

**Exempt Organization Declaration and Signature for Electronic Filing**

For calendar year 2012, or tax year beginning JUL 1, 2012, and ending JUN 30, 2013

**2012**

Department of the Treasury  
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

Name of exempt organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

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

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

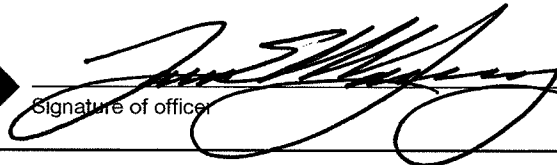
1a Form 990 check here	<input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	<u>239175603</u>
2a Form 990-EZ check here	<input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here	<input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here	<input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here	<input type="checkbox"/>	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

**Part II Declaration of Officer**

- 6  I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.
- If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.


Sign Here

 5/12/2014  
 Signature of officer Date

SENIOR VP FINANCE  
Title

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer** (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-file (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

<b>ERO's Use Only</b>	ERO's signature 	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code				EIN Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				Firm's EIN
	Firm's address				Phone no.

# Return of Organization Exempt From Income Tax

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

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

**A** For the 2012 calendar year, or tax year beginning **JUL 1, 2012** and ending **JUN 30, 2013**

<b>B</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	<b>C</b> Name of organization <b>HOWARD COUNTY GENERAL HOSPITAL, INC.</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>3910 KESWICK RD, SOUTH BLDG, 4TH FLOOR 4300A</b> City, town, or post office, state, and ZIP code <b>BALTIMORE, MD 21211</b> <b>F</b> Name and address of principal officer: <b>JAMES E. YOUNG</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>52-2093120</b>	<b>E</b> Telephone number <b>(410) 740-7730</b>
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>G</b> Gross receipts \$ <b>288,862,966.</b>	
<b>J</b> Website: <b>WWW.HCGH.ORG</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶	
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1998</b> <b>M</b> State of legal domicile: <b>MD</b>	

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>PROVISION OF INPATIENT AND OUTPATIENT HEALTHCARE SERVICES TO INDIVIDUALS.</b>		
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>24</b>
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>18</b>
<b>5</b>	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<b>5</b>	<b>1965</b>
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>275</b>
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>11,101.</b>
<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>
<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>5,648,348.</b>	<b>4,093,974.</b>
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>238,698,698.</b>	<b>232,001,771.</b>
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>1,155,307.</b>	<b>1,767,356.</b>
<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,297,796.</b>	<b>1,312,502.</b>
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>247,800,149.</b>	<b>239,175,603.</b>
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>2,433,155.</b>	<b>1,000,000.</b>
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>108,670,664.</b>	<b>111,984,276.</b>
<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>	<b>0.</b>	<b>0.</b>
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>122,830,807.</b>	<b>111,344,487.</b>
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>233,934,626.</b>	<b>224,328,763.</b>
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>13,865,523.</b>	<b>14,846,840.</b>
<b>20</b>	Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
<b>21</b>	Total liabilities (Part X, line 26)	<b>259,563,559.</b>	<b>292,641,624.</b>
<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>216,915,853.</b>	<b>227,896,316.</b>
		<b>42,647,706.</b>	<b>64,745,308.</b>

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer <b>JAMES E. YOUNG, SENIOR VP FINANCE</b> Type or print name and title	Date	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date
	Firm's name ▶	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's address ▶	Firm's EIN ▶	
		Phone no.	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: MISSION: HOWARD COUNTY GENERAL HOSPITAL, A MEMBER OF JOHNS HOPKINS MEDICINE, STRIVES TO PROVIDE THE HIGHEST QUALITY CARE TO IMPROVE THE HEALTH OF OUR ENTIRE COMMUNITY THROUGH INNOVATION, COLLABORATION, SERVICE EXCELLENCE, DIVERSITY AND A COMMITMENT TO PATIENT SAFETY. ITS

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

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

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

4a (Code: ) (Expenses \$ 72,938,917. including grants of \$ ) (Revenue \$ 80,622,122.) DEPARTMENT OF MEDICINE AND SURGERY PURPOSE: HOWARD COUNTY GENERAL HOSPITAL OFFERS A BROAD SPECTRUM OF INPATIENT AND OUTPATIENT SURGICAL SERVICES FOR ADULT AND PEDIATRIC PATIENTS. A LIST OF SOME OF THE MORE COMMON TYPES OF SURGERY PERFORMED AT HCGH INCLUDE: COLORECTAL SURGERY, ENDOSCOPY, GENERAL SURGERY, MINIMALLY INVASIVE SURGERY, NEUROSURGERY, OPHTHALMOLOGY, ORAL SURGERY AND DENTISTRY, ORTHOPEDIC SURGERY, OTOLARYNGOLOGY, PLASTIC SURGERY, PODIATRY, UROLOGY, VASCULAR SURGERY.

HOWARD COUNTY GENERAL HOSPITAL'S INTENSIVE CARE UNIT IS A HIGHLY SPECIALIZED 16-BED UNIT DEDICATED TO THE NEEDS OF ADULT PATIENTS REQUIRING INTENSIVE MONITORING AND PATIENT CARE SERVICES INVOLVING

4b (Code: ) (Expenses \$ 20,474,676. including grants of \$ ) (Revenue \$ 38,285,728.) EMERGENCY DEPARTMENT

PURPOSE: OUR 36-BED EMERGENCY DEPARTMENT (ED) IS STAFFED 24-HOURS A DAY, SEVEN DAYS A WEEK BY BOARD-CERTIFIED JOHNS HOPKINS EMERGENCY MEDICINE PHYSICIANS. THE 24,000 SQUARE UNIT EXPANSION PROVIDES STATE-OF-THE-ART COMPREHENSIVE, INDIVIDUALIZED EMERGENCY MEDICAL CARE AND URGENT CARE TO THE CITIZENS OF HOWARD COUNTY AND THE SURROUNDING AREA. UPON ARRIVAL AT THE EMERGENCY DEPARTMENT, A REGISTERED NURSE ASSESSES EVERY PATIENT TO DETERMINE TREATMENT PRIORITY NEEDS. DEPENDING ON THE PATIENT'S NEEDS, TREATMENT WILL BE PROVIDED IN ONE OF THE FOLLOWING UNITS: MAIN EMERGENCY ROOM, URGENT CARE, PEDIATRIC ED/CHILDREN'S CARE CENTER, CHEST PAIN/SHORT STAY UNIT, OR PSYCHIATRIC

4c (Code: ) (Expenses \$ 26,154,408. including grants of \$ ) (Revenue \$ 30,294,847.) LABOR & DELIVERY/NURSERY/NICU

PURPOSE: TO ACCOMMODATE THE MORE THAN 3,000 BABIES BORN IN THE HOSPITAL'S LABOR/DELIVERY/RECOVERY (LDR) UNIT EACH YEAR, HOWARD COUNTY GENERAL HOSPITAL OFFERS 12 ATTRACTIVELY DECORATED BIRTHING ROOMS. MOTHER AND BABY CAN REMAIN IN THIS PRIVATE, COMFORTABLE ROOM THROUGHOUT LABOR, DELIVERY AND RECOVERY WITH THE SECURITY OF THE HOSPITAL'S ADVANCED TECHNOLOGY. CERTAIN MEDICAL CONDITIONS MAY REQUIRE A TEMPORARY SEPARATION OF MOTHER AND BABY.

WHILE THE MAJORITY OF NEWBORN INFANTS ARE BORN HEALTHY, MORE INTENSE MONITORING AND CARE ARE SOMETIMES NECESSARY. THE HOSPITAL'S 18-BED LEVEL III+ NICU FEATURES HIGHLY SOPHISTICATED EQUIPMENT SPECIALLY

4d Other program services (Describe in Schedule O.) (Expenses \$ 72,934,472. including grants of \$ 1,000,000.) (Revenue \$ 82,799,074.)

4e Total program service expenses 192,502,473.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a Did the organization maintain an office, employees, or agents outside of the United States? .....		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	X	
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i> .....	X	

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

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization 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	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24b			
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?		
24c			
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
24d			
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
25b			X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28a			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
28b			X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c			X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
29			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
30			X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
31			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
32			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	
33		X	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
34		X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35a			X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
35b			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36			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
37			X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	
38		X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		X
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
<b>13b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
<b>13c</b>	Enter the amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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

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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year ..... If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	24	
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent .....	18	
<b>2</b>	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
<b>3</b>	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
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? .....		X
<b>6</b>	Did the organization have members or stockholders? .....		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? .....	X	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	a The governing body? .....	X	
<b>8b</b>	b Each committee with authority to act on behalf of the governing body? .....	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O .....		X

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

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

**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 (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **THE CORPORATION - 443-997-5724**  
**3910 KESWICK RD, SOUTH BLDG, 4TH FLOOR, STE. 4300A, BALTIMORE, MD 21211**

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) HARRY L. LUNDY TRUSTEE	1.00 0.00	X					0.	0.	0.	
(2) EVELYN BOLDOC CHAIR/ TRUSTEE	1.00 0.00	X		X			0.	0.	0.	
(3) VICTOR A. BROCCOLINO PRESIDENT/CEO/ASST SECRETARY	60.00 0.00	X		X			551,742.	0.	45,502.	
(4) ANN B MECH SECRETARY/TRUSTEE	1.00 0.00	X		X			0.	0.	0.	
(5) W. BRIAN MCGOWAN TREASURER/TRUSTEE	1.00 0.00	X		X			0.	0.	0.	
(6) NICHOLAS KOUTRELAOS, M.D. TRUSTEE	1.00 0.00	X					0.	0.	0.	
(7) MARVIN P. DAVIS, M.D. TRUSTEE	1.00 0.00	X					0.	0.	0.	
(8) AD DIVAKARUNI, MD TRUSTEE	1.00 0.00	X					0.	0.	0.	
(9) GEORGE LOUIS DOETSCH, JR TRUSTEE	1.00 0.00	X					0.	0.	0.	
(10) BRIAN A. GRAGNOLATI TRUSTEE	1.00 59.00	X					0.	3,326,151.	40,805.	
(11) ROBERT T MANFUSO TRUSTEE	1.00 0.00	X					0.	0.	0.	
(12) RONALD R PETERSON CORPORATE VICE CHAIR/TRUSTEE	1.00 59.00	X		X			0.	13,573,496.	1,812,123.	
(13) DAVID POWELL TRUSTEE	1.00 0.00	X					0.	0.	0.	
(14) PETER J ROGERS, JR VICE-CHAIR/TRUSTEE	1.00 0.00	X		X			0.	0.	0.	
(15) ALTON J SCAVO TRUSTEE	1.00 0.00	X					0.	0.	0.	
(16) MARY ANN SCULLY TRUSTEE	1.00 0.00	X					0.	0.	0.	
(17) G.DANIEL SHEALER, JR TRUSTEE	1.00 59.00	X					0.	671,208.	249,543.	



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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SUE SONG, APRN-PMH, PH D TRUSTEE	1.00 0.00	X						0.	0.	0.
(19) BEVERLY WHITE-SEALS TRUSTEE	1.00 59.00	X						0.	54,137.	17,422.
(20) W GILL WYLIE TRUSTEE	1.00 59.00	X						0.	360,255.	117,957.
(21) DAVID WILLIAMS TRUSTEE	1.00 0.00	X						0.	0.	0.
(22) KAYODE A. WILLIAMS TRUSTEE	1.00 0.00	X						0.	0.	0.
(23) CLARITA FRAZIER, M.D. TRUSTEE	1.00 0.00	X						0.	0.	0.
(24) PAUL SKALNY TRUSTEE	1.00 0.00	X						0.	0.	0.
(25) M LYNNE BELL ASSISTANT SECRETARY	60.00 0.00			X				58,260.	0.	1,338.
(26) ERIC M. ALDRICH, MD V.P. FOR MEDICAL AFFAIRS	60.00 0.00			X				392,105.	0.	90,338.
<b>1b Sub-total</b>								1,002,107.	17,985,247.	2,375,028.
<b>c Total from continuation sheets to Part VII, Section A</b>								2,438,893.	0.	379,719.
<b>d Total (add lines 1b and 1c)</b>								3,441,000.	17,985,247.	2,754,747.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **80**

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
HOWARD COUNTY ANESTHESIA ASSOC FKA JOHN C P 11085 LITTLE PATUXENT PARKWAY, COLUMBIA, MD	PHYSICIANS SERVICES	1,830,000.
AMERICAN RED CROSS BLOOD SERVICES 4701 MOUNT HOPE DR, BALTIMORE, MD 21215	BLOOD BANK SERVICES	1,441,281.
BROADWAY SERVICES INC 3709 E MONUMENT ST, BALTIMORE, MD 21205	CLEANING SERVICES	1,386,423.
SODEXHO INC PO BOX 70060, CHICAGO, IL 60673	DIETARY FEES/MNGT & RENTS	1,348,026.
DATEX-OHMEDA 8200 WEST TOWER AVE, MILWAUKEE, WI 53223	SERVICE CONTRACTS, EQUIPMENT CONTRACTS,	1,030,091.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **62**

SEE PART VII, SECTION A CONTINUATION SHEETS

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (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			
(27) JAY H BLACKMAN EXECUTIVE VP & COO	60.00 0.00			X				365,264.	0.	43,027.
(28) DOROTHY A BRILLANTES SR. VP, HUMAN RESOURCES	60.00 0.00			X				238,762.	0.	30,125.
(29) JUDY E. BROWN, RN, MAS SR. VP, OUTCOMES MANAGEMENT	60.00 0.00			X				233,653.	0.	32,114.
(30) PAUL M. GLEICHAUF SR. VP, MANAGED CARE, PLAN	60.00 0.00			X				300,139.	0.	38,837.
(31) SHARON HADSELL SR VP, PATIENT CARE SERVIC	60.00 0.00			X				260,145.	0.	68,107.
(32) JAMES E YOUNG SR VP, FINANCE	60.00 0.00			X				321,643.	0.	41,180.
(33) ANN CHON PHARMACIST	40.00 0.00					X		140,782.	0.	31,056.
(34) SANDRA HARRIMAN V.P. DEVELOPMENT	40.00 0.00					X		139,036.	0.	8,441.
(35) MASOOMEH KHAMESIAN DIRECTOR, PHARMACY	40.00 0.00					X		139,053.	0.	32,747.
(36) NANCY SMITH SENIOR DIRECTOR, PATIENT C	40.00 0.00					X		144,525.	0.	36,735.
(37) SHARON ROSSI SENIOR DIRECTOR OF OPERATIONS	40.00 0.00					X		155,891.	0.	17,350.
Total to Part VII, Section A, line 1c .....								2,438,893.		379,719.

