

Return of Organization Exempt From Income Tax

2009

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization <u>MERCY MEDICAL CENTER Doing Business As _____ Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>301 ST. PAUL PLACE</u> City or town, state or country, and ZIP + 4 <u>BALTIMORE, MD 21202</u> </u>	D Employer identification number <u>52-0591658</u>
	F Name and address of principal officer: <u>THOMAS MULLEN</u> <u>301 ST PAUL PLACE BALTIMORE, MD 21202</u>		E Telephone number <u>(410) 332-9000</u>
	I Tax-exempt status: <input checked="" type="checkbox"/> <u>501(c) (3)</u> ◀ (insert no.) <input type="checkbox"/> <u>4947(a)(1)</u> or <input type="checkbox"/> <u>527</u>		G Gross receipts \$ <u>389,075,442.</u> H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
J Website: ▶ <u>WWW.MDMERCY.COM</u>		H(c) Group exemption number ▶ _____	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ _____			L Year of formation: <u>1949</u>
			M State of legal domicile: <u>MD</u>

Part I Summary			
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>GROUNDING IN A VISION OF GOD'S HEALING LOVE FOR ALL PEOPLE, WE ARE COMMITTED TO PROVIDING HEALTHCARE FOR PERSONS OF EVERY CREED, COLOR, AND ECONOMIC AND SOCIAL CONDITION IN BALT CITY, CENTRAL MD AND BEYOND.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	1
	5 Total number of employees (Part V, line 2a)	5	3,233
	6 Total number of volunteers (estimate if necessary)	6	161
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	883,607.
b Net unrelated business taxable income from Form 990-T, line 34	7b	-290,565.	
Revenue			Prior Year
			Current Year
	8 Contributions and grants (Part VIII, line 1h)	5,886,074.	10,673,654.
	9 Program service revenue (Part VIII, line 2g)	361,121,789.	361,778,126.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-4,474,247.	3,206,570.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,611,857.	11,860,031.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	374,145,473.	387,518,381.	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	275,833.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	162,572,206.	166,554,477.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses, Part IX, column (D), line 25) ▶	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	181,097,930.	184,825,680.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	343,945,969.	351,380,157.
19 Revenue less expenses. Subtract line 18 from line 12	30,199,504.	36,138,224.	
Net Assets or Fund Balances			Beginning of Year
			End of Year
	20 Total assets (Part X, line 16)	764,769,042.	798,086,962.
21 Total liabilities (Part X, line 26)	547,565,010.	552,550,779.	
22 Net assets or fund balances. Subtract line 21 from line 20.	217,204,032.	245,536,183.	

Part II Signature Block			
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
Sign Here	▶ Signature of officer		Date
	▶ Type or print name and title		
Paid Preparer's Use Only	Preparer's signature ▶	Date <u>05/16/2011</u>	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed) address, and ZIP + 4 ▶ <u>COHEN, RUTHERFORD + KNIGHT, PC</u> <u>6903 ROCKLEDGE DRIVE, SUITE 500 BETHESDA, MD 20817-1800</u>	EIN ▶ <u>52-1202280</u>	Preparer's identifying number (see instructions) <u>P01074058</u> Phone no. ▶ <u>301-828-1008</u>

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

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

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

If "Yes," describe these new services on Schedule O.

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

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

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

4a (Code: _____) (Expenses \$ 265,641,316. including grants of \$ _____) (Revenue \$ 361,778,126.)

ATTACHMENT 3

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

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

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

4e Total program service expenses ▶ 265,641,316.

Part IV Checklist of Required Schedules

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

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?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 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 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a-1c, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7h, 8, 9a-9b, 10a-10b, 11a-11b, and 12a-12b.

Part VII 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 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (7), 1b Enter the number of voting members that are independent (1), 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X), 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (X), 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (X), 5 Did the organization become aware during the year of a material diversion of the organization's assets? (X), 6 Does the organization have members or stockholders? (X), 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (X), 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (X), 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X), b Each committee with authority to act on behalf of the governing body? (X), 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (X), 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?, 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (X), 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990., 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (X), 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X), 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (X), 13 Does the organization have a written whistleblower policy? (X), 14 Does the organization have a written document retention and destruction policy? (X), 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X), b Other officers or key employees of the organization (X), 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X), 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. [] Own website [X] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: JOHN TOPPER 301 ST. PAUL PLACE BALTIMORE, MD 21202 410-332-9313

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			
THOMAS MULLEN PRESIDENT AND CEO	40.00	X		X				1,095,098.	0.	29,127.
AMY FREEMAN EXE VP/SECRETARY	40.00	X		X				951,774.	0.	17,868.
SAMUEL MOSKOWITZ EXEC VP/VICE CHAIR	40.00	X		X				675,089.	0.	30,947.
SCOTT SPIER MD SR VP/DIRECTOR	40.00	X						408,945.	0.	34,011.
JOHN TOPPER SR VP & CFO/TREASURER	40.00	X		X				808,444.	0.	27,512.
SUSAN FINLAYSON SR VP/DIRECTOR	40.00	X						642,557.	0.	69,531.
AINE OCONNOR DIRECTOR	40.00	X						0.	0.	0.
JUDITH WEILAND SENIOR VP	40.00					X		326,240.	0.	17,682.
ROBERT EDWARDS SENIOR VP	40.00					X		272,645.	0.	27,286.
JAMES LEVY MD PHYSICIAN	40.00					X		272,736.	0.	37,488.
JESSIE REED SENIOR VP	40.00					X		299,158.	0.	30,784.
JOHN LEPLEY VP OF FINANCE	40.00					X		309,882.	0.	25,438.

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			
1b Total								6,062,568.	0.	347,674.

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 ► 128

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

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 ► 73

Part VIII Statement of Revenue

52-0591658

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	7,512,741.			
	e	Government grants (contributions) . .	1e	1,179,938.			
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	1,980,975.			
	g	Noncash contributions included in lines 1a-1f: \$		1,352,804.			
	h	Total. Add lines 1a-1f ▶		10,673,654.			
Program Service Revenue				Business Code			
	2a	PATIENT REVENUE		361,150,197.	361,150,197.		
	b	PEDIATRIC REVENUE		627,929.	627,929.		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f ▶		361,778,126.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 5 ▶		3,215,413.			3,215,413.
	4	Income from investment of tax-exempt bond proceeds . . . ▶		0.			
	5	Royalties ▶		0.			
			(i) Real	(ii) Personal			
	6a	Gross Rents	1,551,099.				
	b	Less: rental expenses	1,557,061.				
	c	Rental income or (loss)	-5,962.				
	d	Net rental income or (loss) ▶			-5,962.	-31,182.	25,220.
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) ▶			-8,843.		-8,843.
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
c	Net income or (loss) from fundraising events ▶			0.			
9a	Gross income from gaming activities. See Part IV, line 19 a						
b	Less: direct expenses b						
c	Net income or (loss) from gaming activities ▶			0.			
10a	Gross sales of inventory, less returns and allowances a						
b	Less: cost of goods sold b						
c	Net income or (loss) from sales of inventory ▶			0.			
Miscellaneous Revenue				Business Code			
11a	MANAGEMENT FEE	561000		5,458,202.		154,121.	5,304,081.
b	TELEVISION SERVICE			92,770.			92,770.
c	CAFETERIA REVENUE			1,800,990.			1,800,990.
d	All other revenue	812930		4,514,031.		760,668.	3,753,363.
e	Total. Add lines 11a-11d ▶			11,865,993.			
12	Total Revenue. See instructions ▶			387,518,381.	361,778,126.	883,607.	14,182,994.

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	2,406,973.	0.	2,406,973.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	138,717,281.	102,322,131.	36,395,150.	0.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,062,555.	2,348,980.	713,575.	
9 Other employee benefits	12,376,709.	9,492,935.	2,883,774.	
10 Payroll taxes	9,990,959.	7,663,066.	2,327,893.	
11 Fees for services (non-employees):				
a Management	1,382,970.		1,382,970.	
b Legal	969,523.	17,143.	952,380.	
c Accounting	452,892.	176,065.	276,827.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	216,143.	216,143.		
g Other	24,024,844.	16,900,806.	7,124,038.	
12 Advertising and promotion	1,590,216.	1,582,786.	7,430.	
13 Office expenses	76,625,207.	72,256,913.	4,368,294.	
14 Information technology	1,052,021.	1,052,021.		
15 Royalties	0.			
16 Occupancy	8,318,384.	7,585,143.	733,241.	
17 Travel	412,002.	276,426.	135,576.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	282,949.	77,309.	205,640.	
20 Interest	6,739,340.	6,739,340.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	20,901,059.		20,901,059.	
23 Insurance	5,914,741.	5,185,505.	729,236.	
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 REPAIRS AND MAINT	7,985,962.	6,995,827.	990,135.	
b OTHER	5,223,208.	3,679,689.	1,543,519.	
c DONATIONS	97,877.	97,877.		
d BAD DEBT	20,975,211.	20,975,211.		
e GARAGE TOWNE PARK EXPENSES	1,661,131.		1,661,131.	
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	351,380,157.	265,641,316.	85,738,841.	0.
26 Joint Costs. 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)		(B)
		Beginning of year		End of year
Assets	1 Cash - non-interest-bearing	59,805,697.	1	58,933,702.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	23,247,708.	4	21,652,316.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	150,000.	5	75,000.
	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 ATCH 6	222,901.	7	201,120.
	8 Inventories for sale or use	5,046,103.	8	5,477,366.
	9 Prepaid expenses and deferred charges	3,026,104.	9	3,196,298.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D 10a 667,017,651.			
	b Less: accumulated depreciation 10b 213,166,930.	326,492,725.	10c	453,850,721.
	11 Investments - publicly traded securities ATCH 8	206,063,767.	11	144,993,940.
	12 Investments - other securities. See Part IV, line 11	80,135,909.	12	51,670,718.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	60,578,128.	15	58,035,781.
16 Total assets. Add lines 1 through 15 (must equal line 34)	764,769,042.	16	798,086,962.	
Liabilities	17 Accounts payable and accrued expenses	46,440,491.	17	48,512,885.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	444,488,377.	20	440,856,541.
	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 ATCH 9	362,672.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	56,273,470.	25	63,181,353.
	26 Total liabilities. Add lines 17 through 25	547,565,010.	26	552,550,779.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	179,182,648.	27	210,431,026.
	28 Temporarily restricted net assets	36,856,312.	28	33,981,727.
	29 Permanently restricted net assets	1,165,072.	29	1,123,430.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	217,204,032.	33	245,536,183.
	34 Total liabilities and net assets/fund balances	764,769,042.	34	798,086,962.

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
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form **990** (2009)

Public Charity Status and Public Support

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

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

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

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 [X] A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
a [] Type I b [] Type II c [] Type III - Functionally integrated d [] Type III - Other
e [] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box. []
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii) A family member of a person described in (i) above?
(iii) A 35% controlled entity of a person described in (i) or (ii) above?
h Provide the following information about the supported organization(s).

Table with 2 columns: Yes, No. Rows for 11g(i), 11g(ii), 11g(iii).

Table with 7 main columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of support. Sub-columns for Yes/No in (iv) and (vi).

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 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 3 columns: Description, Amount, Percentage. Rows include: 14 Public support percentage for 2009; 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

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
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 ►

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

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2009

Name of the organization
MERCY MEDICAL CENTER

Employer identification number
52-0591658

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization MERCY MEDICAL CENTEREmployer identification number
52-0591658**Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MERCY HEALTH FOUNDATION 301 ST. PAUL PLACE BALTIMORE, MD 21202	\$ 7,512,741.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	DEPARTMENT OF HEALTH AND HUMAN SERVICES 6820 DEERPATH ROAD ELKRIDGE, MD 21075	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	US DEPT OF HOUSING AND URBAN DEVELOPMNT 451 7TH STREET WASHINGTON, DC 20410	\$ 408,806.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	HEALTHCARE FOR THE HOMELESS 111 PARK AVE BALTIMORE, MD 21201	\$ 599,790.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	DEPT HLTH AND HUMAN SERV RESOURCE ADMIN 5600 FISCHER LANE ROCKVILLE, MD 20857-0001	\$ 671,132.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	FAMILY VIOLENCE RESPONSE 300 E JOPPA ROAD TOWSON, MD 21286-3016	\$ 11,213.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization **MERCY MEDICAL CENTER**

Employer identification number
52-0591658

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	SEXUAL ASSAULT FORENSIC EXAMINERS 300 E JOPPA ROAD TOWSON, MD 21286-3016	\$ 17,168.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	CHARLES C EDWARDS II MD 1826 CIRCLE RD RUXTON, MD 21204	\$ 1,352,804.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization MERCY MEDICAL CENTER

Employer identification number

52-0591658

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
8	INTELLECTUAL PROPERTY _____ _____ _____	\$ 1,352,804.	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

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

MERCY MEDICAL CENTER

Employer identification number

52-0591658

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

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). 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. Table with 2 columns: Held at the End of the Year. Rows include: a Total number of conservation easements, b Total acreage restricted by conservation easements, c Number of conservation easements on a certified historic structure included in (a), d Number of conservation easements included in (c) acquired after 8/17/06. 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year. 4 Number of states where property subject to conservation easement is located. 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? 6 Staff and volunteer hours devoted to monitoring, inspecting, 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)? 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? Yes No

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? Yes No

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

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

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

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

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

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

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

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

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

- (i) unrelated organizations
(ii) related organizations

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

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

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

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

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

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other RESTRICTED INVESTMENTS	32,335,040.	FMV
RESTRICTED CASH	19,335,678.	FMV

Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	51,670,718.	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value

Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

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

(a) Description	(b) Book value
INTEREST IN MERCY HEALTH FOUND	32,683,840.
DUE FROM RELATED ENTITIES	9,906,910.
OTHER RECEIVABLES	2,770,880.
DEPOSITS	733,200.
DEFERRED FINANCING COSTS	3,034,987.
OTHER CURRENT ASSETS	229,274.
OTHER ASSETS	179,059.
INVEST UNCONSOLID SUBS	868,380.
DEFERRED COMP PLAN ASSETS	5,908,447.
CARDINAL SHEHAN SEC DEPOSIT	1,720,804.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	58,035,781.

