

Cumulative e-File History 2010	
FED	
Locator:	4240CV
Taxpayer Name:	JAMES L KERNAN HOSPITAL AND INDUSTRIAL
Return Type:	990
Submitted Date:	05/14/2012 11:09:40
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Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2010, or fiscal year beginning 07/01, 2010, and ending 06/30, 20 11

Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.
▶ See instructions on back.

2010

Name of exempt organization

JAMES L KERNAN HOSPITAL AND INDUSTRIAL

Employer identification number

52-0591639

Name and title of officer

W W AUGUSTIN III, VICE PRESIDENT AND CFO

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

Check the box for the return for which you are using this Form 8879-E0 and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	<u>100713538.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2010 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize GRANT THORNTON LLP
ERO firm name

to enter my PIN

21201

Enter five numbers, but do not enter all zeros

as my signature

on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

W W Augustin III

Date ▶

5/9/12

Part III Certification and Authentication

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

23695363066

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Frank D. Gaudenzi

Date ▶

5/4/2012

ERO Must Retain This Form - See Instructions

Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form.

Form 8879-EO (2010)

Return of Organization Exempt From Income Tax

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

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning 07/01, 2010, and ending 06/30, 2011

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD			D Employer identification number 52-0591639	
	Doing Business As KERNAN ORTHOPAEDICS & REHAB HOSPITAL			E Telephone number (410) 448-2500	
	Number and street (or P.O. box if mail is not delivered to street address) 2200 KERNAN DRIVE		Room/suite	G Gross receipts \$ 109,018,885.	
	City or town, state or country, and ZIP + 4 BALTIMORE, MD 21207				
F Name and address of principal officer: MICHAEL JABLONOVER 2200 KERNAN DRIVE BALTIMORE, MD 21207			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)		
J Website: ▶ N/A			H(c) Group exemption number ▶		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1895 M State of legal domicile: MD		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>KERNAN ORTHOPEDICS AND REHABILITATION DELIVERS INNOVATIVE, HIGH-QUALITY, AND COST EFFECTIVE REHABILITATION AND SURGICAL SERVICES TO THE COMMUNITY AND REGION.</u>		
	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	11.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10.
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	746.
	6 Total number of volunteers (estimate if necessary)	6	10.
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	750,000.	750,000.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	97,531,978.	95,418,597.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,309,800.	1,917,349.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,487,686.	2,627,592.
		102,079,464.	100,713,538.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	46,161,456.	45,543,254.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	53,992,991.	51,157,775.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	100,154,447.	96,701,029.	
19 Revenue less expenses. Subtract line 18 from line 12	1,925,017.	4,012,509.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	102,319,050.	115,213,246.
	22 Net assets or fund balances. Subtract line 21 from line 20.	26,135,252.	28,230,601.
	76,183,798.	86,982,645.	

Part II Signature Block

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

Sign Here	▶ Signature of officer	Date			
	▶ Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ GRANT THORNTON LLP				P00532355
	Firm's address ▶ 2001 MARKET STREET, SUITE 3100 PHILADELPHIA, PA 19103			Firm's EIN ▶ 36-6055558	Phone no. 215-561-4200

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

For Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:
KERNAN ORTHOPAEDICS AND REHABILITATION DELIVERS INNOVATIVE,
HIGH-QUALITY, AND COST EFFECTIVE REHABILITATION AND SURGICAL
SERVICES TO THE COMMUNITY AND REGION.

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

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

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 78,081,182. including grants of \$ 0.) (Revenue \$ 95,418,597.)
THE ORGANIZATION OWNS AND OPERATES A MEDICAL SURGICAL AND REHABILITATION HOSPITAL WITH 133 LICENSED BEDS. THE HOSPITAL PROVIDES CHARITY CARE TO PATIENTS WHO ARE UNABLE TO PAY. SUCH PATIENTS ARE IDENTIFIED BASED ON INFORMATION OBTAINED FROM THE PATIENTS AND SUBSEQUENT ANALYSIS. BECAUSE THE HOSPITAL DOES NOT EXPECT COLLECTION OF AMOUNTS DETERMINED AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE BASED ON ESTABLISHED RATES. THE HOSPITAL ESTIMATES THAT \$1,358,600 OF CHARITY CARE AT COST WAS PROVIDED IN 2011. OVERALL, THE HOSPITAL DELIVERS INNOVATIVE HIGH QUALITY, COST EFFECTIVE SURGICAL AND REHABILITATION SERVICES TO ITS COMMUNITY.

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 ▶ 78,081,182.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete 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? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	X	

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No checkboxes. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, and business transactions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a through 14b regarding Form 1096, Form W-2G, Form W-3, and various tax compliance issues.

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 to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (11), 1b (10), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. [] Own website [] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: S. MICHELLE LEE 250 W. PRATT STREET, 14TH FLOOR BALTIMORE, MD 21201 410-328-1376

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

Check if Schedule O contains a response to any question in this Part VII X

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
ATTACHMENT 1										
(1) ROBERT A CHRENCIK TREASURER	2.00	X		X			0.	1,654,567.	198,872.	
(2) MICHAEL R JABLONOVER CEO & EX OFFICIO	40.00	X		X			478,667.	0.	28,581.	
(3) ALAN LEVITT DIRECTOR	2.00	X					0.	0.	0.	
(4) ANTHONY T HAWKINS DIRECTOR	2.00	X					0.	0.	0.	
(5) DAVIS VR SHERMAN CHAIRMAN	2.00	X					0.	0.	0.	
(6) FRANK M CALIA DIRECTOR	2.00	X					0.	0.	0.	
(7) JOHN HARRISON EX OFFICIO	2.00	X					0.	0.	0.	
(8) JOHN T CHAY DIRECTOR	2.00	X					0.	0.	0.	
(9) OLIVER S TRAVERS DIRECTOR	2.00	X					0.	0.	0.	
(10) THOMAS SCALEA DIRECTOR	2.00	X					0.	0.	0.	
(11) VINCENT PELLEGRINI DIRECTOR	2.00	X					0.	0.	0.	
(12) WILLIAM F PECK DIRECTOR	2.00	X					0.	0.	0.	
(13) W W AUGUSTIN III CFO	40.00			X			204,375.	0.	22,108.	
(14) JUANITA ROBBINS COO	40.00				X		149,928.	0.	22,176.	
(15) VALERIE SUMMERLIN VP CNO	40.00				X		186,728.	0.	7,858.	
(16) CHRISTINE MARTIN VP OF HR	40.00				X		139,094.	0.	19,992.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17) ROY SMOOT JR SVP-CMO	40.00				X			153,140.	19,604.	33,743.
(18) NORBERT ROBINSON DIR - PHARMACY	40.00					X		140,205.	0.	25,451.
(19) JAMES COLLINS PHARMACIST	40.00					X		116,355.	0.	23,390.
(20) LORI PATRIA MANAGER - AMBULATORY	40.00					X		118,023.	0.	24,314.
(21) HEMA PATEL HOSPITALIST	40.00					X		215,692.	0.	23,054.
(22) JENNIFER MERENDA MANAGER-PATIENT CARE	40.00					X		165,001.	0.	22,069.
(23) JAMES ROSS FORMER CEO	40.00						X	24,336.	366,946.	24,685.
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total								2,091,544.	2,041,117.	476,293.
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,091,544.	2,041,117.	476,293.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **▶ 21**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶ 23**

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions) . .	1e	750,000.				
	f All other contributions, gifts, grants, and similar amounts not included above .	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f ▶			750,000.			
Program Service Revenue			Business Code				
	2a PATIENT SERVICE REVENUE		900099	95,418,597.	95,418,597.		
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶			95,418,597.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ▶			1,047,392.			1,047,392.
	4 Income from investment of tax-exempt bond proceeds . . . ▶			0.			
	5 Royalties ▶			0.			
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss) ▶			0.			
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory			9,175,304.			
	b Less: cost or other basis and sales expenses			8,305,347.			
	c Gain or (loss)			869,957.			
	d Net gain or (loss) ▶			869,957.			869,957.
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a						
	b Less: direct expenses b						
c Net income or (loss) from fundraising events ▶			0.				
9a Gross income from gaming activities. See Part IV, line 19 a							
b Less: direct expenses b							
c Net income or (loss) from gaming activities ▶			0.				
10a Gross sales of inventory, less returns and allowances a							
b Less: cost of goods sold b							
c Net income or (loss) from sales of inventory ▶			0.				
Miscellaneous Revenue			Business Code				
11a CAFE/VENDING		722210	320,704.	320,704.			
b MISC		900099	369,218.	369,218.			
c OUTPATIENT PHARMACY		446110	1,597,312.	1,597,312.			
d All other revenue			340,358.	340,358.			
e Total. Add lines 11a-11d ▶			2,627,592.				
12 Total revenue. See instructions ▶			100,713,538.	98,046,189.	0.	1,917,349.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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 governments and organizations in the U.S. See Part IV, line 21	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	1,336,267.	339,866.	996,401.	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.			
7 Other salaries and wages	35,847,886.	29,707,101.	6,140,785.	0.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,196,070.	907,565.	288,505.	0.
9 Other employee benefits	4,595,618.	3,487,105.	1,108,513.	0.
10 Payroll taxes	2,567,413.	1,948,125.	619,288.	0.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	24,430.		24,430.	0.
c Accounting	111,208.		111,208.	0.
d Lobbying	6,036.		6,036.	0.
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	1,760,209.		1,760,209.	0.
12 Advertising and promotion	0.			
13 Office expenses	273,359.	93,334.	180,025.	0.
14 Information technology	2,033,550.		2,033,550.	0.
15 Royalties	0.			
16 Occupancy	1,537,582.	1,174,635.	362,947.	0.
17 Travel	0.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	475,576.	321,303.	154,273.	0.
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	3,238,296.	2,457,184.	781,112.	0.
23 Insurance	1,946,734.	1,858,164.	88,570.	0.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a PURCHASED SERVICES -----	11,066,999.	7,717,279.	3,349,720.	
b PHYSICIAN FEE -----	7,643,965.	7,643,965.		
c BAD DEBTS -----	6,107,109.	6,107,109.		
d SUPPLIES -----	14,932,722.	14,318,447.	614,275.	
e -----				
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	96,701,029.	78,081,182.	18,619,847.	0.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	9,161,039.	2	14,415,558.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	14,025,076.	4	12,026,084.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	987,438.	8	990,335.
	9 Prepaid expenses and deferred charges	14,900.	9	105,000.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 80,567,045.		
	b Less: accumulated depreciation	10b 43,975,606.	36,015,526.	10c 36,591,439.
	11 Investments - publicly traded securities	7,512,471.	11	8,467,470.
	12 Investments - other securities. See Part IV, line 11	3,740,000.	12	4,687,000.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	30,862,600.	15	37,930,360.
16 Total assets. Add lines 1 through 15 (must equal line 34)	102,319,050.	16	115,213,246.	
Liabilities	17 Accounts payable and accrued expenses	9,547,429.	17	10,004,504.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	16,587,823.	25	18,226,097.
	26 Total liabilities. Add lines 17 through 25	26,135,252.	26	28,230,601.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	46,819,889.	27	51,867,399.
	28 Temporarily restricted net assets	29,363,909.	28	35,115,246.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	76,183,798.	33	86,982,645.	
34 Total liabilities and net assets/fund balances	102,319,050.	34	115,213,246.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	100,713,538.
2	Total expenses (must equal Part IX, column (A), line 25)	2	96,701,029.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,012,509.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	76,183,798.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	6,786,338.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	86,982,645.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question 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.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
2d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued 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		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	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)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD**

Employer identification number
52-0591639

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2010

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

Table with 7 columns: (a) 2006, (b) 2007, (c) 2008, (d) 2009, (e) 2010, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2006, (b) 2007, (c) 2008, (d) 2009, (e) 2010, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2010; 15 Public support percentage from 2009 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2010; b 33 1/3% support test - 2009; 17a 10%-facts-and-circumstances test - 2010; b 10%-facts-and-circumstances test - 2009; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2010. 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 - 2009. 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 **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule of Contributors

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

2010

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
-------------------------------------------------------------------------------------------	-----------------------------------------------------

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33¹/₃ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

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

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

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

Name of organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
---------------------------------------------------------------------------------	-----------------------------------------------------

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	STATE OF MARYLAND ----- 45 CALVERT STREET ----- ANNAPOLIS, MD 21401 -----	\$ 750,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities
For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

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

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

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

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL	Employer identification number
SCHOOL OF MD	52-0591639

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 on behalf of or in opposition to candidates for public office in Part IV.
- 2 Political expenditures ▶ \$ _____
- 3 Volunteer hours _____

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

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

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which 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.
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1 a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2 a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; 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).

Table with 3 columns: Question, Yes, No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members?; 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?; 3 Did the organization agree to carryover lobbying and political expenditures from the prior year?

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

Table with 2 main columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 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; b Carryover from last year; c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (see instructions)

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

Horizontal dashed lines for supplemental information input.

Part IV Supplemental Information (continued)

OTHER ACTIVITIES

SCHEDULE C, PART II-B, LINE 1I

THE ORGANIZATION DOES NOT ENGAGE IN ANY DIRECT LOBBYING ACTIVITIES. THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE MARYLAND HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN HOSPITAL ASSOCIATION (AHA). MHA AND AHA ENGAGE IN MANY SUPPORT ACTIVITIES INCLUDING LOBBYING AND ADVOCATING FOR THEIR MEMBER HOSPITALS. THE MHA AND AHA REPORTED THAT 8.65% AND 24.42% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND AS SUCH, THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C PART IV AS LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Attach to Form 990. See separate instructions.

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD

Employer identification number 52-0591639

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

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two Yes/No questions regarding donor advisement.

