

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)

2009

Open to Public Inspection

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 2009 calendar year, or tax year beginning 07/01, 2009, and ending 06/30, 2010

Header section containing organization name (HARBOR HOSPITAL, INC.), address (3001 SOUTH HANOVER STREET, BALTIMORE, MD), telephone number, and other identifying information.

Part I Summary

Summary table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Includes rows for mission statement, revenue breakdown, and expenses.

Part II Signature Block

Signature block containing the signature of Marc R. Berger, dated 5/16/11, and his title as AVP, TAXATION.

Preparer information section including the preparer's signature (S. M. A.), firm name (KPMG LLP), EIN (13-5565207), and phone number (757-616-7000).

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. \* Form 990 (2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box  **X**  
 Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I ( on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).**

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>HARBOR HOSPITAL, INC.</b>	Employer identification number <b>52-0491660</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>3001 SOUTH HANOVER STREET</b>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>BALTIMORE, MD 21225</b>	

**Check type of return to be filed (File a separate application for each return):**

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **MARC BERGER**  
 Telephone No. **410 772-6719** FAX No. \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 05/15/2011

5 For calendar year \_\_\_\_\_, or other tax year beginning 07/01/2009, and ending 06/30/2010

6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

7 State in detail why you need the extension INFORMATION NECESSARY TO PREPARE A COMPLETE A  
ACCURATE RETURN IS NOT YET AVAILABLE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS(Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature *Matthew Medved* Title *CPA* Date *2/8/11*

**KPMG LLP**  
**Suite 1900**  
**440 Monticello Avenue**  
**Norfolk, Virginia 23510**

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

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box  **X**
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

## Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

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

**Electronic Filing (e-file)** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

File by the due date for filing your return. See instructions.	Name of Exempt Organization <b>HARBOR HOSPITAL, INC.</b>	Employer identification number <b>52-0491660</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>3001 SOUTH HANOVER STREET</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>BALTIMORE, MD 21225</b>	

### Check type of return to be filed (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ MARC BERGER

Telephone No. ▶ 410 772-6719 FAX No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year \_\_\_\_\_ or
- ▶  tax year beginning 07/01, 2009, and ending 06/30, 2010

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

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

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**For Privacy Act and Paperwork Reduction Act Notice, see Instructions.**

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

ATTACHMENT 2

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

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

4 Describe the 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 \$ 9,054,992. including grants of \$ 0. ) (Revenue \$ 5,762,114. ) HARBOR HOSPITAL PROVIDED \$9.1M SUBSIDIZED (MISSION DRIVEN) HEALTH SERVICES IN FISCAL 2010. THESE CRITICAL SERVICES, WHICH ARE DRIVEN BY COMMUNITY NEEDS, OPERATE AT A LOSS. THEY ADDRESS PRIORITIES PRIMARILY THROUGH DISEASE PREVENTION AND IMPROVEMENT OF HEALTH STATUS. SERVICES PROVIDED INCLUDE THE OPERATION OF THE HARBOR FAMILY CARE FACILITY, WOMEN'S AND CHILDREN'S SERVICES, PSYCHIATRY, HOSPITALISTS, AND EMERGENCY DEPARTMENT ON-CALL SERVICES.

4b (Code: ) (Expenses \$ 6,893,884. including grants of \$ 0. ) (Revenue \$ 0. ) HARBOR HOSPITAL PROVIDED \$6.9M HEALTH PROFESSIONS EDUCATION IN FISCAL 2010. THESE SERVICES GENERALLY INCLUDED PHYSICIAN AND MEDICAL STUDENT TRAINING, AND TRAINING FOR NURSES AND OTHER HEALTHCARE PROFESSIONALS.

4c (Code: ) (Expenses \$ 4,188,713. including grants of \$ 0. ) (Revenue \$ 902,250. ) HARBOR HOSPITAL PROVIDED \$4.2M CHARITY CARE SERVICES IN FISCAL 2010. CHARITY CARE IS PROVIDED PURSUANT TO MEDSTAR HEALTH'S CHARITY CARE POLICY TO MEMBERS OF THE COMMUNITY WHOSE INCOME IS BELOW CERTAIN THRESHOLDS AND FOR WHICH THE HOSPITAL IS NOT COMPENSATED. UNDER MARYLAND'S UNIQUE PAYER SYSTEM, THE AMOUNT REPORTED REPRESENTS THE HOSPITAL'S CHARITY CARE EXPENSE AND REVENUES REPRESENT DIRECT PAYMENTS FROM THE STATE'S CHARITY CARE POOL. OTHER CHARITY CARE EXPENSES ARE INDIRECTLY REIMBURSED VIA THE STATE OF MARYLAND'S PAYMENT SYSTEM.

4d Other program services. (Describe in Schedule O.) (Expenses \$ 144,980,866. including grants of \$ ) (Revenue \$ 184,301,171. ) 4e Total program service expenses 165,118,455.

Part IV Checklist of Required Schedules

Table with 3 columns: Question, Yes, No. Rows 1-20 contain various questions about organizational requirements and reporting. Row 12A includes a sub-table for 'Yes' and 'No' responses.

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> . . . . .		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> . . . . .		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i> . . . . .	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25.</i> . . . . .		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		
25 a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i> . . . . .		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i> . . . . .		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i> . . . . .		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i> . . . . .		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i> . . . . .		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i> . . . . .		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i> . . . . .	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i> . . . . .	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i> . . . . .		X
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i> . . . . .		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i> . . . . .		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O. . . . .	X	



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

Section A. Governing Body and Management

Table with 4 columns: Question, 1a, 1b, Yes, No. Rows include questions about voting members, family relationships, management delegation, organizational changes, asset diversion, members/stockholders, and meeting documentation.

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

Table with 4 columns: Question, Yes, No. Rows include questions about local chapters, written policies, conflict of interest, whistleblower policy, document retention, and compensation review.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
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.
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.



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

**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. Use Schedule J-2 if additional space is needed.

- 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. 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 the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(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			
CARLOS ZIGEL MD DIRECTOR	40.00	X					120,657.	0	8,897.	
FERIDUN EREN MD DIRECTOR/PHYSICIAN	40.00	X					86,686.	0	1,321.	
KENNETH A SAMET DIRECTOR	1.00	X					0.	3,637,403.	66,085.	
KAISER J. ROBERTSON DIRECTOR	1.00	X					750.	0	0.	
DENNIS W. PULLIN DIRECTOR/PRESIDENT	1.00	X		X			296,591.	212,721.	27,419.	
EDWARD P CAREY VICE CHAIRMAN	1.00	X					0.	0	0.	
GREGORY GURFINCHEL MD DIRECTOR	1.00	X					0.	0	0.	
GREGORY H BARNHILL DIRECTOR	1.00	X					0.	0	0.	
TIMOTHY E. STANSBURY CHAIRMAN	1.00	X					0.	0	0.	
PETER MCNAB DIRECTOR	1.00	X					0.	0	0.	
CHARLES F OBRECHT DIRECTOR	1.00	X					0.	0	0.	
DAVID PITMAN ASSISTANT TREASURER	40.00			X			264,844.	0	22,336.	
DELLA GLODEK ASSISTANT SECRETARY	40.00			X			107,154.	0	28,969.	
ALLAN BIRENBERG FORMER OFFICER	40.00				X		318,845.	0	29,942.	
LENORA ADDISON VICE PRESIDENT	40.00				X		227,337.	0	66,591.	
NANCY BUTLER VICE PRESIDENT	40.00				X		207,863.	0	54,633.	

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

(A) Name and title	(B) Average hours per week	(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			
JOHN CARBONE, MD PHYSICIAN	40.00					X		644,197.	0.	34,269.
HOWARD POPKIN, MD PHYSICIAN	40.00					X		551,625.	0.	44,175.
LEIGH-ANN CURL, MD PHYSICIAN	40.00					X		550,935.	0.	18,542.
JAMES WOOD, MD PHYSICIAN	40.00					X		546,095.	0.	36,702.
DENNIS STERN, MD PHYSICIAN	40.00					X		538,823.	0.	39,894.
JOSEPH M ODDIS PRESIDENT	40.00						X	586,732.	0.	27,334.
<b>1b Total</b>								5,049,134.	3,850,124.	507,109.

