors. Fundraising campaigns like the United Way, March of Dimes, and the Walk to End Alzheimers inspire our healthcare professionals to give back to causes near to their hearts and professions. During the holiday season, our physicians and employees make and deliver hot meals for area families and seniors through our Lend-a-Hand event. Cancer survivors celebrate the gift of life each June when the John R. Marsh Cancer Center sponsors a family picnic for those touched by this life-changing disease.

Cancer continues to be the second leading cause of death for Washington County residents. Meritus Medical Center will continue investment in the cancer service programs to include the development of the Meritus Hematology Oncology Specialists practice, providing four Registered Nurse Clinical Navigators, adding registered dietitian services, and initiating the Hope Soars Survivorship Program as a support to patients in recovery.

**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 VI, Line 5 - Promotion of Community Health (continued)**

The John R. Marsh Cancer Center, accredited with commendation by the Commission on Cancer, is part of comprehensive cancer services that include screenings, diagnosis, treatment and recovery. A part of the MMC commitment to offer patients expert care, close to home, is Meritus Medical Group, a medical neighborhood of primary and specialty care practices, providing a full spectrum of outpatient services from a team of more than 100 health care professionals located throughout the community.

**Part VI, Line 7 - States Filing Community Benefit Report**

MD

**Additional Information**

Maryland Healthcare Regulatory System

Part I, Lines 7a & 7b Columns (c) through (f) - Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation. The Health Services Cost Review Commission, (HSCRC) determines payment through a rate-setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital. Maryland's unique all-payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any directed offsetting revenue related to Uncompensated Care. Community benefit expenses are equal to Medicaid revenues in Maryland, as such, the net effect is zero. The

**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.
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- 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.

**Additional Information (continued)**

exception to this is the impact on the hospital of its share of the Medicaid assessment. In recent years, the state of Maryland has closed fiscal gaps in the state Medicaid budget by assessing hospitals through the rate-setting system. The legal entities reflected on this Form 990 include Meritus Medical Center and its consolidated affiliates that are disregarded entities structured in the form of limited liability companies. Meritus accomplishes its missions to provide care to patients and community benefits throughout its controlled entities. The controlled entities in total provided charity care in the amount of \$5,711,493 during fiscal year 2019. These amounts are in addition to the community benefits provided by the Meritus Medical Center as reported on Schedule H.

**SCHEDULE I**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

Meritus Medical Center, Inc.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

Employer identification number

52-0607949

**Part I General Information on Grants and Assistance**

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

See Part IV

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							
(8) -----							

**2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 0

**3** Enter total number of other organizations listed in the line 1 table 0

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

TEEA3901L 07/13/18

Schedule I (Form 990) (2018)

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of nontaxable assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of nontaxable assistance
1 HSCRC Nursing Grant	13	357,430.		N/A	N/A
2					
3					
4					
5					
6					
7					

**Part IV Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

**Part I, Line 2 - Procedures for Monitoring Use of Grants Funds in U.S.**

The HSCRC grant provides money to employees of the Hospital who are enrolled in the Hagerstown Community College nursing program. The grant program pays for all of the student's tuition, books, and fees with an agreement that upon graduation the student will work for the Hospital as a registered nurse. The grant also provides monies for registered nurses who are working on their MSN in education. Each award recipient will be required to sign a Service Card Agreement with the Meritus Medical Center. The length of payback will be one year of service (equivalent to 2,080 hours of service) for each year of the grant you receive. The program is five semesters long and most recipients will owe 4,160 hours.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No 1545-0047

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

**2018**

- ▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 23.
- ▶ Attach to Form 990.

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Name of the organization

Meritus Medical Center, Inc.