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

Table with 3 columns: Line number, Description, Held at the End of the Tax Year. Includes rows for purpose(s) of conservation easements, total number of easements, total acreage, and various monitoring and reporting questions.

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

Table with 3 columns: Line number, Description, Amount. Includes rows for reporting on collections of art, historical treasures, or other similar assets held for public exhibition, education, or research.

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

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

b If "Yes," explain the arrangement in Part XIV and complete the following table:

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

2a Did the organization include an amount on Form 990, Part X, line 21?

b If "Yes," explain the arrangement in Part XIV.

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g (Beginning of year balance, Contributions, Net investment earnings, gains, and losses, Grants or scholarships, Other expenditures for facilities and programs, Administrative expenses, End of year balance).

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment %
b Permanent endowment %
c Term endowment %

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

- (i) unrelated organizations
(ii) related organizations

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

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(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, col. (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	
(2) KERNAN ENDOWMENT	33,354,092.
(3) DUE FROM UMMS FOUNDATION	1,628,363.
(4) OTHER A/R	950,905.
(5) ASSETS WHOSE USE IS LIMITED	1,997,000.
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	37,930,360.

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DUE TO THIRD PARTY	3,595,940.
(3) PATIENT A/R CREDIT BALANCES	483,456.
(4) FIN 47 ACCRUAL	440,561.
(5) DUE TO AFFILIATES	13,698,487.
(6) OTHER LIABILITIES	7,653.
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	18,226,097.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV.)	8
9	Total adjustments (net). Add lines 4 through 8	9
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

SCHEDULE D, PART X, LINE 2

FIN 48 FOOTNOTE PER AUDIT REPORT

THE ORGANIZATION IS A SUBSIDIARY OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE CORPORATION). THE CORPORATION ADOPTED THE PROVISIONS OF ASC 740, ACCOUNTING FOR UNCERTAINTY IN THE INCOME TAXES (FIN 48) ON JULY 1, 2007. THE FOOTNOTE RELATED TO ASC 740 IN THE CORPORATION'S AUDITED FINANCIAL STATEMENTS IS AS FOLLOWS:

THE CORPORATION FOLLOWS A THRESHOLD OF MORE-LIKELY-THAN-NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. MANAGEMENT DOES NOT BELIEVE THAT THERE ARE ANY UNRECOGNIZED TAX BENEFITS THAT SHOULD BE RECOGNIZED.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2010

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL
SCHOOL OF MD**

Employer identification number
52-0591639

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a Did the organization prepare a community benefit report during the tax year?	X	
b If "Yes," did the organization make it available to the public?	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			1,358,625.		1,358,625.	1.40
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			1,358,625.		1,358,625.	1.40
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			82,722.		82,722.	.09
f Health professions education (from Worksheet 5)			6,671,773.		6,671,773.	6.90
g Subsidized health services (from Worksheet 6)			228,703.		228,703.	.24
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			118,975.		118,975.	.12
j Total. Other Benefits			7,102,173.		7,102,173.	7.35
k Total. Add lines 7d and 7j			8,460,798.		8,460,798.	8.75

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

Schedule H (Form 990) 2010

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			5,085.		5,085.	
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			795.		795.	
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			5,880.		5,880.	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- 2 Enter the amount of the organization's bad debt expense (at cost)
- 3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts in community benefit.

	Yes	No
1	X	
2		
3		
5		
6		
7		
9a	X	
9b	X	

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME)
- 6 Enter Medicare allowable costs of care relating to payments on line 5
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall)
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- 9a Does the organization have a written debt collection policy during the tax year?
- 9b 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 IV Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: JAMES LAWRENCE KERNAN HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8 If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 <u> </u> <u> </u>		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5	Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	<input type="checkbox"/> Hospital facility's website		
b	<input type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	<input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy			
8	Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>2</u> <u>0</u> <u>0</u> %	X	

Part V Facility Information (continued) JAMES LAWRENCE KERNAN HOSPITAL

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>3</u> <u>0</u> <u>0</u> %	X	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	X	
13	Included measures to publicize the policy 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 type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	X	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):		
a	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy on admission		
b	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued) JAMES LAWRENCE KERNAN HOSPITAL

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires 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 the reasons why (check all that apply):			
a	<input checked="" type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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 Part VI.			
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?	X	
If "Yes," explain in Part VI.			

Part V Facility Information (continued)

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

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

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- 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.

RELATED ORGANIZATION REPORT

SCHEDULE H, PART I, LINE 6A

AN ANNUAL COMMUNITY BENEFIT REPORT IS PREPARED FOR EACH FISCAL YEAR ENDING JUNE 30. THIS REPORT IS SUBMITTED TO THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC), A STATE REGULATORY AGENCY, BY DECEMBER 31 OF EACH YEAR. IN ADDITION, THE ANNUAL COMMUNITY BENEFIT REPORT IS AVAILABLE UPON REQUEST AT THE ENTITY'S CORPORATE OFFICES.

COSTING METHODOLOGY

SCHEDULE H, PART I, LINE 7

SCHEDULE H, LINE 7A, COLUMN (D) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE

Part VI Supplemental Information

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RELATED TO UNCOMPENSATED CARE.

SCHEDULE H, LINE 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 OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. ADDITIONALLY, NET REVENUES FOR MEDICAID SHOULD REFLECT THE FULL IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT.

SCHEDULE H, LINE 7F COLUMN (C) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE

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GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED

AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A

METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH

DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE

RELATED TO UNCOMPENSATED CARE.

SCHEDULE H, LINE 7F COLUMN (D) MARYLAND'S REGULATORY SYSTEM CREATES A

UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE

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

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BAD DEBT EXPENSE

SCHEDULE H, PART III, LINE 4

PART III, LINE 3: THE ORGANIZATION DOES NOT CODE CHARITY CARE AND BAD

DEBT EXPENSE INTO THE SAME GENERAL LEDGER ACCOUNT. CHARITY CARE IS

BOOKED TO A SEPARATE ACCOUNT AND IS CLASSIFIED AS A "DEDUCTION FROM

REVENUE." AS SUCH IT IS NETTED AGAINST TOTAL PATIENT REVENUE IN ARRIVING

AT NET PATIENT REVENUE ON THE ENTITY'S INCOME STATEMENTS. BAD DEBT

EXPENSE IS BOOKED TO A SEPARATE ACCOUNT ON THE GENERAL LEDGER AND DOES

NOT INCLUDE ANY OTHER UNCOMPENSATED CARE AMOUNTS.

PART III, LINE 4: THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S

ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING

HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE

COVERAGE, AND OTHER COLLECTION INDICATORS. PERIODICALLY THROUGHOUT THE

YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE

ACCOUNTS BASED UPON HISTORICAL WRITE OFF EXPERIENCE BY PAYOR CATEGORY.

THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE MODIFICATIONS TO THE

PROVISION FOR BAD DEBTS AND TO ESTABLISH AN ALLOWANCE FOR UNCOLLECTIBLE

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RECEIVABLES. AFTER COLLECTION OF AMOUNTS DUE FROM INSURERS, THE
 CORPORATION FOLLOWS INTERNAL GUIDELINES FOR PLACING CERTAIN PAST DUE
 BALANCES WITH COLLECTION AGENCIES.

MEDICARE COST REPORT

SCHEDULE H, PART III, LINE 8

IN MARYLAND, THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) STARTED
 SETTING HOSPITAL RATES IN 1974. AT THAT TIME, THE HSCRC APPROVED RATES
 APPLIED ONLY TO COMMERCIAL INSURERS. IN 1977, THE HSCRC NEGOTIATED A
 WAIVER FROM MEDICARE HOSPITAL PAYMENT RULES FOR MARYLAND HOSPITALS TO
 BRING THE FEDERAL MEDICARE PAYMENTS UNDER HSCRC CONTROL. MEDICARE
 REIMBURSES MARYLAND HOSPITALS ACCORDING TO RATES ESTABLISHED BY THE HSCRC
 AS LONG AS THE STATE CONTINUES TO MEET A TWO-PART TEST. THIS TWO-PART
 WAIVER TEST ALLOWS MEDICARE TO PARTICIPATE IN THE MARYLAND SYSTEM AS LONG
 AS TWO CONDITIONS ARE MET.

- ALL OTHER PAYERS PARTICIPATING IN THE SYSTEM PAY HSCRC SET RATES AND
- THE RATE OF GROWTH IN MEDICARE PAYMENTS TO MARYLAND HOSPITALS FROM

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1981 TO THE PRESENT IS NOT GREATER THAN THE RATE OF GROWTH IN MEDICARE
PAYMENTS TO HOSPITALS NATIONALLY OVER THE SAME TIME FRAME.

COLLECTION PRACTICES

SCHEDULE H, PART III, LINE 9B

THE ORGANIZATION EXPECTS PAYMENT AT THE TIME THE SERVICE IS PROVIDED. OUR
POLICY IS TO COMPLY WITH ALL STATE AND FEDERAL LAW AND THIRD PARTY
REGULATIONS AND TO PERFORM ALL CREDIT AND COLLECTION FUNCTIONS IN A
DIGNIFIED AND RESPECTFUL MANNER. EMERGENCY SERVICES WILL BE PROVIDED TO
ALL PATIENTS REGARDLESS OF ABILITY TO PAY. FINANCIAL ASSISTANCE IS
AVAILABLE FOR PATIENTS BASED ON FINANCIAL NEED AS DEFINED IN THE FINANCIAL
ASSISTANCE POLICY. THE ORGANIZATION DOES NOT DISCRIMINATE ON THE BASIS OF
AGE, RACE, CREED, SEX OR ABILITY TO PAY. PATIENTS WHO ARE UNABLE TO PAY
MAY REQUEST A FINANCIAL ASSISTANCE APPLICATION AT ANY TIME PRIOR TO
SERVICE OR DURING THE BILLING AND COLLECTION PROCESS. THE ORGANIZATION
MAY REQUEST THE PATIENT TO APPLY FOR MEDICAL ASSISTANCE PRIOR TO APPLYING
FOR FINANCIAL ASSISTANCE. THE ACCOUNT WILL NOT BE FORWARDED FOR
COLLECTION DURING THE MEDICAL ASSISTANCE APPLICATION PROCESS OR THE

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FINANCIAL ASSISTANCE APPLICATION PROCESS.

JAMES LAWRENCE KERNAN HOSPITAL 1

SCHEDULE H, PART V, SECTION B

LINE 19D - ALL PATIENTS ARE CHARGED STATE REGULATED RATES, REGARDLESS OF
THEIR ABILITY TO PAY.

LINE 21 - DUE TO STATE REGULATIONS, CHARGES ARE NOT REDUCED FOR ANY
PAYER, INCLUDING COMMERCIAL INSURANCE, GOVERNMENT PAYERS, OR UNINSURED
PATIENTS. ALL CHARGES ARE GROSS CHARGES.

COMMUNITY HEALTH CARE NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

KERNAN, IN CONJUNCTION WITH OTHER HOSPITALS WITHIN THE UNIVERSITY OF
MARYLAND MEDICAL SYSTEM, IS IN THE MIDST OF PERFORMING ITS COMMUNITY
HEALTH NEEDS ASSESSMENT, AS REQUIRED BY 2013 UNDER THE PATIENT PROTECTION
AND AFFORDABLE CARE ACT ("ACA"). THE NEEDS ASSESSMENT'S DATA WILL BE
OBTAINED FROM VARIOUS COMMUNITY SOURCES AND HAS NOT BEEN COMPLETED IN

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TIME TO BE INCLUDED IN THE FISCAL YEAR 2011 REPORT. PRIOR TO DEVELOPING

THE CURRENT IN-PROCESS ASSESSMENT, KERNAN HAS BEEN ASSISTED IN SURVEY

EFFORTS BY THE UNIVERSITY OF MARYLAND MEDICAL CENTER (UMMC), WHICH

COMMISSIONED THE JACKSON ORGANIZATION TO CONDUCT A TELEPHONE MARKET

RESEARCH SURVEY OF CONSUMERS LIVING IN ITS SERVICE AREA. INTERVIEWS WERE

CONDUCTED WITH THE HOUSEHOLD'S MAIN HEALTHCARE DECISION MAKER FROM JUNE

10 THROUGH JULY 1, 2005. THESE INTERVIEWS WERE CONDUCTED WITH RESIDENTS

IN A NUMBER OF ZIP CODES. THE SURVEY WAS CONDUCTED TO DEVELOP A PROFILE

OF THE HEALTH STATUS, CONCERNS, AND NEEDS OF THE COMMUNITY SERVED BY

UMMC, AND IN TURN, BY KERNAN FOR REHABILITATION SERVICES TO THESE SAME

COMMUNITY MEMBERS. IN THE ABOVE SURVEY, COMMISSIONED WITH THE JACKSON

ORGANIZATION, THE ISSUES IDENTIFIED THAT CORRELATED MOST HIGHLY TO

CONSUMERS' HEALTH STATUS WERE STROKE, DIABETES, HIGH BLOOD PRESSURE AND

INCONTINENCE. KERNAN, A PARTNER WITH UMMC AND A MEMBER OF THE UMMS

COMMUNITY OUTREACH AND ADVOCACY TEAM, USES THIS DATA TO COORDINATE EVENTS

TO MAKE COMMUNITY MEMBERS AWARE OF RELATED SERVICES SUCH AS STROKE,

TRAUMATIC BRAIN INJURY, ARTHRITIS AND PHYSICAL THERAPY SERVICES. MAJOR

IDENTIFIED HEALTH NEEDS IN BALTIMORE (AS IDENTIFIED IN THE 2008 BALTIMORE

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CITY HEALTH STATUS REPORT) INCLUDE THE FOLLOWING LEADING CAUSES OF DEATH

(IN RANKED ORDER) HEART DISEASE, CANCER, CEREBROVASCULAR DISEASE,

HIV/AIDS, HOMICIDE, CHRONIC LOWER RESPIRATORY DISEASE, AND DIABETES.