**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 **▶** 13

	Yes	No
<b>3</b> 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	
<b>4</b> 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	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization 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 3		

**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 **▶** 5

**Part VIII Statement of Revenue**

52-0491660

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b> Membership dues . . . . .	<b>1b</b>					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>					
	<b>d</b> Related organizations . . . . .	<b>1d</b>					
	<b>e</b> Government grants (contributions) . . . . .	<b>1e</b>	544,891.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1f</b>	115,021.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ . . . . .						
	<b>h Total.</b> Add lines 1a-1f . . . . .			659,912.			
<b>Program Service Revenue</b>			<b>Business Code</b>				
	<b>2a</b> NET PATIENT SERVICE REVENUE . . . . .		900099	193,859,189.	193,859,189.		
	<b>b</b> . . . . .						
	<b>c</b> . . . . .						
	<b>d</b> . . . . .						
	<b>e</b> . . . . .						
	<b>f</b> All other program service revenue . . . . .						
	<b>g Total.</b> Add lines 2a-2f . . . . .			193,859,189.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			79,084.			79,084.
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .			0.			
	<b>5</b> Royalties . . . . .			0.			
		(i) Real	(ii) Personal				
	<b>6a</b> Gross Rents. . . . .	2,923,095.					
	<b>b</b> Less: rental expenses . . . . .						
	<b>c</b> Rental income or (loss) . . . . .	2,923,095.					
	<b>d</b> Net rental income or (loss) . . . . .			2,923,095.			2,923,095.
		(i) Securities	(ii) Other				
	<b>7a</b> Gross amount from sales of assets other than inventory . . . . .						
	<b>b</b> Less: cost or other basis and sales expenses . . . . .			2,029.			
	<b>c</b> Gain or (loss) . . . . .			-2,029.			
	<b>d</b> Net gain or (loss) . . . . .			-2,029.			-2,029.
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>					
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>					
	<b>c</b> Net income or (loss) from fundraising events . . . . .			0.			
	<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>					
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities . . . . .			0.				
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>						
<b>b</b> Less: cost of goods sold . . . . .	<b>b</b>						
<b>c</b> Net income or (loss) from sales of inventory . . . . .			0.				
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
<b>11a</b> PHARMACY . . . . .		900099	2,385,754.			2,385,754.	
<b>b</b> OPERATING RECOVERY . . . . .		900099	655,634.			655,634.	
<b>c</b> REBATE INCOME . . . . .		900099	460,805.			460,805.	
<b>d</b> All other revenue . . . . .		900099	3,192,714.	1,562,897.	1,504,969.	124,848.	
<b>e Total.</b> Add lines 11a-11d . . . . .			6,694,907.				
<b>12 Total Revenue.</b> See instructions . . . . .			204,214,158.	195,422,086.	1,504,969.	6,627,191.	

**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).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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 . . . . .	1,543,961.	1,370,654.	173,307.	
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 . . . . .	78,940,663.	70,079,728.	8,860,935.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	2,049,370.	1,819,332.	230,038.	
9 Other employee benefits . . . . .	9,299,062.	8,255,261.	1,043,801.	
10 Payroll taxes . . . . .	5,631,890.	4,862,687.	769,203.	
11 Fees for services (non-employees):				
a Management . . . . .	13,481,438.	12,597.	13,468,841.	
b Legal . . . . .	72,158.		72,158.	
c Accounting . . . . .	0.			
d Lobbying . . . . .	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees . . . . .	0.			
g Other . . . . .	17,292,442.	17,213,882.	78,560.	
12 Advertising and promotion . . . . .	779,016.		779,016.	
13 Office expenses . . . . .	1,928,377.	1,474,465.	453,912.	
14 Information technology . . . . .	30,707.	17,267.	13,440.	
15 Royalties . . . . .	0.			
16 Occupancy . . . . .	591,311.	662,454.	-71,143.	
17 Travel . . . . .	194,454.	120,770.	73,684.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings . . . .	8,894.	4,762.	4,132.	
20 Interest . . . . .	2,372,520.	2,372,520.		
21 Payments to affiliates . . . . .	0.			
22 Depreciation, depletion, and amortization . . . .	7,860,066.	7,860,066.		
23 Insurance . . . . .	3,982,065.	169,645.	3,812,420.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>MEDICAL/SURGICAL SUPPLIES</u> -----	12,947,877.	12,885,432.	62,445.	
b <u>BAD DEBT</u> -----	8,639,543.	8,639,543.		
c <u>IMPLANTS/PROSTHESES</u> -----	7,471,260.	7,471,260.		
d <u>DRUGS/PHARMACEUTICALS</u> -----	6,454,697.	6,444,767.	9,930.	
e <u>UTILITIES</u> -----	4,838,484.	4,355,342.	483,142.	
f All other expenses -----	10,477,804.	9,026,021.	1,451,783.	
25 <b>Total functional expenses.</b> Add lines 1 through 24f	196,888,059.	165,118,455.	31,769,604.	0.
26 <b>Joint Costs.</b> Check here <input type="checkbox"/> If following SOP 98-2. 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	
<b>Assets</b>	1	Cash - non-interest-bearing . . . . .	2,845.	1	2,995.
	2	Savings and temporary cash investments . . . . .		2	
	3	Pledges and grants receivable, net . . . . .		3	
	4	Accounts receivable, net . . . . .	17,052,033.	4	18,043,337.
	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)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		6	
	7	Notes and loans receivable, net . . . . .		7	
	8	Inventories for sale or use . . . . .	2,523,039.	8	2,547,413.
	9	Prepaid expenses and deferred charges . . . . .	726,198.	9	278,957.
	10 a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 178,160,503.		
	b	Less: accumulated depreciation . . . . .	10b 143,074,745.	35,534,498.	10c 35,085,758.
	11	Investments - publicly traded securities . . . . .		11	
	12	Investments - other securities. See Part IV, line 11 . . . . .	104,266.	12	92,376.
	13	Investments - program-related. See Part IV, line 11 . . . . .		13	
	14	Intangible assets . . . . .		14	
	15	Other assets. See Part IV, line 11 . . . . .	4,071,131.	15	2,683,972.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	60,014,010.	16	58,734,808.	
<b>Liabilities</b>	17	Accounts payable and accrued expenses . . . . .	18,648,586.	17	20,566,919.
	18	Grants payable . . . . .		18	
	19	Deferred revenue . . . . .	57,704.	19	110,521.
	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 . . . . .	16,298,999.	25	18,235,740.
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .	35,005,289.	26	38,913,180.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>				
	27	Unrestricted net assets . . . . .	24,904,455.	27	19,729,252.
	28	Temporarily restricted net assets . . . . .	104,266.	28	92,376.
	29	Permanently restricted net assets . . . . .		29	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
	30	Capital stock or trust principal, or current funds . . . . .		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
33	<b>Total net assets or fund balances</b> . . . . .	25,008,721.	33	19,821,628.	
34	<b>Total liabilities and net assets/fund balances</b> . . . . .	60,014,010.	34	58,734,808.	

**Part XI Financial Statements and Reporting**

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

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

Form **990** (2009)



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.)

Section A. Public Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (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) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (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 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2008 Schedule A, Part II, line 14; 16a 33 1/3 % support test - 2009; b 33 1/3 % support test - 2008; 17a 10%-facts-and-circumstances test - 2009; b 10%-facts-and-circumstances test - 2008; 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.)