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

1. (a) Description of liability	(b) Amount
Federal income taxes	
CONSTRUCTION RETAINAGE	10,467,327.
POST RETIREMENT OBLIGATION	5,537,624.
DEFERRED COMPENSATION	5,908,441.
MERRILL LYNCH SWAP	32,599,933.
MALPRACTICE TAIL LIABILITY	327,536.
CARDINAL DEPOSIT	3,436,302.
RETIREMENT ANNUITY PLAN OBLIGA	3,904,190.
ESTIMATED TAIL LIAB GIC	1,000,000.

Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	63,181,353.

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

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

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

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

Part XIV Supplemental Information

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

Part XIV Supplemental Information *(continued)*

**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
MERCY MEDICAL CENTER

Employer identification number
52-0591658

Part I Charity Care and Certain Other Community Benefits at Cost

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

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			8,407,003.		8,407,003.	2.39
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			8,407,003.		8,407,003.	2.39
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,080,198.	215,181.	3,865,017.	1.10
f Health professions education (from Worksheet 5)		15630	13,483,181.		13,483,181.	3.84
g Subsidized health services (from Worksheet 6)	5	36883	4,025,733.	1,156,263.	2,869,470.	.82
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			1,575,847.		1,575,847.	.45
j Total. Other Benefits	5	52513	23,164,959.	1,371,444.	21,793,515.	6.21
k Total. Add lines 7d and 7j	5	52513	31,571,962.	1,371,444.	30,200,518.	8.60

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

Schedule H (Form 990) 2009

JSA

9E1284 2.000

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			1,139,782.		1,139,782.	
2 Economic development		166	882,074.	457,308.	424,686.	
3 Community support		15	138,261.		138,261.	
4 Environmental improvements						
5 Leadership development and training for community members		135	176,049.		176,049.	
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			348,101.		348,101.	
9 Other						
10 Total		316	2,684,267.	457,308.	2,226,879.	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- Enter the amount of the organization's bad debt expense (at cost)
- Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy
- 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.

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

Section B. Medicare

- Enter total revenue received from Medicare (including DSH and IME)
- Enter Medicare allowable costs of care relating to payments on line 5
- Subtract line 6 from line 5. This is the surplus or (shortfall)

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:

- Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- Does the organization have a written debt collection policy?
- 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.

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				

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
MERCY MEDICAL CENTER 301 ST PAUL PLACE BALTIMORE MD 21202	X								

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.
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- 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.

MARYLAND HOSPITAL ASSOCIATION UNIFIED MARYLAND HOSPITAL RESPONSES

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

7A. CHARITY CARE AT COST AND 7F. HEALTH PROFESSIONS EDUCATION ARE

EXPLAINED IN THE FOLLOWING:

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

7B. UNREIMBURSED MEDICAID IS EXPLAINED IN THE FOLLOWING:

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL

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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- 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.
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 COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING
 PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME
 AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S
 UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED
 CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO
 BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.
 COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS
 SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE
 HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE
 STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY
 ASSESSING HOSPITALS THROUGH THE RATE SETTING SYSTEM.

PART I, LINE 3C:

FINANCIAL ASSISTANCE WILL BE PROVIDED AT NO CHARGE OR AT A REDUCED
 CHARGE TO PATIENTS WHO ARE UNABLE TO PAY BASED ON A SLIDING SCALE
 THAT WILL BE APPLIED FOR INCOMES UP TO APPROXIMATELY 400% ABOVE THE
 HHS POVERTY GUIDELINES. THE POVERTY GUIDELINES ARE ISSUED EACH YEAR
 BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HSS).

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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- 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.

 IN ORDER TO QUALIFY FOR FINANCIAL ASSISTANCE, ONE OF THE FOLLOWING

 CONDITIONS MUST BE MET:

 1. PATIENT'S INCOME LEVEL IS UP TO 400% OF THE HHS POVERTY GUIDELINES

 AND THE PATIENT HAS LESS THAN \$10,000 IN NET ASSETS TO QUALIFY FOR

 FULL FINANCIAL ASSISTANCE.

 2. PATIENT'S INCOME LEVEL IS AT OR ABOVE THE PARAMETERS OF THE

 SLIDING SCALE, AND THEIR FINANCIAL PROFILE INDICATES THAT EXPENSES

 RELATED TO THE NECESSITIES OF LIFE (FOOD, HOUSING, UTILITIES, ETC)

 EXCEED INCOME.

 3. PATIENT IS HOMELESS.

 4. PATIENT IS DECEASED, WITH NO PERSON DESIGNATED AS DIRECTOR OF

 FINANCIAL AFFAIRS, OR NO ESTATE NUMBER ON FILE AT THE APPLICABLE

 REGISTRAR OF WILLS DEPARTMENT.

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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- 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.

5. PATIENT HAS A REMAINING BALANCE AFTER MEDICAL ASSISTANCE.

IN ADDITION, THE FOLLOWING CONDITIONS MUST BE MET AND IT WILL THEN BE DETERMINED IF THE PATIENT QUALIFIES FOR FULL OR PARTIAL ASSSISTANCE:

A) FIXED INCOME SUCH AS SOCIAL SECURITY, RETIREMENT OR DISABILITY WITH NO ADDITIONAL INCOME SOURCE AVAILABLE.

B) MEDICAL EXPENSES WHICH EXCEED 50% OF NET MONTHLY INCOME.

IN DETERMINING ELIGIBILITY, THE SIZE OF THE PATIENT'S BILL RELATIVE TO THE PATIENT'S ABILITY TO PAY WILL BE CONSIDERED. FINANCIAL ASSISTANCE WILL BE GRANTED FOR NECESSARY HOSPITAL SERVICES AND IT WILL BE PROVIDED TO THOSE WHO PROPERLY DOCUMENT ELIGIBILITY AND COOPERATE WITH MERCY MEDICAL CENTER'S FINANCIAL ASSISTANCE APPLICATION PROCESS.

WITHIN TWO BUSINESS DAYS FOLLOWING A PATIENT'S INITIAL REQUEST FOR FINANCIAL ASSISTANCE SERVICES, APPLICATION FOR MEDICAL ASSISTANCE, OR

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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- 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.

BOTH, THE FACILITY MUST MAKE A DETERMINATION OF PROBABLE

ELIGIBILITY.

NOTICE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE IS BE POSTED IN

THE ADMISSIONS OFFICE, BUSINESS OFFICE, AND EMERGENCY AREAS OF THE

HOSPITAL. SUCH NOTICE IS POSTED IN ENGLISH, SPANISH AND/OR ANY OTHER

LANGUAGE THAT WILL BE UNDERSTANDABLE TO TARGET POPULATIONS OF

PATIENTS UTILIZING HOSPITAL SERVICES.

INDIVIDUAL NOTICE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE, THE

POTENTIAL FOR MEDICAID ELIGIBILITY, AND THE AVAILABILITY OF

ASSISTANCE FROM OTHER GOVERNMENT FUNDED PROGRAMS SHALL BE PROVIDED TO

EACH PERSON WHO SEEKS SERVICES IN THE HOSPITAL AT THE TIME OF

COMMUNITY OUTREACH EFFORTS, PRENATAL SERVICES, PREADMISSION, OR

ADMISSION. SUCH NOTICE WILL BE PRINTED IN ENGLISH, SPANISH, AND/OR

ANY OTHER LANGUAGE THAT WILL BE UNDERSTANDABLE TO TARGET POPULATIONS

OF PATIENTS UTILIZING HOSPITAL SERVICES.

MERCY MEDICAL CENTER WILL MAKE AN EFFORT TO PROVIDE THE FINANCIAL

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.

ASSISTANCE APPLICATION, POLICIES, PROCEDURES, AND INFORMATION

AVAILABLE IN ENGLISH, SPANISH, AND/OR ANY OTHER LANGUAGE THAT WILL BE

UNDERSTANDABLE TO TARGET POPULATIONS OF PATIENTS UTILIZING HOSPITAL

SERVICES.

PART I, LINE 6A:

MERCY MEDICAL CENTER PREPARES ITS COMMUNITY BENEFIT REPORT ANNUALLY

AND IT IS MADE AVAILABLE TO THE PUBLIC.

PART I, LINE 7G:

THERE ARE NO COSTS REPORTED THAT ARE ATTRIBUTABLE TO A PHYSICIAN

CLINIC.

PART I, LINE 7, COLUMN F:

THE BAD DEBT EXPENSE AS REPORTED ON FORM 990, PART IX, IS

\$20,975,211.

PART I, LINE 7:

IN TABLE 7, A COST-TO-CHARGE RATIO WAS USED IN ALL CALCULATIONS.

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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- 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.

PART III, LINE 4:

 THE COST OF BAD DEBTS ON LINE 2 AND 3 OF SCHEDULE H WAS DETERMINED

 BASED ON THE COST TO CHARGE RATIO FROM MMC'S ANNUAL FILING WITH THE

 MHSCRC.

PART III, LINE 8:

 THE COSTING SOURCE IS THE MEDICARE COST REPORT AND THE METHODOLOGY IS

 MC ALLOWABLE COST TO MC REVENUES RECEIVED.

PART III, LINE 9B:

 ONCE THE COLLECTION PROCESS HAS BEGUN, THE ORGANIZATION CONTINUES TO

 MONITOR WHETHER THE PATIENT QUALIFIES FOR CHARITY CARE UNDER THE

 FINANCIAL ASSISTANCE POLICY. IF THE ORGANIZATION DETERMINES THAT A

 PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, INCLUDING ONCE THE

 COLLECTION PROCESS HAS BEGUN, THE ORGANIZATION WILL APPROVE THE

 PATIENT FOR CHARITY CARE. ONCE CHARITY CARE HAS BEEN APPROVED, THERE

 IS NO FURTHER ATTEMPT MADE BY THE ORGANIZATION TO COLLECT.

 COLLECTION EFFORTS WILL BE STOPPED AT ANY TIME DURING THE COLLECTION

 PROCESS IF THE PATIENT QUALIFIES FOR CHARITY CARE UNDER THE FINANCIAL

Part VI Supplemental Information

Complete this part to provide the following information.

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ASSISTANCE POLICY. FURTHERMORE, IF A PATIENT'S FINANCIAL SITUATION
 CHANGES AT ANY POINT DURING THE COLLECTION PROCESS, THE PATIENT MAY
 QUALIFY FOR FINANCIAL ASSISTANCE AT SUCH POINT.

PART V:

MERCY MEDICAL CENTER (MMC) IS A LICENSED HOSPITAL. MMC PROVIDES
 INPATIENT, OUTPATIENT AND EMERGENCY CARE SERVICES PRIMARILY FOR THE
 CITIZENS OF THE BALTIMORE METROPOLITAN AREA.

NEEDS ASSESSMENT:

MERCY MEDICAL CENTER EMPLOYED A MULTI-PRONGED APPROACH IN IDENTIFYING
 COMMUNITY NEEDS. THESE APPROACHES ARE AS FOLLOWS:

- 1. ACCESSING EXISTING DATA SOURCES ON HEALTH CARE STATUS IN PSA
 AS PREVIOUSLY REFERENCED, "BALTIMORE CITY'S HEALTH STATUS REPORT:
 2008" WAS THE MAIN STATISTICAL DOCUMENT THAT PROVIDED THE HOSPITAL
 WITH KEY DATA ON THE MOST CRITICAL HEALTH CARE CONDITIONS AFFECTING
 THE POPULATION.

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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ACCESSED AND REVIEWED OTHER STATE OF MARYLAND HEALTH CARE DATA

BASES RELATED TO HEALTH CARE NEEDS OF COMMUNITIES THAT MERCY

MEDICAL CENTER SERVES BEYOND ITS PSA.

PUBLICATIONS AND DATA AVAILABLE FROM ORGANIZATIONS IN WHICH MERCY

MEDICAL CENTER PHYSICIAN AND ADMINISTRATIVE LEADERSHIP ARE ACTIVE

PARTICIPANTS AND MEMBERS SUCH AS B'MORE FOR HEALTHY BABIES, JOURNEY

HOME, FAMILY CRISIS CENTER OF BALTIMORE, AND BALTIMORE HOMELESS

SERVICES, AMONG OTHERS.

2. PARTNERSHIPS, WORKGROUPS, AND MEMBERSHIP IN ORGANIZATIONS

THROUGH THE WORKGROUPS AND PARTNERSHIPS THAT HAVE BEEN ESTABLISHED

WITH KEY ORGANIZATIONS SUCH AS HEALTH CARE FOR THE HOMELESS, THE

HOSPITAL RECEIVED SIGNIFICANT INPUT AND FEEDBACK ON THE HEALTH

CARE NEEDS OF ITS IMMEDIATE SURROUNDING NEIGHBORHOODS AND

COMMUNITIES. THIS WAS ACHIEVED THROUGH REGULAR MEETINGS AND

DISCUSSIONS THROUGHOUT FY 2010.