Employer identification number

52-0607949

**Part I Questions Regarding Compensation**

**1 a** 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. Part III

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

	Yes	No

**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. .... **1 b**

<b>1 b</b>	X	
------------	---	--

**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? .....

<b>2</b>	X	
----------	---	--

**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<br><input checked="" type="checkbox"/> Independent compensation consultant<br><input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Written employment contract<br><input checked="" type="checkbox"/> Compensation survey or study<br><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? ..... **4 a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? ..... **4 b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? ..... **4 c**
- If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

<b>4 a</b>	X	
<b>4 b</b>	X	
<b>4 c</b>		X

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

<b>5 a</b>		X
<b>5 b</b>		X

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

<b>6 a</b>		X
<b>6 b</b>		X

**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. .... Part III

<b>7</b>	X	
----------	---	--

**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. ....

<b>8</b>		X
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**9** If 'Yes' on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

<b>9</b>		
----------	--	--



**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				
George Newman II, PhD, MD 1 Director	(i) 157,275. (ii) 0. (iii) 0.	0.	0.	0.	0.	157,275.	0.
Joseph P. Ross (off 12/8/18) 2 Former Pres&CEO	(i) 621,257. (ii) 172,205. (iii) 103,584.	0.	0.	72,546.	19,318.	988,910.	0.
Carolyn M. Simonsen 3 Interim CEO	(i) 330,481. (ii) 56,944. (iii) 28,601.	0.	0.	52,265.	11,142.	479,433.	0.
Thomas T. Chan 4 VP/Treasurer	(i) 385,518. (ii) 70,856. (iii) 29,804.	0.	0.	93,977.	24,867.	605,022.	0.
Anthony Shaver 5 Vice President	(i) 207,446. (ii) 25,100. (iii) 0.	0.	0.	46,898.	1,205.	280,649.	0.
Carrie Adams 6 Vice President	(i) 268,297. (ii) 60,542. (iii) 5,231.	0.	0.	60,648.	21,711.	416,429.	0.
Jason Cole 7 Vice President	(i) 229,635. (ii) 34,862. (iii) 0.	0.	0.	52,265.	27,564.	344,326.	0.
Melanie Heuston 8 Vice President	(i) 265,172. (ii) 38,775. (iii) 7,972.	0.	0.	82,162.	22,701.	416,782.	0.
Douglas Spotts MD 9 Vice President	(i) 286,904. (ii) 25,000. (iii) 11,140.	0.	0.	65,261.	23,328.	411,633.	0.
Amy Dilcher (off 7/27/18) 10 VP/General Council	(i) 175,962. (ii) 0. (iii) 42,656.	0.	0.	25,123.	433.	244,174.	0.
Ali Akmal 11 Physician	(i) 828,220. (ii) 0. (iii) 125.	0.	0.	48,665.	20,112.	897,122.	0.
Hemant Chatrath MD 12 Physician	(i) 667,835. (ii) 21,000. (iii) 49,636.	0.	0.	49,375.	3,901.	791,747.	0.
Frank Collins MD 13 Physician	(i) 634,897. (ii) 0. (iii) 0.	0.	0.	36,875.	30,177.	701,949.	0.
Stephen Sachs MD 14 Physician	(i) 536,740. (ii) 0. (iii) 0.	0.	0.	36,875.	13,935.	587,550.	0.
Michael McCormack MD 15 Physician	(i) 506,669. (ii) 0. (iii) 0.	0.	0.	35,556.	21,284.	563,509.	0.
Melinda Cannon 16 Vice President	(i) 32,332. (ii) 0. (iii) 201,061.	20,089.	0.	16,495.	14,621.	284,598.	36,450.

BAA

TEEA4102L 10/29/18

Schedule J (Form 990) 2018

**Part III Supplemental Information**

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

**Part 1, Line 1a - Relevant Information Regarding Compensation Benefits**

All gross-up payments provided by MMC are solely related to relocation expenses and are approved in advance by the executive committee as part of the compensation analysis. The following individuals received reimbursement for relocation expenses which included a housing allowance during the reporting period: Melanie Heuston \$7,972 and Douglas Spotts MD \$11,140.

**Part I, Line 7 - Non-Fixed Payments Not Listed**

Incentive based compensation is determined by agreed upon individual and corporate goals by the Executive Committee of the MMC Board. Executive compensation is predetermined at the beginning of the fiscal year by the Executive Committee with the help of independent consultants using benchmarked information to ensure market competitiveness on an annual basis. Total compensation received by each individual is reviewed for reasonableness by those tasked with governance prior to all distributions.