Section A. Public Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 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

Table with 3 columns: Description, Value, Percentage. Row 15: Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) 15 %; Row 16: Public support percentage from 2008 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Value, Percentage. Row 17: Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2008 Schedule A, Part III, line 17 18 %

19a 33 1/3 % support tests - 2009. 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 - 2008. 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 [ ]

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**Part IV** **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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**SCHEDULE D  
(Form 990)**

**Supplemental Financial Statements**

OMB No. 1545-0047

**2009**

**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

HARBOR HOSPITAL, INC.

Employer identification number

52-0491660

**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.

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06 . . . . .	2d

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? . . . . .  Yes  No

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

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

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
a Public exhibition
b Scholarly research
c Preservation for future generations
d Loan or exchange programs
e Other
4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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 XI V and complete the following table:
Table with columns: Amount, 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 XI V.

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 include: 1a Beginning of year balance, b Contributions, c Net investment earnings, gains, and losses, d Grants or scholarships, e Other expenditures for facilities and programs, f Administrative expenses, g End of year balance.
2 Provide the estimated percentage of the 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
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 Investments - 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 include: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other. Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)



<b>Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements</b>		
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

<b>Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>		
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

<b>Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>		
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.

SCHEDULE D, PART XIV, FIN 48 AUDIT REPORT FOOTNOTE

SCHEDULE D, PART XIV

THE CORPORATION ACCOUNTS FOR UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH

THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ISSUED INTERPRETATION NO.

48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES - AN INTERPRETATION OF

FASB STATEMENT 109 (FIN 48).

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**Part XIV** Supplemental Information *(continued)*

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**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2009**

**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

HARBOR HOSPITAL, INC.

Employer identification number

52-0491660

**Part I Charity Care and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Does the organization have a charity care policy? If "No," skip to question 6a	X	
<b>1b</b> If "Yes," is it a written policy?	X	
<b>2</b> If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals.		
<input checked="" type="checkbox"/> Applied uniformly to all hospitals		
<input type="checkbox"/> Generally tailored to individual hospitals		
<input type="checkbox"/> Applied uniformly to most hospitals		
<b>3</b> Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
<b>a</b> Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care:	X	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
<b>b</b> Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care:	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
<b>c</b> If the organization does 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 uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
<b>4</b> Does the organization's policy provide free or discounted care to the "medically indigent"?	X	
<b>5a</b> Does the organization budget amounts for free or discounted care provided under its charity care policy?	X	
<b>5b</b> If "Yes," did the organization's charity care expenses exceed the budgeted amount?	X	
<b>5c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
<b>6a</b> Does the organization prepare an annual community benefit report?	X	
<b>6b</b> If "Yes," does 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 Charity Care and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Charity Care and Means-Tested Government Programs</b>						
<b>a</b> Charity care at cost (from Worksheets 1 and 2)		0	4,194,918.	0.	4,194,918.	2.13
<b>b</b> Unreimbursed Medicaid (from Worksheet 3, column a)		0	0.	0.	0.	0.00
<b>c</b> Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)		0	0.	0.	0.	0.00
<b>d</b> Total Charity Care and Means-Tested Government Programs		0	4,194,918.	0.	4,194,918.	2.13
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)	68	557191	1,774,850.	2,200.	1,772,650.	.90
<b>f</b> Health professions education (from Worksheet 5)	2	264	6,893,884.	0.	6,893,884.	3.50
<b>g</b> Subsidized health services (from Worksheet 6)	6	38278	9,054,992.	5,762,114.	3,292,878.	1.67
<b>h</b> Research (from Worksheet 7)		0	0.	0.	0.	0.00
<b>i</b> Cash and in-kind contributions to community groups (from Worksheet 8)	17	1410	62,161.	0.	62,161.	.03
<b>j</b> Total. Other Benefits	93	597143	17,785,887.	5,764,314.	12,021,573.	6.10
<b>k</b> Total. Add lines 7d and 7j	93	597143	21,980,805.	5,764,314.	16,216,491.	8.23

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

Schedule H (Form 990) 2009



**Part II Community Building Activities** Complete this table if the organization conducted any community building activities.

	(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		0	0.	0.	0.	0.00
2 Economic development		0	0.	0.	0.	0.00
3 Community support	2	58	142,417.	0.	142,417.	.07
4 Environmental improvements		0	0.	0.	0.	0.00
5 Leadership development and training for community members		0	0.	0.	0.	0.00
6 Coalition building		0	0.	0.	0.	0.00
7 Community health improvement advocacy	2	25	40,483.	0.	40,483.	.02
8 Workforce development	1	0	6,075.	0.	6,075.	
9 Other		0	0.	0.	0.	0.00
10 Total	5	83	188,975.	0.	188,975.	.09

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	X	
2 Enter the amount of the organization's bad debt expense (at cost) . . . . .		5,780,353.
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy . . . . .		0.
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 other bad debt amounts in community benefit.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .	5	0.
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	0.
7 Subtract line 6 from line 5. This is the surplus or (shortfall) . . . . .	7	0.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

9a Does the organization have a written debt collection policy? . . . . .	9a	X
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI. . . . .	9b	X

**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				
14				



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-----  
CHARITY CARE AT COST  
-----

PART I, LINE 7A  
-----

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.

-----  
UNREIMBURSED MEDICAID  
-----

PART I, LINE 7B  
-----

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  
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UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED

CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITAL TO

BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY

BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE

NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL

OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF

MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING

HOSPITALS THROUGH THE RATE-SETTING SYSTEM.

HEALTH PROFESSIONS EDUCATION

PART I, LINE 7F

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL

PAYMENT THAT DIFFERS FROM THE REST OF THE NATIONAL. THE HEALTH SERVICES

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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.

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**PART III, LINE 4:**

MEDSTAR HEALTH AND ITS AFFILIATED ORGANIZATIONS REPORT BAD DEBT EXPENSE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND HFMA 15. AMOUNTS THAT ARE NOT EXPECTED TO BE COLLECTED, FOR PATIENTS QUALIFYING UNDER MEDSTAR HEALTH'S FINANCIAL ASSISTANCE POLICY, ARE WRITTEN OFF TO CHARITY CARE AND REPORTED AS A REDUCTION TO REVENUE. BAD DEBT EXPENSE RESULTS FROM MANAGEMENT'S INABILITY TO COLLECT REVENUES THAT MEET THE GAAP CRITERIA FOR REVENUE RECOGNITION.

BAD DEBT REPRESENTS AN OPERATING EXPENSE AND IS REFLECTED AS A SEPARATE LINE ITEM ON THE ORGANIZATION'S STATEMENT OF OPERATIONS.

HOWEVER, MEDSTAR AND ITS AFFILIATED ENTITIES DO NOT MAKE A DETERMINATION AS TO WHETHER SELF PAY AMOUNTS ARE COLLECTIBLE IN DETERMINING REVENUE RECOGNITION. RESERVE MODELS, WHICH HAVE BEEN DEVELOPED BASED ON HISTORICAL COLLECTION RESULTS AND WHICH ARE ADJUSTED PERIODICALLY BASED ON ACTUAL COLLECTIONS EXPERIENCE, ARE USED TO ESTIMATE UNCOLLECTIBLE AMOUNTS ACROSS ALL PAYORS INCLUDING SELF PAY. BAD DEBT DETERMINATIONS ARE MADE ONLY AFTER SUFFICIENT EVIDENCE IS OBTAINED TO SUPPORT THAT AN AMOUNT IS NOT COLLECTIBLE.

**PART III, LINE 8:**

**Part VI Supplemental Information**

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 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. AS SUCH, THE NET EFFECT FOR MEDICARE EXPENSES  
 AND REVENUES IN MARYLAND IN ZERO.