THROUGH PARTICIPATION OF THE HOSPITAL'S EXECUTIVE LEADERSHIP TEAM

Part VI Supplemental Information

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IN BUSINESS FORUMS SUCH AS THE DOWNTOWN PARTNERSHIP AND MEMBERSHIP

IN OTHER ORGANIZATIONS, SIGNIFICANT FEEDBACK AND INFORMATION ON

HEALTH CARE NEEDS AND GAPS WAS ALSO GATHERED.

3. MERCY HEALTH SERVICES MISSION AND CORPORATE ETHICS COMMITTEE

THE MISSION AND CORPORATE ETHICS COMMITTEE OF THE BOARD OF TRUSTEES

MEETS REGULARLY TO REVIEW AND COORDINATE ISSUES RELATED TO MISSION

INTEGRATION AND COORDINATION. THIS BOARD COMMITTEE IS INFORMED AND

CLEARLY UNDERSTANDS THE SCOPE AND DEPTH OF THE HOSPITAL'S COMMUNITY

BENEFIT NEED INITIATIVES.

IN SUMMARY, THROUGH A QUANTITATIVE ASSESSMENT OF NEEDS BASED ON

REVIEW OF CURRENT DATA SOURCES AND ACTIVE PARTICIPATION IN SEVERAL

COMMUNITY BASED ORGANIZATIONS, MERCY MEDICAL CENTER WAS ABLE TO

DETERMINE AND PRIORITIZE ITS COMMUNITY NEED FOCUS.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

MERCY ATTEMPTS TO BE VERY PROACTIVE IN COMMUNICATING ITS CHARITY CARE

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POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO PATIENTS. THE
 CHARITY CARE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION IS
 POSTED IN ALL ADMISSIONS AREAS, INCLUDING THE EMERGENCY ROOM. A COPY
 OF THE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION IS ALSO
 PROVIDED TO PATIENTS OR THEIR FAMILIES DURING THE PRE-ADMISSION,
 PRE-SURGERY AND ADMISSIONS PROCESS.

MERCY UTILIZES A THIRD PARTY, AS WELL AS IN-HOUSE FINANCIAL
 COUNSELING STAFF, TO CONTACT AND SUPPORT PATIENTS IN UNDERSTANDING
 AND COMPLETING THE FINANCIAL ASSISTANCE REQUIREMENTS. THEY ALSO
 DISCUSS WITH PATIENTS OR THEIR FAMILIES THE AVAILABILITY OF VARIOUS
 GOVERNMENT BENEFITS AND ASSIST PATIENTS WITH UNDERSTANDING THE
 QUALIFICATIONS FOR SUCH PROGRAMS.

EVEN AFTER THE PATIENT IS DISCHARGED, EACH BILLING STATEMENT CONTAINS
 AN OVERVIEW OF MERCY'S FINANCIAL ASSISTANCE POLICY, A PATIENT'S
 RIGHTS AND OBLIGATIONS, AND CONTACT NUMBERS FOR FINANCIAL ASSISTANCE,
 FINANCIAL COUNSELING, AND MARYLAND MEDICAID. FOLLOW-UP PHONE CALLS BY
 HOSPITAL BILLING/COLLECTION STAFF MADE TO PATIENTS WITH UNPAID

Part VI Supplemental Information

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BALANCES ALSO STRESS THE AVAILABILITY OF FINANCIAL ASSISTANCE AND
 CHARITY CARE AVAILABILITY.

MERCY MEDICAL CENTER PROVIDES AND PROMOTES HEALTH SERVICES FOR THE
 PEOPLE OF BALTIMORE OF EVERY CREED, RACE, ECONOMIC, AND SOCIAL
 CONDITION. IN THE SPIRIT OF THE SISTERS OF MERCY WHO ARE ITS
 SPONSORS, MERCY CONTINUES A SPECIAL COMMITMENT TO THE UNDERSERVED AND
 THE UNINSURED.

CONSISTENT WITH THIS MISSION, IT HAS BEEN THE POLICY OF MERCY MEDICAL
 CENTER TO ACCEPT, WITHIN THE LIMITS OF ITS FINANCIAL RESOURCES, ALL
 PATIENTS WHO REQUIRE ITS SERVICES, WITHOUT REGARD TO THEIR ABILITY TO
 PAY FOR SUCH SERVICES. EMERGENCY CARE WILL BE RENDERED TO ALL
 PATIENTS WITHOUT REGARD TO THE LIMITATION OF FINANCIAL RESOURCES.

THIS POLICY, HOWEVER, DOES NOT PRECLUDE AN ATTEMPT TO REVIEW:

- 1. THE PATIENT'S ABILITY TO PAY
- 2. THE AVAILABILITY OF INSURANCE BENEFITS
- 3. THE ELIGIBILITY OF MEDICAL ASSISTANCE FOR THE PATIENT

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COMMUNITY INFORMATION:

LOCATED IN THE HEART OF DOWNTOWN BALTIMORE, MERCY MEDICAL CENTER

DRAWS PATIENTS FROM THE GREATER BALTIMORE METROPOLITAN AREA FOR ITS

LONGSTANDING TRADITION OF COMPASSIONATE CARE, COMMITMENT TO QUALITY

AND PATIENT SAFETY, AS WELL AS ITS PRIMARY CARE AND SPECIALIST

PHYSICIANS.

MERCY MEDICAL CENTER'S PRIMARY SERVICE AREA (PSA) WHICH COMPRISES 16

ZIP CODES IN BALTIMORE CITY, ACCOUNTS FOR ALMOST 60% OF ITS TOTAL

ADMISSIONS. KEY DEMOGRAPHIC CHARACTERISTICS OF THE PSA ARE AS

FOLLOWS:

POPULATION

1. THE PSA 2009 POPULATION IS 535,038.

2. PSA POPULATION GROWTH IS PROJECTED TO DECLINE BY 1.2% FROM 2009 TO

2014. THIS IS IN CONTRAST TO A 3.1% PROJECTED GROWTH FOR THE

STATE OF MARYLAND.

3. SINCE 1990, THE DISTRIBUTION OF BALTIMORE CITY RESIDENTS HAS

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SHIFTED TOWARDS OLDER AGE GROUPS WITH A 6% INCREASE IN THE 40

YEARS

AND OLDER POPULATION. THIS TREND OF AN INCREASING OLDER

POPULATION

GROWTH IS EXPECTED THROUGH 2020.

ETHNICITY AND AGE

1. 64% BLACK; 32% CAUCASIAN IN PSA. BALTIMORE CITY'S BLACK

POPULATION

HAS INCREASED BY 5% SINCE 1990.

2. APPROXIMATELY 59% OF PATIENTS SERVED BY MERCY MEDICAL CENTER ARE

MEMBERS OF A RACIAL OR ETHNIC MINORITIES; 66% ARE WOMEN AND 51%

ARE

MEDICAID AND/OR MEDICARE BENEFICIARIES.

3. 12% OF THE POPULATION IS 65 YEARS IN AGE AND OLDER.

INCOME

1. PSA MEDIAN HOUSEHOLD INCOME \$35,656

2. 40% OF BALTIMORE CITY HOUSEHOLDS REPORTED AN INCOME OF LESS THAN

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\$30,000. THIS IS ONLY 44% OF THE STATEWIDE MEDIAN INCOME OF

\$68,080

3. THREE TIMES AS MANY FAMILIES LIVING IN BALTIMORE CITY HAD INCOME THAT WAS BELOW THE POVERTY LEVEL COMPARED TO ALL FAMILIES IN MARYLAND.

4. WITHIN THE HOSPITAL'S IMMEDIATE ZIP CODES OF 21201 AND 21202, 35% OF FAMILIES LIVE BENEATH THE FEDERAL POVERTY LEVEL DEFINITION.

OF NOTE, THE MAJOR COMMUNITY BENEFIT PROGRAMS THAT ARE IDENTIFIED IN QUESTION #4 DIRECTLY ADDRESS KEY HEALTH CARE NEEDS OF THE POPULATION IN MERCY MEDICAL CENTER'S PSA.

KEY FINDINGS FROM THE "BALTIMORE CITY HEALTH STATUS REPORT 2008" BALTIMORE CITY VS. STATE OF MARYLAND ON KEY HEALTH OUTCOME MEASURES

- 1. OVERALL MORTALITY RATE: BALTIMORE IS 37% HIGHER
- 2. LIFE EXPECTANCY: BALTIMORE IS 8% LOWER
- 3. INFANT MORTALITY: BALTIMORE IS 41% HIGHER
- 4. LOW BIRTH WEIGHT: BALTIMORE IS 36% HIGHER
- 5. TEEN BIRTH RATE: BALTIMORE IS TWICE AS HIGH

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6. HIV/AIDS MORTALITY: BALTIMORE IS FIVE TIMES HIGHER

AS SHOWN BY THESE SELECT INDICATORS, THERE IS A SIGNIFICANT HEALTH

STATUS DISPARITY BETWEEN BALTIMORE CITY'S RESIDENTS AND THE REST OF

THE STATE OF MARYLAND.

DUE TO ITS LOCATION IN CENTER CITY, MERCY MEDICAL CENTER CARES FOR

MANY OF THE AT-RISK, LOW INCOME POPULATION IN THE COMMUNITIES THAT

IMMEDIATELY SURROUND THE HOSPITAL. THIS IS BEST EVIDENCED BY THE

LARGE PERCENTAGE OF EMERGENCY ROOM VISITS BY THE MEDICAID, UNINSURED,

AND MEDICARE PATIENTS.

MEDICAID COVERED AND UNINSURED PATIENTS ACCOUNTED FOR MORE THAN 50%

OF THE FY2010 EMERGENCY ROOM VISITS.

1. BALTIMORE CITY'S LARGEST HOMELESS SHELTER AT GUILFORD AVENUE IS

WITHIN THREE BLOCKS OF THE HOSPITAL

2. MERCY MEDICAL CENTER PROVIDES ALL OF THE MEDICAL STAFF

(PHYSICIANS

AND NURSING PERSONNEL) FOR HEALTHCARE FOR THE HOMELESS (HCH), A

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FEDERALLY QUALIFIED HEALTH CENTER, WHICH DELIVERS OUTPATIENT CARE
 TO A LARGE NUMBER OF HOMELESS PERSONS IN BALTIMORE CITY. THE HCH
 CLINIC IS LOCATED TWO BLOCKS FROM THE HOSPITAL.

COMMUNITY BUILDING ACTIVITIES:

MERCY SUPPORTIVE HOUSING PROGRAM

THE SUPPORTIVE HOUSING PROGRAM AT MERCY MEDICAL CENTER HAS A STAFF OF
 EIGHT EXPERIENCED HUMAN SERVICES PERSONNEL WHO WORK IN CONJUNCTION
 WITH OTHER HOMELESS AND HUMAN SERVICE PROVIDERS TO COORDINATE
 SERVICES FOR HOMELESS FAMILIES AND FAMILIES AT RISK FOR HOMELESSNESS.
 THE PROGRAM'S GOAL IS TO HOUSE HOMELESS FAMILIES AND TO PROVIDE
 SUPPORTIVE SERVICES FOR A DEFINED PERIOD TO PREVENT A RETURN TO
 HOMELESSNESS.

IN FY 2010, THE SUPPORTIVE HOUSING PROGRAM AT MERCY PROVIDED A
 COMPREHENSIVE RANGE OF COUNSELING SERVICES AND COMMUNITY RESOURCE

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LINKAGES TO 166 CLIENTS. THESE SERVICES INCURRED DIRECT COSTS OF
 \$523,381 DURING FY2010, OR ABOUT \$3,000 PER CLIENT.

MERCY FAMILY VIOLENCE RESPONSE PROGRAM

THE MERCY FAMILY VIOLENCE RESPONSE PROGRAM WAS DEVELOPED BY A
 MULTIDISCIPLINARY STAFF TASK FORCE AT MERCY MEDICAL CENTER TO PROVIDE
 CRISIS INTERVENTION AND SAFETY PLANNING FOR VICTIMS OF FAMILY
 VIOLENCE (DOMESTIC VIOLENCE, CHILD ABUSE, ELDER AND VULNERABLE ADULT
 ABUSE) AND SEXUAL ASSAULT WHO COME TO MERCY MEDICAL CENTER AND ITS
 PHYSICIANS FOR TREATMENT.

THIS PROGRAM IMPROVES BALTIMORE'S COORDINATED COMMUNITY RESPONSE TO
 VICTIMS OF VIOLENCE, AND CREATES AN ALERT WORKFORCE AT MERCY MEDICAL
 CENTER, SKILLED AT IDENTIFYING AND RESPONDING TO VICTIMS OF FAMILY
 VIOLENCE.

EMERGENCY DEPARTMENT SERVICES AT MERCY MEDICAL CENTER

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OF THE 60,787 VISITS TO MERCY MEDICAL CENTER'S EMERGENCY DEPARTMENT

(ED) IN FY 2010, 39.4% WERE MEDICAID BENEFICIARIES AND 21.3% EITHER

HAD NO INSURANCE OR ABILITY TO PAY OR WERE UNDERINSURED. THE

HOSPITAL'S HIGH PERCENTAGE OF POOR PERSONS WHO SEEK CARE AT THE ED

REQUIRES SUBSTANTIAL EMERGENCY PHYSICIAN SALARY SUBSIDY TO SUPPORT

THE HIGH LEVEL OF UNCOMPENSATED CARE. THIS AMOUNTED TO \$1,807,369 IN

FY 2010, ONE OF THE SINGLE LARGEST COMMUNITY BENEFIT FINANCIAL

CONTRIBUTIONS.