**Part III - Additional Information**

Several officers are participants in a 457F plan that was approved by the Executive Committee of the MMC Board of Directors. For the current year, the following amounts were deferred by MMC and are not substantially vested and subject to

creditor claims and forfeitures: Thomas Chan \$38,648, Anthony Shaver \$20,735, Carrie

**Part III** Supplemental Information

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

**Part III - Additional Information (continued)**

Adams \$27,669, Jason Cole \$23,385, Melanie Heuston \$26,935 and Douglas Spotts \$28,942. The 457F plan amount for Carolyn Simonsen was included in Column B(iii).

Certain Meritus executives receive taxable fringe benefits, such as executive life insurance and car allowances. The value of these taxable fringe benefits are included in Form W-2 wages. Total compensation of all executives is adjusted to market competitiveness, reviewed to ensure reasonableness, and approved by the Executive Committee of the MMC Board.

The following individual received separation pay during the reporting period:  
Melinda Cannon \$159,754.

The Executive Committee of the MMC Board, which is comprised of independent board members, reviews on an annual basis the following as it relates to the compensation of the CEO and other key executives: 1) annual performance evaluations of the CEO and executives; 2) organizational and individual performance in achievement of strategic and individual incentive goals; and 3) market data presented by an independent third party compensation consultant; and 4) base salary and incentive recommendations. The independent third party consultant conducts and presents a reasonableness review of both base salary and total compensation for the CEO and key executives. The Committee discusses, deliberates and approves base salary and

**Part III** Supplemental Information

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

**Part III - Additional Information (continued)**

incentive compensation recommendations. Results are reported to the MMC Board.

Positions reviewed in August of 2018 were: President and Chief Executive Officer,

Chief Financial Officer, Executive Vice President and Chief Administrative/

Compliance Officer, Chief Nursing Officer, Chief Quality & Transformation Officer,

VP Professional & Support Services, VP Physician Services, Chief Information Officer

and Chief Population Health Officer.

**SCHEDULE K**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization

Meritus Medical Center, Inc.

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

**Open to Public Inspection**

Employer identification number

52-0607949

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MD Hlth & Hig Ed Fac Aut	52-0936091	574218YA5	7/09/2015	272,718,190.	Refund o/s bonds/cons projects		X		X		X
B											
C											
D											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		12,575,000.						
2 Amount of bonds legally defeased								
3 Total proceeds of issue		272,754,457.						
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows		252,553,239.						
7 Issuance costs from proceeds		180,518.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		20,014,308.						
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion		2017						
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						
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							
16 Has the final allocation of proceeds been made?	X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

**Part III Private Business Use**

	A		B		C		D	
	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						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c Are there any research agreements that may result in private business use of bond-financed property?	X							
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?	X							
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government.		0.008 %						%
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		0.008 %						%
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		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							

**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						
2 If 'No' to line 1, did the following apply?								
a Rebate not due yet?	X							
b Exception to rebate?								
c No rebate due?								
3 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						

**Part IV Arbitrage (Continued)**

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

**Part V Procedures To Undertake Corrective Action**

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

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

**Additional Information**

The difference between the issue price of the bonds and the total proceeds of the issue is investment earnings in the amount of \$36,267.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

**Transactions With Interested Persons**

OMB No. 1545-0047

**2018**

**Open To Public Inspection**

- ▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
  - ▶ Attach to Form 990 or Form 990-EZ.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization

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**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).  
Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

**Part II Loans to and/or From Interested Persons.**  
Complete if the organization answered 'Yes' on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

	(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
				To	From			Yes	No	Yes	No	Yes	No
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
<b>Total</b> .....							▶ \$						

**Part III Grants or Assistance Benefiting Interested Persons.**  
Complete if the organization answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				



**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Waheed, Alencherry, Iqbal	Director	153,019.	See supp info below		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information.**

Provide additional information for responses to questions on Schedule L (see instructions).