**NEEDS ASSESSMENT:**

HARBOR HOSPITAL'S KEY PRIORITIES ARE DETERMINED BY THE NEEDS OF THE  
 COMMUNITY IT SERVES. AN ASSORTMENT OF MECHANISMS ARE ROUTINELY  
 IMPLEMENTED TO ASSESS AND ENSURE THE HOSPITAL IS SERVING AS THE  
 TRUSTED LEADER IN CARING FOR PEOPLE AND ADVANCING HEALTH. STRATEGIC  
 PLANNING SESSIONS, WHICH INCLUDE THE EXECUTIVE TEAM AND MANAGEMENT  
 TEAM, ARE DESIGNED TO IDENTIFY SHORT- AND LONG- TERM GOALS.  
 THROUGHOUT THIS PROCESS, CLINICAL AND OPERATIONAL GOALS ARE ADDRESSED

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AT VARIOUS LEVELS. COMMUNITY NEEDS, BOTH CURRENT AND PROJECTED, ARE  
 -----  
 INCORPORATED INTO EACH ASPECT OF THE PLANNING PHASE.  
 -----

-----  
 THE COMMUNITY RELATIONS TEAM, PHYSICIANS AND NURSES UNDERGO A  
 -----  
 SEMI-ANNUAL PLANNING PROCESS. ONE OF THE PURPOSES OF THE PLANNING  
 -----  
 PROCESS IS TO EXPLORE COMMUNITY HEALTH NEEDS, INTERESTS AND TRENDS.  
 -----  
 THE ASSISTANT VICE PRESIDENT OF COMMUNITY RELATIONS, A MEMBER OF THE  
 -----  
 EXECUTIVE TEAM, IS INSTRUMENTAL IN ENSURING COMMUNITY ISSUES REMAIN  
 -----  
 ON THE HOSPITAL'S GOAL-SETTING AGENDA.  
 -----

-----  
 THE COMMUNITY RELATIONS TEAM ALSO WORKS CLOSELY WITH: THE HOSPITAL'S  
 -----  
 PLANNING TEAM, CLINICAL SPECIALISTS WHO FOCUS ON THE COMMUNITY, AND A  
 -----  
 PARISH NURSE. THE TEAM ALSO COLLABORATES WITH AND OBTAINS FEEDBACK  
 -----  
 FROM LOCAL HEALTH DEPARTMENTS: BALTIMORE CITY, ANNE ARUNDEL COUNTY  
 -----  
 AND BALTIMORE COUNTY. WORKING IN CONJUNCTION WITH LOCAL HEALTH  
 -----  
 DEPARTMENTS HELPS THE HOSPITAL WITH THE COLLECTION OF AN ASSORTMENT  
 -----  
 OF SECONDARY DATA, WHICH ARE CRITICAL IN EFFECTIVELY AND EFFICIENTLY  
 -----  
 ASSESSING COMMUNITY HEALTH NEEDS AND IDENTIFYING POTENTIAL  
 -----  
 OPPORTUNITIES TO ADDRESS THOSE NEEDS.  
 -----

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-----  
DURING THE COURSE OF THE YEAR, THE COMMUNITY RELATION'S TEAM

-----  
COLLECTED PRIMARY DATA BY ISSUING AND COLLECTING SURVEYS TO BETTER

-----  
EXPLORE THE SOCIO-ECOLOGICAL BARRIERS THAT IMPEDE HEALTH BEHAVIOR.

-----  
FINDINGS FROM THE SURVEYS ALLOWED THE HOSPITAL TO IMPLEMENT MORE

-----  
STRATEGIC AND TARGETED COMMUNITY HEALTH PROGRAMMING.  
-----

**PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:**

-----  
HARBOR HOSPITAL'S CHARITY CARE POLICY IS POSTED IN THE ADMISSIONS AND

-----  
EMERGENCY DEPARTMENT AREAS. DURING THE ADMISSIONS PROCESS, IF A

-----  
PATIENT IS LISTED AS "SELF-PAY," PATIENT ADVOCATES ADVISE THEM OF THE

-----  
AVAILABILITY OF VARIOUS PAYMENT OPTIONS. PATIENTS ARE SCREENED FOR

-----  
MEDICAL ASSISTANCE AND CHARITY CARE ELIGIBILITY, AND THE PATIENT

-----  
ADVOCATES WORK WITH THEM TO COMPLETE THE APPROPRIATE FINANCIAL

-----  
ASSISTANCE APPLICATION(S). IN ADDITION, BECAUSE HARBOR HOSPITAL HAS

-----  
PHYSICIAN PARTNERS AND PRACTICES LOCATED THROUGHOUT THE BALTIMORE

-----  
AREA, PHYSICIANS' OFFICES OFTEN REFER PATIENTS TO THE PATIENT

-----  
ADVOCATES FOR THEIR ASSISTANCE WITH THIS PROCESS.  
-----



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**COMMUNITY INFORMATION:**

HARBOR HOSPITAL SERVES A DIVERSE POPULATION WHICH IS PREDOMINATELY  
 COMPRISED OF FOUR DISTINCT COMMUNITIES: CHERRY HILL, SOUTH  
 BALTIMORE/FEDERAL HILL, BROOKLYN/CURTIS BAY/HAWKINS POINT, AND ANNE  
 ARUNDEL COUNTY.

CHERRY HILL

CHERRY HILL IS AN HISTORICALLY AFRICAN-AMERICAN NEIGHBORHOOD, WITH  
 ROOTS GOING BACK TO THE 17TH CENTURY. AFTER WORLD WAR II, MORE THAN  
 600 HOUSING UNITS WERE BUILT THERE BY THE UNITED STATES WAR HOUSING  
 ADMINISTRATION, SPECIFICALLY FOR AFRICAN-AMERICAN WAR WORKERS.

SHORTLY AFTER THE WAR, THESE UNITS WERE MADE INTO LOW-INCOME HOUSING.

ADDITIONAL LOW-INCOME HOUSING UNITS HAVE BEEN ADDED THROUGHOUT THE  
 YEARS, MAKING CHERRY HILL ONE OF THE LARGEST HOUSING PROJECTS EAST OF  
 CHICAGO.

THIRTY-FIVE PERCENT OF CHERRY HILL RESIDENTS AGES 25 TO 64 DO NOT  
 HAVE A HIGH SCHOOL EDUCATION, WHILE 24 PERCENT HAVE HAD SOME COLLEGE  
 EDUCATION. THE MEDIAN HOUSEHOLD INCOME FOR CHERRY HILL IN 2000 WAS

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\$17,464, AMONG THE LOWEST OF BALTIMORE NEIGHBORHOODS. IN FACT,

NEARLY 92 PERCENT OF FAMILIES IN THE NEIGHBORHOOD, EXCLUDING MARRIED

COUPLE FAMILIES, EARN BELOW THE MARYLAND SELF SUFFICIENCY WAGE

STANDARD.

THE LIFE EXPECTANCY OF A CHERRY HILL RESIDENT IS 65.0, AS COMPARED TO

70.9 IN BALTIMORE CITY AS A WHOLE AND 78.1 IN THE UNITED STATES.

HEART DISEASE ACCOUNTS FOR 23 PERCENT OF ALL DEATHS, AND CANCER

ACCOUNTS FOR 20 PERCENT. STROKE, HIV/AIDS AND HOMICIDE ARE LESS

COMMON BUT-WHEN COMBINED-CAUSE 18 PERCENT OF DEATHS IN THIS AREA.

SOUTH BALTIMORE

SOUTH BALTIMORE'S MEDIAN HOUSEHOLD INCOME IS \$39,354, HIGHER THAN THE

OVERALL BALTIMORE CITY HOUSEHOLD INCOME OF \$30,078. MORE THAN 30

PERCENT OF FAMILIES IN SOUTH BALTIMORE EARN LESS THAN \$25,000 PER

YEAR. THE MEDIAN HOUSEHOLD INCOME IN SOUTH BALTIMORE IS \$51,615.

HEART DISEASE AND CANCER ARE THE TWO MOST COMMON CAUSES OF DEATH.

BROOKLYN/CURTIS BAY/HAWKINS POINT

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THIS RACIALLY DIVERSE COMMUNITY IS COMPRISED OF A 24 PERCENT

AFRICAN-AMERICAN POPULATION AND A 69 PERCENT WHITE POPULATION. THE

AREA CONTAINS A LARGE NUMBER OF CHEMICAL PLANTS AND OTHER INDUSTRIAL

SITES, INCLUDING SEVERAL SUPERFUND-QUALIFIED LOCATIONS.