DUE TO ITS LOCATION WITHIN THREE BLOCKS OF THE CITY'S LARGEST

HOMELESS SHELTER AT GUILFORD AVENUE AND CLOSE PROXIMITY TO HCH, MERCY

MEDICAL CENTER'S ED RECEIVES MANY VISITS FROM HOMELESS PERSONS. WITH

DECADES OF EXPERIENCE IN PROVIDING EMERGENT AND URGENT CARE TO POOR

AND HOMELESS POPULATIONS, THE HOSPITAL HAS ESTABLISHED KEY SERVICES

FOR THE MEDICALLY UNDERSERVED INCLUDING THE FOLLOWING:

A FULL TIME SOCIAL WORKER IS A PART OF THE ED TEAM TO COORDINATE CARE

AND OTHER SERVICES FOR HOMELESS PATIENTS WHO ARRIVE AT THE ED.

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 ED PHYSICIANS AND NURSES MAKE VISITS TO BALTIMORE CITY SHELTERS TO

 PROVIDE THE FOLLOWING SERVICES:

- 1. ADMINISTRATION OF FLU VACCINATIONS TO RESIDENTS

- 2. PRESENTATIONS ON PARASITES AND INFECTIOUS DISEASE

- 3. INFECTIOUS DISEASE PREVENTION

 THE FORENSIC NURSE EXAMINER PROGRAM (FNE) IS HOUSED AT THE HOSPITAL'S

 ED AND PROVIDES 24/7 CARE TO PATIENTS WHO ARE VICTIMS OF SEXUAL,

 DOMESTIC, CHILD, ELDER, AND INSTITUTIONAL VIOLENCE. FORENSIC NURSES

 PROVIDE COMPREHENSIVE FORENSIC MEDICAL INTERVIEWS, MEDICAL

 ASSESSMENTS, AND EVIDENCE COLLECTION, AND ASSURE CRISIS INTERVENTION

 TO AN EVER INCREASING VOLUME OF UNDERSERVED PATIENTS.

 DURING FY 2010, THE FNE PROGRAM CONDUCTED 502 EXAMINATIONS AND IS THE

 DESIGNATED SITE FOR PATIENTS IN BALTIMORE CITY.

 LOW BIRTH WEIGHT PROGRAM- DEPARTMENT OF OBSTETRICS

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MERCY MEDICAL CENTER DELIVERED MORE BABIES, 2,802, THAN ANY OTHER HOSPITAL IN BALTIMORE CITY IN FY 2010. OF THESE BABIES, 11.2% WERE OF LOW BIRTH WEIGHT AND 13.8% WERE PREMATURE. LOW BIRTH WEIGHT AND PREMATUREITY ARE INTERTWINED AND CORRELATED. AS CITED IN QUESTION #2, LOW BIRTH WEIGHT IS A KEY HEALTH STATUS INDICATOR THAT IS MEASURED AND TRACKED BY THE BALTIMORE CITY DEPARTMENT OF HEALTH THAT MUST BE DECREASED IN INCIDENCE.

FY2010 RATE	MERCY	MARYLAND	NATIONAL
LOW BIRTH WEIGHT	11.2%	9.15%	8.2%
PREMATUREITY	13.8%	13.40%	12.7%

THE HOSPITAL HAS TAKEN A LEADERSHIP ROLE THROUGH ITS ACTIVE PARTICIPATION IN "B'MORE FOR HEALTHY BABIES", A LONG TERM INITIATIVE LED BY THE MAYOR'S OFFICE AND MANAGED BY THE BALTIMORE CITY HEALTH DEPARTMENT TO REDUCE TO INCIDENTS OF LOW BIRTH WEIGHT. DR. ROBERT ATLAS, CHAIRMAN OF MERCY MEDICAL CENTER'S DEPARTMENT OF OBSTETRICS AND GYNECOLOGY, HAS A LEADERSHIP ROLE WITHIN THIS WORKGROUP. THE

Part VI Supplemental Information

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GOALS OF "B'MORE FOR HEALTHY BABIES" ARE REDUCTION IN THE FOLLOWING:

- 1. RATE OF PRE-TERM BIRTHS BY AT LEAST 10%
- 2. RATE OF LOW BIRTH WEIGHT INFANTS BY AT LEAST 10%
- 3. THE NUMBER OF DEATHS FROM UNSAFE SLEEP BY AT LEAST 10%

OF NOTE, 60% OF THE PATIENTS WHO DELIVERED BABIES AT MERCY MEDICAL CENTER WERE EITHER MEDICAID BENEFICIARIES OR UNINSURED/SELF PAY. THIS POPULATION IS ESPECIALLY LINKED WITH LOW BIRTH RATE AND PREMATUREITY DUE TO POVERTY THAT CLOSELY RELATES TO UNHEALTHY LIFESTYLES, PARTICULARLY, POOR NUTRITION AND INADEQUATE PRENATAL CARE.

IN ORDER TO ENSURE 24/7 COVERAGE FOR ITS OBSTETRICAL PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY, MERCY MEDICAL CENTER PROVIDED \$1,415,617 IN PHYSICIAN SUBSIDY FOR THIS SPECIALTY; A 12% INCREASE FROM FY 2009.

DETERMINING THE NEEDS IN THE COMMUNITY TO BE ADDRESSED

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SINCE THE INCEPTION OF COMMUNITY BENEFIT REPORTING TO THE HSCRC,
 MERCY MEDICAL CENTER HAS CONSISTENTLY RANKED AMONG THE TOP FIVE
 HOSPITALS IN THE STATE OF MARYLAND IN TERMS OF THE PERCENTAGE OF
 OPERATING REVENUE DEVOTED TO COMMUNITY NEED PROGRAMS. OF NOTE,
 COMMUNITY BENEFIT AND CHARITY CARE SPENDING AS A PERCENTAGE OF TOTAL
 OPERATING EXPENSES INCREASED TO 12.2% IN FY2010 FROM 11.9% IN FY2009.
 A KEY REASON FOR THE HIGHER PERCENTAGE OF MONEY SPENT ON COMMUNITY
 NEED PROJECTS RELATES DIRECTLY TO THE HOSPITAL'S MISSION AND VALUE
 STATEMENTS.

OTHER INFORMATION:

ACCESS TO CARE FOR AT-RISK, UNDERSERVED POPULATIONS HAS LONG BEEN A
 CORNERSTONE MISSION FOR MERCY MEDICAL CENTER. MAJOR PROGRAMS TO SERVE
 THIS NEED INCLUDE OUR FUNDING OF DIRECT PHYSICIAN CHARITY CARE ACROSS
 ALL SPECIALTIES AND THE PHARMACY CHARITY FUND TO PATIENTS WHO ARE
 UNINSURED AND UNABLE TO PAY. IN ADDITION, THE FAMILY HEALTH CENTERS
 OF BALTIMORE (FCHB) IS A FEDERALLY QUALIFIED HEALTH CENTER (FQHC),
 WHICH RECEIVES SIGNIFICANT FINANCIAL SUPPORT FROM THE HOSPITAL. FCHB,

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WITH A CLINIC LOCATED ADJACENT TO THE MERCY CAMPUS, LARGELY SERVES

THE MEDICAID AND UNINSURED POPULATIONS IN SURROUNDING COMMUNITIES.

BASED UPON THE NEEDS ASSESSEMENT, MERCY MEDICAL CENTER IDENTIFIED

THREE KEY AREAS OF FOCUS FOR "MISSION DRIVEN HEALTH SERVICES" IN FY

2010; THEY ARE AS FOLLOWS:

HOMELESSNESS: THE NEED TO RESPOND TO AND ACTIVELY SUPPORT THE MEDICAL

PROFESSIONAL NEEDS OF ORGANIZATIONS THAT SERVE THE HOMELES POPULATION

OF BALTIMORE.

EMERGENCY SERVICES: AS PROVIDED THROUGH THE EMERGENCY DEPARTMENT,

GIVEN THE LARGE PERCENTAGE OF POOR AND UNINSURED PATIENTS WHO ACCESS

THIS SERVICE.

LOW BIRTH WEIGHT: MERCY MEDICAL CENTER DELIVERS MORE BABIES TO WOMEN

AT OR BELOW THE POVERTY LINE THAN ANY OTHER HOSPITAL IN BALTIMORE. A

SIGNIFICANT PERCENTAGE (>10%) OF THESE BIRTHS ARE PREMATURE AND OF

LOW BIRTH WEIGHT.

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 ALL OF THESE PROGRAMS ARE INTERTWINED AS THEY SHARE A COMMON THREAD

 IN THAT THE UNDERSERVED AND POOR POPULATIONS OF BALTIMORE ARE THE

 PRIMARY RECIPIENTS OF MEDICAL SERVICES PROVIDED BY MERCY MEDICAL

 CENTER ON AND OFF ITS CAMPUS.

 HOMELESSNESS

 THE NUMBER OF PEOPLE EXPERIENCING HOMELESSNESS HAS GROWN STEADILY

 OVER THE PAST 20 YEARS IN BALTIMORE AND THROUGHOUT THE ENTIRE NATION.

 THIS NUMBER IS EXPECTED TO CONTINUE TO RISE GIVEN THE DETERIORATING

 ECONOMIC CONDITIONS LOCALLY AND NATIONALLY THAT CAUSE HIGH

 UNEMPLOYMENT, LOSS OF HOMES, REDUCED FEDERAL ASSISTANCE TO MEDICAID

 AND OTHER SAFETY NET PROGRAMS. BALTIMORE'S HOMELESS POPULATION

 EXTENDS GREATLY BEYOND THOSE WHO CAN FIND BEDS IN CITY AND OTHER

 NONPROFIT RUN SHELTERS. MERCY MEDICAL CENTER IS DIRECTLY INVOLVED IN

 THE PROVISION OF MEDICAL SERVICES TO THE HOMELESS POPULATION THROUGH

 THREE KEY AREAS.

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HEALTH CARE FOR THE HOMELESS

HEALTH CARE FOR THE HOMELESS (HCH) WAS ESTABLISHED IN 1985 AND

PROVIDES ADULT, PEDIATRIC, AND GERIATRIC MEDICAL CARE, DENTAL CARE,

MENTAL HEALTH, HIV SERVICES, SOCIAL WORK AND CASE MANAGEMENT,

ADDICTION TREATMENT, OUTREACH, PRISON RE-ENTRY, SUPPORTIVE HOUSING,

AND ACCESS TO EDUCATION AND EMPLOYMENT.

IN 2009, HCH SAW 6,196 PATIENTS WHO ACCOUNTED FOR 65,430 VISITS. WITH

ITS NEW LOCATION TWO BLOCKS FROM MERCY MEDICAL CENTER, HCH IS

EXPECTED TO PROVIDE SIGNIFICANTLY MORE CARE ACROSS ITS SPECTRUM OF

SERVICES DUE TO EXPANDED SPACE AND INCREASED STAFFING.

SINCE ITS INCEPTION IN 1985 (A 25-YEAR PARTNERSHIP), MERCY MEDICAL

CENTER HAS DIRECTLY EMPLOYED AND PROVIDED ALL OF THE PHYSICIAN AND

NURSING STAFF TO HCH FOR MEDICAL SERVICES. WHILE THE HOSPITAL IS

REIMBURSED FOR THE DIRECT COSTS OF ITS EMPLOYED CLINICIANS FROM HCH,

INDIRECT AND OTHER NON COMPENSATED COSTS CONTRIBUTED TO HCH WERE

\$886,762 IN FY 2010.

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AS OF DECEMBER 2009, THE HOSPITAL EMPLOYS AND PROVIDES FOUR PRIMARY
 CARE PHYSICIANS, TWO NURSE PRACTITIONERS, ONE PHYSICIAN ASSISTANT,
 AND THREE REGISTERED NURSES TO WORK AT HCH.

IN FY2011 AND BEYOND, MERCY MEDICAL CENTER WILL RESPOND AND EXPAND
 ITS LEVEL OF DIRECT AND INDIRECT SUPPORT TO HCH AS NEEDED:

1. HCH PROJECTS A 10% INCREASE IN THE NUMBER OF PATIENT VISITS TO
 ITS MAIN CENTER IN DOWNTOWN BALTIMORE IN FY2011.

2. HCH PLANS TO PLACE MID-LEVEL PRACTITIONER STAFFING AT TWO OF THE
 MAIN HOMELESS SHELTERS IN THE DOWNTOWN AREA.

MERCY MEDICAL CENTER, THROUGH ITS SOLE MEMBER MHS, IS GOVERNED BY A
 COMMUNITY BOARD COMPRISED OF CIVIC LEADERS WHO ARE COMMITTED TO AND
 REPRESENT THE HEALTHCARE NEEDS OF THE COMMUNITY. MERCY MEDICAL
 CENTER EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS
 FOR ALL OF ITS DEPARTMENTS. ALL FINANCIAL SURPLUSES MERCY MEDICAL
 CENTER GENERATES ARE USED EXCLUSIVELY TO FURTHER THE MISSION OF THE
 ORGANIZATION."

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MERCY SUPPORTIVE HOUSING PROGRAM

THE SUPPORTIVE HOUSING PROGRAM AT MERCY MEDICAL CENTER HAS A STAFF OF

EIGHT EXPERIENCED HUMAN SERVICES PERSONNEL WHO WORK IN CONJUNCTION

WITH OTHER HOMELESS AND HUMAN SERVICE PROVIDERS TO COORDINATE

SERVICES FOR HOMELESS FAMILIES AND FAMILIES AT RISK FOR HOMELESSNESS.