**Part VIII Statement of Revenue**

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

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	<b>1 a</b> Federated campaigns	<b>1a</b>						
	<b>b</b> Membership dues	<b>1b</b>						
	<b>c</b> Fundraising events	<b>1c</b>						
	<b>d</b> Related organizations	<b>1d</b>	3,524,385.					
	<b>e</b> Government grants (contributions)	<b>1e</b>	417,295.					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	152,294.					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$							
	<b>h Total.</b> Add lines 1a-1f			4,093,974.				
	Program Service Revenue	<b>2 a</b> PATIENT SERVICE REVENUE	Business Code	900099	82,687,320.	82,687,320.		
<b>b</b> DEPARTMENT OF MEDICINE AND SURGERY			621990	80,622,122.	80,622,122.			
<b>c</b> EMERGENCY DEPARTMENT			621910	38,285,728.	38,285,728.			
<b>d</b> LABOR & DELIVERY/NURSERY/NICU			621990	30,294,847.	30,294,847.			
<b>e</b> COMMUNITY EDU.			900099	111,754.	111,754.			
<b>f</b> All other program service revenue								
<b>g Total.</b> Add lines 2a-2f				232,001,771.				
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			1,313,240.			1,313,240.	
	<b>4</b> Income from investment of tax-exempt bond proceeds							
	<b>5</b> Royalties							
	<b>6 a</b> Gross rents	(i) Real		470,736.				
		(ii) Personal						
		<b>b</b> Less: rental expenses		0.				
		<b>c</b> Rental income or (loss)		470,736.				
	<b>d</b> Net rental income or (loss)			470,736.			470,736.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities		49,928,216.				
		(ii) Other		8,900.				
		<b>b</b> Less: cost or other basis and sales expenses		49,483,000.	0.			
		<b>c</b> Gain or (loss)		445,216.	8,900.			
	<b>d</b> Net gain or (loss)			454,116.			454,116.	
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>						
		<b>b</b> Less: direct expenses						
<b>c</b> Net income or (loss) from fundraising events								
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>							
	<b>b</b> Less: direct expenses							
	<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>		452,245.					
	<b>b</b> Less: cost of goods sold		204,363.					
	<b>c</b> Net income or (loss) from sales of inventory			247,882.			247,882.	
Miscellaneous Revenue	<b>11 a</b> OTHER	Business Code	900099	529,754.			529,754.	
	<b>b</b> TELE. & VENDING REV.		900099	27,735.			27,735.	
	<b>c</b> PATIENT GUEST MEAL		900099	24,013.			24,013.	
	<b>d</b> All other revenue		541900	12,382.		11,101.	1,281.	
	<b>e Total.</b> Add lines 11a-11d			593,884.				
	<b>12 Total revenue.</b> See instructions.			239,175,603.	232,001,771.	11,101.	3,068,757.	

**Part IX Statement of Functional Expenses**

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

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

<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 United States. See Part IV, line 21	1,000,000.	1,000,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,721,716.		2,721,716.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	87,902,467.	85,691,217.	2,211,250.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,365,502.	3,989,034.	376,468.	
9 Other employee benefits	10,479,626.	9,918,504.	561,122.	
10 Payroll taxes	6,514,965.	6,243,931.	271,034.	
11 Fees for services (non-employees):				
a Management				
b Legal	42,595.		42,595.	
c Accounting	155,534.		155,534.	
d Lobbying	42,264.		42,264.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses	36,817,403.	35,602,487.	1,214,916.	
14 Information technology				
15 Royalties				
16 Occupancy	3,400,946.	3,091,069.	309,877.	
17 Travel	15,985.	13,309.	2,676.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	134,105.	82,796.	51,309.	
20 Interest	4,928,511.	4,484,945.	443,566.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	16,567,134.	15,076,092.	1,491,042.	
23 Insurance	1,022,276.		1,022,276.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>PURCHASED SERVICES</b>	37,772,779.	17,287,994.	20,484,785.	
b <b>LAB SERVICES</b>	7,200,564.	7,200,564.		
c <b>SWAP INTEREST</b>	1,520,256.	1,383,433.	136,823.	
d <b>CONSULTING</b>	681,145.	495,355.	185,790.	
e All other expenses	1,042,990.	941,743.	101,247.	
25 <b>Total functional expenses.</b> Add lines 1 through 24e	224,328,763.	192,502,473.	31,826,290.	0.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	4,502,292.	<b>1</b>	22,661,916.
	<b>2</b> Savings and temporary cash investments .....	53,252.	<b>2</b>	55,617.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	27,896,018.	<b>4</b>	31,347,472.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	3,696,098.	<b>8</b>	4,093,578.
	<b>9</b> Prepaid expenses and deferred charges .....	1,039,485.	<b>9</b>	1,186,264.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 268,352,612.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 97,845,506.		
		167,200,211.	<b>10c</b>	170,507,106.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	51,896,875.	<b>12</b>	59,467,282.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
<b>15</b> Other assets. See Part IV, line 11 .....	3,279,328.	<b>15</b>	3,322,389.	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	259,563,559.	<b>16</b>	292,641,624.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	35,548,249.	<b>17</b>	38,327,625.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....	168,742,511.	<b>20</b>	174,195,427.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	12,625,093.	<b>25</b>	15,373,264.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	216,915,853.	<b>26</b>	227,896,316.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	40,330,000.	<b>27</b>	64,610,271.
	<b>28</b> Temporarily restricted net assets .....	2,317,706.	<b>28</b>	135,037.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	42,647,706.	<b>33</b>	64,745,308.	
<b>34</b> Total liabilities and net assets/fund balances .....	259,563,559.	<b>34</b>	292,641,624.	

**Part XI Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	239,175,603.
2	Total expenses (must equal Part IX, column (A), line 25)	2	224,328,763.
3	Revenue less expenses. Subtract line 2 from line 1	3	14,846,840.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	42,647,706.
5	Net unrealized gains (losses) on investments	5	-123,000.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	7,373,762.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	64,745,308.

**Part XII Financial Statements and Reporting**

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
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.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

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

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2012**

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

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

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

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

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Non-functionally integrated
- 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).

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

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

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

Schedule A (Form 990 or 990-EZ) 2012

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14 .....	<b>15</b>	%
<b>16a 33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2012.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support.</b> (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**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2012.** 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 - 2011.** 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 .....

**Schedule B**

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

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

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

OMB No. 1545-0047

**2012**

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

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, total 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 total 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 Part I, 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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization <b>HOWARD COUNTY GENERAL HOSPITAL, INC.</b>	Employer identification number <b>52-2093120</b>
---	---

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>		\$ <u>350,261.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>		\$ <u>21,320.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>		\$ <u>2,760,327.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>4</u>		\$ <u>739,852.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>5</u>		\$ <u>77,901.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>6</u>		\$ <u>45,714.</u>	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 <b>HOWARD COUNTY GENERAL HOSPITAL, INC.</b>	Employer identification number <b>52-2093120</b>
---	---

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<hr/> <hr/> <hr/> <hr/>	\$ <u>60,815.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	<hr/> <hr/> <hr/> <hr/>	\$ <u>24,206.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

**HOWARD COUNTY GENERAL HOSPITAL, INC.**

**52-2093120**

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization <b>HOWARD COUNTY GENERAL HOSPITAL, INC.</b>	Employer identification number <b>52-2093120</b>
---	---

**Part III** *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

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

**2012**

Department of the Treasury  
Internal Revenue Service

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

**Open to Public Inspection**

▶ **See separate instructions.**

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

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

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

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

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

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

Name of organization <b>HOWARD COUNTY GENERAL HOSPITAL, INC.</b>	Employer identification number <b>52-2093120</b>
---	---

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

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

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

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

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

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

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

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

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1 a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying) .....														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	42,264.													
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) .....	42,264.													
<b>d</b>	Other exempt purpose expenditures .....	224,286,499.													
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) .....	224,328,763.													
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000.													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) .....	250,000.													
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- .....	0.													
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- .....	0.													
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
<b>2a</b> Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000.
<b>c</b> Total lobbying expenditures	42,537.	39,941.	41,750.	42,264.	166,492.
<b>d</b> Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
<b>f</b> Grassroots lobbying expenditures					



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

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

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

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

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

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

**Part IV** Supplemental Information

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

THE HOWARD COUNTY GENERAL HOSPITAL PAID ITS PARENT CORPORATION, THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION \$42,264 DURING THE FISCAL YEAR ENDED JUNE 30, 2013 TO SUPPORT THEIR LOBBYING ACTIVITIES. THE JOHNS HOPKINS HEALTH SYSTEM MAINTAINS A DEPARTMENT OF GOVERNMENTAL RELATIONS. THE PRIMARY PURPOSE OF THIS DEPARTMENT IS TO MAINTAIN CONTACT WITH ELECTED AND APPOINTED STATE OFFICIALS, AND OCCASIONAL FEDERAL OFFICIALS,

**Part IV** **Supplemental Information** *(continued)*

REGARDING ISSUES WHICH IMPACT THE JOHNS HOPKINS HEALTH SYSTEM OR ITS  
AFFILIATES AS WELL AS THE HEALTHCARE INDUSTRY IN GENERAL.

Lined area for supplemental information.

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

OMB No. 1545-0047

**2012**  
Open to Public Inspection

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

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

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

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

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

Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) 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 (ASC 958) 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 XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" 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 XIII and complete the following table:

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

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

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

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

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

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

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
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 XIII the intended uses of the organization's endowment funds.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		268,352,612.	97,845,506.	170,507,106.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				170,507,106.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVESTMENT IN PREMIER	867,195.	COST
(B) U.S. T-BILLS	55,418,604.	END-OF-YEAR MARKET VALUE
(C) HCGH INVESTMENTS L/T -		
(D) MOB	629,125.	END-OF-YEAR MARKET VALUE
(E) INVESTMENTS CMROC, LLC	1,533,942.	END-OF-YEAR MARKET VALUE
(F) INVESTMENTS - MOB	1,018,416.	END-OF-YEAR MARKET VALUE
(G)		
(H)		
(I)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	<b>59,467,282.</b>	

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

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

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO AFFILIATES	6,733,929.
(3) ADVANCES THIRD PARTY PAYORS	8,639,335.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>15,373,264.</b>

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	235,994,898.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	235,994,898.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	3,180,705.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	3,180,705.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	239,175,603.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	222,012,873.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	3.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	3.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	222,012,870.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	2,315,893.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	2,315,893.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	224,328,763.

**Part XIII 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, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2: FASB GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME**

TAXES CLARIFIES THE ACCOUNTING FOR UNCERTAINTY OF INCOME TAX POSITIONS.