THE POVERTY LEVEL IN THIS COMMUNITY IS SLIGHTLY HIGHER THAN THAT OF

BALTIMORE CITY, WITH 48 PERCENT OF FAMILIES EARNING LESS THAN \$25,000

ANNUALLY, AS COMPARED TO 43 PERCENT OF ALL BALTIMORE FAMILIES. THE

LIFE EXPECTANCY HERE IS 69.3 YEARS. HEART DISEASE AND CANCER, ONCE

AGAIN, RATE HIGHEST IN TERMS OF CAUSES OF DEATH AND YEARS OF

POTENTIAL LIFE LOST, CAUSING 28 AND 22 PERCENT OF DEATHS

RESPECTIVELY.

ANNE ARUNDEL COUNTY

ONE OF HARBOR HOSPITAL'S LARGEST COMMUNITIES IS ANNE ARUNDEL COUNTY.

ACCORDING TO THE 2000 U.S. CENSUS, OF THE POPULATION AGES 16 YEARS

AND OLDER IN THE COUNTY, MORE THAN 71 PERCENT ARE EMPLOYED. THE

MEDIAN INCOME FOR THE COUNTY IN 2004 WAS \$66,087, WITH 13.9 PERCENT

OF HOUSEHOLDS EARNING LESS THAN \$25,000 PER YEAR. HOWEVER, THE

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PERCENTAGE OF PEOPLE LIVING BELOW THE POVERTY LINE IN THE COUNTY WAS

6.5, VERSUS 9.2 FOR THE STATE OF MARYLAND. ACCORDING TO ESTIMATES BY

THE COUNTY'S DEPARTMENT OF HEALTH, THERE ARE MORE THAN 3,000 HOMELESS

PERSONS CURRENTLY LIVING IN ANNE ARUNDEL COUNTY.

THE LEADING CAUSES OF DEATH FOR ALL RACES IN ANNE ARUNDEL COUNTY

INCLUDE CANCER AND HEART DISEASE FOLLOWED BY STROKE, CHRONIC LOWER

RESPIRATORY DISEASE AND DIABETES.

**COMMUNITY BUILDING ACTIVITIES:**

AS A COMMUNITY PARTNER, THE HOSPITAL ENGAGES IN A NUMBER OF COMMUNITY

BENEFIT ACTIVITIES TO IMPROVE AND PROMOTE THE HEALTH AND WELLBEING OF

THE COMMUNITY.

FOR EXAMPLE, THE HOSPITAL PROVIDES HEALTH NAVIGATION SERVICES AND

BLOOD PRESSURE SCREENINGS AT THE ANNE ARUNDEL COUNTY HOMELESS

RESOURCE FAIR. A PARTNERSHIP WITH A LOCAL ENVIRONMENTAL ORGANIZATION

HAS BEEN ESTABLISHED TO HELP CLEAN UP LITTER IN A HIGHLY POLLUTED

AREA. IN ADDITION, THE HOSPITAL'S WORK WITH A TEEN PREGNANCY

**Part VI Supplemental information**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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PREVENTION WORKGROUP OFFERS JOB SHADOWING AND MENTORING OPPORTUNITIES

FOR LOCAL AT-RISK YOUTH.

AN EXAMPLE OF HOW THE COMMUNITY AT LARGE BENEFITS FROM ITS SERVICES,

INCLUDES THE 757 UNINSURED AND UNDERINSURED WOMEN, PRIMARILY FROM

BALTIMORE CITY, WHO RECEIVED FREE MAMMOGRAMS, BREAST EXAMS, AND PAP

TESTS LAST YEAR THROUGH THE BREAST AND CERVICAL CANCER PROGRAM.

WITHOUT PROGRAMS LIKE THIS, THESE WOMEN WOULD NOT HAVE ACCESS TO THIS

POTENTIALLY LIFE-SAVING SCREENING. OTHER FREE AND LOW-COST

SCREENINGS PROVIDED INCLUDE THOSE FOR PROSTATE CANCER (20 MEN

SCREENED), LOW-COST LUNG CT SCANS, CHOLESTEROL (31 SCREENED), BONE

DENSITY (15 SCREENED) AND HEARING (13 SCREENED).

**OTHER INFORMATION:**

HARBOR FAMILY CARE:

HARBOR FAMILY CARE IS A CLINIC-BASED PHYSICIAN PRACTICE THAT PROVIDES

PRIMARY HEALTH CARE SERVICES. MOST OF THE PATIENTS ARE FROM THE

LOCAL COMMUNITY AND ARE LOW-INCOME FAMILIES. THIS SERVICE GENERATES

A NEGATIVE MARGIN. HOWEVER, THE PRACTICE ADDRESSES A COMMUNITY NEED

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AND SUPPORTS THE HOSPITAL'S MISSION OF COMMITMENT TO PATIENTS,  
 -----  
 COMMUNITIES, PHYSICIANS AND EMPLOYEES. PROVIDING THIS SERVICE ALLOWS  
 -----  
 THE LOCAL COMMUNITY ACCESS TO HEALTH CARE SERVICES, AND THEREFORE  
 -----  
 MORE PREVENTIVE MEASURES AND AN IMPROVEMENT OF THE PATIENTS' HEALTH  
 -----  
 STATUS ARE ACHIEVED.  
 -----

WOMEN'S AND CHILDREN'S SERVICES:  
 -----  
 PHYSICIAN PRACTICES PROVIDE HEALTH CARE SERVICES FOR OBSTETRICS AND  
 -----  
 GYNECOLOGY. A NEGATIVE MARGIN IS GENERATED. A LARGE NUMBER OF  
 -----  
 PATIENTS RECEIVING THESE SERVICES ARE FROM MINORITY AND LOW-INCOME  
 -----  
 FAMILIES. PRENATAL CARE IS PROVIDED. OB/GYN COVERAGE IS PROVIDED 24  
 -----  
 HOURS. PREVENTIVE MEASURES AND IMPROVEMENT OF THE PATIENT'S HEALTH  
 -----  
 STATUS ARE ACHIEVED. THE SERVICES ADDRESS A COMMUNITY NEED FOR  
 -----  
 WOMEN'S HEALTH AND CHILDREN'S SERVICES FOR LOWER INCOME AND MINORITY  
 -----  
 FAMILIES.  
 -----

PEDIATRIC SERVICES:  
 -----  
 PHYSICIAN PRACTICES PROVIDE 24-HOUR HEALTH CARE SERVICES FOR  
 -----  
 PEDIATRICS. A NEGATIVE MARGIN IS GENERATED. A LARGE NUMBER OF THE  
 -----

**Part VI Supplemental Information**

Complete this part to provide the following information.

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- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PATIENTS RECEIVING THESE SERVICES ARE FROM MINORITY AND LOW-INCOME

FAMILIES. PREVENTIVE MEASURES AND IMPROVEMENT OF THE PATIENT'S

HEALTH STATUS ARE ACHIEVED. THE SERVICES ADDRESS A COMMUNITY NEED

FOR CHILDREN'S SERVICES FOR LOWER INCOME AND MINORITY FAMILIES.

PSYCHIATRIC SERVICES:

HARBOR HOSPITAL ABSORBS THE COSTS OF PROVIDING PSYCHIATRIC

SUPERVISION FOR THE EMERGENCY DEPARTMENT ON A 24-7 BASIS. IF THESE

SERVICES WERE NOT PROVIDED, THE PATIENT WOULD BE TRANSPORTED TO

ANOTHER FACILITY TO RECEIVE THESE SERVICES.