THEREFORE, MUCH OF THE CURRENT KERNAN COMMUNITY OUTREACH PROGRAMMING IS

TARGETED TO OBESITY, AS STUDIES HAVE SHOWN THAT OBESITY LEADS TO HEART

DISEASE AND CEREBROVASCULAR DISEASE FREQUENTLY SEEN WITHIN THE STROKE

REHABILITATION UNIT AT KERNAN. MAJOR NEEDS IDENTIFIED THAT ARE PERTINENT

TO KERNAN'S PATIENT POPULATION ARE:

- CHRONIC DISEASE: OBESITY

- INCREASE THE PROPORTION OF ADULTS WHO ARE AT A HEALTHY WEIGHT AND

REDUCE DEATHS FROM HEART DISEASE, DIABETES, HIGH BLOOD PRESSURE, AND

OTHER CARDIAC ISSUES.

- HEALTHCARE ACCESS - REDUCE THE PROPORTION OF INDIVIDUALS WHO ARE UNABLE

TO AFFORD TO SEE A DOCTOR

- HEALTHCARE ACCESS - INCREASE THE PROPORTION OF CHILDREN AND ADOLESCENTS

WHO RECEIVE DENTAL CARE

- CHRONIC DISEASE: OBESITY - REDUCE THE PROPORTION OF CHILDREN AND

ADOLESCENTS WHO ARE CONSIDERED OBESE

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THE MOST RECENT FORMAL ASSESSMENT WAS LAST CONDUCTED IN JULY 2005,
HOWEVER, KERNAN ENGAGES IN ONGOING COMMUNITY HEALTH NEEDS ANALYSES
ANNUALLY, AND DEVELOPS OPPORTUNITIES TO BENEFIT THE COMMUNITY AS
APPROPRIATE.

ELIGIBILITY EDUCATION

SCHEDULE H, PART VI, LINE 3

KERNAN ORTHOPAEDICS AND REHABILITATION HOSPITAL, AS A PART OF THE
UNIVERSITY OF MARYLAND MEDICAL SYSTEM, PROVIDES HEALTHCARE SERVICES TO
THOSE IN NEED REGARDLESS OF AN INDIVIDUAL'S ABILITY TO PAY. CARE MAY BE
PROVIDED WITHOUT CHARGE, OR AT A REDUCED CHARGE, TO THOSE WHO DO NOT HAVE
INSURANCE, MEDICARE/MEDICAL ASSISTANCE COVERAGE, AND ARE WITHOUT THE
MEANS TO PAY. AN INDIVIDUAL'S ELIGIBILITY TO RECEIVE CARE WITHOUT
CHARGE, AT A REDUCED CHARGE, OR TO PAY FOR THEIR CARE OVER TIME IS
DETERMINED ON A CASE BY CASE BASIS. WITHIN TWO DAYS FOLLOWING A
PATIENT'S REQUEST FOR CHARITY CARE SERVICES, APPLICATION FOR MEDICAL
ASSISTANCE, OR BOTH, THE HOSPITAL MAKES A DETERMINATION OF PROBABLE

Part VI Supplemental Information

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- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
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- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
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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.

ELIGIBILITY. A LARGE PERCENTAGE OF KERNAN'S PATIENTS ARE TRANSFERRED
 FROM THE SHOCK TRAUMA CENTER OR THE UNIVERSITY OF MARYLAND HOSPITAL.
 THOSE WHO DO NOT HAVE THE ABILITY TO PAY ARE NEVER TURNED AWAY AND ARE
 HELPED TO FIND RESOURCES TO COVER THE COSTS OF THEIR HOSPITAL STAY AND
 MEDICATIONS WITH THE ASSISTANCE OF KERNAN'S CASE MANAGERS. FOR PATIENTS
 WHO REQUIRE FINANCIAL ASSISTANCE, KERNAN HOSPITAL HAS ENDOWMENT FUNDS
 AVAILABLE TO ASSIST PEOPLE WITHOUT RESOURCES WHO MAY NEED MEDICAL
 SUPPLIES OR MEDICATIONS. THIS ASSISTANCE IS AVAILABLE UPON REQUEST AND
 IS REVIEWED ON A CASE-BY-CASE BASIS. INFORMATION REGARDING THE CHARITY
 CARE POLICY AT KERNAN IS POSTED WITHIN THE HOSPITAL IN CLINIC AREAS AND
 BUSINESS AREAS WHERE ELIGIBLE PATIENTS ARE LIKELY TO BE PRESENT. PATIENTS
 ALSO RECEIVE INDIVIDUALIZED HELP IN OBTAINING SERVICES AND CARE SHOULD
 THEY NOT HAVE THE ABILITY TO PAY. INFORMATION REGARDING KERNAN'S CHARITY
 CARE POLICY IS PROVIDED AT THE TIME OF PREADMISSION OR ADMISSION TO EACH
 PERSON WHO SEEKS SERVICES AT THE HOSPITAL. KERNAN HOSPITAL MAKES EVERY
 EFFORT TO ENSURE THAT INFORMATION IS PROVIDED IN LANGUAGES THAT IS
 UNDERSTOOD BY THE TARGET POPULATION OF PATIENTS UTILIZING HOSPITAL
 SERVICES. KERNAN MAKES EVERY EFFORT TO MAKE FINANCIAL ASSISTANCE

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INFORMATION AVAILABLE TO OUR PATIENTS INCLUDING, BUT NOT LIMITED TO:

- SIGNAGE IN MAIN ADMITTING AREAS OF THE HOSPITAL ARE POSTED IN ENGLISH

AND SPANISH

- INFORMATION SHEETS EXPLAINING FINANCIAL ASSISTANCE ARE MADE AVAILABLE

IN ALL PATIENT CARE AREAS IN ENGLISH AND SPANISH.

- INFORMATION SHEETS ARE PROVIDED TO ALL PATIENTS AT THE TIME OF

ADMISSION, EXPLAINING THE PROCESS FOR PAYMENT. IF PAYMENT CANNOT BE

MADE, OPTIONS ARE EXPLAINED TO THE PATIENT.

DESCRIPTION OF COMMUNITY SERVED

SCHEDULE H, PART VI, LINE 4

THE JAMES LAWRENCE KERNAN HOSPITAL IS THE LARGEST INPATIENT

REHABILITATION SPECIALTY HOSPITAL LOCATED WITHIN THE STATE OF MARYLAND.

KNOWN ALSO AS KERNAN ORTHOPAEDICS AND REHABILITATION, THE HOSPITAL IS

BALTIMORE'S ORIGINAL ORTHOPAEDIC AND REHABILITATION HOSPITAL AND IS A

COMMITTED PROVIDER OF A FULL ARRAY OF REHABILITATION PROGRAMS AND

SPECIALTY SURGERY--PRIMARILY ORTHOPAEDICS. A MEMBER OF THE UNIVERSITY OF

MARYLAND MEDICAL SYSTEM (UMMS) AND AFFILIATED WITH THE UNIVERSITY OF

Part VI Supplemental Information

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MARYLAND SCHOOL OF MEDICINE, THE HOSPITAL HAS BEEN SERVING PATIENTS WHO
 ARE RESIDENTS OF THE STATE OF MARYLAND AND THE SURROUNDING BALTIMORE
 METROPOLITAN AREA FOR APPROXIMATELY 115 YEARS. AS MARYLAND'S ORIGINAL
 ORTHOPAEDIC HOSPITAL, KERNAN OFFERS TOTAL JOINT SURGERY, NON-OPERATIVE
 MANAGEMENT OF BACK PAIN, THE LATEST MINIMALLY INVASIVE TECHNIQUES FOR
 SHOULDER SURGERY, INTEGRATIVE MEDICINE, AND LEADERSHIP IN SPORTS MEDICINE
 AND PEDIATRIC ORTHOPAEDICS. THE HOSPITAL'S EXPERT STAFF TREATS A FULL
 RANGE OF REHABILITATIVE ISSUES RESULTING FROM STROKE, SPINAL CORD
 INJURIES, TRAUMATIC BRAIN INJURIES, NEUROLOGICAL DISORDERS AND GENERAL
 SURGERIES DECONDITIONING. LOCATED ON 85 ACRES ON THE BORDER OF THE FOREST
 PARK/GWYNNS FALLS COMMUNITY IN SOUTHWEST BALTIMORE CITY AND THE GWYNN
 OAK/WOODLAWN AREA IN WESTERN BALTIMORE COUNTY, KERNAN IS A SPECIALTY
 HOSPITAL PROVIDING UNIQUE SERVICES TO ITS PATIENTS. CONVENIENT TO
 BALTIMORE BELTWAY EXIT 17 AND INTERSTATE 70, THE HOSPITAL IS VERY
 ACCESSIBLE TO PATIENTS RESIDING IN BALTIMORE CITY, ANNE ARUNDEL,
 BALTIMORE, AND HOWARD COUNTIES, AND WESTERN MARYLAND. APPROXIMATELY 15
 PERCENT OF KERNAN'S PATIENTS ARE ADMITTED TO THE HOSPITAL FOR ELECTIVE
 PROCEDURES. PATIENTS REQUIRING REHABILITATIVE CARE COMPRISE THE OTHER 85

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PERCENT OF ADMISSIONS AND ARE PATIENTS WHO ARE TRANSFERRED TO KERNAN FROM

ACUTE CARE HOSPITALS THAT ARE LOCATED THROUGHOUT THE STATE OF MARYLAND.

DURING FY 2011, NEARLY 34 PERCENT OF BALTIMORE CITY PATIENTS REQUIRING

REHABILITATIVE CARE WERE TREATED AT KERNAN HOSPITAL. STATEWIDE,

APPROXIMATELY 24 PERCENT, NEARLY ONE-QUARTER --OF THOSE NEEDING

POST-ACUTE REHABILITATION WERE CARED FOR AT KERNAN. THE FOLLOWING

INFORMATION DETAILS THE AREAS KERNAN PRIMARILY SERVES --BALTIMORE CITY,

ANNE ARUNDEL, BALTIMORE AND HOWARD COUNTIES. BALTIMORE, MARYLAND THE CITY

OF BALTIMORE CONSISTS OF NINE GEOGRAPHICAL REGIONS: NORTHERN,

NORTHWESTERN, NORTHEASTERN, WESTERN, CENTRAL, EASTERN, SOUTHERN,

SOUTHWESTERN, AND SOUTHEASTERN. THE CENTRAL DISTRICT INCLUDES DOWNTOWN

BALTIMORE, THE CITY'S MAIN COMMERCIAL AREA. THE DOWNTOWN CORE HAS MAINLY

SERVED AS A COMMERCIAL DISTRICT WITH LIMITED RESIDENTIAL NEIGHBORHOODS.

THE CENTRAL DISTRICT PROCEEDS NORTH OF THE DOWNTOWN CORE TO THE EDGE OF

DRUID HILL PARK. THIS AREA IS HOME TO MANY OF THE CITY'S CULTURAL

OPPORTUNITIES. THE NORTHERN DISTRICT LIES DIRECTLY NORTH OF THE CENTRAL

DISTRICT AND IS HOME TO SOME OF THE AREA'S COLLEGES AND UNIVERSITIES SUCH

AS LOYOLA UNIVERSITY MARYLAND, THE JOHNS HOPKINS UNIVERSITY AND COLLEGE

Part VI Supplemental Information

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OF NOTRE DAME OF MARYLAND. THE SOUTHERN DISTRICT, A MIXED INDUSTRIAL AND
 RESIDENTIAL AREA, CONSISTS OF THE AREA OF THE CITY BELOW THE INNER
 HARBOR, EAST OF THE B&O RAILROAD TRACKS. IT IS A MIXED SOCIO-ECONOMIC
 REGION CONSISTING OF CULTURALLY AND ETHNICALLY DIVERSE NEIGHBORHOODS SUCH
 AS LOCUST POINT, HISTORIC FEDERAL HILL, AND LOW-INCOME RESIDENTIAL AREAS
 SUCH AS CHERRY HILL. THE PORT OF BALTIMORE ALSO OPERATES TWO TERMINALS
 IN THIS DISTRICT. EAST BALTIMORE CONSISTS OF THE NORTHEASTERN, EASTERN,
 AND SOUTHEASTERN DISTRICTS. THE NORTHEASTERN DISTRICT IS PRIMARILY A
 RESIDENTIAL NEIGHBORHOOD, AND IS HOME TO MORGAN STATE UNIVERSITY. THE
 EASTERN DISTRICT IS THE HEART OF WHAT IS CONSIDERED EAST BALTIMORE.
 ETHNICALLY DIVERSE, IT IS MADE UP OF PRIMARILY RESIDENTIAL NEIGHBORHOODS.
 THE SOUTHEASTERN DISTRICT BORDERS THE INNER HARBOR ON ITS WESTERN
 BOUNDARY, THE CITY LINE ON ITS EASTERN BOUNDARIES AND THE BALTIMORE
 HARBOR TO THE SOUTH, IS A MIXED INDUSTRIAL AND RESIDENTIAL AREA. THE
 DEMOGRAPHY OF INDIVIDUAL NEIGHBORHOODS VARIES WIDELY, OFFERING A
 SIGNIFICANT MIX OF RACES AND CULTURES. THE WEST BALTIMORE COMMUNITY IS
 NEAREST TO KERNAN HOSPITAL, AND CONSISTS OF THE NORTHWESTERN, WESTERN,
 AND SOUTHWESTERN DISTRICTS. THE NORTHWESTERN DISTRICT, BOUNDED BY THE

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BALTIMORE COUNTY LINE ON ITS NORTHERN AND WESTERN BOUNDARIES, GWYNNS
 FALLS PARKWAY ON THE SOUTH AND PIMLICO ROAD ON THE EAST, IS HOME TO
 PIMLICO RACE COURSE, WHERE THE PREAKNESS STAKES TAKES PLACE EACH MAY, AND
 IS PRIMARILY RESIDENTIAL. THE WESTERN DISTRICT, LOCATED WEST OF THE
 MAIN COMMERCIAL DISTRICT DOWNTOWN, IS THE HEART OF WEST BALTIMORE,
 BOUNDED BY GWYNNS FALLS PARKWAY, FREMONT AVENUE, AND BALTIMORE STREET.
 COPPIN STATE UNIVERSITY, MONDAWMIN MALL, AND EDMONDSON VILLAGE, LOCATED
 IN THIS DISTRICT, HAVE BEEN HISTORIC CULTURAL AND ECONOMIC CENTERS OF THE
 CITY'S AFRICAN AMERICAN COMMUNITY. THE SOUTHWESTERN DISTRICT IS BOUNDED
 BY BALTIMORE COUNTY TO THE WEST, BALTIMORE STREET TO THE NORTH, AND THE
 DOWNTOWN AREA TO THE EAST. ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS OF
 SOUTHWESTERN DISTRICT VARY.