**Supplemental Information**

Dr. Iqbal is paid under a compensation arrangement MMC has with the medical practice of Drs. Waheed, Alencherry & Iqbal. This is an arms' length transaction disclosed in accordance with the conflict of interest policy. All interested persons recuse themselves from any decision-making surrounding the disclosure.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**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](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

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**Part I, Line 6 - Volunteers**

Meritus Medical Center receives volunteers that are recruited by the Meritus Medical Center Auxiliary, Inc. ("Auxiliary"). The mission of the Auxiliary is to cooperate and assist in the work of the medical center by promoting the medical center's work in the community and supplementing the work of the staff of the medical center.

**Part VI, Line 16a**

MMC holds a 25% equity interest in Maryland Care, Inc. Maryland Care, Inc. d/b/a Maryland Physicians Care is a managed care organization ("MCO") that was established to serve Maryland's Medicaid population as a result of the State's requirement for Medicaid patients to be a member of an MCO.

MMC owns a 25% interest in Maryland Care Management, Inc. ("MCMI") MCMI provides management operations and strategic function services.

MMC holds a 100% equity interest in Tri-State Health Partners ("THP"). THP is a physician-hospital organization ("PHO") established to organize, assemble and facilitate the provision of cost effective health care services. MMC holds a 100% interest in the THP-Meritus ACO, LLC ("ACO") and the Meritus Health ACO, LLC. The ACO was created to participate in CMS' Medicare Shared Savings Program (MSSP) and its participants included community doctors, MMC and other health care providers who came together to give coordinated high quality care to their Medicare patients. The goal of the coordinated care is to ensure that patients, especially the chronically ill, get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.

MMC holds a 33.33% interest in Trivergent Health Alliance, LLC. Trivergent Health Alliance, LLC works to improve the health of the population served, improve the quality of care rendered by the hospital, and to reduce the cost of health care provided. Trivergent Health Alliance, LLC owns 100% of Trivergent Health Alliance

Name of the organization <b>Meritus Medical Center, Inc.</b>	Employer identification number <b>52-0607949</b>
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MSO, LLC, which oversees the service lines of supply chain, laboratory, and pharmacy at the hospital. Trivergent Health Alliance MSO, LLC is dedicated to the development, delivery and sustainability of effective quality and safety improvement products and services designed to provide organizational improvement and increase efficiencies.

**Part VI, Line 16b**

As defined by the Meritus Medical Center bylaws which state the process for joint venture activity, a joint venture arrangement with a taxable entity would first be evaluated by the the Meritus Medical Center Board. After presentation and approval by the board, the Finance & Capital Committee of Meritus Medical Center, Inc. would evaluate the financial implications of the joint venture. The Audit & Business Integrity Committee of the Meritus Medical Center, Inc. Board would analyze any possible interested party transactions and the limitations and prohibitions associated with the section 501(c)(3) status of the medical center. The Meritus Medical Center, Inc. Board would ultimately need to approve any joint venture resolutions.

**Part VII, Section A**

The compensation that Dr. Iqbal, Dr. Worrell, Dr. Salvagno, and Dr. Su received were for their services as physicians. Dr. Newman served as CMO of Western Maryland Center until June 30, 2018. Compensation provided to these individuals was for services provided in their capacity as independent contractors/employees of MMC and affiliates, not in their capacities as directors.

The average hours per week listed for all of the officers and directors includes, but is not limited to ,their time spent preparing for and attending board committee meetings, fundraising and attendance at community functions on behalf of MMC.

Maulik Joshi, Dr. P.H. who is listed as the principal officer on page 1 of the Form 990 started in November 2019 as the new President and CEO of MMC.

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**Part XII, Line 2b**

Meritus Medical Center received consolidated audited financial statements prepared in accordance with GAAP from an independent accounting firm.

**Form 990, Part III, Line 1 - Organization Mission****Mission**

MMC exists to improve the health status of our region by providing comprehensive health services to patients and families.