THIS GUIDANCE DEFINES THE THRESHOLD FOR RECOGNIZING TAX RETURN POSITIONS

IN THE FINANCIAL STATEMENTS AS MORE LIKELY THAN NOT THAT THE POSITION IS

SUSTAINABLE, BASED ON ITS TECHNICAL MERITS. THIS GUIDANCE ALSO PROVIDES

GUIDANCE ON THE MEASUREMENT, CLASSIFICATION AND DISCLOSURE OF TAX RETURN

POSITIONS IN THE FINANCIAL STATEMENTS. THERE IS NO IMPACT ON HOWARD COUNTY

GENERAL HOSPITAL INC FINANCIAL STATEMENTS DURING THE YEARS ENDED JUNE 30,

**Part XIII** Supplemental Information (continued)

2013 AND 2012.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

RECLASS OF COGS TO REVENUE	-204,363.
CONTRIBUTION TO AFFILIATES	2,939,852.
REALIZED GAIN	445,216.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	3,180,705.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

ROUNDING	3.
----------	----

PART XII, LINE 4B - OTHER ADJUSTMENTS:

SWAP INTEREST	1,520,256.
RECLASS OF COGS	-204,363.
CONTRIBUTION TO AFFILIATE	1,000,000.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	2,315,893.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

Name of the organization **HOWARD COUNTY GENERAL HOSPITAL, INC.** Employer identification number **52-2093120**

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

	Yes	No
<b>1 a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....	X	
<b>b</b> If "Yes," was it a written policy? .....	X	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: .....	X	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: .....	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>500</u> %		
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
<b>5 a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? .....	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? .....		X
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? .....		
<b>6 a</b> Did the organization prepare a community benefit report during the tax year? .....	X	
<b>b</b> If "Yes," did the organization make it available to the public? .....	X	

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

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....			5,897,691.	0.	5,897,691.	2.63%
<b>b</b> Medicaid (from Worksheet 3, column a) .....						
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs .....			5,897,691.		5,897,691.	2.63%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			11,926,905.	450,575.	11,476,330.	5.12%
<b>f</b> Health professions education (from Worksheet 5) .....			599,029.	0.	599,029.	.27%
<b>g</b> Subsidized health services (from Worksheet 6) .....						
<b>h</b> Research (from Worksheet 7) .....			133,616.	0.	133,616.	.06%
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....			798,087.	0.	798,087.	.36%
<b>j Total.</b> Other Benefits .....			13,457,637.	450,575.	13,007,062.	5.81%
<b>k Total.</b> Add lines 7d and 7j .....			19,355,328.	450,575.	18,904,753.	8.44%



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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing			180,268.	0.	180,268.	.08%
2 Economic development			0.	0.		
3 Community support			251,605.	0.	251,605.	.11%
4 Environmental improvements			0.	0.		
5 Leadership development and training for community members			0.	0.		
6 Coalition building			0.	0.		
7 Community health improvement advocacy			0.	0.		
8 Workforce development			9,300.	0.	9,300.	.00%
9 Other			0.	0.		
10 Total			441,173.		441,173.	.19%

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

**Section A. Bad Debt Expense**

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? .....		X
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount .....		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit .....		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) .....	5	72,950,056.		
6 Enter Medicare allowable costs of care relating to payments on line 5 .....	6	64,432,379.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall) .....	7	8,517,677.		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other				

**Section C. Collection Practices**

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

Name, address, and primary website address

1 HOWARD COUNTY GENERAL HOSPITAL  
5755 CEDAR LANE  
COLUMBIA, MD 21044  
HTTP://WWW.HOPKINSMEDICINE.ORG/HOWARD

Table with 7 columns: Licensed hospital, General medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1: X in 'Licensed hospital' column.

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of hospital facility or facility reporting group HOWARD COUNTY GENERAL HOSPITAL

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>12</u>		
<b>3</b> In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		X
<b>5</b> Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input checked="" type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		X
<b>8a</b> Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
<b>8b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
<b>c</b> If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

**Part V Facility Information** (continued) HOWARD COUNTY GENERAL HOSPITAL

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? .....	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? .....	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> %			
If "No," explain in Part VI the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing <i>discounted</i> care? .....	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>500</u> %			
If "No," explain in Part VI the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients? .....	X	
If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance? .....	X	
14	Included measures to publicize the policy within the community served by the hospital facility? .....	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections		Yes	No
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? .....	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? .....		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

**Part V Facility Information** (continued) HOWARD COUNTY GENERAL HOSPITAL

- 18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- a  Notified individuals of the financial assistance policy on admission
  - b  Notified individuals of the financial assistance policy prior to discharge
  - c  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
  - d  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
  - e  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

	Yes	No
<b>19</b>	<b>X</b>	

If "No," indicate why:

- a  The hospital facility did not provide care for any emergency medical conditions
- b  The hospital facility's policy was not in writing
- c  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d  Other (describe in Part VI)

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d  Other (describe in Part VI)

<b>21</b>		<b>X</b>
<b>22</b>		<b>X</b>

21 During the tax year, did the hospital facility charge any of its FAP-eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI.

22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI.

**Part V** Facility Information *(continued)*

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 0

Name and address	Type of Facility (describe)

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

PART I, LINE 7: A COST-TO-CHARGE RATIO (FROM WORKSHEET 2) IS USED TO CALCULATE THE AMOUNTS ON LINE 7A AND 7B (FINANCIAL ASSISTANCE AT COST AND UNREIMBURSED MEDICAID). THE AMOUNTS FOR LINES 7E-7I COMES FROM THE HSCRC COMMUNITY BENEFIT REPORT FILED WITH THE STATE OF MARYLAND AND IS NOT BASED ON A COST-TO CHARGE RATIO.

PART I, LINE 7G: HOWARD COUNTY GENERAL HOSPITAL, INC. DOES NOT HAVE ANY SUBSIDIZED HEALTH SERVICES.

PART II: HCGH'S COMMUNITY BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY IT SERVES THROUGH A NUMBER OF INITIATIVES THEY HAVE DEVELOPED. HCGH PROMOTES THE IMPROVEMENT OF HEALTHY LIVING THROUGH CONSTRUCTION AND IMPROVEMENT OF COMMUNITY BASED INFRASTRUCTURES. FOR EXAMPLE, HCGH CONTINUES ITS SUPPORT OF THE HEALTHY CHILDRENS PLAY AREA IN THE COLUMBIA MALL, A CENTERPIECE OF THE HOWARD COUNTY COMMUNITY, TO PROMOTE HEALTHY HABITS IN A FUN EDUCATIONAL MANNER.

PART III, LINE 4: PART III, LINE 2: BAD DEBT EXPENSE ENTERED COMES

**Part VI Supplemental Information**

FROM THE HOSPITALS BOOKS AND RECORDS.

DISCOUNTS AND ALLOWANCES ARE ACCOUNTED FOR SEPARATELY FROM BAD DEBT EXPENSE.

PART III, LINE 3: MARYLAND HOSPITALS ARE RATE REGULATED UNDER THE HSCRC, WHICH INCLUDES BAD DEBT AS PART OF THE REIMBURSEMENT FORMULA FOR EACH HOSPITAL. DUE TO THE RATE REGULATION, HOWARD COUNTY GENERAL HOSPITAL, INC (HCGH) CANNOT DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY.

PART III, LINE 4: HCGH AUDITED FINANCIAL STATEMENTS PAGE 10.

PART III, LINE 8: THE TRIAL BALANCE EXPENSES ARE ADJUSTED TO ALLOWABLE EXPENSE IN ACCORDANCE WITH THE MEDICARE COST REPORTING RULES AND REGULATIONS.

PART III, LINE 9B: THE HOSPITAL CONFORMS TO THE PRINCIPLES AND STANDARDS OF THE MHA HOSPITAL BILLING AND DEBT COLLECTION PRACTICES PRINCIPLES AS WELL AS THE MHA MINIMUM STANDARDS FOR FINANCIAL ASSISTANCE IN MARYLAND HOSPITALS.

HOWARD COUNTY GENERAL HOSPITAL:

PART V, SECTION B, LINE 3: TO GATHER INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY HCGH THE FOLLOWING WAS DONE:

A) CREATED A COMMUNITY HEALTH NEEDS ASSESSMENT TASK FORCE, WHICH INCLUDED THOUGHT LEADERS OF LOCAL HEALTH AND HUMAN SERVICE ORGANIZATIONS, COUNTY GOVERNMENT LEADERSHIP, LOCAL BUSINESS LEADERS AND HOSPITAL TRUSTEES AND MANAGEMENT.



**Part VI** Supplemental Information

B) A TELEPHONE SURVEY ADMINISTERED TO A DEMOGRAPHICALLY REPRESENTATIVE SAMPLE OF 2,000 HOWARD COUNTY RESIDENTS

HOWARD COUNTY GENERAL HOSPITAL:

PART V, SECTION B, LINE 5C: THE CHNA WAS DISTRIBUTED TO THE ADVISORY GROUP, BOARD OF TRUSTEES, AND COMMUNITY REPRESENTATIVES.

HOWARD COUNTY GENERAL HOSPITAL:

PART V, SECTION B, LINE 7: PRIORITIES THAT WERE DETERMINED TO BE BEYOND THE SCOPE OF THE HOSPITALS FOCUS DURING THE FY 2014 - 2016 IMPLEMENTATION CYCLE INCLUDED: CHRONIC DISEASE MANAGEMENT, HEALTHY LIFESTYLES, AND HEALTH EDUCATION. THE HOSPITAL DOES NOT PLAN TO EXPLICITLY ADDRESS THESE HEALTH PRIORITIES. HOWEVER, EACH OF THESE PRIORITIES WILL BE EMPLOYED IN TACTICS ADDRESSING OUR CHNA PRIORITIES. MOREOVER, HCGH RECOGNIZES THAT THERE ARE NUMEROUS ORGANIZATIONS ADDRESSING COMMUNITY HEALTH NEEDS, AND IN ORDER TO LEVERAGE RESOURCES IN A MANNER TO DRIVE MAXIMUM IMPACT HCGH WILL COLLABORATE WITH OTHER ORGANIZATIONS TO ADDRESS THESE ISSUES AND, WHERE FEASIBLE, SHARE FINANCIAL OR HUMAN RESOURCES SUPPORT TO OTHER ORGANIZATION'S EFFORTS TO ADDRESS COMMUNITY HEALTH IMPROVEMENT NEEDS CONSISTENT WITH THEIR RESPECTIVE MISSIONS.

HOWARD COUNTY GENERAL HOSPITAL:

PART V, SECTION B, LINE 20D: MARYLAND IS THE ONLY STATE IN WHICH ALL PAYORS (GOVERNMENTALLY-INSURED, COMMERCIALY INSURED, OR SELF-PAY) ARE CHARGED THE SAME PRICE FOR SERVICES AT ANY GIVEN HOSPITAL.

**Part VI** Supplemental Information

UNDER THIS SYSTEM, MARYLAND HOSPITALS ARE REGULATED BY A STATE AGENCY: THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC).

PART VI, LINE 2: HCGH CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) DURING FY 2013. IN ORDER TO ENSURE BROAD BASED INPUT OF THE COMMUNITY SERVED BY THE HOSPITAL, A CHNA TASK FORCE WAS CONVENED WHICH INCLUDED THOUGHT LEADERS OF LOCAL HEALTH AND HUMAN SERVICE ORGANIZATIONS, COUNTY GOVERNMENT LEADERSHIP, LOCAL BUSINESS LEADERS AND HOSPITAL TRUSTEES AND MANAGEMENT.

DURING THE FIRST MEETING, A COMPREHENSIVE ANALYSIS OF DATA DESCRIBING THE HEALTH STATUS OF HOWARD COUNTY WAS PRESENTED BY TANVIR HUSSAIN, MD, POST-DOCTORAL FELLOW AT THE JOHNS HOPKINS UNIVERSITY BLOOMBERG SCHOOL OF PUBLIC HEALTH. DATA ANALYZED WAS COMPILED FROM A WIDE ARRAY OF SOURCES INCLUDING:

- 1) RESULTS FROM A COMPREHENSIVE 2012 HEALTH BEHAVIORS RESEARCH STUDY OF HOWARD COUNTY RESIDENTS UNDERWRITTEN BY HCGH, THE HOWARD COUNTY HEALTH DEPARTMENT, THE HORIZON FOUNDATION AND THE COLUMBIA ASSOCIATION,
- 2) LOCAL HEALTH INDICATORS SUMMARIZED ON HOWARD HEALTH COUNTS,
- 3) MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE STATE HEALTH IMPROVEMENT PLAN,
- 4) ANALYSES COMPILED BY THE HOWARD COUNTY HEALTH DEPARTMENT FOR THE 2012 LOCAL HEALTH IMPROVEMENT COALITION (LHIC) HEALTH NEEDS ASSESSMENT, AND
- 5) PROPRIETARY DATA ANALYSIS COMPANIES INCLUDING THE NIELSEN COMPANY AND THOMSON REUTERS.