DEMOGRAPHICS

ACCORDING TO THE 2010 U.S. CENSUS, THERE WERE 620,961 PEOPLE RESIDING IN
 BALTIMORE, A DECREASE OF 4.6% SINCE 2000. ACCORDING TO THE 2010 U.S.
 CENSUS, 28.0 PERCENT OF THE POPULATION WAS NON-HISPANIC WHITE, 63.3

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PERCENT NON-HISPANIC BLACK OR AFRICAN AMERICAN, 0.3 PERCENT NON-HISPANIC

AMERICAN INDIAN AND ALASKA NATIVE, 2.3 PERCENT NON-HISPANIC ASIAN, 0.2

PERCENT FROM SOME OTHER RACE (NON-HISPANIC) AND 1.7 PERCENT OF TWO OR

MORE RACES (NON-HISPANIC). 4.2 PERCENT OF BALTIMORE'S POPULATION WAS OF

HISPANIC, LATINO, OR SPANISH ORIGIN. IN THE 1990S, THE US CENSUS REPORTED

THAT BALTIMORE RANKED AS ONE OF THE LARGEST POPULATION LOSERS ALONGSIDE

DETROIT AND WASHINGTON D.C., LOSING OVER 84,000 RESIDENTS BETWEEN 1990

AND 2000. THE SAME REPORT ALSO ESTIMATED THESE PEOPLE LIVED IN A TOTAL

OF 294,579 HOUSING UNITS. AGE RANGES WERE 22.4 PERCENT UNDER 18 YEARS

OLD, 11.8 PERCENT AT AGE 65 OR OLDER, AND 65.8 PERCENT FROM 18 TO 64

YEARS OLD. THE CITY'S ESTIMATED 2009 POPULATION OF 637,418 WAS 53.4

PERCENT FEMALE. A STATISTICAL ABSTRACT PREPARED BY THE U.S. CENSUS

BUREAU ESTIMATED THE MEDIAN INCOME FOR A HOUSEHOLD IN THE CITY DURING

2009 AT \$38,458, WITH 20.9 PERCENT OF THE POPULATION LIVING BELOW THE

POVERTY LINE.

BALTIMORE COUNTY, MARYLAND

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A PART OF THE BALTIMORE-WASHINGTON METROPOLITAN AREA, BALTIMORE COUNTY IS
 LOCATED IN THE NORTHERN PART OF THE STATE OF MARYLAND. IN 2010, THE
 COUNTY'S POPULATION WAS 805,029. COMPRISED OF APPROXIMATELY 598 SQUARE
 MILES, BALTIMORE COUNTY DOES NOT HAVE ANY INCORPORATED CITIES OR TOWNS
 AND IS DIVIDED INTO COUNCILMANIC DISTRICTS. KERNAN IS LOCATED ON THE
 SOUTHWESTERN BORDER OF DISTRICT 4 (RANDALLSTOWN/WOODLAWN/SECURITY) OF THE
 COUNTY AND BALTIMORE CITY.

DEMOGRAPHICS

ACCORDING TO THE U.S. CENSUS BUREAU, WHITE PERSONS COMPRISED 64.6 PERCENT
 OF THE POPULATION, WITH BLACK PERSONS ACCOUNTING FOR 26.1 PERCENT OF THE
 COUNTY'S POPULATION. AMERICAN INDIAN AND ALASKA NATIVE PERSONS MADE UP
 0.33 PERCENT OF THE POPULATION, ASIAN POPULATION COMPRISED 4.99 PERCENT,
 WITH NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER AT ZERO PERCENT. PERSONS
 REPORTING TWO OR MORE RACES MADE UP 2.4 PERCENT OF BALTIMORE COUNTY'S
 POPULATION, PERSONS OF HISPANIC OR LATINO ORIGIN, TOTALED 4.2 PERCENT.
 THE PERCENT OF WHITE PERSONS, NOT HISPANIC WAS 62.7 PERCENT. THERE WERE

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299,877 HOUSEHOLDS OUT OF WHICH 30.20% HAD CHILDREN UNDER THE AGE OF 18

LIVING WITH THEM, 49.40% WERE MARRIED COUPLES LIVING TOGETHER, 12.80% HAD

A FEMALE HOUSEHOLDER WITH NO HUSBAND PRESENT, AND 33.80% WERE

NON-FAMILIES. 27.30% OF ALL HOUSEHOLDS WERE MADE UP OF INDIVIDUALS AND

10.10% HAD SOMEONE LIVING ALONE WHO WAS 65 YEARS OF AGE OR OLDER. THE

AVERAGE HOUSEHOLD SIZE WAS 2.46 AND THE AVERAGE FAMILY SIZE WAS 3.00. IN

THE COUNTY THE POPULATION WAS SPREAD OUT WITH 23.60% UNDER THE AGE OF 18,

8.50% FROM 18 TO 24, 29.80% FROM 25 TO 44, 23.40% FROM 45 TO 64, AND

14.60% WHO WERE 65 YEARS OF AGE OR OLDER. THE MEDIAN AGE WAS 38 YEARS.

FOR EVERY 100 FEMALES THERE WERE 90.00 MALES. FOR EVERY 100 FEMALES AGE

18 AND OVER, THERE WERE 86.00 MALES. THE MEDIAN INCOME FOR A HOUSEHOLD

IN THE COUNTY WAS \$50,667, AND THE MEDIAN INCOME FOR A FAMILY WAS

\$59,998. MALES HAD A MEDIAN INCOME OF \$41,048 VERSUS \$31,426 FOR FEMALES.

THE PER CAPITA INCOME FOR THE COUNTY WAS \$26,167. ABOUT 4.50% OF FAMILIES

AND 6.50% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING 7.20%

OF THOSE UNDER AGE 18 AND 6.50% OF THOSE AGED 65 OR OVER.

HOWARD COUNTY, MARYLAND

Part VI Supplemental Information

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HOWARD COUNTY IS LOCATED IN THE CENTRAL PART OF THE MARYLAND, BETWEEN

BALTIMORE AND WASHINGTON, D.C. IT IS CONSIDERED PART OF THE

BALTIMORE-WASHINGTON METROPOLITAN AREA.

IN 2010, ITS POPULATION WAS 287,085. ITS COUNTY SEAT IS ELLICOTT CITY.

THE CENTER OF POPULATION OF MARYLAND IS LOCATED ON THE COUNTY LINE

BETWEEN HOWARD COUNTY AND ANNE ARUNDEL COUNTY, IN THE UNINCORPORATED TOWN

OF JESSUP.

DUE TO THE PROXIMITY OF HOWARD COUNTY'S POPULATION CENTERS TO BALTIMORE,

THE COUNTY HAS TRADITIONALLY BEEN CONSIDERED A PART OF THE BALTIMORE

METROPOLITAN AREA. RECENT DEVELOPMENT IN THE SOUTH OF THE COUNTY HAS LED

TO SOME REALIGNMENT TOWARDS THE WASHINGTON, D.C. MEDIA AND EMPLOYMENT

MARKETS. THE COUNTY IS ALSO HOME TO COLUMBIA, A MAJOR PLANNED COMMUNITY

OF 100,000 FOUNDED BY DEVELOPER JAMES ROUSE IN 1967.

HOWARD COUNTY IS FREQUENTLY CITED FOR ITS AFFLUENCE, QUALITY OF LIFE, AND

EXCELLENT SCHOOLS. FOR 2011, IT WAS RANKED THE FIFTH WEALTHIEST COUNTY BY

MEDIAN HOUSEHOLD INCOME IN THE UNITED STATES BY THE U.S. CENSUS BUREAU.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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MANY OF THE MOST AFFLUENT COMMUNITIES IN THE BALTIMORE-WASHINGTON

METROPOLITAN AREA, SUCH AS CLARKSVILLE, GLENELG, GLENWOOD AND WEST

FRIENDSHIP, ARE LOCATED ALONG THE ROUTE 32 CORRIDOR IN HOWARD COUNTY. THE

MAIN POPULATION CENTER OF COLUMBIA/ELLCOTT CITY WAS NAMED 2ND AMONG

MONEY MAGAZINE'S 2010 SURVEY OF "AMERICA'S BEST PLACES TO LIVE." HOWARD

COUNTY'S SCHOOLS FREQUENTLY RANK FIRST IN MARYLAND AS MEASURED BY

STANDARDIZED TEST SCORES AND GRADUATION RATES.

DEMOGRAPHICS

ACCORDING TO THE 2010 U.S. CENSUS, WHITE PERSONS COMPRISED 62.2 PERCENT

OF THE POPULATION OF HOWARD COUNTY. BLACK PERSONS MADE UP 17.5 PERCENT.

ASIAN PERSON WERE 14.4 PERCENT OF THE POPULATION, AND AMERICAN INDIAN OR

ALASKA NATIVES WERE 0.3 PERCENT OF THE POPULATION, PERSONS REPORTING TWO

OR MORE RACES COMPRISED 3.6 PERCENT OF THE COUNTY'S POPULATION, AND

PERSONS OF HISPANIC OR LATINO ORIGIN TOTALED 5.8 PERCENT OF THE

POPULATION. THERE WERE NO REPORTED NATIVE HAWAIIAN OR PACIFIC ISLANDERS.

MEDIAN HOUSEHOLD INCOME WAS REPORTED AT \$101,417, AND THE NUMBER OF

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PEOPLE LIVING BELOW THE POVERTY LEVEL WAS 4.5 PERCENT.

ANNE ARUNDEL COUNTY, MARYLAND

ANNE ARUNDEL COUNTY IS LOCATED IN THE U.S. STATE OF MARYLAND. IT IS NAMED FOR ANNE ARUNDELL (1615-49), A MEMBER OF THE ANCIENT FAMILY OF ARUNDELLS IN CORNWALL, ENGLAND AND THE WIFE OF CÆCILIUS CALVERT, 2ND BARON BALTIMORE. ITS COUNTY SEAT IS ANNAPOLIS, WHICH IS ALSO THE CAPITAL OF THE STATE. IN 2010, ITS POPULATION WAS 537,656.

ANNE ARUNDEL COUNTY FORMS PART OF THE BALTIMORE-WASHINGTON METROPOLITAN AREA. THE CENTER OF POPULATION OF MARYLAND IS LOCATED ON THE COUNTY LINE BETWEEN ANNE ARUNDEL COUNTY AND HOWARD COUNTY, IN THE UNINCORPORATED TOWN OF JESSUP. THE FOLLOWING INFORMATION PROVIDES DEMOGRAPHIC DATA PERTAINING TO ANNE ARUNDEL COUNTY.

DEMOGRAPHICS

WHITE PERSONS COMPRISED 75.4 PERCENT OF THE COUNTY'S POPULATION,

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ACCORDING TO THE 2010 U.S. CENSUS. BLACK PERSONS TOTALED 15.5 PERCENT.

AMERICAN INDIAN AND ALASKA NATIVES MADE UP 0.3 PERCENT OF THE COUNTY'S

POPULATION, WHILE ASIAN PERSONS TOTALED 3.4 PERCENT, NATIVE HAWAIIAN AND

OTHER PACIFIC ISLANDERS MADE UP 0.1 PERCENT. THOSE REPORTING TWO OR MORE

RACES TOTALED 2.89 PERCENT AND THOSE REPORTING HISPANIC OR LATINO ORIGIN

MADE UP 6.1 PERCENT OF THE POPULATION. OVER 50 PERCENT OF THE POPULATION

WAS REPORTED AS FEMALE.

MEDIAN HOUSEHOLD INCOME OF ANNE ARUNDEL COUNTY RESIDENTS WAS REPORTED AT

\$79,843. PERSONS LIVING BELOW THE POVERTY LEVEL WERE 6.8 PERCENT.