THE PROGRAM'S GOAL IS TO HOUSE HOMELESS FAMILIES AND TO PROVIDE

SUPPORTIVE SERVICES FOR A DEFINED PERIOD TO PREVENT A RETURN TO

HOMELESSNESS.

IN FY 2010, THE SUPPORTIVE HOUSING PROGRAM AT MERCY PROVIDED A

COMPREHENSIVE RANGE COUNSELING SERVICES AND COMMUNITY RESOURCE

LINKAGES TO 166 CLIENTS. THESE SERVICES INCURRED DIRECT COSTS OF

\$523,381 DURING FY2010, OR ABOUT \$3,000 PER CLIENT.

MERCY FAMILY VIOLENCE RESPONSE PROGRAM

THE MERCY FAMILY VIOLENCE RESPONSE PROGRAM WAS DEVELOPED BY A

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MULTIDISCIPLINARY STAFF TASK FORCE AT MERCY MEDICAL CENTER TO PROVIDE
 CRISIS INTERVENTION AND SAFETY PLANNING FOR VICTIMS OF FAMILY
 VIOLENCE (DOMESTIC VIOLENCE, CHILD ABUSE, ELDER AND VULNERABLE ADULT
 ABUSE) AND SEXUAL ASSAULT WHO COME TO MERCY MEDICAL CENTER AND ITS
 PHYSICIANS FOR TREATMENT.

THIS PROGRAM IMPROVES BALTIMORE'S COORDINATED COMMUNITY RESPONSE TO
 VICTIMS OF VIOLENCE, AND CREATES AN ALERT WORKFORCE AT MERCY MEDICAL
 CENTER, SKILLED AT IDENTIFYING AND RESPONDING TO VICTIMS OF FAMILY
 VIOLENCE.

EMERGENCY DEPARTMENT SERVICES AT MERCY MEDICAL CENTER

OF THE 60,787 VISITS TO MERCY MEDICAL CENTER'S EMERGENCY DEPARTMENT
 (ED) IN FY 2010, 39.4% WERE MEDICAID BENEFICIARIES AND 21.3% EITHER
 HAD NO INSURANCE OR ABILITY TO PAY OR WERE UNDERINSURED. THE
 HOSPITAL'S HIGH PERCENTAGE OF POOR PERSONS WHO SEEK CARE AT THE ED

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REQUIRES SUBSTANTIAL EMERGENCY PHYSICIAN SALARY SUBSIDY TO SUPPORT

THE HIGH LEVEL OF UNCOMPENSATED CARE. THIS AMOUNTED TO \$1,807,369 IN

FY 2010, ONE OF THE SINGLE LARGEST COMMUNITY BENEFIT FINANCIAL

CONTRIBUTIONS.

DUE TO ITS LOCATION WITHIN THREE BLOCKS OF THE CITY'S LARGEST

HOMELESS SHELTER AT GUILFORD AVENUE AND CLOSE PROXIMITY TO HCH, MERCY

MEDICAL CENTER'S ED RECEIVES MANY VISITS FROM HOMELESS PERSONS. WITH

DECADES OF EXPERIENCE IN PROVIDING EMERGENT AND URGENT CARE TO POOR

AND HOMELESS POPULATIONS, THE HOSPITAL HAS ESTABLISHED KEY SERVICES

FOR THE MEDICALLY UNDERSERVED INCLUDING THE FOLLOWING:

A FULL TIME SOCIAL WORKER IS A PART OF THE ED TEAM TO COORDINATE CARE

AND OTHER SERVICES FOR HOMELESS PATIENTS WHO ARRIVE AT THE ED.

ED PHYSICIANS AND NURSES MAKE VISITS TO BALTIMORE CITY SHELTERS TO

PROVIDE THE FOLLOWING SERVICES:

...ADMINISTRATION OF FLU VACCINATIONS TO RESIDENTS

...PRESENTATIONS ON PARASITES AND INFECTIOUS DISEASE

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...INFECTIOUS DISEASE PREVENTION

THE FORENSIC NURSE EXAMINER PROGRAM (FNE) IS HOUSED AT THE HOSPITAL'S

ED AND PROVIDES 24/7 CARE TO PATIENTS WHO ARE VICTIMS OF SEXUAL,

DOMESTIC, CHILD, ELDER, AND INSTITUTIONAL VIOLENCE. FORENSIC NURSE

PROVIDE COMPREHENSIVE FORENSIC MEDICAL INTERVIEWS, MEDICAL

ASSESSMENTS, AND EVIDENCE COLLECTION, AND ASSURE CRISIS INTERVENTION

TO AN EVER INCREASING VOLUME OF UNDERSERVED PATIENTS.

DURING FY 2010, THE FNE PROGRAM CONDUCTED 502 EXAMINATIONS AND IS THE

DESIGNATED SITE FOR PATIENTS IN BALTIMORE CITY.

LOW BIRTH WEIGHT PROGRAM- DEPARTMENT OF OBSTETRICS

MERCY MEDICAL CENTER DELIVERED MORE BABIES, 2,802, THAN ANY OTHER

HOSPITAL IN BALTIMORE CITY IN FY 2010. OF THESE BABIES, 11.2% WERE OF

LOW BIRTH WEIGHT AND 13.8% WERE PREMATURE. LOW BIRTH WEIGHT AND

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AND TRACKED BY THE BALTIMORE CITY DEPARTMENT OF HEALTH THAT MUST BE

DECREASED IN INCIDENCE.

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LOW BIRTH WEIGHT	11.2%	9.15%	8.2%
PREMATURITY	13.8%	13.40%	12.7%

THE HOSPITAL HAS TAKEN A LEADERSHIP ROLE THROUGH ITS ACTIVE

PARTICIPATION IN "B'MORE FOR HEALTHY BABIES", A LONG TERM INITIATIVE

LED BY THE MAYOR'S OFFICE AND MANAGED BY THE BALTIMORE CITY HEALTH

DEPARTMENT TO REDUCE TO INCIDENCE OF LOW BIRTH WEIGHT. DR. ROBERT

ATLAS, CHAIRMAN OF MERCY MEDICAL CENTER'S DEPARTMENT OF OBSTETRICS

AND GYNECOLOGY, HAS A LEADERSHIP ROLE WITHIN THIS WORKGROUP. THE

GOALS OF "B'MORE FOR HEALTHY BABIES" ARE REDUCTION IN THE FOLLOWING:

...RATE OF PRE-TERM BIRTHS BY AT LEAST 10%

...RATE OF LOW BIRTH WEIGHT INFANTS BY AT LEAST 10%

...THE NUMBER OF DEATHS FROM UNSAFE SLEEP BY AT LEAST 10%

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- 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.

OF NOTE, 60% OF THE PATIENTS WHO DELIVERED BABIES AT MERCY MEDICAL CENTER WERE EITHER MEDICAID BENEFICIARIES OR UNINSURED/SELF PAY. THIS POPULATION IS ESPECIALLY LINKED WITH LOW BIRTH RATE AND PREMATURELY DUE TO POVERTY THAT CLOSELY RELATES TO UNHEALTHY LIFESTYLES, PARTICULARLY, POOR NUTRITION AND INADEQUATE PRENATAL CARE.

IN ORDER TO ENSURE 24/7 COVERAGE FOR ITS OBSTETRICAL PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY, MERCY MEDICAL CENTER PROVIDED \$1,415,617 IN PHYSICIAN SUBSIDY FOR THIS SPECIALTY; A 12% INCREASE FROM FY 2009.

AFFILIATED HEALTH CARE SYSTEM ROLES:

KEY MERCY HEALTH SERVICES (MHS) PARTNERSHIPS/WORK GROUPS

GROUP NAME: JOURNEY HOME

PURPOSE AND MMC PARTICIPATION: SISTER HELEN AMOS, RSM, EXECUTIVE

CHAIR OF THE MERCY HEALTH SERVICES (MHS) BOARD OF TRUSTEES AND FORMER

CEO OF MHS, SERVES AS CHAIR OF THE LEADERSHIP ADVISORY GROUP FOR 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.

ORGANIZATION WHOSE PURPOSE IS TO END HOMELESSNESS IN BALTIMORE.

GROUP NAME: HEALTH CARE FOR THE HOMELESS

PURPOSE AND MMC PARTICIPATION: HEALTH CARE FOR THE HOMELESS (HCH)

PROVIDES HEALTH-RELATED SERVICES TO REDUCE THE INCIDENCE AND BURDENS

OF HOMELESSNESS; ITS MAIN SITE IS WITHIN TWO BLOCKS OF MERCY MEDICAL

CENTER (MMC). CATHERINE KELLY, DIRECTOR OF COMMUNITY OUTREACH OF MMC

SERVES ON HCH'S BOARD OF DIRECTORS.

GROUP NAME: BALTIMORE HOMELESS SERVICES

PURPOSE AND MMC PARTICIPATION: A PROGRAM WITHIN THE CITY OF BALTIMORE

CONSISTING OF PROVIDERS AND STAKEHOLDERS INVOLVED IN ADDRESSING

HOMELESSNESS.

GROUP NAME: GUILFORD AVENUE SHELTER

PURPOSE AND MMC PARTICIPATION: BALTIMORE CITY'S LARGEST SHELTER,

WHERE MMC HAS ESTABLISHED CLINICAL OUTREACH SERVICES ON-SITE.

GROUP NAME: MAYOR'S OFFICE ON EMERGENCY MANAGEMENT

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.

PURPOSE AND MMC PARTICIPATION: MMC SERVES ON THE EMERGENCY

PREPAREDNESS TASK FORCE FOR BALTIMORE CITY.

GROUP NAME: SEX AND FAMILY CRIMES DIVISION OF THE BALTIMORE CITY

POLICE DEPARTMENT

PURPOSE AND MMC PARTICIPATION: MERCY'S FAMILY VIOLENCE RESPONSE

PROGRAM WORKS CLOSELY WITH THE CITY'S POLICE DEPARTMENT AS THE

HOSPITAL HAS THE ONLY FORENSIC NURSE EXAMINER PROGRAM IN BALTIMORE

CITY.

GROUP NAME: FAMILY CRISIS CENTER OF BALTIMORE (FCCB)

PURPOSE AND MMC PARTICIPATION: FCCB IS A MAJOR REFERRAL PARTNER TO

MERCY'S FORENSIC NURSE EXAMINER AND SUPPORTIVE HOUSING PROGRAMS.

GROUP NAME: DOMESTIC VIOLENCE COORDINATING COUNCIL

PURPOSE AND MMC PARTICIPATION: MARY CATHERINE-WEBB, DIRECTOR OF

SOCIAL SERVICES AT MMC SERVES ON THE ORGANIZATION'S STEERING

COMMITTEE.

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.

GROUP NAME: B'MORE FOR HEALTHY BABIES (BHB)

PURPOSE AND MMC PARTICIPATION: BHB IS A COALITION OF PHYSICIANS AMONG

BALTIMORE CITY'S MAJOR HOSPITALS THAT ADDRESS WAYS TO REDUCE INFANT

MORTALITY, PREMATUREITY, AND LOW BIRTH WEIGHT. ROBERT ATLAS, M.D.,

MMC'S CHAIRMAN OF OBSTETRICS AND GYNECOLOGY IS A LEADER WITHIN BHB.

GROUP NAME: FRIENDS OF PATTERSON PARK

PURPOSE AND MMC PARTICIPATION: MERCY IS ACTIVELY INVOLVED IN AND

FINANCIALLY SUPPORTS THE "HEALTHY LIVING INITIATIVE" OF FPP.

GROUP NAME: FAMILY HEALTH CENTERS OF BALTIMORE (FCHB)

PURPOSE AND MMC PARTICIPATION: SAM MOSKOWITZ, MMC'S CHIEF OPERATING

OFFICER SERVES ON THE BOARD OF DIRECTORS OF FCHB, A FEDERALLY

QUALIFIED HEALTH CENTER THAT SERVES CENTRAL AND SOUTH BALTIMORE

CITY.

**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

MERCY MEDICAL CENTER

Employer identification number

52-0591658

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

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

- a** Receive a severance payment or change-of-control payment?
- 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
1a		
1b		
2		
3		
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				
THOMAS MULLEN	(i)	676,902.	0.	418,196.	7,350.	21,777.	1,124,225.	261,258.
	(ii)	0.	0.	0.	0.	0.	0.	0.
AMY FREEMAN	(i)	328,859.	0.	622,915.	7,350.	10,518.	969,642.	571,502.
	(ii)	0.	0.	0.	0.	0.	0.	0.
SAMUEL MOSKOWITZ	(i)	437,074.	0.	238,015.	7,350.	23,597.	706,036.	169,540.
	(ii)	0.	0.	0.	0.	0.	0.	0.
SCOTT SPIER MD	(i)	353,668.	0.	55,277.	10,822.	23,189.	442,956.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOHN TOPPER	(i)	336,898.	0.	471,546.	7,350.	20,162.	835,956.	418,969.
	(ii)	0.	0.	0.	0.	0.	0.	0.
SUSAN FINLAYSON	(i)	265,726.	0.	376,831.	38,350.	31,181.	712,088.	311,892.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JUDITH WEILAND	(i)	260,723.	0.	65,517.	13,974.	3,708.	343,922.	31,341.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ROBERT EDWARDS	(i)	235,295.	0.	37,350.	7,124.	20,162.	299,931.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES LEVY MD	(i)	240,736.	24,000.	8,000.	10,956.	26,532.	310,224.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JESSIE REED	(i)	195,546.	0.	103,612.	19,396.	11,388.	329,942.	84,187.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOHN LEPLEY	(i)	200,022.	0.	109,860.	6,179.	19,259.	335,320.	78,861.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

NONQUALIFIED RETIREMENT PLAN

SCH J LINE 4B

THE CORPORATION MAINTAINED A NONQUALIFIED PLAN OF DEFERRED COMPENSATION

FOR CERTAIN EMPLOYEES. THE PLAN ONLY PERMITS DEFERRALS (THAT IS, NO

CONTRIBUTIONS ARE MADE BY THE CORPORATION). DUE TO THE CHANGES IN TAX

LAWS, THE PLAN WAS TERMINATED DURING THE YEAR AND PARTICIPATING EMPLOYEES

WERE PAID AND TAXED ON THE ENTIRETY OF THEIR ACCOUNTS. SCHEDULE J

REPORTS THE AMOUNTS DISTRIBUTED, WHICH AMOUNTS WERE REFLECTED AS

CONTRIBUTIONS IN PRIOR PERIODS.