**AFFILIATED HEALTH CARE SYSTEM ROLES:**

AS A PROUD MEMBER OF MEDSTAR HEALTH, HARBOR HOSPITAL IS ABLE TO

EXPAND ITS CAPACITY TO MEET THE NEEDS OF THE COMMUNITY BY PARTNERING

WITH OTHER MEDSTAR HOSPITALS AND ASSOCIATED ENTITIES. FOR EXAMPLE,

MEDSTAR HEALTH RESOURCES ASSIST THE HOSPITAL IN STRATEGIC PLANNING TO

MEET THE NEEDS OF THE UNDER/UNINSURED. THROUGH ITS COMMUNITY HEALTH

FUNCTION, MEDSTAR HEALTH PROVIDES THE HOSPITAL WITH TECHNICAL SUPPORT

TO ENHANCE COMMUNITY HEALTH PROGRAMMING. MEDSTAR'S CORPORATE

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PHILANTHROPY DIVISION OFFERS RESOURCES AND TECHNICAL SUPPORT IN

SECURING PHILANTHROPIC INVESTORS TO ENSURE HEALTH SERVICES ARE

AVAILABLE TO ALL PATIENTS, REGARDLESS OF ABILITY TO PAY.

**ALL STATES WHICH ORGANIZATION FILES A COMMUNITY BENEFIT REPORT:**

MD,



**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

**2009**

Open to Public Inspection

Name of the organization

HARBOR HOSPITAL, INC.

Employer identification number

52-0491660

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

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

**Only section 501(c)(3) 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?
- b** Any related organization?
- 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?
- b** Any related organization?
- 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

**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 Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

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

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

Schedule J (Form 990) 2009

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** Use Schedule J-1 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				
JOSEPH M ODDIS	(i) 205,798.	136,500.	244,434.	18,964.	8,370.	614,066.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
KENNETH A SAMET	(i) 0.	0.	0.	0.	0.	0.	0.
	(ii) 1,163,764.	1,175,787.	1,297,852.	47,263.	18,822.	3,703,488.	1,743,040.
DAVID PITMAN	(i) 196,955.	67,889.	0.	9,219.	13,117.	287,180.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
DENNIS W. PULLIN	(i) 175,510.	121,081.	0.	5,300.	8,410.	310,301.	0.
	(ii) 173,528.	39,193.	0.	5,300.	8,409.	226,430.	0.
ALLAN BIRENBERG	(i) 268,845.	50,000.	0.	16,163.	13,779.	348,787.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
LENORA ADDISON	(i) 173,501.	53,836.	0.	60,306.	6,285.	293,928.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
NANCY BUTLER	(i) 164,084.	43,779.	0.	37,154.	17,479.	262,496.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
JOHN CARBONE, MD	(i) 619,197.	25,000.	0.	20,106.	14,163.	678,466.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
HOWARD POPKIN, MD	(i) 325,041.	226,584.	0.	29,381.	14,794.	595,800.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
LEIGH-ANN CURL, MD	(i) 550,935.	0.	0.	11,500.	7,042.	569,477.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
JAMES WOOD, MD	(i) 546,095.	0.	0.	22,580.	14,122.	582,797.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
DENNIS STERN, MD	(i) 324,572.	214,251.	0.	26,075.	13,819.	578,717.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						





**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

HARBOR HOSPITAL, INC.

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Employer identification number

52-0491660

ATTACHMENT 1

DESCRIPTION OF EXECUTIVE COMPENSATION PROCESS

PART VI, SECTION B, QUESTION 15

THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF MEDSTAR HEALTH, INC. (THE "COMMITTEE") HAS OVERSIGHT OVER THE EXECUTIVE COMPENSATION PROGRAM (THE "PROGRAM") OF MEDSTAR HEALTH, INC. AND ITS AFFILIATES. TOTAL COMPENSATION FOR THE TOP MANAGEMENT OFFICIALS, OFFICERS AND KEY EMPLOYEES OF MEDSTAR HEALTH, INC. AND ITS AFFILIATES ARE REVIEWED AND APPROVED BY THE COMMITTEE WITH ASSISTANCE AND GUIDANCE FROM AN INDEPENDENT THIRD PARTY ADVISOR. THE MEMBERS OF THE COMMITTEE ARE INDEPENDENT FROM ALL OF THE PARTICIPANTS IN THE PROGRAM.

THE MAIN OBJECTIVE OF THE PROGRAM IS TO PROVIDE MARKET COMPETITIVE TOTAL COMPENSATION THAT IS INTERNALLY EQUITABLE AND HAS A STRONG PAY-FOR-PERFORMANCE LINKAGE. PERFORMANCE IS EVALUATED AT THE SYSTEM, OPERATING UNIT, AND INDIVIDUAL LEVELS. THE OVERALL TOTAL COMPENSATION PHILOSOPHY IS MANAGED AT THE 75TH PERCENTILE OF THE COMPETITIVE MARKET FOR COMPARABLE SIZE (NET REVENUE) AND TYPE (TAX-EXEMPT HEALTHCARE ORGANIZATIONS). WHERE APPROPRIATE, ADDITIONAL INDUSTRY DATA IS CONSIDERED (GENERAL BUSINESS AND/OR TAXABLE HEALTHCARE) FOR SELECTED POSITIONS THAT CAN BE RECRUITED FROM OR POTENTIALLY LOST TO THESE INDUSTRIES (E.G., INFORMATION TECHNOLOGY, FINANCE, ETC.).

THE COMMITTEE HAS ENGAGED ERNST & YOUNG LLP ("E&Y") TO SERVE AS AN ADVISOR ON THE REASONABLENESS AND COMPETITIVENESS OF THE PROGRAM. IN

Name of the organization HARBOR HOSPITAL, INC.	Employer identification number 52-0491660
<u>ATTACHMENT 1 (CONT'D)</u>	

DETERMINING REASONABLENESS AND COMPETITIVENESS, E&Y REVIEWS MARKET PRACTICES AND TRENDS, AND MAKES RECOMMENDATIONS RELATED TO THE PROGRAM. E&Y UTILIZES INFORMATION FROM CUSTOM SURVEYS, NATIONAL COMPENSATION SURVEYS, PROPRIETARY DATABASES, AND CLIENT EXPERIENCES TO DETERMINE ITS FINAL RECOMMENDATIONS. E&Y PRESENTS THEIR FINDINGS AND RECOMMENDATIONS TO THE COMMITTEE. THE COMMITTEE MAKES THE FINAL DECISIONS ON ALL OF THE COMPENSATION DETERMINATIONS OF THE PROGRAM. ALL DECISIONS MADE BY THE COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED.

## COMPENSATION FOOTNOTES

FORM 990, PART VII, LINE 4

JOSEPH ODDIS

JOSEPH ODDIS' OTHER REPORTABLE COMPENSATION IN PART II, COLUMN (B) (III) INCLUDES \$182,847 REPRESENTING THE AMOUNT OF SEVERANCE PAYMENTS RECEIVED BY MR. ODDIS.

KENNETH SAMET

KENNETH SAMET'S OTHER REPORTABLE COMPENSATION IN PART II, COLUMN (B) (III) INCLUDES \$1,278,236 REPRESENTING MR. SAMET'S ACCUMULATED ENTIRE ACCRUED BENEFIT IN A SUPPLEMENTAL RETIREMENT PLAN, WHICH WAS EARNED DURING THE PAST 21 YEARS OF SERVICE. THIS AMOUNT WAS NOT ACTUALLY PAID TO MR. SAMET, BUT WAS REPORTED AS COMPENSATION UNDER FICA TAX-REPORTING RULES, AND THIS ENTIRE AMOUNT WAS ALSO REPORTED ON FORM 990 IN PRIOR YEARS.

Name of the organization  
HARBOR HOSPITAL, INC.