PROMOTING THE HEALTH OF THE COMMUNITY

SCHEDULE H, PART VI, LINE 5

IN ADDITION TO KERNAN'S PARTICIPATION IN UMMS EVENTS, ADDITIONAL

COMMUNITY OUTREACH INITIATIVES, INVOLVING PARTNERSHIPS WITH BOTH LOCAL

EDUCATION AND COMMUNITY GROUPS, AS WELL AS ORGANIZATIONS WITH SPECIFIC

TIES TO THE DISABLED COMMUNITY, AND TO KERNAN'S MEDICAL MISSION WERE

HELD. THESE GROUPS INCLUDE:

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COMMUNITY GROUPS

FRANKLINTOWN COMMUNITY ASSOCIATION

GREATER CATONSVILLE CHAMBER OF COMMERCE

SECURITY-WOODLAWN BUSINESS ASSOCIATION

BALTIMORE COUNTY CHAMBER OF COMMERCE

ROTARY CLUB OF WOODLAWN-WESTVIEW

GWYNNS FALLS TRAIL COUNCIL

DICKEYVILLE COMMUNITY ASSOCIATION

BALTIMORE METRO REDLINE

BALTIMORE COUNTY DEPARTMENT OF AGING SCHOOLS

BALTIMORE CITY SCHOOLS

DICKEY HILL ELEMENTARY AND MIDDLE SCHOOLS

FREDERICK DOUGLASS HIGH SCHOOL

MERGENTHALER VOCATIONAL TECHNICAL HIGH SCHOOL

CARVER VOCATIONAL TECHNICAL HIGH SCHOOL

MERCY HIGH SCHOOL

BALTIMORE COUNTY SCHOOLS

CRISTO REY JESUIT HIGH SCHOOL

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MILFORD MILL ACADEMY

INSTITUTE OF NOTRE DAME

HOWARD COUNTY SCHOOLS

HOWARD HIGH SCHOOL

MT. HEBRON HIGH SCHOOL

GLENELG HIGH SCHOOL

CENTENNIAL HIGH SCHOOL

CORPORATE/NON-PROFIT GROUPS

BALTIMORE MUNICIPAL GOLF CORPORATION

BALTIMORE CITY DEPARTMENT OF PARKS & RECREATION

THERAPEUTIC DIVISION

HOWARD COUNTY YOUTH PROGRAMS

THE BRAIN INJURY ASSOCIATION OF MARYLAND

ARTHRITIS FOUNDATION OF MARYLAND

TOWSON YMCA

BALTIMORE ADAPTIVE RECREATION AND SPORTS

MULTIPLE SCLEROSIS SOCIETY OF MARYLAND

BOY SCOUTS OF AMERICA-MARYLAND

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MARYLAND AMPUTEE ASSOCIATION

TKF FOUNDATION

BALTIMORE COUNTY DEPARTMENT OF AGING

AMERICAN RED CROSS

UNITED WAY OF CENTRAL MARYLAND

KERNAN'S LEADERSHIP CONSULTS WITH COMMUNITY LEADERS ON AN ONGOING BASIS

TO DETERMINE HOW BEST TO MEET THE NEEDS OF THEIR CONSTITUENTS THROUGH

ATTENDANCE AT MONTHLY MEETINGS AND ACTIVELY PARTICIPATING ON BOARD AND

COMMISSIONS WITHIN THESE ORGANIZATIONS, PLUS SPONSORING OF COMMUNITY

EVENTS. COMMUNITY BENEFITS IMPLEMENTATION THE COMMUNITY OUTREACH

INITIATIVES HAVE DESIGNATED STAFF MEMBERS ASSIGNED TO ASSIST AND MONITOR

THE COMMUNITY BENEFITS ACTIVITIES. A STAFF MEMBER IS ASSIGNED TO WORK

WITHIN THE COMMUNITY HEALTH OUTREACH AND ADVOCACY TEAM, A PART OF THE

UNIVERSITY OF MARYLAND MEDICAL SYSTEM. THE COMMUNITY GROUPS AND HOSPITAL

LEADERSHIP ARE KEPT ABREAST OF THE INITIATIVES AND THEIR PROGRESS TOWARDS

GOAL ACHIEVEMENT. KERNAN PROVIDES EDUCATION, SERVES AS AN ADVOCATE AND

SUPPORTS THE DISABILITY POPULATIONS WITHIN ITS CONTINUUM OF CARE. DURING

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FY 2011, KERNAN PROVIDED AND FACILITATED MONTHLY SUPPORT GROUPS FOR BRAIN INJURY, STROKE, SPINAL CORD INJURY, AMPUTEE, CAREGIVERS, TOTAL JOINT, AND TRAUMA SURVIVORS' PROGRAMS. IN ADDITION TO SUPPORT GROUPS, PHYSICAL SPACE WAS PROVIDED WITHIN THE HOSPITAL FOR:

- THE BRAIN INJURY ASSOCIATION OF MARYLAND
- THE MS DAY PROGRAM FUNDED BY US AGAINST MS
- WOMEN EMBRACING ABILITIES NOW, A MENTORING PROGRAM FOR WOMEN WITH DISABILITIES
- MONTHLY MEETING SPACE FOR THE FRANKLINTOWN COMMUNITY ASSOCIATION
- BLOOD DRIVES FOR THE AMERICAN RED CROSS

RESPONDING TO THE NEED TO HEALTHCARE EDUCATION AND CAREER AWARENESS, OPPORTUNITIES WERE BROUGHT TO STUDENTS WITHIN THE KERNAN COMMUNITY AS WELL. DENTAL EDUCATION WAS PROVIDED TO DICKEY HILL ELEMENTARY SCHOOL STUDENTS AS WELL AS STUDENTS ATTENDING THE ST. MICHAEL'S SCHOOL HEALTH FAIR. HIGH SCHOOL STUDENTS IN HOWARD COUNTY AT HAMMOND HIGH SCHOOL, MT. HEBRON HIGH SCHOOL, AND FOLLY QUARTER MIDDLE SCHOOL AND BALTIMORE COUNTY

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STUDENTS FROM RANDALLSTOWN, MILFORD MILL AND HEREFORD HIGH SCHOOLS, AS
 WELL AS BALTIMORE CITY PARTNER SCHOOL DICKEY HILL ELEMENTARY/MIDDLE
 SCHOOL LEARNED ABOUT HEALTH CARE CAREERS THROUGH ACTIVITIES OF KERNAN
 STAFF AT THOSE SCHOOLS.

CLINICAL EDUCATION AND MENTORING OF FUTURE HEALTH CARE PROFESSIONALS WAS
 PROVIDED TO NUMEROUS HIGH SCHOOL, COLLEGE AND UNIVERSITY STUDENTS IN THE
 FIELDS OF OCCUPATIONAL THERAPY, PHYSICAL THERAPY, SPEECH LANGUAGE
 PATHOLOGY, DENTAL, NURSING AND MEDICINE. ATHLETIC TRAINERS AND MEDICAL
 RESIDENTS WERE ALSO PROVIDED TO AREA HIGH SCHOOLS, AND PROVIDED
 PRE-SEASON SPORTS PHYSICALS.

COMMUNITY INTEGRATION AND ADAPTIVE LEISURE OPPORTUNITIES WERE PROVIDED
 THROUGH COLLABORATIVE INITIATIVES WITH BALTIMORE MUNICIPAL GOLF
 CORPORATION AND BALTIMORE CITY PARKS AND RECREATION-THERAPEUTIC
 RECREATION DIVISION. KERNAN HOSTED ITS OWN ADAPTED SPORTS FESTIVAL TO
 SHOWCASE ADAPTED SPORTS OPPORTUNITIES FOR BOTH PATIENTS AND THE
 COMMUNITY.

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COMMUNITY HEALTH INITIATIVES

MAJOR NEEDS IDENTIFIED THAT ARE PERTINENT TO KERNAN'S PATIENT POPULATION,
 AND WERE IDENTIFIED IN THE 2008 BALTIMORE CITY HEALTH STATUS REPORT AND
 IN THE JACKSON ORGANIZATION/UMMC MARKET RESEARCH SURVEY ARE:

O CHRONIC DISEASE: OBESITY - INCREASE THE PROPORTION OF ADULTS WHO ARE AT
 A HEALTHY WEIGHT AND REDUCE DEATH FROM HEART DISEASE

O INITIATIVE 1 - ADAPTED SPORTS FESTIVAL WAS CREATED TO HELP DISABLED
 ADULTS FIGHT OBESITY AND HEART DISEASE, DIABETES

O CHRONIC DISEASE: OBESITY - REDUCE THE PROPORTION OF CHILDREN AND
 ADOLESCENTS WHO ARE CONSIDERED OBESE

O INITIATIVE 2 - PROMOTING PHYSICAL ACTIVITY IN HIGH SCHOOLS THROUGH
 SPORTS

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O HEALTHCARE ACCESS - REDUCE THE PROPORTION OF INDIVIDUALS WHO ARE UNABLE TO AFFORD TO SEE A DOCTOR

O INITIATIVE 3 - SUPPORT GROUPS/PATIENT EDUCATION

O CHRONIC DISEASE - REDUCE DEATHS FROM HEART DISEASE.

O INITIATIVE 4 - TAKE A LOVED ONE TO THE DOCTOR DAY - TARGETS OBESITY, DIABETES, HIGH BLOOD PRESSURE AND CARDIAC ISSUES.

O HEALTHCARE ACCESS - INCREASE THE PROPORTION OF CHILDREN AND ADOLESCENTS WHO RECEIVE DENTAL CARE

O INITIATIVE 5 - DENTAL CARE FOR THOSE IN NEED

INITIATIVE 1

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CHRONIC DISEASE: OBESITY - INCREASE THE PROPORTION OF ADULTS WHO ARE AT A
HEALTHY WEIGHT AND REDUCE DEATH FROM HEART DISEASE

ADAPTED SPORTS FESTIVAL

OBESITY RATES AMONG ADULTS WITH DISABILITIES ARE APPROXIMATELY 57% HIGHER
THAN FOR ADULTS WITHOUT DISABILITIES.

FROM THE 2008 BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM, CDC PHYSICAL
ACTIVITY FOR PEOPLE WITH DISABILITIES, ACCORDING TO THE CENTERS FOR
DISEASE CONTROL, OBESITY AFFECTS PEOPLE IN DIFFERENT WAYS, AND EVIDENCE
SHOWS THAT REGULAR PHYSICAL ACTIVITY PROVIDES IMPORTANT HEALTH BENEFITS
FOR PEOPLE WITH DISABILITIES. BENEFITS OF PHYSICAL ACTIVITY INCLUDE
IMPROVED CARDIOVASCULAR AND MUSCLE FITNESS, IMPROVED MENTAL HEALTH, AND A
BETTER ABILITY TO DO TASKS OF DAILY LIFE.

SUFFICIENT EVIDENCE NOW EXISTS TO RECOMMEND THAT ADULTS WITH DISABILITIES
SHOULD ALSO GET REGULAR PHYSICAL ACTIVITY. THE ADAPTED SPORTS FESTIVAL

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HELPS TO MEET SHIP OBJECTIVE NUMBER 1 - INCREASE LIFE EXPECTANCY, VISION

AREA- CHRONIC DISEASE #30 - INCREASE PROPORTION OF ADULTS WHO ARE AT A

HEALTHY WEIGHT.

PATIENT CARE STAFF AT KERNAN HAD NOTICED THAT DISABLED PATIENTS DID NOT

HAVE OPPORTUNITIES OR KNOWLEDGE OF HOW THEY COULD PARTICIPATE IN SPORTS,

OR HOW TO GET REGULAR EXERCISE, LIKE THEIR ABLE-BODIED COUNTERPARTS.

WITH A DESIRE TO HELP IMPROVE THE QUALITY OF LIFE OF ITS PATIENT

POPULATION, KERNAN ORTHOPAEDICS AND REHABILITATION HOSPITAL ORGANIZED AND

HOSTED ITS SECOND ADAPTED SPORTS FESTIVAL ON SATURDAY, SEPTEMBER 18,

2010. THE PURPOSE OF THE ADAPTED SPORTS FESTIVAL IS TO ENABLE INDIVIDUALS

OF ALL ABILITIES TO LEAD ACTIVE, HEALTHY LIFESTYLES. KERNAN'S STAFF FELT

THAT PARTICIPATION IN SPORTS AND RECREATIONAL PURSUITS COULD HELP TO MAKE

THIS POSSIBLE.

DESIGNED AS A FUN-FILLED DAY FOR INDIVIDUALS WITH PHYSICAL DISABILITIES

AND THEIR FAMILIES, THE DAY INCLUDED CHANCES TO PARTICIPATE IN HAND

Part VI Supplemental Information

Complete this part to provide the following information.

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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.
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CYCLING, BOCCE BALL, WHEELCHAIR BASKETBALL, A WHEELCHAIR SLALOM COURSE,
VOLLEY BALL AND ADAPTED GOLF. THERE WAS ALSO A QUAD RUGBY DEMONSTRATION.

THE HOSPITAL'S RECREATIONAL THERAPY STAFF, ALONG WITH OTHER
REHABILITATION PROFESSIONALS AT KERNAN, ENCOURAGED PATIENTS TO EXPLORE A
WIDE RANGE OF OUTDOOR ACTIVITIES. THIS PROCESS WAS INCORPORATED INTO THE
REHABILITATION PROGRAM AT KERNAN, AND CONTINUED ONCE PATIENTS ARE
DISCHARGED BACK TO THEIR HOMES AND COMMUNITIES.
CURRENT AND FORMER PATIENTS, AS WELL AS INDIVIDUALS WITH DISABILITIES
LIVING IN THE COMMUNITY, ATTENDED THE EVENT AND WERE ENCOURAGED TO
PARTICIPATE IN A RANGE OF RECREATIONAL ACTIVITIES. ALL ACTIVITIES WERE
SUPERVISED BY TRAINED STAFF, TAKING INTO ACCOUNT INDIVIDUAL NEEDS AND
ABILITIES. EQUIPMENT WAS ADAPTED AS NECESSARY AND PATIENTS WERE
ENCOURAGED TO UTILIZE NEWLY DEVELOPED SKILLS AND TECHNIQUES ACQUIRED
THROUGH REHABILITATION.