The mission emphasizes three core activities of MMC:

1. Providing patient and family centered care by bringing patient and family perspectives into the planning, delivery, and evaluation of care to improve healthcare quality and safety at MMC.
2. Improving the health status of our region by responding to national healthcare reform and total patient revenue economic structures that incentivize value by expanding the focus of MMC to include improving the health status of our region.
3. Functioning as a regional health system by meeting the healthcare needs of the communities beyond MMC's traditional service area of Washington County.

**Vision**

MMC will relentlessly pursue excellence in quality, service, and performance.

**Values**

The culture of MMC is driven by a set of values that focus on the patient and family first: respect, integrity, service, excellence and teamwork.

The values express the manner in which all members of MMC will fulfill our mission and achieve our vision.

**Form 990, Part III, Line 4a - Program Service Accomplishments**

MMC participates in a variety of activities that focus on the well-being of the patients, including committees and teams that evaluate the progress in the areas of quality patient care, patient safety and professional development. Many staff

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**Form 990, Part III, Line 4a - Program Service Accomplishments**

members provide outreach to the community through educational offerings which have been identified by a survey of community health education needs.

As a tax exempt hospital, MMC contributes funds to help many people who might not be able to afford their healthcare. These dollars are used to provide free, reduced-cost or subsidized services to many individuals in the community. It's a collaborative effort involving numerous areas of the health system in activities such as health education and outreach, screenings, programs and events, as well as helping individuals obtain prescription medications, access to needed services, and even transportation to healthcare appointments.

MMC is governed by a local board of directors made up entirely of volunteers.

In addition to attending bimonthly meetings to determine the direction that MMC will take, the board members, who are community and business leaders as well as physicians, serve on various committees, including quality & safety, finance, audit and business integrity, executive, governance and strategic planning.

The board and its committees ensure that MMC complies with state and federal requirements, while keeping the organization's mission of providing quality care front and center. By working together toward this goal, the board members create policies and procedures that help deliver results.

MMC, an acute care hospital, has 272 single-patient rooms, along with the most advanced technologies available. MMC offers a variety of specialized services to meet the healthcare needs of the tri-state region.

The John R. Marsh Cancer Center offers chemotherapy, intensity modulated radiation therapy, and image guided radiation therapy. The center also offers MammoSite which delivers partial irradiation treatment for breast cancer patients in just five days. As a level III trauma service, MMC offers twenty four hour a day, seven days a week access to trauma surgeons, neurosurgeons, and orthopedic surgeons, as well as a

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**Form 990, Part III, Line 4a - Program Service Accomplishments**

specialized trauma team and consulting physicians.

The vision of the Nursing Department at MMC is to be a dynamic force in the advancement of nursing practice and an advocate for the promotion of quality healthcare for all. Their mission is to foster the development and advancement of nursing practice and to work to achieve quality healthcare for all. They believe that the excellence of care for patients and families matters the most and that superior customer service and constant innovation sustains excellence.

The Cardiac Catheterization Lab has focused on bringing the very best in cardiac services to the community. Services in cardiac screening, diagnosis, intervention, and rehabilitation are offered. MMC has invested in the most up-to-date technologies to assist physicians in diagnosing and treating heart disease. The board certified cardiologists and interventional cardiologists offer patients a highly specialized experience in structural heart disease and electrical heart malfunctions. They are supported by a team of highly-trained nurses and technicians.

The Center for Clinical Research is a growing program that manages from fifteen to twenty active research studies at any given time. The researchers are certified by the Association of Clinical Research Professionals. Physicians serve as the principal investigators for the research studies performed by the center.

The Center for Joint Replacement offers a comprehensive program that includes pre- and postoperative therapy as well as the actual surgery. The program has clearly demonstrated a decreased length of hospital stay and improved recovery rates.

The Family Birthing Center is a special place where single-room maternity care provides privacy and family bonding. The room is equipped for labor, delivery, postpartum, and newborn care. The special care nursery allows babies born as early as 32 weeks gestation to be treated at MMC.