THE FOLLOWING INDIVIDUALS RECEIVED DISTRIBUTIONS FROM THE NONQUALIFIED

DEFERRED COMPENSATION PLAN IN THE FOLLOWING AMOUNTS:

THOMAS MULLEN \$261,258

JOHN TOPPER \$418,969

SAMUEL MOSKOWITZ \$169,540

AMY FREEMAN \$571,502

SUSAN FINLAYSON \$311,892

JUDITH WEILAND \$ 31,341

Part III Supplemental Information

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

JESSIE REED	\$ 84,187
JOHN LEPLEY	\$ 78,861

NON-FIXED PAYMENTS

SCH J LINE 7

THE COMPENSATION COMMITTEE APPROVES NON-FIXED PAYMENTS FOR MANAGEMENT
 BASED ON THE DEGREE OF MEETING CORPORATE PRIORITIES ESTABLISHED BY THE
 BOARD OF TRUSTEES. THE CORPORATE OBJECTIVES ARE DESIGNED TO ADVANCE THE
 ORGANIZATION IN THE AREAS OF QUALITY CARE, PATIENT SAFETY, PATIENT
 SATISFACTION, BUSINESS DEVELOPMENT AND FINANCIAL STRENGTH.

**SCHEDULE K
(Form 990)**

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2009

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).**

▶ **Attach to Form 990. See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
MERCY MEDICAL CENTER

Employer identification number
52-0591658

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased		(h) On behalf of issuer	
						Yes	No	Yes	No
A MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217XX8	08/03/2006	35,000,000.	2006 REPLACEMENT GARAGE AND RO		X		X
B MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217L29	11/08/2007	155,000,000.	2007 A REPLACEMENT TOWER AND R		X		X
C MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217L37	11/08/2007	150,000,000.	2007 B C D REPLACEMENT PATIENT		X		X
D MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217Y41	07/16/2008	35,325,000.	2008 REFUNDING OF 2003 BONDS		X		X
E MARYLAND HEALTH & HIGHER EDUCATIONAL FACILITY AUTH	52-0936091	5742174Z5	12/16/2009	30,000,000.	2009 PARTIAL CONVERSION 2008 BONDS		X		X

Part II Proceeds

	A		B		C		D		E	
1 Total proceeds of issue	35,952,865.		168,743,062.		155,940,666.		35,457,518.		30,000,000.	
2 Gross proceeds in reserve funds			12,498,309.							
3 Proceeds in refunding or defeasance escrows			8,812,500.				35,070,000.		30,000,000.	
4 Other unspent proceeds			48,660,602.		4,527,890.					
5 Issuance costs from proceeds	330,107.		1,508,050.		896,739.		387,518.			
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds	35,622,758.		97,263,600.		150,516,037.					
8 Year of substantial completion	2008		2011		2011		2008		2009	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Were the bonds issued as part of a current refunding issue?		X	X			X	X		X	
10 Were the bonds issued as part of an advance refunding issue?		X		X		X		X		X
11 Has the final allocation of proceeds been made?	X			X		X	X		X	
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X		X	

Part III Private Business Use

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X		X
2 Are there any lease arrangements with respect to the financed property which may result in private business use?	X		X		X		X		X	

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

Schedule K (Form 990) 2009

JSA

9E1295 2.000

**SCHEDULE K
(Form 990)**

Supplemental Information on Tax-Exempt Bonds

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 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).**

▶ **Attach to Form 990. See separate instructions.**

Name of the organization
MERCY MEDICAL CENTER

Employer identification number
52-0591658

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A MARYLAND HEALTH & HIGHER EDUCATIONAL FACILITY AUTH	52-0936091	5742176K6	04/01/2010	30,000,000.	2010 PARTIAL CONVERSION 2007 BONDS		X		X
B									
C									
D									
E									

Part II Proceeds

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?	X									
10 Were the bonds issued as part of an advance refunding issue?		X								
11 Has the final allocation of proceeds been made?	X									
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X									

Part III Private Business Use

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X								
2 Are there any lease arrangements with respect to the financed property which may result in private business use?	X									

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

Schedule K (Form 990) 2009

JSA

9E1295 2.000

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X		X		X	
b Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		X
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X		X		X	
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0.0000%		0.0000%		0.0000%		.5000%		.5000%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0.0000%		0.0000%		0.0000%		.1000%		.1000%	
6 Total of lines 4 and 5	0.0000%		0.0000%		0.0000%		.6000%		.6000%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X		X	

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X		X
2 Is the bond issue a variable rate issue?		X		X	X		X			X
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X		X		X			X		X
b Name of provider	MERRILL LYNCH		MERRILL LYNCH		MERRILL LYNCH					
c Term of hedge	30.000		30.000		35.000					
4a Were gross proceeds invested in a GIC?		X	X		X			X		X
b Name of provider			GE FUNDING		GE FUNDING					
c Term of GIC			4.250		2.000					
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?			X		X					
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X		X
6 Did the bond issue qualify for an exception to rebate?	X		X		X		X		X	

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?	X									
b Are there any research agreements with respect to the financed property which may result in private business use?		X								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X									
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
2 Is the bond issue a variable rate issue?		X								
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X								
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?		X								
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		X								
6 Did the bond issue qualify for an exception to rebate?	X									

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	SUSAN FINLAYSON RELOCATION				X	250,000.	75,000.		X	X
Total ▶ \$				75,000.						

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

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

Schedule L (Form 990 or 990-EZ) 2009

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

OMB No. 1545-0047

2009

**Open To Public
Inspection**

Name of the organization
MERCY MEDICAL CENTER

Employer identification number
52-0591658

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art-Works of art				
2 Art-Historical treasures				
3 Art-Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property	X			COST SAVINGS
9 Securities-Publicly traded				
10 Securities-Closely held stock				
11 Securities-Partnership, LLC, or trust interests				
12 Securities-Miscellaneous				
13 Qualified conservation contribution-Historic structures				
14 Qualified conservation contribution-Other				
15 Real estate-Residential				
16 Real estate-Commercial				
17 Real estate-Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		X
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

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

Schedule M (Form 990) 2009

JSA

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

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**

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

ATTACHMENT 1

DESCRIPTION OF 990 REVIEW PROCESS

PART VI, LINE 11

MERCY HEALTH SERVICES, INC. ("MHS"), THE SOLE PARENT OF THE CORPORATION, HAS A POLICY WHICH REQUIRES THE CORPORATION'S 990 TO BE MADE AVAILABLE FOR REVIEW BY THE MHS BOARD AND/OR THE MHS BOARD EXECUTIVE COMMITTEE PRIOR TO ITS FILING. AT ITS MARCH 23, 2011 MEETING, MHS BOARD EXECUTIVE COMMITTEE MEMBERS RECEIVED A COPY OF THE CORPORATION'S DRAFT FORM 990. THE MHS CFO PROVIDED A POWER POINT PRESENTATION REGARDING THE DRAFT AND THERE WAS AN OPPORTUNITY FOR QUESTIONS AND DISCUSSION. FOLLOWING FURTHER REVISION OF THE DRAFT 990 AND PRIOR TO ITS FILING, IT WAS MADE AVAILABLE IN FINAL FORM TO ALL MEMBERS OF THE MHS BOARD AND THE CORPORATION'S BOARD.

CONFLICTS OF INTEREST MONITORING AND ENFORCEMENT

PART VI, LINE 12C

MHS HAS A WRITTEN CONFLICT OF INTEREST POLICY THAT COVERS MHS AND ALL OF ITS DIRECT AND INDIRECT SUBSIDIARIES. THE INDIVIDUALS COVERED UNDER THE POLICY INCLUDE ALL TRUSTEES, DIRECTORS, OFFICERS (INCLUDING ALL SENIOR AND EXECUTIVE VICE PRESIDENTS) AND MEMBERS OF ANY COMMITTEE WITH BOARD-DELEGATED POWERS. UNDER THE POLICY, EACH SUCH PERSON IS REQUIRED TO COMPLETE AN ANNUAL DISCLOSURE FORM REGARDING BUSINESS RELATIONSHIPS THAT HE OR SHE, OR ANY FAMILY MEMBER, HAS WITH ANY OTHER ORGANIZATION THAT DOES BUSINESS WITH MHS OR ITS SUBSIDIARIES AND RELATIONSHIPS BETWEEN AND AMONG OFFICERS, TRUSTEES AND DIRECTORS. THE COMPLETED DISCLOSURE FORMS

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 1 (CONT'D)

ARE REVIEWED BY THE MHS BOARD CHAIR AND BY THE MHS CEO OR A DESIGNEE.

IN ADDITION TO THE ANNUAL DISCLOSURE, ANY PERSON WHO IS COVERED BY THE CONFLICT OF INTEREST POLICY HAS AN ONGOING OBLIGATION TO DISCLOSE THE EXISTENCE OF ANY ACTUAL OR POTENTIAL CONFLICT TO THE BOARD OR THE BOARD COMMITTEE IN WHICH THE MATTER ARISES. FOLLOWING THE DISCLOSURE, THE PERSON MAY MAKE A PRESENTATION, BUT MUST THEN LEAVE THE MEETING AND THE OTHER MEMBERS OF THE BOARD OR COMMITTEE SHALL DETERMINE WHETHER A CONFLICT EXISTS. UNDER THE POLICY, A CONFLICT OF INTEREST EXISTS WHEN AN INDIVIDUAL'S OWN PERSONAL INTEREST WOULD, OR MAY, INTERFERE WITH HIS OR HER IMPARTIALITY REGARDING THE MATTER. IF A CONFLICT EXISTS, THE PERSON MAY NOT BE PRESENT DURING DELIBERATIONS ON THE MATTER OR VOTE ON IT. THE BOARD OR COMMITTEE, AFTER CONDUCTING SUCH ADDITIONAL DUE DILIGENCE AS IT DETERMINES IS APPROPRIATE, SHALL MAKE A DECISION ON THE MATTER BASED UPON WHETHER THE PARTICULAR PROPOSAL IS FAIR, REASONABLE AND IN THE BEST INTEREST OF THE ORGANIZATION.

PROCESS OF DETERMINING COMPENSATION

PART VI, LINE 15

THE ORGANIZATION'S BOARD HAS ADOPTED A COMPENSATION POLICY (THE "POLICY") FOR COVERED INDIVIDUALS. PURSUANT TO THE POLICY, A COMPENSATION COMMITTEE OF INDEPENDENT DIRECTORS OF THE BOARD OF THE ORGANIZATION'S PARENT CORPORATION WAS ESTABLISHED TO REVIEW THE COMPENSATION OF ALL EMPLOYEES SPECIFIED AS HAVING A SUBSTANTIAL INFLUENCE OVER THE ORGANIZATION AND WHO RECEIVE REMUNERATION FROM THE ORGANIZATION.

THE COMPENSATION COMMITTEE IS ADVISED BY AN INDEPENDENT COMPENSATION

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 1 (CONT'D)

CONSULTANT, WHICH OPINES TO THE COMPENSATION COMMITTEE THAT THE LEVEL OF COMPENSATION PAID AND THE PROCESS BY WHICH COMPENSATION IS ESTABLISHED MEET APPLICABLE IRS REASONABLENESS AND "SAFE HARBOR" STANDARDS. THE OUTSIDE COMPENSATION CONSULTANT PROVIDES DATA OF COMPENSATION PROVIDED AT SIMILAR ORGANIZATIONS TO ENSURE THAT THE ORGANIZATION DOES NOT COMPENSATE IN EXCESS OF MARKET NORMS.

MERCY HEALTH SERVICES, INC. (THE CORPORATION'S SOLE MEMBER) HAS A WRITTEN POLICY REGARDING THE REVIEW OF PHYSICIAN COMPENSATION TITLED "AMENDED AND RESTATED PHYSICIAN COMPENSATION REVIEW." THE POLICY APPLIES TO ALL MHS SUBSIDIARIES, INCLUDING THE CORPORATION, AND IT SETS OUT THE PROCESS AND PROCEDURES FOR ENSURING THAT PHYSICIAN COMPENSATION IS APPROPRIATELY REVIEWED AND DETERMINED TO BE CONSISTENT WITH FAIR MARKET VALUE. UNDER THE POLICY THE REVIEW AND DETERMINATION MUST BE DOCUMENTED IN WRITING. THE POLICY ADDRESSES INTERNAL REVIEWS THROUGH BENCHMARKING OF PHYSICIAN COMPENSATION AGAINST NATIONALLY RECOGNIZED COMPENSATION SURVEY DATA, THE USE OF INDEPENDENT COMPENSATION CONSULTANTS AND REVIEW BY THE MHS BOARD COMPENSATION COMMITTEE. THE POLICY FURTHER REQUIRES THAT ALL COMPENSATION REVIEWS BE PERFORMED IN ACCORDANCE WITH THE MHS CONFLICT OF INTEREST POLICY.