IN THE SECOND MEETING, THE TASK FORCE HAD EXTENSIVE DISCUSSIONS ABOUT THE HEALTH STATUS INFORMATION SET, AND IDENTIFIED SEVEN HIGHEST PRIORITY HEALTH IMPROVEMENT OPPORTUNITIES. UPON FURTHER DISCUSSION, THE TASK FORCE

**Part VI** Supplemental Information

RECOMMENDED THAT HCGH FOCUS ITS RESOURCES ON THE TOP FOUR PRIORITIES. IN THE THIRD MEETING THE TASK FORCE DISCUSSED TACTICS THAT HCGH MIGHT PURSUE AND POTENTIAL PARTNERS WITH WHICH THE HOSPITAL COULD COLLABORATE TO EXECUTE UPON THE IDENTIFIED COMMUNITY HEALTH IMPROVEMENT PRIORITIES.

PART VI, LINE 3: HCGH INFORMS ITS PATIENTS ABOUT THE FINANCIAL ASSISTANCE POLICY THROUGH A NUMBER OF TACTICS, INCLUDING: POSTING THE AVAILABILITY OF FINANCIAL ASSISTANCE ON A YEARLY BASIS IN THE LOCAL NEWSPAPERS, SIGNS IN ENGLISH AND SPANISH ARE POSTED IN PATIENT WAITING AND REGISTRATION AREAS THAT SUMMARIZE THE FINANCIAL ASSISTANCE POLICY, A COPY OF THE FINANCIAL ASSISTANCE POLICY OR A SUMMARY THEREOF WITH FINANCIAL ASSISTANCE CONTACT INFORMATION IS PROVIDED TO EVERY PATIENT UPON ADMISSION, A SUMMARY OF FINANCIAL ASSISTANCE POLICY WITH CONTACT INFORMATION FOR FINANCIAL COUNSELORS IS PROVIDED TO EVERY PATIENT WITHOUT INSURANCE WHO PRESENTS TO THE EMERGENCY DEPARTMENT, A NOTICE OF FINANCIAL ASSISTANCE AVAILABILITY WILL BE SENT TO PATIENTS ON PATIENT BILLS, AND ALL PATIENTS INDICATING A NEED FOR FINANCIAL ASSISTANCE ARE REFERRED TO A FINANCIAL COUNSELOR WHO REVIEWS WITH THEM THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFIT AND PROGRAMS, AND ASSISTS THEM WITH APPLICATION TO SUCH PROGRAMS. IF THE PATIENT DOES NOT HAVE INSURANCE, HCGH FINANCIAL COUNSELORS WILL SCHEDULE AN INTERVIEW WITH THE PATIENT TO DETERMINE PAYMENT ARRANGEMENTS AND/OR ASSIST THE PATIENT IN COMPLETING A MEDICAL ASSISTANCE APPLICATION.

PART VI, LINE 4: HCGH GEOGRAPHIC SERVICE AREA IS SUBURBAN. THE HOSPITAL CONSIDERS ITS COMMUNITY BENEFIT SERVICE AREA (CBSA) AS SPECIFIC POPULATIONS OR COMMUNITIES OF NEED TO WHICH THE HOSPITAL ALLOCATES RESOURCES THROUGH ITS COMMUNITY BENEFIT PLAN. THE HOSPITAL

**Part VI** Supplemental Information

DEFINES ITS CBSA USING THE ZIP CODES CONTAINED WITHIN THE GEOGRAPHICAL BOUNDARIES OF THE HOWARD COUNTY JURISDICTION AS SET FORTH BY THE MARYLAND DEPARTMENT OF PLANNING AND ZONING.

THE GENERAL DATA FOR THIS PRIMARY SERVICE AREA ARE AS FOLLOWS: TOTAL POPULATION WAS 300,268 OF WHICH 48.9% WERE MALES AND 51.1% WERE FEMALES, AVERAGE HOUSEHOLD INCOME WAS \$104,931, 5.1% OF RESIDENTS ARE UNINSURED, 7.0% OF RESIDENTS ARE COVERED BY MEDICAID/MEDICARE, AND 2.67% OF RESIDENTS HAVE INCOME BELOW THE FEDERAL POVERTY GUIDELINES.

NUMBER OF OTHER HOSPITALS SERVING THE COMMUNITY OR COMMUNITIES: 1  
FEDERALLY-DESIGNATED MEDICALLY UNDERSERVED AREAS OR POPULATIONS ARE NOT PRESENT IN THE COMMUNITY.

PART VI, LINE 5: FOR THE LAST 30 YEARS, MARYLAND HOSPITALS HAVE MET THEIR COMMUNITY BENEFIT OBLIGATIONS IN A UNIQUE MANNER THAT BUILDS THE COSTS OF UNCOMPENSATED CARE, CHARITY CARE AND PATIENT BAD DEBT AND GRADUATE MEDICAL EDUCATION INTO THE RATES THAT HOSPITALS ARE REIMBURSED BY ALL PAYORS. THE SYSTEM IS BASED IN FEDERAL AND STATE LAW AND BENEFITS ALL MARYLAND RESIDENTS, INCLUDING THOSE IN NEED OF FINANCIAL ASSISTANCE TO PAY THEIR HOSPITAL BILLS.

MARYLAND IS THE ONLY STATE IN WHICH ALL PAYORS GOVERNMENTALLY-INSURED, COMMERCIALY INSURED, OR SELF-PAY ARE CHARGED THE SAME PRICE FOR SERVICES AT ANY GIVEN HOSPITAL.

UNDER THIS SYSTEM, MARYLAND HOSPITALS ARE REGULATED BY A STATE AGENCY THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) THAT IS REQUIRED TO:

PUBLICLY DISCLOSE INFORMATION ON THE COST AND FINANCIAL POSITION OF

**Part VI Supplemental Information**

HOSPITALS;

REVIEW AND APPROVE HOSPITAL RATES;

COLLECT INFORMATION DETAILING TRANSACTIONS BETWEEN HOSPITALS AND FIRMS

WITH WHICH THEIR TRUSTEES HAVE A FINANCIAL INTEREST; AND,

MAINTAIN THE SOLVENCY OF EFFICIENT AND EFFECTIVE HOSPITALS.

SINCE 2000, THE RATE SETTING COMMISSION HAS HAD ITS OWN FRAMEWORK FOR

REPORTING HOSPITALS COMMUNITY BENEFITS AND ISSUING A REPORT ANNUALLY

REGARDING HOSPITALS COMMUNITY BENEFIT TOTALS. THAT REPORT IS AVAILABLE ON

[HTTP://WWW.HSCRC.STATE.MD.US/COMMUNITY BENEFITS/DOCUMENTS/](http://www.hscrc.state.md.us/community_benefits/documents/)

CBR FY2007 FINAL REPORT.PDF.

BECAUSE OF THIS UNIQUE STRUCTURE MARYLAND HOSPITALS COMMUNITY BENEFITS

NUMBERS WILL NOT COMPARE WITH THE REST OF THE NATION'S HOSPITALS.

HOWEVER, MARYLAND HOSPITALS MEET OR EXCEED THE COMMUNITY BENEFIT STANDARD

ESTABLISHED BY THE IRS IN 1969. ADDITIONAL DETAIL ILLUSTRATING THIS CAN

BE FOUND WITHIN THIS SCHEDULE H REPORT.

LINE 7B - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR

HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH

SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A

RATE-SETTING 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

**Part VI** Supplemental Information

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.

LINE 7F COLUMN (D) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES 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 HEALTH PROFESSIONS EDUCATION.

PART VI, LINE 6: JOHNS HOPKINS HEALTH SYSTEM CORPORATION (JHHS) IS INCORPORATED IN THE STATE OF MARYLAND TO, AMONG OTHER THINGS, FORMULATE POLICY AMONG AND PROVIDE CENTRALIZED MANAGEMENT FOR JHHS AND AFFILIATES. JHHS IS ORGANIZED AND OPERATED FOR THE PURPOSE OF PROMOTING HEALTH BY FUNCTIONING AS A PARENT HOLDING COMPANY OF AFFILIATES WHOSE COMBINED MISSION IS TO PROVIDE PATIENT CARE IN THE TREATMENT AND PREVENTION OF HUMAN ILLNESS WHICH COMPARES FAVORABLY WITH THAT RENDERED BY ANY OTHER INSTITUTION IN THIS COUNTRY OR ABROAD.

JHHS IS THE SOLE MEMBER OF THE JOHNS HOPKINS HOSPITAL (JHH), AN ACADEMIC MEDICAL CENTER, JOHNS HOPKINS BAYVIEW MEDICAL CENTER, INC. (JHBMC), A COMMUNITY BASED TEACHING HOSPITAL AND LONG-TERM CARE FACILITY, HOWARD COUNTY GENERAL HOSPITAL, INC. (HCGH), A COMMUNITY BASED HOSPITAL, SUBURBAN HOSPITAL, INC. (SHI), A COMMUNITY BASED HOSPITAL, SIBLEY MEMORIAL HOSPITAL

**Part VI** Supplemental Information

(SMH), A D.C. COMMUNITY BASED HOSPITAL, AND ALL CHILDRENS HOSPITAL, INC

(ACH), A FL ACADEMIC CHILDRENS HOSPITAL.

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

MD

SCHEDULE I (Form 990)

Department of the Treasury Internal Revenue Service

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number 52-2093120

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

Table with columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Row 1: HOWARD HOSPITAL FOUNDATION, 3910 KESWICK RD, STE. 4300A, BALTIMORE, MD 21211, EIN 52-1072778, IRC section 501(C)(3), Cash grant 1,000,000.00, Non-cash assistance 0.00, Purpose GENERAL OPERATIONS.

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) (2012)



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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

SCHEDULE I, PART I, LINE 2: THE BOARD OF TRUSTEES HAS DELEGATED THE FACILITATION AND ACCOUNTING FOR ALL GRANT PROGRAMS ADMINISTERED BY HOWARD COUNTY GENERAL HOSPITAL, INC. TO THE OFFICERS, DIRECTORS, AND KEY EMPLOYEES OF THE ORGANIZATION.

**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

**2012**

Open to Public Inspection

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

**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 are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) VICTOR A. BROCCOLINO PRESIDENT/CEO/ASST SECRETARY	(i) 403,253.	(ii) 127,573.	(iii) 20,916.	23,601.	21,901.	597,244.	0.
(2) BRIAN A. GRAGNOLATI TRUSTEE	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
(3) RONALD R PETERSON CORPORATE VICE CHAIR/TRUSTEE	(i) 684,528.	(ii) 282,084.	(iii) 2,359,539.	15,000.	25,805.	3,366,956.	0.
(4) G.DANIEL SHEALER, JR TRUSTEE	(i) 1,203,070.	(ii) 455,714.	(iii) 11,914,712.	1,788,537.	23,586.	15,385,619.	3,148,877.
(5) W GILL WYLIE TRUSTEE	(i) 462,309.	(ii) 103,235.	(iii) 105,664.	236,194.	13,349.	920,751.	0.
(6) ERIC M. ALDRICH, MD V.P. FOR MEDICAL AFFAIRS	(i) 218,455.	(ii) 58,363.	(iii) 83,437.	93,909.	24,048.	478,212.	0.
(7) JAY H BLACKMAN EXECUTIVE VP & COO	(i) 270,365.	(ii) 77,460.	(iii) 44,280.	68,555.	21,783.	482,443.	0.
(8) DOROTHY A BRILLANTES SR. VP, HUMAN RESOURCES	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
(9) JUDY E. BROWN, RN, MAS SR. VP, OUTCOMES MANAGEMENT	(i) 249,766.	(ii) 67,026.	(iii) 48,472.	23,601.	19,426.	408,291.	0.
(10) PAUL M. GLEICHAUF SR. VP, MANAGED CARE, PLAN	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
(11) SHARON HADSELL SR VP, PATIENT CARE SERVICE	(i) 175,267.	(ii) 39,115.	(iii) 24,380.	12,407.	17,718.	268,887.	9,636.
(12) JAMES E YOUNG SR VP, FINANCE	(i) 168,991.	(ii) 36,466.	(iii) 28,196.	17,242.	14,872.	265,767.	0.
(13) ANN CHON PHARMACIST	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
(14) MASOOMEH KHAMESTAN DIRECTOR, PHARMACY	(i) 195,622.	(ii) 44,622.	(iii) 59,895.	15,997.	22,840.	338,976.	9,000.
(15) NANCY SMITH SENIOR DIRECTOR, PATIENT C	(i) 201,865.	(ii) 43,497.	(iii) 14,783.	51,061.	17,046.	328,252.	0.
(16) SHARON ROSSI SENIOR DIRECTOR OF OPERATIONS	(i) 232,673.	(ii) 51,433.	(iii) 37,537.	15,937.	25,243.	362,823.	0.
	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(i) 140,597.	(ii) 0.	(iii) 185.	9,894.	21,162.	171,838.	0.
	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(i) 136,763.	(ii) 0.	(iii) 2,290.	9,773.	22,974.	171,800.	0.
	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(i) 138,654.	(ii) 0.	(iii) 5,871.	14,071.	22,664.	181,260.	0.
	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(i) 138,601.	(ii) 0.	(iii) 17,290.	3,406.	13,944.	173,241.	0.
	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.