The Home Health Care Services cover the full spectrum of care, ranging from skilled

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**Form 990, Part III, Line 4a - Program Service Accomplishments**

nursing to assistance with the activities of daily living. They also can help with medication management issues.

Total Rehab Care is a comprehensive service providing a full range of rehabilitation programs, including pediatric services, traumatic brain injury rehab, outpatient therapies, inpatient joint replacement, occupational rehabilitation, and support groups. Skilled physicians, nurses, and therapists develop individualized treatment plans for every patient.

The Weight Loss Clinic offers bariatric surgery which includes the most common procedures of gastric bypass and adjustable gastric banding. This can be a treatment for the lifelong condition of morbid obesity.

The Wound Center care is customized to each patient's unique situation to promote the healing process. The Wound Center team specializes in diabetic foot and leg ulcers, bone infections, preparation and preservation of skin grafts, crash injuries, and thermal burns.

Meritus Medical Group, a medical neighborhood of primary and specialty care practices, offers a full spectrum of patient and family-centered care for residents of the tristate region. More than 100 providers work with a health care team dedicated to partnering with patients to improve their overall wellbeing. The team is proud to offer patients and families an improved experience through excellent communication and comprehensive, coordinated health care services.

Care delivery is undergoing unprecedented change and new, more coordinated models of care delivery have arrived. Ultimately enacted as part of health care reform, accountable care organizations (ACOs) link physicians and hospitals together with the goal of keeping patients healthy and helping patients manage their conditions. MMC created the Meritus Health ACO, LLC which works to achieve this objective. Meritus Health ACO will optimize the delivery of health

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**Form 990, Part III, Line 4a - Program Service Accomplishments**

care through coordination among providers and the persistent management of care transitions to improve the patient experience, the health of our community and the quality and affordability of health care. The vision of Meritus Health ACO, LLC is to create an integrated system that delivers patient-centered, high-quality care through innovative partnerships and care redesign for all members of our community. MMC is a member of Premier's Partnership for Care Transformation (PACT), a collaboration of health systems that share knowledge and best practices while measuring and benchmarking care to improve population health and contain costs.

**Form 990, Part VI, Line 1a - Explanation of Delegated Broad Authority to Committee**

The Executive Committee of the MMC Board is comprised of the Board Chairperson, Vice Chairperson and Chairpersons of the following committees: Finance & Capital, Governance, Quality & Safety, Audit & Business Integrity, and Strategic Planning Committees, all whom are Board Members. The Committee, which meets bi-monthly between regularly scheduled Board meetings may in its discretion exercise the full powers, duties, responsibilities and authority of the Board, except where prohibited by law and subject to any limitations imposed by the Bylaws or the Board.

**Form 990, Part VI, Line 2 - Business or Family Relationship of Officers, Directors, Etc.**

MMC board director Mary J.C. Hendrix is the president of Shepherd University and MMC board director Sharon Mailey, PhD, RN is the dean of the College of Nursing, Education and Health Sciences and director of the School of Nursing at Shepherd University.

**Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body**

MMC nominates candidates for their board through the board designated Governance Committee. Final election occurs through the MMC Board.



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**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders**

Along with the election of governing members to the board, the MMC Board also needs to review and approve the following before becoming effective and before the action is implemented:

1. Any merger, consolidation or dissolution of the corporation.
2. Annual Business Plan.
3. Annual Budget.
4. Contractual obligations that meet any one of the following criteria:
  - a. Outside the scope of the Corporation's annual business plan.
  - b. Require approval by external health and/or financial regulatory agency.
  - c. Having the potential of adversely impacting the operation of any subsidiary of the Member.
5. Any joint venture between the corporation and another person or entity that meets any one of the following criteria:
  - a. Extends beyond the scope of the annual business plan of the Corporation.
  - b. Requires external approval by external health and/or financial regulatory agency.
  - c. Has the potential of adversely impacting the operation of any subsidiary of the Member.
6. Sales or transfers of all or substantially all of the assets of the Corporation or sales or transfers of assets that meet with any one of the following criteria:
  - a. Fall outside the scope of the Corporation's annual business plan.
  - b. Require approval by external health and/or financial regulatory agency.