DOCUMENT AVAILABILITY

PART VI, LINE 19

THE GOVERNING DOCUMENTS OF THE ORGANIZATION, ITS CONFLICTS OF INTEREST POLICY, AND ITS FINANCIAL STATEMENTS ARE AVAILABLE FROM THE ORGANIZATION UPON REQUEST.

Name of the organization

MERCY MEDICAL CENTER

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ATTACHMENT 1 (CONT'D)

AUDITS

PART XI, QUESTIONS 2 AND 3

MERCY HEALTH SYSTEM, INC. AND ITS SUBSIDIARIES INCLUDING THE ORGANIZATION FILING THIS FORM 990, UNDERGO A CONSOLIDATED AUDIT OF THEIR FINANCIAL STATEMENT THAT COMPLIES WITH SINGLE AUDIT ACT/OMB CIRCULAR A-133 REQUIREMENTS DUE TO THE EXPENDITURE OF FEDERAL AWARDS. THE ACCOUNTING FIRM OF COHEN, RUTHERFORD + KNIGHT P.C. HAS ISSUED AN UNQUALIFIED OPINION REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS IN CONFORMANCE WITH GENERALLY ACCEPTED AUDIT STANDARDS AND THE SINGLE AUDIT ACT/OMB CIRCULAR A-133 REQUIREMENTS FOR THE FISCAL YEAR THAT CORRESPONDS TO THE TAX REPORTING YEAR GOVERNED BY THIS FORM 990.

SUPPLEMENTAL INFORMATION FOR SCHEDULE K

SCHEDULE K, PART I, COLUMN G, LINE C AND D

LINE C AND D HAS BEEN CHECKED SINCE THESE BOND ISSUES HAVE NOT BEEN FULLY REFUNDED; HOWEVER, THEY HAVE BEEN PARTIALLY REFUNDED, AND THE BOND ISSUES TO PARTIALLY REFUND BONDS LISTED ON LINES C AND D OF PART I ARE SHOWN ON LINE E AND A.

SUPPLEMENTAL FOR SCHEDULE K

SCHEDULE K, PART II, LINE 3

PROCEEDS FROM THE "2007 A REPLACEMENT TOWERS" BONDS AND "2008 REFUNDING OF 2003 BONDS" WERE USED TO REFUND BOND ISSUES NOT LISTED ON SCHEDULE K BECAUSE THESE UNLISTED BOND ISSUES WERE FULLY DEFEASED AS OF JUNE 30TH, 2010.

PART VI, LINE 1B

MERCY HEALTH SERVICES, INC. ("MHS"), A 501(C)(3) CORPORATION, IS THE SOLE

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 1 (CONT'D)

MEMBER OF MERCY MEDICAL CENTER, INC. ("MMC"). MHS IS GOVERNED BY A 26-PERSON BOARD OF TRUSTEES, OF WHOM 21 ARE INDEPENDENT BOARD MEMBERS. THE BOARD OF DIRECTORS OF MMC IS CURRENTLY MADE OF 7 DIRECTORS. THE PRESIDENT OF MHS SERVES AS AN EX OFFICIO MEMBER OF MMC'S BOARD AND THE BALANCE OF THE MMC BOARD MEMBERS ARE ELECTED BY, AND SUBJECT TO REMOVAL BY, THE BOARD OF TRUSTEES OF MHS. ONE OF THE MEMBERS OF THE MFC BOARD IS INDEPENDENT. SEVEN OF THE BOARD MEMBERS ARE COMPENSATED AS EMPLOYEES EITHER OF MFC OR A RELATED ORGANIZATION LISTED IN SCHEDULE R, PART II.

PART VI, LINE 6

MHS IS THE SOLE MEMBER OF MMC.

PART VI, LINE 7A

THE PRESIDENT OF MHS SERVES AS AN EX OFFICIO VOTING MEMBER OF THE BOARD OF DIRECTORS OF MMC. AS THE MEMBER OF MMC, THE BOARD OF TRUSTEES OF MHS ELECTS ALL OF THE OTHER MEMBERS OF THE BOARD OF MMC. ALL OF THE MEMBERS OF THE MMC BOARD SERVE AT THE PLEASURE OF THE BOARD OF TRUSTEES OF MHS AND ARE SUBJECT TO REMOVAL BY THE MHS BOARD.

PART VI, LINE 7B

THE BOARD OF TRUSTEES OF MHS EXERCISES AUTHORITY OVER MMC THROUGH ITS RIGHT TO APPOINT AND REMOVE MMC BOARD MEMBERS.

IN ADDITION, MHS, AS THE MEMBER, IS RESPONSIBLE FOR THE FOLLOWING ACTIONS:

A) TO APPOINT MEMBERS TO MMC'S BOARD OF DIRECTORS;

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
--	--

ATTACHMENT 1 (CONT'D)

- B) TO REVIEW AND APPROVE OR DISAPPROVE THE STRATEGIC PLAN, ANNUAL BUDGET AND THE ANNUAL OPERATING GOALS AND OBJECTIVES OF MMC AS RECOMMENDED TO MHS BY MMC'S BOARD OF DIRECTORS;
- C) TO EVALUATE THE PERFORMANCE OF MMC'S BOARD OF DIRECTORS, OFFICERS, AND OPERATING MANAGEMENT;
- D) TO REMOVE BOARD MEMBERS OF MMC IN ITS DISCRETION AT ANY TIME;
- E) TO APPROVE THE MISSION AND VISION THAT GOVERN MMC'S OPERATIONS;
- F) TO HAVE ULTIMATE RESPONSIBILITY FOR MMC'S QUALITY ASSURANCE, PERFORMANCE IMPROVEMENT, UTILIZATION REVIEW AND RISK MANAGEMENT; AND
- G) TO APPOINT, REAPPOINT AND TAKE ANY CORRECTIVE ACTION RELATED TO THE MEDICAL STAFF OF MMC (THE "MEDICAL STAFF") IN ACCORDANCE WITH THE MEDICAL STAFF BYLAWS OF MMC.

THE FOLLOWING ACTIONS REQUIRE THE APPROVAL OF AND AFFIRMATIVE CORPORATE ACTION BY MHS:

- A) ANY DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF MMC'S ASSETS, DISSOLUTION, LIQUIDATION, WINDING UP OR ABANDONMENT OF MMC;
- B) ANY AMENDMENT OF THE ARTICLES OF INCORPORATION OR BYLAWS OF MMC OR OF THE MEDICAL STAFF BYLAWS OF MMC;
- C) ANY BORROWING OR LENDING BY MMC OR THE ISSUANCE OF ANY GUARANTEE BY MMC IN AN AMOUNT IN EXCESS OF AN AMOUNT SPECIFIED BY MHS FROM TIME TO TIME;
- D) ANY MERGER, CONSOLIDATION OR INSTITUTIONAL AFFILIATION WITH ANY OTHER CORPORATION OR OTHER ENTITY; AND

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 1 (CONT'D)

E) THE PURCHASE OR SALE OF ASSETS FOR AN AMOUNT IN EXCESS OF AN AMOUNT SPECIFIED FROM TIME TO TIME BY MHS.

ULTIMATELY, THE CORPORATION IS CONTROLLED BY MHS'S 26-PERSON COMMUNITY BOARD, WHICH INCLUDES 21 INDEPENDENT DIRECTORS AS NOTED ABOVE.

ATTACHMENT 2

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

MERCY IS DEDICATED TO CARRY FORWARD THE 136 - YEAR TRADITION OF THE SISTER'S HEALING MINISTRY IN BALTIMORE. GROUNDED IN A VISION OF GOD'S HEALING LOVE FOR ALL PEOPLE, WE ARE COMMITTED TO PROVIDING HEALTHCARE FOR PERSONS OF EVERY CREED, COLOR, AND ECONOMIC AND SOCIAL CONDITION IN BALTIMORE CITY, CENTRAL MARYLAND AND BEYOND. IN THE TRADITION OF CATHOLIC HEALTHCARE AND OF THE SISTERS OF MERCY, WE CONTINUE OUR SPECIAL COMMITMENT TO POOR AND UNDERSERVED PERSONS. MERCY IS DRIVEN BY ITS MISSION TO SERVE AND WILL REMAIN STEADFAST IN ITS COMMITMENT TO UPHOLD ITS HIGHEST STANDARDS FOR CARE, ITS COMMITMENT OT THE POOR AND ITS COMMITMENT OT BALTIMORE. WE ARE HERE TO PROVIDE EXCELLENT HEALTHCARE, WITH COMPASSION AND RESPECT, TO ALL WHO COME TO US FOR HELP.

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 34A PROGRAM SERVICE

TO PROVIDE HEALTHCARE TO PATIENTS WITHOUT REGARD TO ABILITY TO PAY. MERCY STRIVES TO PROVIDE EXCELLENT CLINICAL SERVICES ACROSS THE LIFE SPAN WITHIN A COMMUNITY OF COMPASSIONATE CARE.

MERCY MEDICAL CENTER (MMC) HAS 243 LICENSED BEDS AND HAD 18,214 INPATIENT ADMISSIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2010. MERCY MEDICAL CENTER'S PRIMARY SERVICE AREA (PSA) WHICH COMPRISES 16 ZIP CODES IN BALTIMORE CITY, ACCOUNTS FOR ALMOST 60% OF ITS TOTAL ADMISSIONS. THE KEY DEMOGRAPHIC CHARACTERISTICS OF THE PSA ARE AS FOLLOWS: 64% OF THE POPULATION IS BLACK AND APPROXIMATELY 59% OF PATIENTS SERVED BY MMC ARE MEMBERS OF A RACIAL OR ETHNIC MINORITY WHILE 66% ARE WOMEN AND 51% ARE MEDICAID AND/OR MEDICARE BENEFICIARIES. 12% OF THE POPULATION IS 65 YEAR IN AGE AND OLDER. THE MEDIAN HOUSEHOLD INCOME OF THE POPULATION IS \$35,656, 40% OF BALTIMORE CITY HOUSEHOLDS REPORTED A INCOME OF LESS THAN \$30,000. THREE TIMES AS MANY FAMILIES LIVING IN BALTIMORE CITY HAD INCOME THAT WAS BELOW THE POVERTY LEVEL COMPARED TO ALL FAMILIES IN MARYLAND. WITHIN THE HOSPITAL'S IMMEDIATE ZIP CODES OF 21201 AND 21202 35% OF FAMILIES LIVE BELOW THE FEDERAL POVERTY LEVEL DEFINITION. DUE TO ITS LOCATION IN CENTER CITY, MMC CARES FOR MANY OF THE AT-RISK, LOW INCOME POPULATION IN THE COMMUNITIES THAT IMMEDIATELY SURROUND THE HOSPITAL. THIS IS BEST EVIDENCED BY THE LARGE PERCENTAGE OF EMERGENCY ROOM VISITS BY MEDICAID, UNINSURED, AND MEDICARE PATIENTS. MEDICAID COVERED AND UNISURED PATIENTS ACCOUNTED FOR

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

MORE THAN 50% OF FY2010 EMERGENCY ROOM VISITS. IN FY 2010, THE SUPPORTIVE HOUSING PROGRAM PROVIDED A COMPREHENSIVE RANGE COUSELING SERVICES AND COMMUNITY RESOURCE LINKAGES TO 166 CLIENTS. THESE SERVICES INCURRED A DIRECT COSTS OF \$523,381 DURING FY 2010, OR ABOUT \$3,000 PER CLIENT. OF THE 60,787 VISITS TO MMC EMERGENCY DEPARTMENT (ED) IN FY 2010, 39.4% WERE MEDICAID BENEFICIARIES AND 21.3% EITHER HAD NO INSURANCE OR ABILITY TO PAY OR WERE UNDERINSURED. THE HOSPITAL'S HIGH PERCENTAGE OF POOR PERSONS WHO SEEK CARE AT THE ED REGUIRES SUBSTANTIAL EMERGENCY PHYSICIAN SALARY SUBSIDY TO SUPPORT THE HIGH LEVEL OF UNCOMPENSATED CARE. THIS AMOUNTED TO \$ 1,807,369 IN FY2010, ONE OF THE SINGLE LARGEST COMMUNITY BENEFIT FINANCIAL CONTRIBUTIONS. MMC DELIVERED MORE BABIES, 2,802, THAN ANY OTHER HOSPITAL IN BALTIMORE CITY IN FY 2010. OF THESE BABIES, 11.2% WERE OF LOW BIRTH WEIGHT AND 13.8% WERE PREMATURE. 60% FO THE PATIENTS WHO DELIVERED BABIES AT MMC WERE EITHER MEDICAID BENEFICIARIES OR UNISURED/SELF PAY. THIS POPULATION IS ESPECIALLY LINKED WITH LOW BIRTH WEIGHT AND PREMATUREITY DUE TO POVERTY THAT CLOSELY RELATED TO UNHEALTHY LIFESTYLES, PARTICULARLY, POOR NUTRITITION AND INADEQUATE PRENATAL CARE.