A PART OF THE EVENT WAS BRINGING IN A DISABLED ATHLETE, SO THAT
PARTICIPANTS COULD ASK QUESTIONS AND GAIN VALUABLE IN SITE INTO HOW

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OTHERS IN SIMILAR PHYSICAL CONDITIONS COULD PARTICIPATE IN SPORTS AND
 LIFESTYLE. JESSE BILLAUER WAS THE KEYNOTE SPEAKER FOR THE 2010 EVENT. ON
 THE VERGE OF BECOMING A PROFESSIONAL SURFER, JESSE BILLAUER SUSTAINED A
 DEVASTATING INJURY WHEN A WAVE PUSHED HIM HEADFIRST INTO A SHALLOW
 SANDBAR, LEAVING HIM PARALYZED WITH A COMPLETE C-6 INJURY. JESSE DID NOT
 LET THIS INJURY KEEP HIM DOWN. HIS DESIRE TO GET BACK INTO THE WATER LED
 HIM TO DEVELOP A SYSTEM IN WHICH HE COULD SURF AGAIN, AND WITH THE HELP
 OF OTHERS, DEVELOPED A WAY TO GET INDIVIDUALS WITH SPINAL CORD INJURIES
 SURFING.

INITIATIVE 2

CHRONIC DISEASE: OBESITY - REDUCE THE PROPORTION OF CHILDREN AND
 ADOLESCENTS WHO ARE CONSIDERED OBESE
 PROMOTING PHYSICAL ACTIVITY IN HIGH SCHOOLS THROUGH SPORTS
 STUDIES SHOW THAT REGULAR PHYSICAL ACTIVITY REDUCES THE RISK FOR
 DEPRESSION, DIABETES, HEART DISEASE, HIGH BLOOD PRESSURE, OBESITY,

Part VI Supplemental Information

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STROKE, AND CERTAIN KINDS OF CANCER. YET, THE 2008 PHYSICAL ACTIVITY
 GUIDELINES ADVISORY COMMITTEE NOTES THAT DATA FROM VARIOUS NATIONAL
 SURVEILLANCE PROGRAMS CONSISTENTLY SHOW MOST ADULTS AND YOUTH IN THE U.S.
 DO NOT MEET CURRENT PHYSICAL ACTIVITY RECOMMENDATIONS, --45% TO 50% OF
 ADULTS AND 35.8% OF HIGH SCHOOL STUDENTS SAY THEY GET THE RECOMMENDED
 AMOUNTS OF MODERATE TO VIGOROUS PHYSICAL ACTIVITY.

MANY HIGH SCHOOL STUDENTS IN THE BALTIMORE AND HOWARD COUNTY COMMUNITIES
 DO NOT HAVE A PRIMARY CARE PHYSICIAN AND SOME DO NOT HAVE THE RESOURCES
 TO SEE A DOCTOR TO OBTAIN A PHYSICAL IN ORDER TO PARTICIPATE IN SPORTS.
 THE ATHLETIC TRAINERS AT KERNAN ORTHOPAEDICS AND REHABILITATION, AS WELL
 AS MANY OF THE SPORTS MEDICINE PHYSICIANS, DONATE THEIR TIME EACH SUMMER
 TO PROVIDE AN OPPORTUNITY FOR STUDENTS TO SEE A PHYSICIAN AT THEIR SCHOOL
 AND OBTAIN A FREE PHYSICAL IN ORDER TO PARTICIPATE IN ATHLETICS--AN
 OPPORTUNITY FOR MANY OF THESE STUDENTS TO REMAIN ACTIVE IN ORDER TO
 REDUCE OBESITY. ADDITIONALLY, THE PHYSICIANS AND /OR RESIDENTS IN THE
 SPORTS MEDICINE PROGRAM DONATE THEIR TIME TO ATTEND ATHLETIC CONTESTS AS
 TEAM PHYSICIANS FOR VARIOUS SCHOOLS. APPROXIMATELY 300 HIGH SCHOOL

Part VI Supplemental Information

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STUDENTS PARTICIPATED IN THE SPORTS PHYSICALS PROGRAM.

INITIATIVE 3

HEALTHCARE ACCESS - REDUCE THE PROPORTION OF INDIVIDUALS WHO ARE UNABLE
TO AFFORD TO SEE A DOCTOR

SUPPORT GROUPS

AS A SPECIALTY HOSPITAL, KERNAN PROVIDES CARE TO PATIENTS WHO HAVE UNIQUE
HEALTH CARE NEEDS. IN PARTNERSHIP WITH TREATING THOSE WHO HAVE BEEN
PATIENTS IN THE STROKE, MULTI-TRAUMA, SPINAL CORD, OR TRAUMATIC BRAIN
INJURY UNITS, KERNAN OFFERS A SERIES OF CLASSES AND SUPPORT GROUPS THAT
ARE OPEN TO PATIENTS, CAREGIVERS AND THE COMMUNITY. THESE FREE CLASSES
FOCUS ON PREVENTION AND WELLNESS, WHILE SUPPORT GROUPS ARE SPECIFICALLY
TAILORED TO THE SPECIALIZED NEEDS OF PATIENTS WHO HAVE UNDERGONE A LIFE
CHANGING EVENT AND REHABILITATION PROCESS-AND WOULD OTHERWISE NOT HAVE
ACCESS TO APPROPRIATE PROVIDERS AND CAREGIVERS.

Part VI Supplemental Information

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KERNAN PROVIDES EDUCATION, SERVES AS AN ADVOCATE AND SUPPORTS THE
 DISABILITY POPULATIONS WITHIN ITS CONTINUUM OF CARE. DURING FY 2011,
 KERNAN PROVIDED AND FACILITATED MONTHLY SUPPORT GROUPS FOR BRAIN INJURY,
 STROKE, SPINAL CORD INJURY, AMPUTEE, CAREGIVERS', TOTAL JOINT, AND TRAUMA
 SURVIVORS' PROGRAMS. ADDITIONALLY, CLIENTS WITH MULTIPLE SCLEROSIS WERE
 SERVED BY PARTICIPATING IN KERNAN'S MS (MULTIPLE SCLEROSIS) DAY PROGRAM.
 THESE CLASSES ARE OPEN TO ALL WITHIN THE COMMUNITY. APPROXIMATELY 1100
 PEOPLE PARTICIPATED IN SUPPORT GROUPS AND PATIENT EDUCATION CLASSES
 DURING THE PAST FISCAL YEAR.

INITIATIVE 4

CHRONIC DISEASE - REDUCE DEATHS FROM HEART DISEASE.

TAKE A LOVED ONE TO THE DOCTOR DAY

TAKE A LOVED ONE TO THE DOCTOR DAY IS AN ANNUAL EVENT FOCUSED ON

Part VI Supplemental Information

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IMPROVING HEALTH IN THE WEST BALTIMORE COMMUNITY, BASED ON IDENTIFIED

NEEDS FROM THE 2008 BALTIMORE CITY HEALTH STATUS REPORT AND THE 2005

JACKSON ORGANIZATION/UMMC 2005 COMMUNITY NEEDS ASSESSMENT. LAST FALL'S

ANNUAL EVENT WAS HELD IN SEPTEMBER 2010, ON THE WEST SIDE OF BALTIMORE

CITY AT THE UNIVERSITY PARK ACROSS FROM THE UMMC. THAT LOCATION WAS

CHOSEN BECAUSE OF THE CONVENIENT ACCESSIBILITY TO ALL FORMS OF PUBLIC

TRANSPORTATION AND LOCAL BUSINESSES FOR EVENT PARTICIPANTS. FROM

COMMUNITY RESOURCES, TO ON-SITE SCREENING FOR VASCULAR DISEASE AND

GLAUCOMA, TO PREVENTION AND WELLNESS INFORMATION, AND TESTING FOR

CHOLESTEROL, HIV, AND DIABETES, THIS EVENT HAD SOMETHING FOR EVERYONE.

FREE PROSTATE SCREENINGS AND FLU SHOTS WERE ALSO OFFERED TO PARTICIPANTS.

THE ATTENDEES COULD "ASK THE EXPERT" QUESTIONS ABOUT SPECIFIC HEALTH

CONCERNS, AND HOW TO ACCESS CARE. MEMBERS OF UMMS COMMUNITY HEALTH

OUTREACH AND ADVOCACY TEAM HOSPITALS WERE ALSO ON HAND TO PROVIDE

INFORMATION AND SCREENINGS. THE EVENT WAS ATTENDED BY OVER 2,000 PEOPLE.

AN ADDITIONAL EVENT - SPRING INTO GOOD HEALTH - WAS HELD IN APRIL 2010 AT

MONDAWMIN MALL, TO PROVIDE ANOTHER OPPORTUNITY FOR COMMUNITY SCREENINGS

AND HEALTH INFORMATION.

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INITIATIVE 5

HEALTHCARE ACCESS - INCREASE THE PROPORTION OF CHILDREN AND ADOLESCENTS
WHO RECEIVE DENTAL CARE

DENTAL SERVICES FOR THOSE IN NEED

KERNAN PROVIDES A COMPLETE DENTAL PRACTICE, INCLUDING NINE TREATMENT
AREAS FOR GENERAL AND PEDIATRIC DENTISTRY. IN ADDITION TO THE RECEPTION
AND BUSINESS AREAS, THE SUITE ALSO INCLUDES AREAS FOR DISINFECTION,
STERILIZATION, X-RAY AND LABORATORY, AND FACILITIES FOR COMPREHENSIVE
DENTAL TREATMENT UNDER GENERAL ANESTHESIA.

A SPECIAL MISSION OF THE KERNAN DENTAL SERVICE IS TO SERVE CHILDREN AND
ADULTS WHO HAVE LIMITED ACCESS TO ORAL HEALTH CARE IN THE COMMUNITY. THIS
POPULATION INCLUDES MENTALLY AND/OR PHYSICALLY DISABLED INDIVIDUALS, AS
WELL AS MANY CHILDREN IN THE MARYLAND MEDICAID PROGRAM.

Part VI Supplemental Information

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MENTALLY DISABLED ADULTS EXPERIENCE A RANGE OF ORAL HEALTH PROBLEMS
 GREATER THAN THAT SEEN IN THE GENERAL POPULATION. THEIR DISABILITIES CAN
 MAKE EVEN ROUTINE CARE DIFFICULT, SOMETIMES REQUIRING THE USE OF GENERAL
 ANESTHESIA. THE DENTISTS AT KERNAN HAVE TAKEN UP THE CHALLENGE OF
 TREATING THIS SPECIAL GROUP OF PEOPLE. STAFF VISITS AREA SCHOOLS TO
 INSTRUCT STUDENTS ON ORAL CARE, AS WELL AS PARTICIPATE IN COMMUNITY
 HEALTH FAIRS. DENTAL EDUCATION WAS PROVIDED TO KERNAN'S ADOPTED SCHOOL,
 DICKEY HILL ELEMENTARY SCHOOL STUDENTS, AS WELL AS STUDENTS ATTENDING THE
 ST. MICHAEL'S SCHOOL HEALTH FAIR. THE DENTAL CLINIC STAFF HAS FORMED
 RELATIONSHIPS WITH DENTAL PRACTICES THROUGHOUT MARYLAND SO THAT ALL
 PATIENTS HAVE RESOURCES TO DENTAL CARE. THE HOSPITAL PLANS TO REVISE ITS
 DENTAL CLINIC WEB PAGE TO INCLUDE FORMS AND RESOURCE DATA TO ENABLE
 PATIENTS TO HAVE ALL INFORMATION THAT THEY NEED AVAILABLE TO THEM PRIOR
 TO ARRIVING FOR AN APPOINTMENT.

DURING FY 2011, THE DENTAL CLINIC SAW 10,470 PATIENTS AND PERFORMED 1,417
 PROCEDURES IN THE DENTAL OPERATING ROOM, FILLING A MUCH NEEDED GAP IN

Part VI Supplemental Information

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CARE THROUGHOUT THE STATE OF MARYLAND.

AFFILIATED HEALTH CARE SYSTEM ROLES

SCHEDULE H, PART VI, LINE 6

THE JAMES LAWRENCE KERNAN HOSPITAL IS A PART OF THE UNIVERSITY OF MARYLAND

MEDICAL SYSTEM (UMMS) AND PARTICIPATES ON THE UMMS COMMUNITY HEALTH

OUTREACH AND ADVOCACY TEAM. UMMS CREATED THE UNIVERSITY OF MARYLAND

COMMUNITY HEALTH OUTREACH AND ADVOCACY TEAM TO ADDRESS THE HEALTH CARE

NEEDS OF THE WEST BALTIMORE COMMUNITY. THE GROUP IS COMPRISED OF

COMMUNITY OUTREACH MANAGEMENT AND STAFF, SOCIAL WORKERS, DIRECTORS, VICE

PRESIDENTS, AND PHYSICIANS FROM UMMS SYSTEM HOSPITALS. THE GROUP

DETERMINES WHAT NEEDS ARE ADDRESSED AS WELL AS COMMUNITY INVOLVEMENT AND

ACTIVITIES EACH YEAR. UMMC PARTICIPATES IN THIS ADVOCACY TEAM AND

REPRESENTATIVES IN ADDITION TO THE IDENTIFIED UMMS PRIORITIES, KERNAN

SENIOR LEADERS AND COMMUNITY OUTREACH STAFF MEET TO DETERMINE ANNUAL GOALS

AND ACTIVITIES. KERNAN, IN PARTNERSHIP WITH UMMS, WAS A MAJOR PARTICIPANT

AND SPONSOR IN MAJOR ANNUAL OUTREACH EFFORTS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD**

Employer identification number
52-0591639

Part I Questions Regarding Compensation

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

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

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

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

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

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

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

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

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

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

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

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

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

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

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

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 in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 ROBERT A CHRENCIK	(i)	0.	0.	0.	0.	0.	0.
	(ii)	986,285.	659,250.	9,032.	179,103.	19,769.	1,853,439.
2 MICHAEL R JABLONOVER	(i)	264,387.	57,750.	156,530.	8,752.	19,829.	507,248.
	(ii)	0.	0.	0.	0.	0.	0.
3 JUANITA ROBBINS	(i)	149,123.	0.	805.	20,697.	1,479.	172,104.
	(ii)	0.	0.	0.	0.	0.	0.
4 W W AUGUSTIN III	(i)	172,817.	15,311.	16,247.	6,717.	15,391.	226,483.
	(ii)	0.	0.	0.	0.	0.	0.
5 JAMES ROSS	(i)	21,098.	0.	3,238.	750.	1,161.	26,247.
	(ii)	253,178.	62,943.	50,825.	8,353.	14,421.	389,720.
6 VALERIE SUMMERLIN	(i)	155,037.	13,387.	18,304.	5,980.	1,878.	194,586.
	(ii)	0.	0.	0.	0.	0.	0.
7 NORBERT ROBINSON	(i)	137,593.	2,500.	112.	7,105.	18,346.	165,656.
	(ii)	0.	0.	0.	0.	0.	0.
8 CHRISTINE MARTIN	(i)	116,928.	9,941.	12,225.	4,569.	15,423.	159,086.
	(ii)	0.	0.	0.	0.	0.	0.
9 ROY SMOOT JR	(i)	148,807.	0.	4,333.	20,649.	11,278.	185,067.
	(ii)	2,582.	0.	17,022.	401.	1,415.	21,420.
10 HEMA PATEL	(i)	212,616.	0.	3,076.	4,654.	18,400.	238,746.
	(ii)	0.	0.	0.	0.	0.	0.
11 JENNIFER MERENDA	(i)	164,317.	500.	184.	3,865.	18,204.	187,070.
	(ii)	0.	0.	0.	0.	0.	0.
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