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**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders (continued)**

c. Has the potential of adversely impacting the operations of any subsidiary of the Member.

7. Formation of a subsidiary.

8. Adoption and amendment of the mission and vision statements.

**Form 990, Part VI, Line 11b - Form 990 Review Process**

The Form 990 was prepared by the Finance department and reviewed by an independent accounting firm. A copy of the Form 990 was provided to the Audit and Business Integrity Committee of the Board. Acting under the authority of the Board, the Committee reviewed the Form 990 prior to the submission of the Form 990 to the Internal Revenue Service. In addition, the Form 990 will be provided to all members of the Board on May 28, 2020, due to the COVID-19 pandemic.

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts**

An annual disclosure of interest is required for all officers, directors or trustees, and key employees. These disclosures are then reviewed against the accounts payable system to determine the amount of transactions with the organization. All disclosures and transactions are reviewed by the Audit & Business Integrity Committee. After this review, a copy of the disclosures, by Board or Committee, listing the type of involvement/transactions the entity has with the named disclosure, if any, are provided to the chair of the Board or Committee. Any director with a determined conflict is prohibited from participating in the Board's or committee's discussions and decisions with regards to that transaction and must not only recuse themselves but leave the room during the discussions.

**Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees**

The Executive Committee of the MMC Board, which is comprised of independent board members, reviews on an annual basis the following as it relates to the compensation of the CEO and other key executives: 1) annual performance evaluations of the CEO

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**Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees (continued)**

and executives; 2) organizational and individual performance in achievement of strategic and individual incentive goals; and 3) market data presented by an independent third party compensation consultant; and 4) base salary and incentive recommendations. The independent third party consultant conducts and presents a reasonableness review of both base salary and total compensation for the CEO and key executives. The Committee discusses, deliberates and approves base salary and incentive compensation recommendations. Results are reported to the MMC Board. Positions reviewed in August of 2018 were: President and Chief Executive Officer, Chief Financial Officer, Executive Vice President and Chief Administrative/Compliance Officer, Chief Nursing Officer, Chief Quality & Transformation Officer, VP Professional & Support Services, VP Physician Services, Chief Information Officer and Chief Population Health Officer.

**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available**

Governing documents, conflict of interest policy, and financial statements are available upon request. In addition, the annual audited financial statements are available on the organization's website.

**Form 990, Part IX, Line 11g  
Other Fees For Services**

	(A) Total	(B) Program Services	(C) Management & General	(D) Fund- raising
Collection fees	1,222,775.	978,220.	244,555.	
Consultation fees	13,364,249.	10,691,399.	2,672,850.	
Contract protection fees	228,269.	182,615.	45,654.	
Physician fees	15,904,074.	12,723,259.	3,180,815.	
Professional & technical	10,687,568.	8,550,054.	2,137,514.	
Purchased housekeeping service	1,264,222.	1,011,378.	252,844.	
Purchased lab services	2,090,113.	1,672,090.	418,023.	
Purchased linen service	969,535.	775,628.	193,907.	
Total	<u>\$45,730,805.</u>	<u>\$36,584,643.</u>	<u>\$ 9,146,162.</u>	<u>\$ 0.</u>

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**Form 990, Part XI, Line 9  
Other Changes in Net Assets Or Fund Balances**

Premier Healthcare Alliance .....	\$	-462,912.
Total	\$	<u>-462,912.</u>

**SCHEDULE R (Form 990)**  
Department of the Treasury Internal Revenue Service  
**Related Organizations and Unrelated Partnerships**  
▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

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Employer identification number: **52-0607949**