**Part III** Supplemental Information

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

PART I, LINE 4B: MAKE WHOLE PLAN & SERP I PLAN:

THE MAKE WHOLE AND SERP I PLANS ARE FROZEN, NON-TAX QUALIFIED DEFINED BENEFIT PLANS. PARTICIPATION IN THE PLANS IS LIMITED TO THE EXISTING PLAN PARTICIPANTS. THE BENEFITS UNDER THE PLANS ARE BASED UPON THE PARTICIPANT'S LENGTH OF SERVICE AND COMPENSATION. THE MAKE WHOLE PLAN WAS DESIGNED TO REPLACE THE BENEFITS THE PARTICIPANTS LOST DUE TO THE COMPENSATION LIMITS IMPOSED BY LAW UPON OUR QUALIFIED DEFINED BENEFIT PLAN. IN THE MANNER REQUIRED BY APPLICABLE IRS RULES, THE DESIGN OF EACH OF THESE ARRANGEMENTS WAS APPROVED AS REASONABLE, IN ADVANCE, BY AN INDEPENDENT COMPENSATION COMMITTEE, WHICH BASED ITS DECISION ON DATA PROVIDED BY AN INDEPENDENT COMPENSATION CONSULTANT. PARTICIPANTS' INTERESTS UNDER THESE ARRANGEMENTS ARE NOT GUARANTEED OR SECURED AT ANY WAY AND AT ALL TIMES ARE SUBJECT TO CLAIMS OF EMPLOYER'S BANKRUPTCY/INSOLVENCY CREDITORS. FURTHERMORE, IF A PARTICIPANT VOLUNTARILY TERMINATES EMPLOYMENT OR IS TERMINATED BY THE EMPLOYER FOR CAUSE PRIOR TO THE APPLICABLE VESTING DATE UNDER THE MAKE WHOLE PLAN, THE PARTICIPANT'S ENTIRE MAKE WHOLE PLAN BENEFIT IS FORFEITED. IF A PARTICIPANT TERMINATES EMPLOYMENT FOR ANY REASON PRIOR TO THE APPLICABLE VESTING DATE UNDER THE SERP I, THE PARTICIPANT'S ENTIRE SERP I BENEFIT IS FORFEITED. IN ADDITION, UNDER CURRENT LAW, INTERESTS

**Part III Supplemental Information**

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

UNDER THESE ARRANGEMENTS ARE REPORTABLE AS TAXABLE COMPENSATION WHEN THEY BECOME VESTED, EVEN IF THOSE AMOUNTS ARE NOT YET PAYABLE TO THE PARTICIPANT (AND EVEN IF THOSE AMOUNTS ARE NEVER PAID TO THE PARTICIPANT). NO ROLLOVER OR OTHER TAX-DEFERRAL OPTIONS ARE AVAILABLE TO PARTICIPANTS. NOTE THAT ANY MAKE WHOLE PLAN OR SERP I VESTED AMOUNT OR PAYMENT BEING REPORTED AS COMPENSATION WAS ALSO REPORTED IN PREVIOUS YEAR(S) WHEN THAT INTEREST ACCRUED UNDER THE PLAN.

**SERP II PLAN & SRP PLAN:**

THE SERP II AND SRP PLANS ARE ACTIVE; NON-TAX QUALIFIED DEFINED CONTRIBUTION TARGET BENEFIT PLANS. THE PLANS ARE DESIGNED TO ACHIEVE A REASONABLE TARGETED RETIREMENT BENEFIT LEVEL FOR EACH PARTICIPANT (IN COMBINATION WITH THE OTHER RETIREMENT PROGRAMS OF THE EMPLOYER) BASED UPON CERTAIN CRITERIA, SUCH AS EACH PARTICIPANT'S LENGTH OF SERVICE AND COMPENSATION. IN THE MANNER REQUIRED BY APPLICABLE IRS RULES, THE DESIGN OF EACH OF THESE ARRANGEMENTS WAS APPROVED AS REASONABLE, IN ADVANCE, BY AN INDEPENDENT COMPENSATION COMMITTEE, WHICH BASED ITS DECISION ON DATA PROVIDED BY AN INDEPENDENT COMPENSATION CONSULTANT. PARTICIPANTS' INTERESTS UNDER THESE ARRANGEMENTS ARE NOT GUARANTEED OR SECURED AT ANY WAY

**Part III Supplemental Information**

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

AND AT ALL TIMES ARE SUBJECT TO CLAIMS OF EMPLOYER'S BANKRUPTCY/INSOLVENCY CREDITORS. IF A PARTICIPANT VOLUNTARILY TERMINATES EMPLOYMENT OR IS TERMINATED BY THE EMPLOYER FOR CAUSE PRIOR TO THE APPLICABLE VESTING DATE UNDER EACH ARRANGEMENT, THE PARTICIPANT'S ACCOUNT IS FORFEITED. IN ADDITION, UNDER CURRENT LAW, INTERESTS UNDER THESE ARRANGEMENTS ARE REPORTABLE AS TAXABLE COMPENSATION WHEN THEY BECOME VESTED, EVEN IF THOSE AMOUNTS ARE NOT YET PAYABLE TO THE PARTICIPANT (AND EVEN IF THOSE AMOUNTS ARE NEVER PAID TO THE PARTICIPANT). NO ROLLOVER OR OTHER TAX-DEFERRAL OPTIONS ARE AVAILABLE TO PARTICIPANTS. NOTE THAT ANY SERP II OR SRP PLAN VESTED AMOUNT OR PAYMENT BEING REPORTED AS COMPENSATION WAS ALSO REPORTED IN PREVIOUS YEAR(S) WHEN THAT INTEREST ACCRUED UNDER THE PLAN.

THE FOLLOWING INDIVIDUALS LISTED ON FORM 990, PART VII, SECTION A, LINE 1A PARTICIPATED IN A NONQUALIFIED RETIREMENT PLAN AND RECEIVED ACCRUED DEFERRED COMPENSATION THAT IS REPORTED ON SCHEDULE J, PART II, COLUMN (C):  
 RONALD R. PETERSON \$1,636,472.00; G. DANIEL SHEALER \$171,756.76; SHARON HADSELL \$43,560.00 AND ERIC ALDRICH \$63,704.00.

THE FOLLOWING INDIVIDUALS LISTED ON FORM 990, PART VII, SECTION A, LINE 1A

**Part II** Supplemental Information

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

PARTICIPATED IN A NON QUALIFIED RETIREMENT PLAN AND RECEIVED PAYMENT FROM THE PLAN, IT IS REPORTED ON SCHEDULE J, PART II, COLUMN (B) (III) AS WELL AS SCHEDULE J, PART II, COLUMN (F) IF THEY WERE REQUIRED TO BE DISCLOSED ON PRIOR YEARS FORMS 990:

JAY BLACKMAN \$32,908.00; JUDY E. BROWN \$11,648.00; DOROTHY BRILLANTES \$9,636.00; PAUL M. GLEICHAUF \$9,000.00; W. GILL WYLLIE \$31,736.00; G. DANIEL SHEALER, JR \$86,244.40; JAMES E. YOUNG \$23,380.00; AND BRIAN GRAGNOLIATI \$2,337,091.72.

LISTED ON FORM 990, SCHEDULE J, PART II, B(III) IS RONALD PETERSON \$11,914,712.00. MR. PETERSON HAS 40 YEARS OF SERVICE AND HAS ACCRUED BUT NOT YET RECEIVED HIS NONQUALIFIED RETIREMENT PLAN IN THE AMOUNT OF \$11,746,615.00. THIS DEFERRED COMPENSATION IS REPORTED ON FORM 990, PART VII, SECTION A AND INCLUDED ON SCHEDULE J, PART II, COLUMN E AND REPORTED IN BOX 5, W-2, FOR THE PURPOSES OF PREPAYING THE MEDICARE TAX.

PART I, LINE 7: THE BONUSES ARE ON A WEIGHTED FORMULA BASED ON THE ATTAINMENT OF QUANTIFIABLE ORGANIZATION OBJECTIVES SET BY THE TRUSTEE COMPENSATION COMMITTEE EACH YEAR. THEY ARE REVIEWED BY MANAGEMENT

Part II Supplemental Information

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

THAT USES DISCRETION TO DETERMINE PAYMENT.

THE DEPENDENT TUITION REIMBURSEMENT PROGRAM REIMBURSE EMPLOYEES FOR THE MAXIMUM ANNUAL BENEFIT OF 50% OF \$20,000 OR \$10,000 FOR EACH ELIGIBLE DEPENDENT WITH A MAXIMUM OF TWO DEPENDENT CHILDREN PER EMPLOYEE AT ANY ONE TIME. THE BENEFIT IS LIMITED TO FOUR YEARS OF FULL-TIME UNDERGRADUATE STUDY.

TUITION REIMBURSEMENT IS AVAILABLE TO ELIGIBLE EMPLOYEES THAT HAVE COMPLETED SIX MONTHS OF SERVICE

AT A MINIMUM OF 40 SCHEDULED HOURS PER PAY. TO RECEIVE REIMBURSEMENT EMPLOYEES MUST ATTEND ACCREDITED COLLEGES AND UNIVERSITIES FOR CAREER-RELATED COURSES. THE REIMBURSEMENT IS AS FOLLOWS: IF YOU ARE SCHEDULED BETWEEN 60-80 HOURS PER PAY PERIOD YOU MAY RECEIVE UP TO \$3,000 PER FISCAL YEAR FOR UNDERGRADUATE COURSES OR \$5,000 PER FISCAL YEAR FOR GRADUATE COURSES. IF YOU ARE SCHEDULED BETWEEN 40-59 HOURS PER PAY PERIOD YOU MAY RECEIVE UP TO \$1,500 PER FISCAL YEAR FOR UNDERGRADUATE COURSES OR \$2,000 PER FISCAL YEAR FOR GRADUATE COURSES.



**Part II Supplemental Information**

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

**SCHEDULE J, PART II, COLUMN F**

THE AMOUNT REPORTED IN COLUMN F REPRESENTS THE AMOUNT OF A PAYMENT REPORTED

IN COLUMN B THAT WAS ALREADY REPORTED ON PRIOR 990S AS DEFERRED

COMPENSATION. THE AMOUNT REPORTED COULD BE DIFFERENT THAN THE TOTAL

AMOUNT PREVIOUSLY REPORTED ON PRIOR YEAR 990S BECAUSE PARTICIPANTS HAVE

ACCRUED BENEFITS UNDER OUR DEFERRED COMPENSATION PLAN FOR MANY YEARS AND

SOME PLANS ORIGINATED IN THE 1980S. THEREFORE IT IS DIFFICULT TO IDENTIFY

THE ENTIRE PREVIOUSLY REPORTED AMOUNT FOR THIS EXTENDED PERIOD OF TIME.

PRIOR YEAR RETURNS AND WORK PAPERS WERE USED TO DETERMINE OUR BEST ESTIMATE

OF THE PREVIOUSLY REPORTED AMOUNTS AND PLACED IN COLUMN F. THE AMOUNT IN

COLUMN F MAY ALSO BE DIFFERENT THAN THE AMOUNT REPORTED IN COLUMN B (III)

DUE TO GAINS/LOSSES THAT HAVE ACCRUED OVER THE YEARS, AND SOME INDIVIDUALS

WERE NOT REQUIRED TO BE REPORTED IN ALL PRIOR YEARS. SINCE THIS IS A NEW

REQUIREMENT OF THE IRS, GOING FORWARD WE HAVE ADOPTED A SPREADSHEET THAT

WILL TRACK THE DEFERRED COMPENSATION REPORTED ON THE 990 BY EACH YEAR TO

REMAIN IN COMPLIANCE WITH SCHEDULE J, PART II, COLUMN F.

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

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

VISION IS TO BE THE PREMIER COMMUNITY HOSPITAL IN MARYLAND.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

CARDIAC, MEDICAL AND SURGICAL CARE. STAFFED 24 HOURS A DAY BY HIGHLY QUALIFIED PHYSICIANS, NURSES AND TECHNICIANS, THE UNIT FEATURES STATE-OF-THE-ART MEDICAL EQUIPMENT INCLUDING A COMPUTERIZED MONITORING SYSTEM. MEDICATIONS ARE ADMINISTERED USING A COMPUTERIZED MEDICATION ADMINISTRATION RECORD WITH BARCODE SCANNING FOR PATIENT SAFETY. THE UNIT IS DESIGNED SO THAT EVERY BED IS CLEARLY VISIBLE FROM THE NURSING STATION.