Employer identification number  
52-0491660

ATTACHMENT 1 (CONT'D)

FINANCIAL STATEMENT AVAILABILITY

PART VI, SECTION C, QUESTION 19

MEDSTAR HEALTH POSTS ITS ANNUAL FINANCIAL AUDIT AND QUARTERLY FINANCIAL REPORTS TO THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) SYSTEM. THE ORGANIZATION ALSO MAILES ITS ANNUAL AND QUARTERLY DISCLOSURES TO HOLDERS OF THE COMPANY'S PUBLICLY TRADED DEBT. THE COMPANY'S GOVERNANCE DOCUMENTS AND CONFLICTS OF INTEREST POLICIES ARE AVAILABLE UPON REQUEST THROUGH ITS CORPORATE (OR AS APPLICABLE ENTITY) PUBLIC INFORMATION OFFICES.

CONFLICT OF INTEREST POLICY ENFORCEMENT

FORM 990, PART VI, SECTION B, QUESTION 12C

APPOINTMENT OF BOARDS OF DIRECTORS

MEDSTAR HEALTH (AND ITS SUBSIDIARIES) REQUIRE ALL NOMINATED DIRECTORS, PRIOR TO THEIR APPOINTMENT OR ELECTION, TO DISCLOSE THE EXISTENCE OF (OR POTENTIAL EXISTENCE OF) ANY TRANSACTION WITH MEDSTAR THAT WOULD RESULT IN A CONFLICT OF INTEREST. SUCH DISCLOSURES (IF ANY) ARE REVIEWED BY THE GOVERNANCE COMMITTEE OF THE MEDSTAR HEALTH BOARD OF DIRECTORS WHICH DETERMINES HOW THE MATTER SHOULD BE RESOLVED.

ANNUAL DISCLOSURES - ALL OFFICERS, DIRECTORS, AND SENIOR MANAGERS

ALL OFFICERS, DIRECTORS AND SENIOR MANAGERS ARE REQUIRED, NOT LESS THAN ANNUALLY, TO COMPLETE A SURVEY OF QUESTIONS CONCERNING ANY TRANSACTIONS OR RELATIONSHIPS WHICH WOULD OR COULD REPRESENT A CONFLICT OF INTEREST. SUCH DISCLOSURES (IF ANY) ARE REVIEWED BY THE GOVERNANCE COMMITTEE OF THE MEDSTAR HEALTH BOARD OF DIRECTORS WHICH DETERMINES HOW THE MATTER SHOULD

Name of the organization HARBOR HOSPITAL, INC.	Employer identification number 52-0491660
---	--

ATTACHMENT 1 (CONT'D)

BE RESOLVED. IN ADDITION, OFFICERS AND DIRECTORS OF MARYLAND HOSPITALS AND NURSING CENTERS ARE REQUIRED TO ANNUALLY DISCLOSE ADDITIONAL INFORMATION RELATING TO POTENTIAL CONFLICTS OF INTEREST AND SUCH DISCLOSURES ARE REPORTED TO THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION (HSCRC).

PROCESS FOR REVIEWING FORM 990

PART VI, SECTION B, QUESTION 11A

THE PROCESS FOR REVIEWING THE FORM 990 INCLUDED EDUCATION AND TRANSPARENCY. SENIOR FINANCIAL EXECUTIVES, WORKING WITH INDEPENDENT OUTSIDE EXPERTS, THOROUGHLY REVIEWED THE REVISED FORM 990 AND ACCOMPANYING INSTRUCTIONS AND PROVIDED EDUCATION SESSIONS ON THE REVISED FORM TO THE ORGANIZATION'S GOVERNING BODY AND ITS SENIOR OFFICERS. IN ADDITION, SEPARATE EDUCATION SESSIONS WERE PROVIDED TO THE FOLLOWING COMMITTEES OF ORGANIZATION'S GOVERNING BODY: FINANCE, AUDIT, GOVERNANCE, STRATEGIC PLANNING, AND EXECUTIVE COMPENSATION. THIS EDUCATION PROCESS TOOK PLACE OVER SEVERAL MONTHS. FOLLOWING THESE EDUCATION SESSIONS, THE GOVERNING BODY WAS PROVIDED A COPY OF THE FORM 990 IN ITS FINAL FORM AND WAS ENCOURAGED TO PROVIDE ANY INPUT OR COMMENTS RELATING TO THE FORM 990 PRIOR TO ITS FILING.

BUSINESS TRANSACTION INVOLVING INTERESTED PERSON

SCHEDULE L, PART IV, QUESTION (B)

DR. ALLAN BIRENBERG OWNS MORE THAN 5% OF HARBORVIEW ANESTHESIA ASSOCIATES (HAA), WHICH PROVIDES SERVICES TO HARBOR HOSPITAL. HAA'S GROSS REVENUES RECEIVED FROM THE HOSPITAL FOR ANESTHESIA SERVICES FOR THE YEAR WERE \$5,233,679.



Name of the organization HARBOR HOSPITAL, INC.	Employer identification number 52-0491660
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ATTACHMENT 2FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

AS A PROUD MEMBER OF MEDSTAR HEALTH, HARBOR HOSPITAL IS COMMITTED TO QUALITY, CARING AND SERVICE FOR OUR PATIENTS AND OUR COMMUNITIES. NOW SERVING BALTIMORE CITY, AND ANNE ARUNDEL, BALTIMORE AND HOWARD COUNTIES, HARBOR HOSPITAL WAS FIRST ESTABLISHED IN 1903 TO SERVE THE WATERFRONT COMMUNITY IN BALTIMORE. IT HAS BEEN THE RECIPIENT OF THE DELMARVA FOUNDATION'S HIGHEST HONOR, THE QUALITY EXCELLENCE AWARD IN 2001, 2006, 2007, AND 2008. HARBOR HOSPITAL'S SPECIALTY AREAS INCLUDE ORTHOPEDICS, WOMEN'S SERVICES, CANCER CARE, DIABETES CARE, FETAL ASSESSMENT, CARDIO-PULMONARY REHABILITATION AND TREATMENT OF CHRONIC LUNG CONDITIONS. IN FISCAL YEAR 2010, HARBOR HOSPITAL HAD 14,509 INPATIENT ADMISSIONS, AN ESTIMATED 88,017 OUTPATIENT VISITS, AND 58,553 EMERGENCY VISITS.

ATTACHMENT 3990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
HARBORVIEW ANESTHESIA ASSOC 4419 SOUTH MEADOW COURT ELLCOTT CITY, MD 21042	MEDICAL SERVICES	5,233,679.
CROTHALL SVCS GROUP 13028 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	FACILITIES MGMT	2,200,168.
NIGHTINGALE HEALTHNET CORP PO BOX 55811 BOSTON, MA 02205-5811	MEDICAL BILLING SRVS	861,227.
KIME GIPSON & SUTULA MD 3001 SOUTH HANOVER STREET BALTIMORE, MD 21225	MEDICAL SERVICES	811,468.
MET ELECTRICAL TESTING CO INC PO BOX 75401	FACILITIES ELCT SRVS	556,023.

Name of the organization HARBOR HOSPITAL, INC.	Employer identification number 52-0491660
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ATTACHMENT 3 (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>
BALTIMORE, MD 21275		
TOTAL COMPENSATION		<u>9,662,565.</u>

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ 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.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

HARBOR HOSPITAL, INC.