Part III Supplemental Information

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

HEALTH OR SOCIAL CLUB DUES OR INITIATION FEES

SCHEDULE J, PART I, LINE 1A

UMMS EXECUTIVES RECEIVE A BENEFIT PACKAGE WHICH MAY BE USED TOWARDS HEALTH CLUB DUES OR OTHER HEALTH MAINTENANCE PROGRAMS. SUCH BENEFITS ARE CAPPED AT \$7,000, \$5,000 OR \$3,000 DEPENDING ON JOB TITLE AS DESCRIBED IN THE PROGRAM DOCUMENTS.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

DURING THE FISCAL YEAR END JUNE 30, 2011, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED PLAN. THE INDIVIDUALS, LISTED BELOW HAVE NOT VESTED IN THE PLAN THEREFORE THE ACCRUED CONTRIBUTION TO THE PLAN FOR THE FISCAL YEAR IS REPORTED ON SCHEDULE J PART II COLUMN (C), RETIREMENT AND OTHER DEFERRED COMPENSATION.

ROBERT A CHRENCIK

DURING THE FISCAL YEAR END JUNE 30, 2011, THE CERTAIN OFFICERS AND KEY

Part III Supplemental Information

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

EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM

(UMMS) SUPPLEMENTAL NONQUALIFIED PLAN. THE OFFICERS AND KEY EMPLOYEES LISTED BELOW HAVE VESTED IN THE PLAN IN A PRIOR YEAR, THEREFORE THE CONTRIBUTION TO THE PLAN FOR THE FISCAL YEAR IS REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, COLUMN (BIII), OTHER REPORTABLE COMPENSATION.

WALTER AUGUSTIN, VALERIE SUMMERLIN, CHRISTINE MARTIN, JAMES ROSS

DURING THE FISCAL YEAR END JUNE 30, 2011, THE CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM

(UMMS) SUPPLEMENTAL NONQUALIFIED PLAN. THE OFFICERS AND KEY EMPLOYEES LISTED BELOW HAVE VESTED IN THE PLAN IN THE REPORTING TAX YEAR, THEREFORE THE FULL VALUE OF THE PLAN, INCLUDING ANY CONTRIBUTION TO THE PLAN FOR THE CURRENT FISCAL YEAR, IS REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, COLUMN (BIII), OTHER REPORTABLE COMPENSATION.

PRIOR YEAR CONTRIBUTIONS TO THE PLAN WERE PREVIOUSLY REPORTED ON FORM 990 AND ARE INDICATED ON SCHEDULE J, PART II, COLUMN (F).

Part III Supplemental Information

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

MICHAEL JABLONOVER- VESTED VALUE OF SUPPLEMENTAL RETIREMENT PLAN THAT IS
INCLUDED AS COMPENSATION \$150,822. AMOUNT REPORTED ON PRIOR FORM 990S
WHEN CONTRIBUTED TO THE PLAN \$123,113.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Name of the organization
SCHOOL OF MD

JAMES L KERNAN HOSPITAL AND INDUSTRIAL

Employer identification number
52-0591639

MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, LINES 6, 7A, AND 7B

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS) IS THE SOLE
MEMBER OF JAMES LAWRENCE KERNAN HOSPITAL (JLK). UMMS MAY ELECT ONE OR MORE
BOARD MEMBERS OF THE GOVERNING BODY AND ALL DECISIONS OF THE GOVERNING
BODY MUST BE APPROVED BY UMMS.

FORM 990 REVIEW PROCESS

FORM 990, PART VI, LINE 11:

THE IRS FORM 990 IS PREPARED AND REVIEWED BY THE ACCOUNTING FIRM OF GRANT
THORNTON. ACCOUNTING PERSONNEL IN FINANCE SHARED SERVICES AT THE
UNIVERSITY OF MARYLAND MEDICAL SYSTEM GATHER THE INFORMATION NEEDED TO
COMPLETE THE RETURN AND INPUT THE DATA INTO THE GRANT THORNTON TAX
ORGANIZER, WHICH IS A WEB-BASED SYSTEM.

WHEN ALL DATA HAS BEEN ENTERED, THE INFORMATION IS SUBMITTED TO GRANT
THORNTON FOR IMPORTATION INTO THEIR TAX SOFTWARE. AT THIS POINT, GRANT
THORNTON STAFF MEMBERS REVIEW THE DATA, ASK FOR ADDITIONAL INFORMATION IF
NEEDED AND PREPARE THE TAX RETURN. EACH RETURN IS REVIEWED AT SEVERAL
LEVELS AT GRANT THORNTON INCLUDING THE TAX PARTNER. AFTER THEIR REVIEW
PROCESS, A DRAFT RETURN IS SENT TO THE ACCOUNTING STAFF AT UMMS FOR AN
IN-HOUSE REVIEW.

UPON COMPLETION OF THE IN-HOUSE REVIEW, GRANT THORNTON IS INSTRUCTED TO

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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MAKE ANY NECESSARY CHANGES AND TO PREPARE THE FINAL TAX RETURN. THE FINAL RETURN UNDERGOES ANOTHER REVIEW BY THE ACCOUNTING STAFF AT FINANCE SHARED SERVICES AND IS ALSO REVIEWED BY THE ACCOUNTING MANAGER, THE DIRECTOR OF FINANCIAL REPORTING, THE VICE PRESIDENT OF FINANCE AND THE CFO, WHO SIGNS THE RETURN.

PRIOR TO FILING THE IRS FORM 990, THE ORGANIZATION'S BOARD CHAIRMAN, TREASURER, AUDIT COMMITTEE CHAIRMAN, EXECUTIVE COMMITTEE CHAIRMAN OR OTHER MEMBER OF THE BOARD WITH SIMILAR AUTHORITY WILL REVIEW THE IRS FORM 990. AT THE DISCRETION OF THE REVIEWING BOARD MEMBER, SUCH MEMBER WILL BRING ANY ISSUES OR QUESTIONS RELATED TO THE COMPLETED IRS FORM 990 TO THE ATTENTION OF THE BOARD. NOTWITHSTANDING THE ABOVE, A BOARD RESOLUTION IS NOT REQUIRED FOR THE FILING OF THE ORGANIZATION'S IRS FORM 990. EACH BOARD MEMBER IS PROVIDED WITH A COPY OF THE FINAL IRS FORM 990 BEFORE FILING.

CONFLICT OF INTEREST POLICY MONITORING & ENFORCEMENT

FORM 990, PART VI, LINE 12C:

THE ORGANIZATION'S OFFICERS, DIRECTORS, EMPLOYEES AND MEDICAL STAFF MEMBERS, AS APPLICABLE, SHALL DISCLOSE CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST BETWEEN THEIR PERSONAL INTERESTS AND THE INTERESTS OF THE ORGANIZATION, OR ANY ENTITY CONTROLLED BY OR OWNED IN SUBSTANTIAL PART BY THE ORGANIZATION.

A QUESTIONNAIRE WHICH DISCLOSES POTENTIAL CONFLICTS OF INTEREST IS DISTRIBUTED ANNUALLY TO ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES. THE

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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GENERAL COUNSEL OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMSC) REVIEWS THE RESPONSES FOR UMMSC, UNIVERSITY SPECIALTY HOSPITAL AND JAMES LAWRENCE KERNAN HOSPITAL. THE CEO OR CFO OF EACH OF THE OTHER ENTITIES IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM REVIEWS THE RESPONSES FOR THOSE ENTITIES.

THE GENERAL COUNSEL, IN CONSULTATION WITH THE AUDIT COMMITTEE, IF NECESSARY, WOULD DETERMINE IF A CONFLICT OF INTEREST EXISTED FOR UMMSC, UNIVERSITY SPECIALTY HOSPITAL AND JAMES LAWRENCE KERNAN HOSPITAL. WITH RESPECT TO THE OTHER ENTITIES IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, THE GENERAL COUNSEL MAY BE CALLED FOR CONSULT. IF SO, THE GENERAL COUNSEL MAY CONSULT THE AUDIT COMMITTEE, IF NECESSARY.

WHENEVER A CONFLICT OR POTENTIAL CONFLICT OF INTEREST EXISTS, THE NATURE OF THE CONFLICT OR POTENTIAL CONFLICT OF INTEREST MUST BE DISCLOSED IN WRITING TO THE ORGANIZATION'S BOARD, BOARD COMMITTEE, AN OFFICER OF THE ORGANIZATION OR OTHER APPROPRIATE EXECUTIVE. SUCH INDIVIDUAL HAVING A POTENTIAL CONFLICT OF INTEREST SHALL PLAY NO ROLE ON BEHALF OF THE ORGANIZATION, OR ANY ORGANIZATION CONTROLLED OR SUBSTANTIALLY OWNED, IN ANY TRANSACTION IN WHICH A CONFLICT EXISTS.

ALL INVITATIONS FOR BIDS, PROPOSALS OR SOLICITATIONS FOR OFFERS INCLUDE THE FOLLOWING PROVISION: ANY VENDOR, SUPPLIER OR CONTRACTOR MUST DISCLOSE ANY ACTUAL OR POTENTIAL TRANSACTION WITH ANY ORGANIZATION OFFICER, DIRECTOR, EMPLOYEE OR MEMBER OF THE MEDICAL STAFF, INCLUDING

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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FAMILY MEMBERS WITHIN FIVE DAYS OF THE TRANSACTION. FAILURE TO COMPLY WITH THIS PROVISION IS A MATERIAL BREACH OF AGREEMENT.

IN ADDITION, A BOARD DISCLOSURE REPORT IS FILED WITH THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION ON AN ANNUAL BASIS SHOWING ANY BUSINESS TRANSACTIONS BETWEEN THE BOARD MEMBERS AND THE ORGANIZATION.

EXECUTIVE COMPENSATION

FORM 990, PART VI, LINE 15:

THE ORGANIZATION DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER PRESCRIBED IN THE IRS REGULATIONS: EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMMITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTEREST.

THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATION PACKAGES OF SIMILARLY SITUATED EXECUTIVES. THE COMMITTEE CAREFULLY REVIEWS THAT DATA, THE EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKING PROCESS.

THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND ADOPTED AT THE NEXT-FOLLOWING MEETING.

THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HAS MET THE REQUIREMENTS OF THE IRS INTERMEDIATE SANCTIONS REGULATIONS.

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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THIS PROCESS IS USED TO DETERMINE THE COMPENSATION PACKAGES FOR ALL
MANAGEMENT EMPLOYEES FROM THE VICE PRESIDENT LEVEL AND UP.

PUBLIC DISCLOSURE

FORM 990, PART VI, LINE 19:

IN GENERAL, FINANCIAL AND TAX INFORMATION RELATING TO THE ORGANIZATION IS
DEEMED PROPRIETARY AND NOT SUBJECT TO DISCLOSURE UPON REQUEST. HOWEVER,
SPECIFIC PROVISIONS OF FEDERAL AND STATE LAW REQUIRE THE ORGANIZATION TO
DISCLOSE CERTAIN LIMITED FINANCIAL AND TAX DATA UPON A SPECIFIC REQUEST
FOR THAT INFORMATION.

REQUESTS FOR FORM 990 AND FORM 1023:

A REQUESTOR SEEKING TO REVIEW AND/OR OBTAIN A COPY OF THE ORGANIZATION'S
IRS FORM 990 OR FORM 1023 AS FILED WITH THE INTERNAL REVENUE SERVICE,
INCLUDING ALL SCHEDULES AND ATTACHMENTS, MAY APPEAR IN PERSON OR SUBMIT A
WRITTEN REQUEST. THE MOST RECENT THREE YEARS OF IRS FORM 990 MAY BE
REQUESTED.

IF THE REQUESTER APPEARS IN PERSON, THE INDIVIDUAL IS DIRECTED TO THE
OFFICE OF THE CHIEF FINANCIAL OFFICER FOR THE ORGANIZATION AND THE FORM
990 AND/OR FORM 1023 ARE MADE AVAILABLE FOR INSPECTION. THE INDIVIDUAL
IS PERMITTED TO REVIEW THE RETURN, TAKE NOTES AND REQUEST A COPY. IF
REQUESTED, A COPY IS PROVIDED ON THE SAME DAY. A NOMINAL FEE IS CHARGED
FOR MAKING THE COPIES. THE ORGANIZATION MAY HAVE AN EMPLOYEE PRESENT
DURING THE PUBLIC INSPECTION OF THE DOCUMENT.