HOWARD COUNTY GENERAL HOSPITAL HAS A PROGRAM FOR TOTAL KNEE AND HIP REPLACEMENT PATIENTS CALLED THE JOINT ACADEMY. IT APPROACHES THE JOINT REPLACEMENT SURGICAL EXPERIENCE IN A WHOLE NEW WAY, CREATING A PARTNERSHIP AMONG THE PATIENT, DOCTOR AND HOSPITAL. BECAUSE AN INFORMED PATIENT CAN MORE FULLY PARTICIPATE IN HIS OR HER OWN CARE AND RECOVERY, WE FOCUS ON ENGAGING AND EDUCATING OUR PATIENTS THROUGHOUT THE ENTIRE PROCESS FROM ADMISSION TO POST-DISCHARGE.

THE HEALTH CARE AND SURGERY CENTER (HCSC) IS LOCATED ADJACENT TO THE HOSPITAL. THE HCSC IS THE PRIMARY LOCATION FOR OUTPATIENT PROCEDURES AND ADDITIONAL OUTPATIENT SERVICES, INCLUDING MAGNETIC RESONANCE IMAGING (MRI). THE HCSC OCCUPIES THE ENTIRE LOWER LEVEL OF THE ADJACENT BUILDING AND CONSISTS OF SIX OPERATING ROOMS, ONE MINOR PROCEDURE ROOM, A UROLOGY SUITE, AND A POST-ANESTHESIA CARE UNIT.

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

SPACE AND PROGRAMS HAVE ALSO BEEN DESIGNED TO MEET THE NEEDS OF  
PEDIATRIC SURGERY PATIENTS AND THEIR FAMILIES.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:  
UNIT.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:  
DESIGNED TO CARE FOR CRITICALLY-ILL NEWBORNS IN AN ENVIRONMENT THAT  
FOSTERS HEALTHY DEVELOPMENT. MOST IMPORTANTLY, NICU PATIENTS BENEFIT  
FROM THE CONTINUOUS CARE AND OBSERVATION OF JOHNS HOPKINS'S  
NEONATOLOGISTS AND REGISTERED NURSES WHO ARE EXPERIENCED WITH THE  
SPECIAL NEEDS OF NEWBORN PREMATURE BABIES.

THE CENTER FOR MATERNAL AND FETAL MEDICINE AT HOWARD COUNTY GENERAL  
HOSPITAL IS EQUIPPED TO MANAGE ANY HIGH-RISK SITUATION THAT MAY ARISE  
DURING YOUR PREGNANCY AND TO PROVIDE YOU WITH COMPREHENSIVE CARE. THE  
CENTER PROVIDES:

COVERAGE BY BOARD-CERTIFIED MATERNAL FETAL SPECIALISTS  
CONSULTATIVE SERVICES FOR ALL MEDICAL COMPLICATIONS OF PREGNANCY  
CERTIFIED GENETIC COUNSELORS  
FIRST-TRIMESTER SCREENING TO BETTER DELINEATE THE RISKS OF DOWN  
SYNDROME, TRISOMY 13 AND TRISOMY 18  
4D IMAGING TO STUDY YOUR BABY'S ANATOMICAL DEVELOPMENT AND FETAL GROWTH

FETAL ASSESSMENT CENTER FOR ANTENATAL TESTING PROFILES  
TESTING FOR MATERNAL DIABETES AND HYPERTENSION

FETAL ECHOCARDIOGRAM PROGRAM

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

## DIABETES IN PREGNANCY PROGRAM

THE CENTER FOR MATERNAL AND FETAL MEDICINE EMPLOYS SPECIALLY TRAINED AND CERTIFIED SONOGRAPHERS TO PERFORM ROUTINE FIRST-TRIMESTER SCREENINGS AND 20-WEEK FETAL ANATOMY SCREENINGS THAT ARE MORE DETAILED THAN THOSE TYPICALLY OFFERED BY OB/GYN OFFICES. HOWARD COUNTY GENERAL HOSPITAL ENCOURAGES ANY PATIENT, HIGH-RISK OR OTHERWISE, WHO IS INTERESTED IN HAVING THESE STATE-OF-THE-ART TESTS TO GET A REFERRAL FROM HER DOCTOR.

THE CENTER FOR MATERNAL AND FETAL MEDICINE OFFERS A MULTIDISCIPLINARY TEAM APPROACH WORKING WITH THE MOTHER'S OWN OB/GYN, PERINATOLOGIST, NEONATOLOGIST, PEDIATRIC SUBSPECIALIST, GENETIC COUNSELORS AND PATIENT EDUCATIONS THROUGHOUT THE PREGNANCY AND, IF NEEDED, DURING YOUR DELIVERY AT HOWARD COUNTY GENERAL HOSPITAL. HOWARD COUNTY GENERAL HOSPITAL'S GOAL IS TO DEVELOP A HEALTH CARE PLAN THAT ADDRESSES THE NEEDS OF THE MOTHER AND BABY.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

OTHER

EXPENSES \$ 72,934,472. INCL GRANTS OF \$ 1,000,000. REVENUE \$ 82,799,074.

FORM 990, PART VI, SECTION A, LINE 7A: JOHNS HOPKINS HEALTH SYSTEM CORPORATION, A IRC 501(C)(3) TAX EXEMPT PARENT ORGANIZATION OF HOWARD COUNTY GENERAL HOSPITAL, INC. ELECTS THE MAJORITY OF THE BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION A, LINE 7B: THE GOVERNING BODY OF HOWARD COUNTY GENERAL HOSPITAL, INC. IS EMPOWERED BY ITS BY-LAWS TO MAKE CERTAIN

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

DECISIONS; ALL OTHER DECISIONS ARE SUBJECT TO APPROVAL OF THE PARENT ORGANIZATION JOHNS HOPKINS HEALTH SYSTEM CORPORATION.

FORM 990, PART VI, SECTION B, LINE 11: A COPY OF THE FORM 990 IS SENT BY EMAIL TO THE ORGANIZATION'S GOVERNING BODY BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C: THE CONFLICT OF INTEREST POLICY IS A PART OF THE ANNUAL FINANCIAL AUDIT CONFIRMATION PROCESS PROVIDED ONLINE. ALL OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES ARE REQUIRED TO COMPLY ON AN ANNUAL BASIS.

FORM 990, PART VI, SECTION B, LINE 15: EVERY THREE YEARS AN INDEPENDENT STUDY IS CONDUCTED GATHERING INDUSTRY COMPENSATION AVERAGES FROM SELECT PEER INSTITUTIONS. EVERY YEAR THE JOHNS HOPKINS BOARD OF TRUSTEES COMPENSATION COMMITTEE REVIEWS COMPENSATION AMOUNTS FOR OFFICERS AND ALL EMPLOYEES AT THE DIRECTOR AND HIGHER LEVELS.

FORM 990, PART VI, SECTION C, LINE 19: INTERNAL POLICIES, INCLUDING CONFLICT OF INTERST POLICY, ARE PROVIDED TO THE PUBLIC ON THE ORGANIZATION'S WEBSITE. FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST, THE GOVERNING DOCUMENTS HAVE BEEN MADE AVAILABLE IN OUR PUBLIC FILING WITH THE STATE OF MARYLAND AND THE INTERNAL REVENUE SERVICE.

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

CHANGE IN MARKET VALUE OF SWAP AGREEMENT	6,606,962.
CHANGE IN FUNDED STATUS OF DEFINED BENEFIT PLANS	853,784.
INVESTMENT IN PREMIER	-11,101.
ROUNDING	-883.

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number

52-2093120

JHHS FUNDING

-75,000.

TOTAL TO FORM 990, PART XI, LINE 9

7,373,762.

**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

**2012**

Open to Public Inspection

Name of the organization

HOWARD COUNTY GENERAL HOSPITAL, INC.

Employer identification number  
52-2093120

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
HCGH DIAGNOSTIC HEALTH SERVICE - 52-2326835 5755 CEDAR LANE COLUMBIA, MD 21044	HEALTHCARE SERVICES	MARYLAND	0.	0.	HOWARD COUNTY GENERAL HOSPITAL, INC.

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
JOHNS HOPKINS HEALTH SYSTEM CORPORATION - 52-1465301, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	SUPPORTING ORGANIZATION	MARYLAND	501(C)(3)	11, III FI	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
HOWARD HOSPITAL FOUNDATION, INC. - 52-1072778, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	FUNDRAISING/SUPPORTING ORGANIZATION	MARYLAND	501(C)(3)	11, III FI	N/A		X
JOHNS HOPKINS BAYVIEW MEDICAL CENTER, INC. - 52-1341890, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	HOSPITAL	MARYLAND	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
JOHNS HOPKINS COMMUNITY PHYSICIANS, INC. - 52-1467441, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	11, III FI	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.  
SEE PART VII FOR CONTINUATIONS

Schedule R (Form 990) 2012

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
JOHNS HOPKINS MEDICAL SERVICES CORPORATION - 52-1232569, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21218	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
THE JOHNS HOPKINS HOSPITAL - 52-0591656 3910 KESWICK RD, S BLDG, STE. 4300A BALTIMORE, MD 21218	HOSPITAL	MARYLAND	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
JOHNS HOPKINS HOSPITAL ENDOWMENT FUND, INC. - 23-7252596, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21218	SUPPORTING ORGANIZATION	MARYLAND	501(C)(3)	11, III FI	JOHNS HOPKINS HOSPITAL ENDOWMENT FUND,		X
SUBURBAN HOSPITAL HEALTHCARE SYSTEM, INC. - 52-2052354, 8600 OLD GEORGETOWN ROAD, BETHESDA, MD 20814	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	11, III FI	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
HOWARD COUNTY LIQUIDATION CORPORATION - 52-0892284, 5755 CEDAR LANE, COLUMBIA, MD 21044	INACTIVE TAX-EXEMPT ORGANIZATION	MARYLAND	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
SUBURBAN HOSPITAL, INC. - 52-0610545 8600 OLD GEORGETOWN ROAD BETHESDA, MD 20814	HOSPITAL	MARYLAND	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
LUCY WEBB HAYES NATIONAL TRAINING SCHOOL FOR DEACONESSES - 53-0196602, 5255 LOUGHBORO RD NW, WASHINGTON, DC 20016	HEALTHCARE SERVICES	DISTRICT OF COLUMBIA	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
POTOMAC HOME SUPPORT INC. - 52-1750383 6001 MONTROSE RD NO 1020 ROCKVILLE, MD 20852	HOME HEALTH CARE	MARYLAND	501(C)(3)	9	N/A		X
SIBLEY SUBURBAN HOME HEALTH AGENCY - 52-1450142, 6001 MONTROSE RD NO 1020, ROCKVILLE, MD 20852	HOME HEALTH CARE	MARYLAND	501(C)(3)	9	N/A		X
PEDIATRIC PHYSICIAN SERVICES, INC. - 59-3425191, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, MD 33701	PEDIATRIC MEDICAL SERVICES	MARYLAND	501(C)(3)	9	ALL CHILDREN'S HEALTH SYSTEM, INC.		X
ALL CHILDREN'S HOSPITAL FOUNDATION INC. - 59-2481738, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, FL 33701	FOUNDATION	FLORIDA	501(C)(3)	7	ALL CHILDREN'S HEALTH SYSTEM, INC.		X
ALL CHILDREN'S HOSPITAL INC. - 59-0683252 501 SIXTH AVENUE SOUTH ST. PETERSBURG, FL 33701	HOSPITAL	FLORIDA	501(C)(3)	3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X



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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
ALL CHILDREN'S RESEARCH INSTITUTE INC. - 59-2481742, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, FL 33701	RESEARCH	FLORIDA	501(C)(3)	4	ALL CHILDREN'S HEALTH SYSTEM, INC.		X
SURGIKID OF FLORIDA, INC. - 59-3441883 501 SIXTH AVENUE SOUTH ST. PETERSBURG, FL 33701	MEDICAL SERVICES	FLORIDA	501(C)(3)	9	ALL CHILDREN'S HEALTH SYSTEM, INC.		X
KIDS HOME CARE, INC. - 59-3476049 501 SIXTH AVENUE SOUTH ST. PETERSBURG, FL 33701	HOME HEALTH CARE	FLORIDA	501(C)(3)	9	ALL CHILDREN'S HEALTH SYSTEM, INC.		X
WEST COAST NEONATOLOGY, INC. - 59-3398308 501 SIXTH AVENUE SOUTH ST. PETERSBURG, FL 33701	NEONATAL CARE	FLORIDA	501(C)(3)	9	ALL CHILDREN'S HEALTH SYSTEM, INC.		X
ALL CHILDREN'S HEALTH SYSTEM, INC. - 59-2481740, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, FL 33701	MANAGEMENT SERVICES	FLORIDA	501(C)(3)	11C	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
							Yes	No			
OPHTHALMOLOGY ASSOCIATES, LLC - 52-1890957, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	OPHTHALMOLOGY SERVICES	MD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SUBURBAN WELLNESS CENTER, LLC - 56-2296930, 20500 GOLDENROD LANE, GERMANTOWN, MD 20874	REAL ESTATE	MD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GCM SUBURBAN IMAGING, LLC - 52-2326237, 1201 SEVEN LOCKS ROAD, STE. 200, ROCKVILLE, MD 20854	OUTPATIENT RADIOLOGY	MD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CHEVY CHASE IMAGING, LLC - 14-1944126, 1201 SEVEN LOCKS ROAD, STE. 200, ROCKVILLE, MD 20854	RADIOLOGY SERVICES	MD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
HCP VENTURE ONE CORPORATION - 52-1558858 3910 KESWICK RD, S BLDG, STE. 4300A BALTIMORE, MD 21211	MEDICAL SERVICES	MD	HOWARD COUNTY GENERAL HOSPITAL, INC.	C CORP			100.00%		X
HSI MEDICAL SERVICES CORPORATION - 52-1847705, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	HEALTHCARE-SLEEP DIAGNOSTICS	MD	N/A	C CORP	N/A	N/A	N/A		X
HOWARD COUNTY HEALTH SERVICES, INC. - 52-1434783, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	HEALTHCARE MANAGEMENT	MD	N/A	C CORP	N/A	N/A	N/A		X
JOHNS HOPKINS MEDICAL MANAGEMENT CORPORATION - 52-1250028, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	NURSING SERVICES	MD	N/A	C CORP	N/A	N/A	N/A		X
JOHNS HOPKINS EMPLOYER HEALTH PROGRAMS INC. - 52-1947678, 3910 KESWICK RD, S BLDG, STE. 4300A, BALTIMORE, MD 21211	BENEFIT PLANS	MD	N/A	C CORP	N/A	N/A	N/A		X