Employer identification number

52-0491660

**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
MEDSTAR HEALTH ANESTHESIA SERVICES C LLC 20-5909818 3001 SOUTH HANOVER STREET BALTIMORE, MD 21225-1233	HEALTH SVCS	MD	5,620,487.	786,572.	N/A

**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
CHURCH HOME CORPORATION 23-7374724 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL FUND	MD	501(C)(3)	PF	N/A
FRANKLIN SQUARE HOSPITAL CENTER, INC. 52-0608007 9000 FRANKLIN SQUARE DRIVE BALTIMORE, MD 21237	HOSPITAL	MD	501(C)(3)	3	N/A
MEDSTAR HEALTH, INC. 52-2087445 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SVCS	MD	501(C)(3)	11B II	N/A
MONTGOMERY GENERAL HOSPITAL 52-0646893 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	HOSPITAL	MD	501(C)(3)	3	N/A
THE GOOD SAMARITAN HOSPITAL OF MARYLAND, 52-0591607 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	HOSPITAL	MD	501(C)(3)	3	N/A
THE UNION MEMORIAL HOSPITAL 52-0591685 201 EAST UNIVERSITY PARKWAY BALTIMORE, MD 21218	HOSPITAL	MD	501(C)(3)	3	N/A
MEDSTAR RESEARCH INSTITUTE 52-6056274 108 IRVING STREET NW WASHINGTON, DC 20010	HOSPITAL	DC	501(C)(3)	3	N/A

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

Schedule R (Form 990) 2009

JSA

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**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?	
							Yes	No		Yes	No
SURGCENTER/PASADEN 52-2009504 COLUMBIA MD 21044	MEDICAL SERVICES	MD	N/A	RELATED				X			X
SJMC-PA, LLC 75-3160895 COLUMBIA MD 21044	RADIATION THERAPY	MD	N/A	RELATED				X			X
PHYSICIAN IMAGING 56-2616090 HYATTSVILLE MD 20782	LAB SERVICES	MD	N/A	RELATED				X			X

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
MEDSTAR PHARMACIES, INC. 52-1513056 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	DRUG SALES	MD	N/A	C CORP			
EXTENCARE, INC. 52-1556228 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SERVICES	MD	N/A	C CORP			
HELIX RESOURCES MANAGEMENT, INC. 52-1913070 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	ADMIN SERVICES	MD	N/A	C CORP			
HELIxCARE MEDICAL GROUP, LLC 52-1955580 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SERVICES	MD	N/A	C CORP			
HELIxCARE PROPERTIES, LLC 52-1966695 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SERVICES	MD	N/A	C CORP			
PARKWAY VENTURES, INC. 52-1702572 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	HOLDING COMPANY	MD	N/A	C CORP			
PHYSICIANS ADMINISTRATIVE SERVICES, INC. 23-7042074 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	BILLING SERVICES	MD	N/A	C CORP			

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

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

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

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

**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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		





**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
THE MEDSTAR-GEORGETOWN MEDICAL CENTER, I HOSPITAL ADMIN, 1 MAIN BLDG WASHINGTON, DC 20007 WASHINGTON HOSPITAL CENTER CORPORATION 52-1272129 110 IRVING STREET NW WASHINGTON, DC 20010	HOSPITAL	DC	501 (C) (3)	3	N/A
HH MEDSTAR HEALTH, INC. 52-1542230 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SVCS	MD	501 (C) (3)	11B II	N/A
BAY DEVELOPMENT CORP 52-1132992 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	FOUNDATION	MD	501 (C) (3)	11A I	N/A
BAY LIFE SERVICES, INC. 52-1496539 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MENTAL HEALT	MD	501 (C) (3)	9	N/A
MEDSTAR SURGERY CENTER, INC. 52-1061679 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	MEDICAL SVCS	MD	501 (C) (3)	9	N/A
CHURCH HOME AND HOSPITAL OF THE CITY OF 52-0591600 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	HOSPITAL	MD	501 (C) (3)	3	N/A
FOUNDATION FOR GEORGETOWN UNIVERSITY HOS 52-2339873 HOSPITAL ADMIN, 1 MAIN BLDG WASHINGTON, DC 20007	FOUNDATION	DC	501 (C) (3)	11A I	N/A
FRANKLIN SQUARE HOSPITAL CENTER FOUNDATI 52-2329546 9000 FRANKLIN SQUARE DRIVE BALTIMORE, MD 21237	FOUNDATION	MD	501 (C) (3)	11A I	N/A
GOOD SAMARITAN HOSPITAL FOUNDATION, INC. 52-2307122 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	FOUNDATION	MD	501 (C) (3)	11A I	N/A
GOOD SAMARITAN NURSING CENTER, INC. 52-1672866 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	MEDICAL SVCS	MD	501 (C) (3)	9	N/A
GS HOUSING, INC. 52-1481656 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	ELDER HOUSIN	MD	501 (C) (3)	9	N/A
GS PROPERTIES, INC. 52-1429853 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	ADMIN SVCS	MD	501 (C) (3)	11A I	N/A
HARBOR HOSPITAL FOUNDATION, INC. 52-1284532 3001 SOUTH HANOVER STREET BALTIMORE, MD 21225	FOUNDATION	MD	501 (C) (3)	11A I	N/A
MEDSTAR HEALTH INFUSION, INC. 52-1980510 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	MEDICAL SVCS	MD	501 (C) (3)	9	N/A
MEDSTAR HEALTH VISITING NURSES ASSOCIATI 53-0196597 4061 POWDERMILL ROAD CALVERTON, MD 20705	MEDICAL SVCS	MD	501 (C) (3)	9	N/A
MEDSTAR LONG TERM CARE CORPORATION 52-1489097 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	HOSPITAL	MD	501 (C) (3)	3	N/A
MEDSTAR VNA HEALTHCARE 52-1458516 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	MEDICAL SVCS	MD	501 (C) (3)	9	N/A

Schedule R-1 (Form 990) 2009



**Part II Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
MGH COMMUNITY HEALTH, INC. 52-1372467 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	MEDICAL SVCS	MD	501(C)(3)	9	N/A
MGH HEALTH FOUNDATION, INC. 52-1129959 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	FOUNDATION	MD	501(C)(3)	7	N/A
MGH HEALTH SERVICES, INC. 52-1366812 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	FOUNDATION	MD	501(C)(3)	11A I	N/A
MGH WOMEN'S BOARD 52-6039600 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	FOUNDATION	MD	501(C)(3)	11A I	N/A
NATIONAL REHABILITATION HOSPITAL 52-1369749 102 IRVING STREET NW WASHINGTON, DC 20010	HOSPITAL	DC	501(C)(3)	3	N/A
REGIONAL REHAB AT OLNEY, INC. 52-2310902 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	MEDICAL SVCS	MD	501(C)(3)	3	N/A
SUBURBAN / NRH MEDICAL REHABILITATION, I 52-1931151 102 IRVING STREET NW WASHINGTON, DC 20010	MEDICAL SVCS	DC	501(C)(3)	3	N/A
THE THOMAS O'NEIL CATHOLIC HEALTH CARE F 52-1104382 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	FOUNDATION	MD	501(C)(3)	11A I	N/A
UNION MEMORIAL HOSPITAL FOUNDATION, INC. 52-1446828 201 EAST UNIVERSITY PARKWAY BALTIMORE, MD 21218	FOUNDATION	MD	501(C)(3)	11A I	N/A
VNA FOUNDATION 52-1331981 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	FOUNDATION	MD	501(C)(3)	11A I	N/A
VNA, INC. 52-1332411 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	ADMIN SVCS	MD	501(C)(3)	11A I	N/A
WHC FOUNDATION, INC. 52-1791670 110 IRVING STREET NW WASHINGTON, DC 20010	FOUNDATION	DC	501(C)(3)	11A I	N/A
WOODBOURNE WOODS, INC. 52-2299070 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	ELDER HOUSIN	MD	501(C)(3)	9	N/A
SELF INSURANCE TRUST OF WASHINGTON HOSPI 52-1128332 110 IRVING STREET NW WASHINGTON, DC 20010	SELF INSURAN	DC	501(C)(3)	11A I	N/A
HOSPICE OF ST. MARY'S, INC. 52-2153926 PO BOX 527 LEONARDTOWN, MD 20650	SUPPORT ORG	MD	501(C)(3)	11B II	N/A
ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY 52-0619006 25500 POINT LOOKOUT ROAD LEONARDTOWN, MD 20650	HOSPITAL	MD	501(C)(3)	3	N/A
ST. MARY'S HOSPITAL FOUNDATION, INC. 52-1051368 PO BOX 527 LEONARDTOWN, MD 20650	SUPPORT ORG	MD	501(C)(3)	11D III	N/A





**Part V** Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