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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WRITTEN REQUESTS FOR AN ENTITY'S FORM 990 OR FORM 1023 ARE DIRECTED IMMEDIATELY TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER FOR THE ORGANIZATION. THE REQUESTED COPIES ARE MAILED WITHIN 30 DAYS OF THE REQUEST. REPRODUCTION FEES AND MAILING COSTS ARE CHARGED TO THE REQUESTOR.

CONFLICT OF INTEREST POLICY AND GOVERNING DOCUMENTS:

IF THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY OF OUR ORGANIZATION ARE SUBJECT TO THE FEDERAL PUBLIC DISCLOSURE RULES (OR STATE PUBLIC DISCLOSURE RULES), THESE DOCUMENTS WILL BE MADE PUBLICLY AVAILABLE AS APPLICABLE LAW MAY REQUIRE. OTHERWISE, THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY WILL BE PROVIDED TO THE PUBLIC AT THE DISCRETION OF MANAGEMENT.

RECONCILIATION OF NET ASSETS

FORM 990, PART XI, LINE 5

CHANGE IN ECONOMIC INTEREST OF UMMS FOUNDATION	\$ (79,816)
CHANGE IN ECONOMIC INTEREST OF KERNAN ENDOWMENT	5,831,154
HARTKE FUND DONATION (2 VEHICLES)	35,000
FOUNDATION SUPPORT - NURSE CALL SYSTEM	1,000,000

TOTAL OTHER CHANGES IN NET ASSETS-JLK	\$ 6,786,338

TAX EXEMPT BOND ISSUE

PART IV, LINE 24A

PURSUANT TO A MASTER LOAN AGREEMENT DATED JUNE 20, 1991 (THE "MASTER LOAN

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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AGREEMENT"), AS AMENDED, THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE "CORPORATION") AND SEVERAL OF ITS SUBSIDIARIES HAVE ISSUED DEBT THROUGH THE MARYLAND HEALTH AND HIGHER EDUCATION FACILITY AUTHORITY (THE "AUTHORITY"). AS SECURITY FOR THE PERFORMANCE OF THE BOND OBLIGATION UNDER THE MASTER LOAN AGREEMENT, THE AUTHORITY MAINTAINS A SECURITY INTEREST IN THE REVENUE OF THE OBLIGORS. THE MASTER LOAN AGREEMENT CONTAINS CERTAIN RESTRICTIVE COVENANTS. THESE COVENANTS REQUIRE THAT RATES AND CHARGES BE SET AT CERTAIN LEVELS, LIMIT INCURRENCE OF ADDITIONAL DEBT, REQUIRE COMPLIANCE WITH CERTAIN OPERATING RATIOS AND RESTRICT THE DISPOSITION OF ASSETS.

THE OBLIGATED GROUP UNDER THE MASTER LOAN AGREEMENT INCLUDES THE CORPORATION, UNIVERSITY SPECIALTY HOSPITAL, INC., THE JAMES LAWRENCE KERNAN HOSPITAL, INC., MARYLAND GENERAL HOSPITAL, INC., BALTIMORE WASHINGTON MEDICAL CENTER, INC., SHORE HEALTH SYSTEM, INC., CHESTER RIVER HEALTH SYSTEM, INC. AND THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM FOUNDATION, INC. EACH MEMBER OF THE OBLIGATED GROUP IS JOINTLY AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE OBLIGATIONS UNDER THE MASTER LOAN AGREEMENT OF THE CORPORATION'S \$974,450,000 OF OUTSTANDING AUTHORITY BONDS ON JUNE 30, 2011.

ALL OF THE BONDS WERE ISSUED IN THE NAME OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990.

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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HOURS ON RELATED ENTITIES

THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) IS A MULTI-ENTITY HEALTH CARE SYSTEM INCLUDING 8 ACUTE CARE HOSPITALS AND VARIOUS SUPPORTING ENTITIES. A NUMBER OF INDIVIDUALS PROVIDE SERVICES TO VARIOUS ENTITIES WITHIN THE SYSTEM. IN GENERAL, THE OFFICERS AND KEY EMPLOYEES OF UMMS AVERAGE IN EXCESS OF 40 HOURS PER WEEK SERVING THE DIFFERENT ENTITIES THE COMPRISE UMMS.

ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
ROBERT A CHRENCIK TREASURER	40.00

ATTACHMENT 2

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
ARAMARK SERVICES, INC PO BOX 651009 CHARLOTTE, NC 28265	FOOD SERVICES	1,926,183.
PHYSICIAN MANAGEMENT LTD 3 BETHESDA METRO SUITE 630 BETHESDA, MD 20814	PHYSICIAN SERVICES	1,018,901.
MEDHELP 1530 CATON CENTER DRIVE BALTIMORE, MD 21227	BILLING SERVICES	320,165.
CHESAPEAKE UROLOGY ASSOCIATES PA 25 CROSSROADS DRIVE SUITE 306 OWINGS MILLS, MD 21128	PHYSICIAN SERVICES	271,917.
TRANSCARE 1125 DESOTO DRIVE BALTIMORE, MD 21223	TRANSPORTATION	271,579.

Name of the organization JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD	Employer identification number 52-0591639
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ATTACHMENT 2 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
TOTAL COMPENSATION		<u>3,808,745.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL SCHOOL OF MD** Employer identification number **52-0591639**

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) KERNAN PHYSICAL THERAPY 52-2061788 2200 KERNAN DRIVE BALTIMORE, MD 21207	THERAPY	MD	1,156,570.	160,652.	JLK HOSPITAL
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) BALTIMORE WASHINGTON EMERGENCY PHYS, INC 52-1756326 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3)	11	BWMS		X
(2) BALTIMORE WASHINGTON HEALTHCARE SERVICES 52-1830243 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3)	11	BWMS		X
(3) BALTIMORE WASHINGTON MEDICAL CENTER, INC 52-0689917 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3)	11	BWMS		X
(4) BALTIMORE WASHINGTON MEDICAL SYSTEM, INC 52-1830242 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3)	11	UMMS		X
(5) BW MEDICAL CENTER FOUNDATION, INC. 52-1813656 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3)	11	BWMS		X
(6) NORTH ARUNDEL DEVELOPMENT CORPORATION 52-1318404 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	REAL ESTATE	MD	501 (C) (2)		BWMS		X
(7) NORTH COUNTY CORPORATION 52-1591355 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	REAL ESTATE	MD	501 (C) (2)		BWMS		X

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

Schedule R (Form 990) 2010

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2010

**Open to Public
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Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL
SCHOOL OF MD**

Employer identification number
52-0591639

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) CHESTER RIVER HEALTH FOUNDATION, INC. 52-1338861 100 BROWN STREET CHESTERTOWN, MD 21620	FUNDRAISING	MD	501 (C) (3)	11	CRHS		X
(2) CHESTER RIVER HEALTH SYSTEM, INC. 52-2046500 100 BROWN STREET CHESTERTOWN, MD 21620	HEALTH CARE	MD	501 (C) (3)	11	UMMS		X
(3) CHESTER RIVER HOSPITAL CENTER, INC. 52-0679694 100 BROWN STREET CHESTERTOWN, MD 21620	HEALTH CARE	MD	501 (C) (3)	03	CRHS		X
(4) CHESTER RIVER MANOR, INC. 52-6070333 200 MORGNEC ROAD CHESTERTOWN, MD 21620	HEALTH CARE	MD	501 (C) (3)	11	CRHS		X
(5) MARYLAND GENERAL CLINICAL PRACTICE GROUP 52-1566211 827 LINDEN AVE BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3)	11	MGHS		X
(6) MARYLAND GENERAL COMM HEALTH FOUNDATION 52-2147532 827 LINDEN AVE BALTIMORE, MD 21201	FUNDRAISING	MD	501 (C) (3)	11	MGHS		X
(7) MARYLAND GENERAL HEALTH SYSTEMS, INC. 52-1175337 827 LINDEN AVE BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3)	11	UMMS		X

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

Schedule R (Form 990) 2010

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL
SCHOOL OF MD**

Employer identification number
52-0591639

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MARYLAND GENERAL HOSPITAL, INC. 52-0591667 827 LINDEN AVE BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3)	03	MGHS		X
(2) CARE HEALTH SERVICES, INC. 52-1510269 219 SOUTH WASHINGTON STREET EASTON, MD 21601	HEALTH CARE	MD	501 (C) (3)	11	SHS		X
(3) DORCHESTER GENERAL HOSPITAL FOUNDATION 52-1703242 219 SOUTH WASHINGTON STREET EASTON, MD 21601	FUNDRAISING	MD	501 (C) (3)	11	SHS		X
(4) MEMORIAL HOSPITAL FOUNDATION, INC. 52-1282080 219 SOUTH WASHINGTON STREET EASTON, MD 21601	FUNDRAISING	MD	501 (C) (3)	11	SHS		X
(5) SHORE CLINICAL FOUNDATION, INC. 52-1874111 219 SOUTH WASHINGTON STREET EASTON, MD 21601	HEALTH CARE	MD	501 (C) (3)	11	SHS		X
(6) SHORE HEALTH SYSTEM, INC. 52-0610538 219 SOUTH WASHINGTON STREET EASTON, MD 21601	HEALTH CARE	MD	501 (C) (3)	03	UMMSC		X
(7) UNIVERSITY SPECIALTY HOSPITAL 52-0882914 611 SOUTH CHARLES STREET BALTIMORE, MD 21230	HEALTH CARE	MD	501 (C) (3)	03	UMMSC		X

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Schedule R (Form 990) 2010

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization **JAMES L KERNAN HOSPITAL AND INDUSTRIAL
SCHOOL OF MD**

Employer identification number
52-0591639

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) JAMES LAWRENCE KERNAN HOSP ENDOW FND 23-7360743 2200 KERNAN DRIVE BALTIMORE, MD 21207	FUNDRAISING	MD	501 (C) (3)	11	UMMSC		X
(2) SHIPLEY'S CHOICE MEDICAL PARK, INC. 04-3643849 22 SOUTH GREENE STREET BALTIMORE, MD 21201	REAL ESTATE	MD	501 (C) (2)		UMMSC		X
(3) UMMS FOUNDATION, INC. 52-2238893 22 SOUTH GREENE STREET BALTIMORE, MD 21201	FUNDRAISING	MD	501 (C) (3)	11	UMMSC		X
(4) UNIVERSITY OF MD MEDICAL SYSTEM CORP 52-1362793 22 SOUTH GREENE STREET BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3)	03	UMMSC		X
(5) -----							
(6) -----							
(7) -----							

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

Schedule R (Form 990) 2010

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	
(1) ARUNDEL PHYSICIANS ASSOCIATES, 301 HOSPITAL DRIVE	HEALTH CARE	MD	N/A									
(2) CENTRAL MARYLAND RADIOLOGY ONC 10710 CHARTER DRIVE	HEALTH CARE	MD	N/A									
(3) HELEN P. DENIT CANCER TREATMEN 22 SOUTH GREENE STREET	HEALTH CARE	MD	N/A									
(4) INNOVATIVE HEALTH, LLC 52-1997 29165 CANVASBACK DRIVE, SUITE	BILLING	MD	N/A									
(5) NORTH ARUNDEL PET CENTER, LLC 301 HOSPITAL DRIVE	HEALTH CARE	MD	N/A									
(6) NORTH ARUNDEL SENIOR LIVING, L 301 HOSPITAL DRIVE	HEALTH CARE	MD	N/A									
(7) NAH/SUNRISE OF SEVERNA PARK, L 301 HOSPITAL DRIVE	HEALTH CARE	MD	N/A									

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
(1) ARUNDEL PHYSICIANS ASSOCIATES, INC. 52-1992649 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	N/A	C CORP			
(2) BALTIMORE WASHINGTON HEALTH ENTERPRISES 52-1936656 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	N/A	C CORP			
(3) BW PROFESSIONAL SERVICES, INC. 52-1655640 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	N/A	C CORP			
(4) COUNCIL OF UNIT OWNERS OF MD GEN PC 52-1891126 827 LINDEN AVENUE BALTIMORE, MD 21201	REAL ESTATE	MD	N/A	C CORP			
(5) SHORE HEALTH ENTERPRISES, INC. 52-1363201 219 SOUTH WASHINGTON STREET EASTON, MD 21601	REAL ESTATE	MD	N/A	C CORP			
(6) UNIVERSITY LITHOTRIPTER, INC. 52-1451021 22 SOUTH GREENE STREET BALTIMORE, MD 21201	HEALTH CARE	MD	N/A	C CORP			
(7) UMMS SELF INSURANCE TRUST 52-6315433 22 SOUTH GREENE STREET BALTIMORE, MD 21201	INSURANCE	MD	N/A	TRUST			

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	
(1) SHIPLEY'S IMAGING CENTER, LLC 22 SOUTH GREENE STREET	HEALTH CARE	MD	N/A									
(2) UNIVERSITYCARE, LLC 52-1914892 22 SOUTH GREENE STREET	HEALTH CARE	MD	N/A									
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

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
(1) TERRAPIN INSURANCE COMPANY 98-0129232 P.O. BOX 1109 KY1-1102 GRAND CAYMAN, CAYMAN ISLANDS CJ	INSURANCE	CJ	N/A	C CORP			
(2) NA EXECUTIVE BUILDING CONDO ASSN, INC. 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	REAL ESTATE	MD	N/A	C CORP			
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)		X
c Gift, grant, or capital contribution from other organization(s)	X	
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)	X	
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses	X	
p Reimbursement paid by other organization for expenses		X
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)		X

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(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) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No
(1) -----										
(2) -----										
(3) -----										
(4) -----										
(5) -----										
(6) -----										
(7) -----										
(8) -----										
(9) -----										
(10) -----										
(11) -----										
(12) -----										
(13) -----										
(14) -----										
(15) -----										
(16) -----										

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).