**Part III** Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
ROCKVILLE IMAGING - 14-1944128, 1201 SEVEN LOCKS ROAD, STE. 200, ROCKVILLE, MD 20854	OUTPATIENT RADIOLOGY	MD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Part IV** Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
TCAS, INC. - 52-1979344 5759 CEDAR LANE COLUMBIA, MD 21044	NURSING SERVICES	MD	N/A	C CORP	N/A	N/A	N/A		X
SUBURBAN HEALTH ENTERPRISES, INC. - 52-2052352, 8600 OLD GEORGETOWN ROAD, BETHESDA, MD 20814	MEDICAL OFFICE LEASING AND RELEASING	MD	N/A	C CORP	N/A	N/A	N/A		X

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

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

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

- a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

**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-s)	(c) Amount involved	(d) Method of determining amount involved	Yes	No
(1)						X
(2)					X	
(3)					X	
(4)					X	
(5)					X	
(6)					X	

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) <small>Are all partners sec. 501(c)(3) orgs.?</small>		(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Dispropor- tionate allocations?</small>		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) <small>General or managing partner?</small>		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

**Part VII Supplemental Information**

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

**PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:**

NAME OF RELATED ORGANIZATION:

JOHNS HOPKINS HOSPITAL ENDOWMENT FUND, INC.

DIRECT CONTROLLING ENTITY: JOHNS HOPKINS HOSPITAL ENDOWMENT FUND, INC.

**PART III, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS PARTNERSHIP:**

NAME OF RELATED ORGANIZATION:

SUBURBAN WELLNESS CENTER, LLC

DIRECT CONTROLLING ENTITY: SUBURBAN HEALTH ENTERPRISES, INC

NAME OF RELATED ORGANIZATION:

GCM SUBURBAN IMAGING, LLC

DIRECT CONTROLLING ENTITY: SUBURBAN HEALTH ENTERPRISES, INC

**PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:**

NAME OF RELATED ORGANIZATION:

TCAS, INC.

DIRECT CONTROLLING ENTITY: JOHNS HOPKINS MEDICAL MANAGEMENT CORPORATION

NAME OF RELATED ORGANIZATION:

SUBURBAN HEALTH ENTERPRISES, INC.

DIRECT CONTROLLING ENTITY: SUBURBAN HOSPITAL HEALTHCARE SYSTEM INC.

2012 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

Asset No.	Description	Date Acquired	Method	Life	Con No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	LAND	VARIOUS		.000	HY16	12977766.				12977766.			0.	
2	LAND IMPROVEMENTS	VARIOUS		.000	HY16	721,264.				721,264.	134,264.		76,140.	210,404.
3	BUILDINGS	VARIOUS		.000	HY16	138339926.				138339926.	32476758.		4,611,180.	37087938.
4	LEASEHOLD IMPROVEMENTS	VARIOUS		.000	HY16	1,230,508.				1,230,508.	299,790.		78,416.	378,206.
5	FIXED EQUIPMENT	VARIOUS		.000	HY16	18067427.				18067427.	14994799.		1,155,191.	16149990.
6	MAJOR MOVABLE EQUIPMENT	VARIOUS		.000	HY16	60060283.				60060283.	26846171.		8,967,039.	35813210.
8	CONSTRUCTION IN PROGRESS	VARIOUS		.000	HY16	428,240.				428,240.			0.	
9	BUILDING IMPROVEMENTS	VARIOUS		.000	HY16	35023048.				35023048.	5,075,344.		1,679,168.	7,754,512.
11	INT	VARIOUS		.000	HY16	1,504,150.				1,504,150.	451,246.		0.	451,246.
	* TOTAL 990 PAGE 10 DEPR					268352612.				268352612.	81278372.		16567134.	97845506.



# **Howard County General Hospital, Inc.**

**Financial Statements  
June 30, 2013 and 2012**

**Howard County General Hospital, Inc.**  
**Index**  
**June 30, 2013 and 2012**

---

	<u>Page(s)</u>
Report of Independent Auditors	1
Balance Sheets	2-3
Statements of Operations and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6-27



## REPORT OF INDEPENDENT AUDITORS

---

To the Board of Trustees of  
Howard County General Hospital, Inc.

We have audited the accompanying financial statements of Howard County General Hospital, Inc. (the "Hospital"), which comprise the balance sheets as of June 30, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Hospital's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital at June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

September 27, 2013

**Howard County General Hospital, Inc.**  
**Balance Sheets**  
**June 30, 2013 and 2012**  
**(in thousands)**

	2013	2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 22,670	\$ 4,508
Short-term investments	4,629	1,262
Patient accounts receivable, net of estimated uncollectibles of \$6,147 and \$6,149 as of June 30, 2013 and 2012, respectively	31,285	27,830
Due from others	1,385	1,571
Due from affiliates, current portion	4	-
Inventories of supplies	4,094	3,696
Prepaid expenses and other current assets	2,054	2,306
Total current assets	<u>66,121</u>	<u>41,173</u>
Assets whose use is limited		
By donors or grantors for:		
Interest in net assets of Howard Hospital Foundation	13,903	13,228
Other	135	135
Total assets whose use is limited	<u>14,038</u>	<u>13,363</u>
Investments	<u>50,838</u>	<u>44,895</u>
Investments in joint ventures	<u>3,181</u>	<u>3,485</u>
Property, plant and equipment	268,353	248,479
Less: allowance for depreciation and amortization	<u>(97,846)</u>	<u>(81,278)</u>
Total property, plant and equipment, net	<u>170,507</u>	<u>167,201</u>
Estimated malpractice recoveries, net of current portion	<u>1,522</u>	<u>1,254</u>
Other assets	<u>338</u>	<u>1,421</u>
Total assets	<u>\$ 306,545</u>	<u>\$ 272,792</u>

The accompanying notes are an integral part of these financial statements.

**Howard County General Hospital, Inc.**  
**Balance Sheets, Continued**  
**June 30, 2013 and 2012**  
**(in thousands)**

	2013	2012
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 40,000
Accounts payable	4,673	6,029
Accrued liabilities	16,888	15,227
Due to affiliates, current portion	8,759	3,145
Accrued vacation	6,621	6,125
Advances from third party payors	8,630	9,765
Current portion of estimated malpractice costs	925	1,073
Total current liabilities	<u>46,496</u>	<u>81,364</u>
Estimated malpractice costs, net of current portion	4,091	3,824
Net pension liability	1,295	1,257
Long-term notes payable affiliate, net of current portion	161,930	109,870
Other long-term liabilities	<u>14,072</u>	<u>20,601</u>
Total liabilities	<u>227,884</u>	<u>216,916</u>
Net assets:		
Unrestricted	64,625	42,515
Temporarily restricted	10,976	10,301
Permanently restricted	<u>3,060</u>	<u>3,060</u>
Total net assets	<u>78,661</u>	<u>55,876</u>
Total liabilities and net assets	<u>\$ 306,545</u>	<u>\$ 272,792</u>

The accompanying notes are an integral part of these financial statements.

**Howard County General Hospital, Inc.**  
**Statements of Operations and Changes in Net Assets**  
for the years ended June 30, 2013 and 2012  
(in thousands)

	2013	2012
Operating revenues:		
Net patient service revenue before bad debts expense	\$ 243,058	\$ 239,637
Provision for bad debts	10,608	11,108
Net patient service revenue	<u>232,450</u>	<u>228,529</u>
Other revenue	2,261	3,194
Investment income	1,284	1,101
Total operating revenues	<u>235,995</u>	<u>232,824</u>
Operating expenses:		
Salaries, wages and benefits	111,984	108,671
Purchased services	48,734	46,567
Supplies and other	38,764	40,685
Interest	4,929	5,836
Depreciation and amortization	17,602	17,315
Total operating expenses	<u>222,013</u>	<u>219,074</u>
Income from operations	13,982	13,750
Non-operating revenues and expenses:		
Interest expense on swap agreements	(1,520)	(1,513)
Change in market value of swap agreement	6,607	(9,990)
Realized and unrealized gains on investments	322	64
Loss on early retirement of debt	-	(3,581)
Excess of revenues over (under) expenses	<u>19,391</u>	<u>(1,270)</u>
Contributions to affiliates	(335)	(1,733)
Change in funded status of defined benefit plan	854	(1,597)
Net assets released from restrictions used for purchase of property, plant and equipment	<u>2,200</u>	<u>3,323</u>
Increase (decrease) in unrestricted net assets	<u>22,110</u>	<u>(1,277)</u>
Changes in temporarily restricted net assets:		
Gifts, grants and bequests	2,200	3,323
Net change in Howard Hospital Foundation	675	(1,260)
Net assets released from restrictions used for purchase of property, plant and equipment	<u>(2,200)</u>	<u>(3,323)</u>
Increase (decrease) in temporarily restricted net assets	<u>675</u>	<u>(1,260)</u>
Changes in permanently restricted net assets:		
Net change in Howard Hospital Foundation	-	49
Increase in permanently restricted net assets	<u>-</u>	<u>49</u>
Increase (decrease) in net assets	22,785	(2,488)
Net assets at beginning of year	<u>55,876</u>	<u>58,364</u>
Net assets at end of year	<u>\$ 78,661</u>	<u>\$ 55,876</u>

The accompanying notes are an integral part of these financial statements.

**Howard County General Hospital, Inc.**  
**Statements of Cash Flows**  
**for the years ended June 30, 2013 and 2012**  
**(in thousands)**

	2013	2012
Operating activities:		
Change in net assets	\$ 22,785	\$ (2,488)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	17,602	17,315
Provision for bad debts	10,608	11,108
Net realized and changes in unrealized gains on investments	(322)	(64)
Change in market value of swap agreement	(6,607)	9,990
Change in funded status of defined benefit plan	(854)	1,597
Restricted contributions and investment income received	(2,200)	(3,323)
Gains on and returns on equity investments	304	58
Contributions to affiliates	335	1,733
Change in assets and liabilities:		
Patient accounts receivable	(14,063)	(15,653)
Inventories of supplies, prepaid expenses and other current assets	(86)	(132)
Due to/from affiliates, net	2,370	2,418
Other assets	47	36
Accounts payable, accrued liabilities and accrued vacation	720	4,813
Advances from third party payors	(1,135)	1,170
Accrued pension benefit costs	892	525
Estimated malpractice costs	(22)	5
Other long-term liabilities	78	112
Net cash and cash equivalents provided by operating activities	<u>30,452</u>	<u>29,220</u>
Investing activities:		
Purchases of property, plant and equipment	(19,792)	(7,608)
Purchases of investment securities	(58,916)	(35,929)
Sales of investment securities	49,928	11,971
Other	(675)	1,211
Net cash and cash equivalents used in investing activities	<u>(29,455)</u>	<u>(30,355)</u>
Financing activities:		
Proceeds from restricted contributions and investment income received	2,200	3,323
Repayment of long-term debt	(40,000)	(114,107)
Proceeds from affiliate notes payable	56,000	110,570
Repayment of affiliate notes payable	(700)	0
Contributions to affiliates	(335)	(1,733)
Net cash and cash equivalents provided by (used in) financing activities	<u>17,165</u>	<u>(1,947)</u>
Increase (decrease) in cash and cash equivalents	18,162	(3,082)
Cash and cash equivalents at beginning of year	4,508	7,590
Cash and cash equivalents at end of year	<u>\$ 22,670</u>	<u>\$ 4,508</u>

The accompanying notes are an integral part of these financial statements.