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) <u>Meritus Holdings LLC</u> <u>1116 Medical Campus Road</u> <u>Hagerstown, MD 21742</u> <u>45-2382196</u>	Health services	MD	44,584.	300,253.	MMC
(2) <u>Meritus Urgent Care LLC</u> <u>1116 Medical Campus Road</u> <u>Hagerstown, MD 21742</u> <u>71-1050982</u>	Health services	MD	-847,009.	9,397,193.	MMC
(3) <u>Meritus Medical Lab LLC</u> <u>1116 Medical Campus Road</u> <u>Hagerstown, MD 21742</u> <u>80-0728035</u>	Health services	MD	3,686,841.	3,975,713.	MMC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity?	
						Yes	No
(1) <u>Meritus Healthcare Foundation Inc</u> <u>1116 Medical Campus Road</u> <u>Hagerstown, MD 21742</u> <u>01-0639265</u>	Fundraising	MD	501(c)(3)	11c	MMC	X	
(2) -----							
(3) -----							
(4) -----							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Part VII												
(1) Robinwood Surger 11116 Medical Ca Hagerstown, MD 2 52-1770185	Health services	MD	N/A		0.	0.		X	N/A		X	100.00
(2) -----												
(3) -----												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Sec 512(b)(13) controlled entity?	
								Yes	No
(1) Meritus Insurance Company Ltd PO Box 1109GT Grand Cayman, Cayman Islands 98-0162257	Captive insurance	Cayman Isl	MMC	Ltd	0.	18,288,652.	100.00		X
(2) Meritus Enterprises Inc 11116 Medical Campus Road Hagerstown, MD 21742 52-1393624	Health serv	MD	MMC	C corp	150,051.	17,499,715.	100.00		X
(3) -----									

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

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
<b>b</b> Gift, grant, or capital contribution to related organization(s)		X
<b>c</b> Gift, grant, or capital contribution from related organization(s)	X	
<b>d</b> Loans or loan guarantees to or for related organization(s)		X
<b>e</b> Loans or loan guarantees by related organization(s)		X
<b>f</b> Dividends from related organization(s)		X
<b>g</b> Sale of assets to related organization(s)		X
<b>h</b> Purchase of assets from related organization(s)		X
<b>i</b> Exchange of assets with related organization(s)		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s)		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s)		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
<b>o</b> Sharing of paid employees with related organization(s)		X
<b>p</b> Reimbursement paid to related organization(s) for expenses		X
<b>q</b> Reimbursement paid by related organization(s) for expenses		X
<b>r</b> Other transfer of cash or property to related organization(s)		X
<b>s</b> Other transfer of cash or property from related organization(s)		X

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Meritus Healthcare Foundation Inc	c	577,091	Cost
(2) Meritus Healthcare Foundation Inc	p	365,325	Cost
(3)			
(4)			
(5)			
(6)			

**Part VI Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
See Part VII (1) Trivergent Health A 1800 Dual Highway S Hagerstown, MD 2174 46-5555337	Management Services	MD		X		-77,271.	3,595,416.		X	N/A		X	33.33
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													



**Part VII** Supplemental Information.

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

**Part III - Partnership Full Name, Address, FEIN**

Robinwood Surgery Center LLC      52-1770185      11116 Medical Campus Road  
Hagerstown, MD 21742

**Part VI - Partnership Full Name, Address, FEIN**

Trivergent Health Alliance, LLC      46-5555337      1800 Dual Highway Suite 304  
Hagerstown, MD 21740

Continuation Sheet for Schedule R

Name of filing organization

Meritus Medical Center, Inc.

Employer identification number

52-0607949

**Part I** Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
Health @ Work LLC 11116 Medical Campus Road Hagerstown, MD 21742 34-2014438	Health services	MD	-200,107.	497,663.	MMC
Medical Practices of Antietam LLC 11116 Medical Campus Road Hagerstown, MD 21742 52-2315129	Health services	MD	-1,443,485.	-10,460,151.	MMC
Meritus Health ACO LLC 11116 Medical Campus Road Hagerstown, MD 21742 81-2639390	Health services	MD	-726,049.	392,054.	MMC
Tri-State Health Partners Inc 11116 Medical Campus Road Hagerstown, MD 21742 52-1953898	Health services	MD	0.	0.	MMC
THP-Meritus ACO LLC 11116 Medical Campus Road Hagerstown, MD 21742 46-2800779	Health services	MD	0.	0.	MMC
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