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FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 3 (CONT'D)

ATTACHMENT 4

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

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
WHITING TURNER PO BOX 17596 BALTIMORE, MD 21297	CONSTRUCTION	121,106,751.
ELLERBE BECKET 1001 G ST NW WASHINGTON, DC 20001	ARCHITECT	2,854,480.
UNIVERSITY OF MARYLAND MEDICAL SYSTEMS PO BOX 62163 BALTIMORE, MD 21264-2163	MEDICAL SERVICES	3,412,892.
CURA HOSPITALITY PO BOX 827276 PHILADELPHIA, PA 19182	FOOD SERVICES	3,601,746.
RADAMERICA II LLC 9105 FRANKLIN SQUARE DR BALTIMORE, MD 21237	RADIATION THERAPY	2,538,811.
TOTAL COMPENSATION		<u>133,514,680.</u>

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST INCOME	1,391,631.			1,391,631.
INVESTMENT INCOME	665,817.			665,817.
INT DIV INCOME	1,157,965.			1,157,965.
TOTALS	<u>3,215,413.</u>			<u>3,215,413.</u>

ATTACHMENT 6

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: KAREN PERKINS, M.D.
 ORIGINAL AMOUNT: 100,000.
 INTEREST RATE: 5.750000
 DATE OF NOTE: 09/01/2002
 MATURITY DATE: 08/01/2007
 REPAYMENT TERMS: MONTHLY
 SECURITY PROVIDED: NONE
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE 14,892.
 ENDING BALANCE DUE 0.

BORROWER: KATHLEEN SLONE
 ORIGINAL AMOUNT: 144,704.
 DATE OF NOTE: 01/01/2007

BEGINNING BALANCE DUE 15,399.
 ENDING BALANCE DUE 0.

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 6 (CONT'D)

BORROWER: ERICA NICHELSON DO
ORIGINAL AMOUNT: 43,166.
DATE OF NOTE: 12/01/2007
PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE 34,399.
ENDING BALANCE DUE 21,697.

BORROWER: MARK KIM MD
ORIGINAL AMOUNT: 40,000.
DATE OF NOTE: 08/01/2008
PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE 32,782.
ENDING BALANCE DUE 26,372.

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ATTACHMENT 6 (CONT'D)

BORROWER: METROPOLITAN OBGYN ASSOCIATES
ORIGINAL AMOUNT: 100,000.
DATE OF NOTE: 10/15/2008
PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE 80,409.
ENDING BALANCE DUE 56,700.

BORROWER: TERESA HOFFMAN
ORIGINAL AMOUNT: 60,022.
DATE OF NOTE: 11/01/2008
PURPOSE OF LOAN: PRACTICE DEVELOPMENT LOAN

BEGINNING BALANCE DUE 45,020.
ENDING BALANCE DUE 34,182.

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ATTACHMENT 6 (CONT'D)

BORROWER: TERESA HOFFMAN
ORIGINAL AMOUNT: 30,000.
DATE OF NOTE: 06/07/2010
PURPOSE OF LOAN: PRACTICE DEVELOPMENT LOAN

BEGINNING BALANCE DUE 0.
ENDING BALANCE DUE 28,943.

BORROWER: DR FARRIOR
DATE OF NOTE: 12/10/2009
PURPOSE OF LOAN: PRACTICE DEVELOPEMNT LOAN

BEGINNING BALANCE DUE 0.
ENDING BALANCE DUE 16,613.

Name of the organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
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ATTACHMENT 6 (CONT'D)

BORROWER: DR HOPKINS LUNA
 DATE OF NOTE: 12/10/2009

BEGINNING BALANCE DUE 0.
 ENDING BALANCE DUE 16,613.

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE 222,901.

TOTAL ENDING NOTES AND LOANS RECEIVABLES 201,120.

ATTACHMENT 7

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
PREPAID EXPENSES	3,196,298.
TOTALS	<u>3,196,298.</u>

ATTACHMENT 8

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>COST OR FMV</u>
FUNDS HELD BY TRUSTEE	144,993,940.	FMV
TOTALS	<u>144,993,940.</u>	

ATTACHMENT 9

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: CONSTRUCTION LOAN
 INTEREST RATE: 4.920000
 DATE OF NOTE: 06/01/1989
 MATURITY DATE: 06/01/2010
 REPAYMENT TERMS: MONTHLY
 SECURITY PROVIDED: FIRST LIEN MORTGAGE ON VARIOUS REAL PROPERTIES
 PURPOSE OF LOAN: CONSTRUCTION

BEGINNING BALANCE DUE **Schedule O (Form 990) 2009**

Name of the organization

MERCY MEDICAL CENTER

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ATTACHMENT 9 (CONT'D)

ENDING BALANCE DUE 362,672.
..... 0.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE 362,672.

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 0.

**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

MERCY MEDICAL CENTER

Employer identification number

52-0591658

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

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
MERCY HEALTH SERVICES INC 52-2173382 301 ST PAUL PLACE BALTIMORE, MD 21202	SUPPORT	MD	501 (C) (3)	509 (A) (3)	N/A
MERCY HEALTH FOUNDATION INC 52-2173656 301 ST PAUL PLACE BALTIMORE, MD 21202	FOUNDATION	MD	501 (C) (3)	170 (B) (1) VI	MERCY HEALTH
SAINT PAUL PLACE SPECIALISTS INC 52-1495113 301 ST PAUL PLACE BALTIMORE, MD 21202	SPEC CARE	MD	501 (C) (3)	170 (B) 1 III	MERCY HEALTH
MARYLAND FAMILY CARE INC 52-2046586 301 ST PAUL PLACE BALTIMORE, MD 21202	PRIMARY CARE	MD	501 (C) (3)	170 (B) 1 III	MERCY HEALTH
STELLA MARIS INC 52-1419602 2300 DULANEY VALLEY TIMONIUM, MD 21093	NURSING FACLT	MD	501 (C) (3)	509 (A) (2)	MERCY HEALTH
MERCY TRANSITIONAL CARE SERVICES INC 52-1968440 301 ST PAUL PLACE BALTIMORE, MD 21202	SKILLED NURSE	MD	501 (C) (3)	509 (A) (2)	MERCY MEDICA

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

Schedule R (Form 990) 2009

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

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
GREENLEAF INSURANCE CO LTD 52-0591658 PO BOX 1363 KY1-1108 GRAND CAYMAN, CAYMAN ISLANDS	INSURANCE	CJ	MERCY MEDICAL	LTD	3,502,597.	37,752,778.	100.0000

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.

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

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1) GREENLEAF INSURANCE CO, LTD	P	850,211.
(2) MERCY TRANSITIONAL CARE SERVICES	O	1,958,866.
(3) MERCY TRANSITIONAL CARE SERVICES	M	-3,754,575.
(4) MERCY TRANSITIONAL CARE SERVICES	N	1,796,593.
(5)		
(6)		

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER DEDUCTIONS

REPAIRS	17,487.
TAXES	6,124.
RENT	851,680.
	<u>875,291.</u>

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
RENTAL PROPERTIES	1,551,099.	681,770.	875,291.	-5,962.
TOTALS	<u>1,551,099.</u>	<u>681,770.</u>	<u>875,291.</u>	<u>-5,962.</u>

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

Attach to your tax return. See separate instructions.

Name(s) shown on return

Identifying number

MERCY MEDICAL CENTER

52-0591658

1 Enter the gross proceeds from sales or exchanges reported to you for 2009 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, (g) Gain or (loss). Rows are currently empty.

3 Gain, if any, from Form 4684, line 43

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824

5

6 Gain, if any, from line 32, from other than casualty or theft

6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

7

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)

8

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)

9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, (g) Gain or (loss). Row 10 contains 'ATTACHMENT 10' and '-8,843.'.

11 Loss, if any, from line 7

11

12 Gain, if any, from line 7 or amount from line 8, if applicable

12

13 Gain, if any, from line 31

13

14 Net gain or (loss) from Form 4684, lines 35 and 42a

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824

16

17 Combine lines 10 through 16

17

-8,843.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 39, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.

18b

For Paperwork Reduction Act Notice, see separate instructions.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing).	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
	a Depreciation allowed or allowable from line 22	25a			
	b Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
	a Additional depreciation after 1975 (see instructions).	26a			
	b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions).	26b			
	c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e.	26c			
	d Additional depreciation after 1969 and before 1976.	26d			
	e Enter the smaller of line 26c or 26d	26e			
	f Section 291 amount (corporations only)	26f			
	g Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
	a Soil, water, and land clearing expenses	27a			
	b Line 27a multiplied by applicable percentage (see instructions)	27b			
	c Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
	a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a			
	b Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
	a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
	b Enter the smaller of line 24 or 29a (see instructions).	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 37. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33	
34	Recomputed depreciation (see instructions)	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

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

For calendar year 2009 or other tax year beginning 07/01, 2009, and ending 06/30, 2010. See separate instructions.

2009

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

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)
MERCY MEDICAL CENTER
Number, street, and room or suite no. If a P.O. box, see page 8 of instructions.
301 ST. PAUL PLACE
City or town, state, and ZIP code
BALTIMORE, MD 21202

D Employer identification number
(Employees' trust, see instructions for Block D on page 9.)
52-0591658

B Exempt under section
 501(C)(3)
 408(e) 220(e)
 408A 530(a)
 529(a)

Print or Type

E Unrelated business activity codes
(See instructions for Block E on page 9.)
531120 561000

C Book value of all assets at end of year
798,086,962.

F Group exemption number (See instructions for Block F on page 9.)
G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. **ATTACHMENT 1**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. **ATTACHMENT 2**

J The books are in care of **JOHN TOPPER** Telephone number **410-332-9313**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales <u>914,789.</u>			
b	Less returns and allowances			
	c Balance	1c		
		914,789.		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit. Subtract line 2 from line 1c	3		914,789.
4a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from partnerships and S corporations (attach statement)	5		
6	Rent income (Schedule C)	6	34,830.	-31,182.
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See page 10 of the instructions; attach schedule.)	12		
13	Total. Combine lines 3 through 12	13	949,619.	883,607.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)	14		
15	Salaries and wages	15		196,774.
16	Repairs and maintenance	16		
17	Bad debts	17		
18	Interest (attach schedule)	18		
19	Taxes and licenses	19		
20	Charitable contributions (See page 13 of the instructions for limitation rules.)	20		
21	Depreciation (attach Form 4562)	21		0.
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b 0.
23	Depletion	23		
24	Contributions to deferred compensation plans	24		
25	Employee benefit programs	25		
26	Excess exempt expenses (Schedule I)	26		
27	Excess readership costs (Schedule J)	27		
28	Other deductions (attach schedule) ATTACHMENT 3	28		977,398.
29	Total deductions. Add lines 14 through 28	29		1,174,172.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		-290,565.
31	Net operating loss deduction (limited to the amount on line 30)	31		
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		-290,565.
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33		1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.	34		-290,565.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15.
Controlled group members (sections 1561 and 1563) check here See instructions and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
(1) \$ (2) \$ (3) \$
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$
(2) Additional 3% tax (not more than \$100,000) \$
c Income tax on the amount on line 34 35c
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on
the amount on line 34 from: Tax rate schedule or Schedule D (Form 1041) 36
37 Proxy tax. See page 16 of the instructions 37
38 Alternative minimum tax 38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies. 39

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a
b Other credits (see page 16 of the instructions) 40b
c General business credit. Attach Form 3800. 40c
d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d
e Total credits. Add lines 40a through 40d 40e
41 Subtract line 40e from line 39. 41
42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule). 42
43 Total tax. Add lines 41 and 42 43
44a Payments: A 2008 overpayment credited to 2009 44a
b 2009 estimated tax payments 44b
c Tax deposited with Form 8868 44c
d Foreign organizations: Tax paid or withheld at source (see instructions) 44d
e Backup withholding (see instructions) 44e
f Other credits and payments: Form 2439 Other Form 4136 Total 44f
45 Total payments. Add lines 44a through 44f 45
46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached 46
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 0.
49 Enter the amount of line 48 you want: Credited to 2010 estimated tax Refunded 49 0.

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

1 At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial
account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign
Bank and Financial Accounts. If YES, enter the name of the foreign country here Yes No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? Yes No
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

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

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

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

Paid Preparer's Use Only Preparer's signature Date 05/16/2011 Check if self-employed Preparer's SSN or PTIN P01074058
Firm's name (or yours if self-employed), address, and ZIP code COHEN, RUTHERFORD + KNIGHT, PC 6903 ROCKLEDGE DRIVE, SUITE 500 BETHESDA, MD 20817-1800 EIN 52-1202280 Phone no. 301-828-1008

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

(see instructions on page 18)

1. Description of property

(1) MEDI SPA

(2)

(3)

(4)

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income. Includes rows for (1), (2), (3), (4) and a Total row.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 34,830. (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 66,012.

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

Table with 5 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation, (b) Other deductions, 4. Amount of average acquisition debt, 5. Average adjusted basis, 6. Column 4 divided by column 5, 7. Gross income reportable, 8. Allocable deductions. Includes a Totals row.

Total dividends-received deductions included in column 8

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

Table for Exempt Controlled Organizations with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income, 4. Total of specified payments made, 5. Part of column 4 that is included in the controlling organization's gross income, 6. Deductions directly connected with income in column 5.

Nonexempt Controlled Organizations

Table for Nonexempt Controlled Organizations with 5 columns: 7. Taxable Income, 8. Net unrelated income, 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income in column 10.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

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

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

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

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

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

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

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

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

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

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

LEASE REAL ESTATE PROPERTY, PROVIDE MANAGEMENT SERVICES TO TAXABLE AFFILIATES, PROVIDE LAB SERVICES TO NON-HOSPITAL PATIENTS, PROVIDE ANSWERING SERVICE, PROVIDE PARKING TO NON-HOSPITAL PATRONS

NAME AND FEIN OF PARENT CORPORATION

MERCY HEALTH SERVICES, INC. 52-2173382

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

OTHER
PARKING

10,345.
967,053.

PART II - LINE 28 - OTHER DEDUCTIONS

977,398.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 4

MEDI SPA

RENTAL EXPENSES

66,012.

TOTAL

66,012.