# Howard County General Hospital, Inc.

## Notes to Financial Statements

### for the years ended June 30, 2013 and 2012

---

1. Organization and Summary of Significant Accounting Policies:

*Organization.* The Johns Hopkins Health System Corporation ("JHHS") is the sole member of Howard County General Hospital, Inc. (the "Hospital" or "HCGH"). JHHS is a not-for-profit organization incorporated in the State of Maryland to, among other things, formulate policy among and provide centralized management for JHHS affiliates ("Affiliates"). In addition, JHHS provides certain shared services, including finance, payroll, accounts payable, patient financial services, legal, and other functions for which HCGH is charged separately. The Hospital is a not-for-profit, community based health care institution governed by a board of trustees operated for the purpose of providing appropriate and effective health care services to the physically and mentally ill, the injured, obstetrical patients, and persons needing diagnostic and/or preventative services. The Hospital is committed to serve as the primary community health care resource for Howard County and adjacent communities and recognizes the need to be responsive to the needs of the population it serves. The Hospital's mission is to provide health care services, within the resources available, to all whom present themselves, regardless of race, creed, national origin, age or sex.

JHHS appoints HCGH's Board of Trustees. HCGH's Articles of Incorporation provide that JHHS' Board of Trustees will approve HCGH's annual operating budget and capital budgets, significant programmatic changes at HCGH, and other significant changes to HCGH including amendments of its articles of incorporation or bylaws, mergers, or dissolutions.

The Howard Hospital Foundation ("HHF") is a separate, not-for-profit Maryland corporation chartered in 1976 that holds and manages funds exclusively for the benefit of HCGH. The affairs of HHF are managed by a Board of Trustees that is self-perpetuating. HCGH records an interest in net assets of HHF resulting from unrestricted, temporarily restricted and permanently restricted contributions that were solicited and held by HHF to be used exclusively for HCGH. HCGH records its interest in the net assets of HHF under assets whose use is limited.

*Use of estimates.* The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Basis of presentation.* The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Cash and cash equivalents.* Cash and cash equivalents include amounts invested in accounts with depository institutions which are readily converted to cash, with original maturities of three months or less. Total deposits maintained at these institutions at times exceed the amount insured by federal agencies and therefore, bear a risk of loss. HCGH has not experienced such losses on these funds.

Through arrangements with banks, excess operating cash may be invested daily. This investment is a cash equivalent in the accompanying Balance Sheets. HCGH earns interest on these funds at a rate that is based upon the bank's Federal Funds rate. The interest is recorded in the accompanying Statement of Operations and Changes in Net Assets as investment income.

*Inventories of supplies.* Inventories of supplies are composed of medical supplies and drugs. Inventories of supplies are recorded at lower of cost or market using a first in, first out method.

*Assets whose use is limited.* Assets whose use is limited or restricted by the donor are recorded at fair value at the date of donation. Investment income or losses on investments of temporarily or permanently



**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

---

restricted assets is recorded as an increase or decrease in temporarily or permanently restricted net assets to the extent restricted by the donor or law. The cost of securities sold is based on the specific identification method.

Assets whose use is limited include assets held by HHF. These assets consist of HCGH's interest in the net assets of HHF. The amounts reported in the Balance Sheets represent fair value.

*Investments and investment income.* Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the Balance Sheets. Debt and equity securities traded on a national securities and international exchange are valued as of the last reported sales price on the last business day of the fiscal year; investments traded on the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices.

Investments include equity method investments in managed funds, which include hedge funds, private partnerships and other investments which do not have readily ascertainable fair values and may be subject to withdrawal restrictions. Investments in hedge funds, private partnerships, and other investments in managed funds (collectively "alternative investments"), are accounted for under the equity method. The equity method income or loss from these alternative investments is included in the Statements of Operations and Changes in Net Assets as an unrealized gain or loss within excess of revenues over (under) expenses.

Alternative investments are less liquid than other types of investments held by HCGH. These instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments, and nondisclosure of portfolio composition.

Investment income earned on cash balances (interest and dividends) are reported in the operating income section of the Statements of Operations and Changes in Net Assets under 'investment income'. Realized gains or losses related to the sale of investments, and unrealized gains or losses on alternative investments are included in the non-operating section of the Statement of Operations and Changes in Net Assets included in excess of revenues over (under) expenses unless the income or loss is restricted by donor or law.

Investments in companies in which HCGH does not have control, but has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method of accounting, and operating results flow through the investment income on the Statements of Operations and Changes in Net Assets. Dividends received are recorded as a reduction of the carrying amount of the investment.

*Property, plant and equipment.* Property, plant and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each asset class of depreciable asset and is computed using the straight-line method. Estimated useful lives assigned by HCGH range from 8 to 10 years for land improvements, 10 to 30 years for buildings and improvements, 2 to 20 years for fixed and movable equipment, and 13 to 20 years for leasehold improvements. Interest costs incurred on borrowed funds, net of income earned, during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Repairs and maintenance costs are expensed as incurred. When property, plant and equipment are retired, sold or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operating income.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the

# Howard County General Hospital, Inc.

## Notes to Financial Statements

### for the years ended June 30, 2013 and 2012

---

assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

*Impairment of long-lived assets.* Long-lived assets are reviewed for impairment when events and circumstances indicate that the carrying amount of an asset may not be recoverable. HCGH's policy is to record an impairment loss when it is determined that the carrying amount of the asset exceeds the sum of the expected undiscounted future cash flows resulting from use of the asset and its eventual disposition. Impairment losses are measured as the amount by which the carrying amount of the asset exceeds its fair value and are reported in the non-operating section of the Statement of Operations and Changes in Net Assets. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No material impairment charges were recorded in 2013 or 2012.

*Financing expenses.* Financing expenses incurred in connection with the issuance of the Maryland Health and Higher Educational Facilities Authority ("MHHEFA") 1998 Series Revenue Bonds were initially capitalized and were being amortized over the terms of the bond issues using the effective interest method. In April 2012, HCGH redeemed the outstanding MHHEFA 1998 Series Revenue Bonds and wrote off the remaining \$2.0 million of unamortized financing expense as early retirement of the debt and within the non-operating section of the Statement of Operations in 2012. Amortization expense of \$117 thousand was recorded in the year ended June 30, 2012.

*Accrued vacation.* HCGH records a liability for amounts due to employees for future absences which are attributable to services performed in the current and prior periods.

*Advances from third-party payors.* HCGH receives advances from some of its third-party payors so that those payors can receive the stated prompt pay discount allowed in the State of Maryland. Advances are recorded as a liability in the Balance Sheets.

*Estimated malpractice costs.* The provision for estimated medical malpractice claims includes estimates of the ultimate gross costs for both reported claims and claims incurred but not reported. Additionally, an insurance recovery has been recorded representing the amount expected to be recovered from the self insured captive insurance company.

*Temporarily and permanently restricted net assets.* Temporarily restricted net assets are those whose use has been limited by donors or law to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. Income generated from these assets is available for general program support. Temporarily and permanently restricted net assets consist mainly of endowment assets included in HHF.

*Donor restricted gifts.* Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unconditional promises to give cash to HCGH over periods exceeding one year are discounted using a rate of return that a market participant would expect to receive over such periods, which will vary based on the pledge, at the date the pledge is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose for the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statements of Operations and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the Statement of Operations and Changes in Net Assets.

# Howard County General Hospital, Inc.

## Notes to Financial Statements

### for the years ended June 30, 2013 and 2012

---

*Excess of revenues over (under) expenses.* The Statements of Operations and Changes in Net Assets include excess of revenues over (under) expenses. Changes in unrestricted net assets which are excluded from excess of revenues over (under) expenses, consistent with industry practice, include changes in unrealized gains and losses on investments other than trading securities, change in funded status of defined benefit plans, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

*Income taxes.* HCGH qualifies under Section 501(c)(3) of the Internal Revenue Code and is therefore, not subject to tax under current income tax regulations.

FASB's guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty of income tax positions. This guidance defines the threshold for recognizing tax return positions in the financial statements as "more likely than not" that the position is sustainable, based on its technical merits. This guidance also provides guidance on the measurement, classification and disclosure of tax return positions in the financial statements. There was no income tax impact on HCGH's financial statements during the years ended June 30, 2013 and 2012.

*Reclassifications.* Certain amounts from the prior year have been reclassified in order to conform to current year presentation.

*New Accounting Standards.* Effective July 1, 2012 HCGH adopted the provisions of ASU 2011-04, "Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS," including an amendment to ASC 820, "Fair Value Measurements." ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. This update includes amendments that clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The adoption of ASU 2011-04 had no effect on HCGH's Balance Sheets and Statements of Operations and Changes in Net Assets.

Effective July 1, 2012, HCGH adopted the provisions of ASU 2011-07 "Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities", which applies to health care entities that recognize a significant amount of patient service revenue at the time services are rendered even though the entities do not assess a patient's ability to pay. This ASU requires health care entities to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue on the face of the Statements of Operations and Changes in Net Assets. The adoption of this ASU was made retrospectively, therefore the provision for bad debts for the prior period was reclassified to conform to the new presentation.

#### 2. Net Patient Service Revenue:

HCGH has agreements with third-party payors that provide for payments to HCGH at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments mandated by the Health Services Cost Review Commission are also included in contractual adjustments, a portion of which are also included in established rates.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

---

HCGH provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Such patients are identified based on information obtained from the patient and subsequent analysis. Because HCGH does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Effective July 1, 2011, HCGH adopted the provisions of ASU 2010-23, "Measuring Charity Care for Disclosure", which states that direct and indirect cost be used as the measurement basis for charity care disclosure purposes and that the method used to determine such costs also be disclosed. The adoption of this ASU had no impact on HCGH'S financial condition, results of operations or cash flows. Direct and indirect costs for these services amounted to \$4.9 million and \$5.0 million for the years ended June 30, 2013 and 2012, respectively. The costs of providing charity care services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated based on HCGH's total expenses (less bad debt expense) divided by gross patient service revenue.

Patient accounts receivable are reported net of estimated allowances for uncollectible accounts and contractual adjustments in the accompanying financial statements. The provision for bad debts is based upon a combination of the payor source, the aging of receivables and management's assessment of historical and expected net collections, trends in health insurance coverage, and other collection indicators. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Hospitals uninsured patients will be unable or unwilling to pay for the services provided. Thus, a significant provision for bad debts is recorded related to uninsured patients in the period services are provided. Management continuously assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience and payment trends by payor classification.

Patient service revenue, net of contractual allowances (but before the provision for bad debts), recognized in the year ending June 30, 2013 from these major payor sources is as follows:

	<u>Third-Party Payors</u>	<u>Self-pay</u>	<u>Total All Payors</u>
Patient service revenue (net of contractual allowances)	\$ 235,467	\$ 7,591	\$ 243,058

Patient service revenue, net of contractual allowances (but before the provision for bad debts), recognized in the year ending June 30, 2012 from these major payor sources is as follows:

	<u>Third-Party Payors</u>	<u>Self-pay</u>	<u>Total All Payors</u>
Patient service revenue (net of contractual allowances)	\$ 233,487	\$ 6,150	\$ 239,637

Patient accounts receivable as of June 30 consisted of the following:

	<b>2013</b>	<b>2012</b>
Medicare program	29%	28%
Medicaid program	12%	13%
Blue Cross and Blue Shield	16%	13%
Managed Care Organizations	24%	28%
Self pay and other third party payors	19%	18%

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

---

3. Fair Value Measurements:

FASB's guidance on the fair value option for financial assets and financial liabilities permits companies to choose to measure many financial assets and liabilities, and certain other items at fair value. This guidance requires a company to record unrealized gains and losses on items for which the fair value option has been elected in its performance indicator. The fair value option may be applied on an instrument by instrument basis. Once elected, the fair value option is irrevocable for that instrument. The fair value option can be applied only to entire instruments and not to portions thereof. HCGH has not elected fair value accounting for any asset or liability that was not currently required to be measured at fair value.

HCGH follows the guidance on fair value measurements, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. This guidance applies to other accounting pronouncements that require or permit fair value measurements and, accordingly, this guidance does not require any new fair value measurements.

This guidance discusses valuation techniques such as the market approach, cost approach and income approach. This guidance establishes a three-tier level hierarchy for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions. There are no instruments requiring Level 3 classification.

The financial instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Each of the financial instruments below has been valued utilizing the market approach.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

The following table presents the financial instruments carried at fair value as of June 30, 2013 grouped by hierarchy level:

<b>Assets</b>	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>
Cash and cash equivalents (1)	\$ 22,670	\$ 22,670	\$ -
Commercial paper (1)	656	656	-
Certificates of deposit (1)	48	-	48
U.S. Treasuries (2)	18,517	-	18,517
Corporate bonds (2)	20,742	-	20,742
Asset backed securities (2)	5,243	-	5,243
Equity and equity funds (3)	4,801	1,436	3,365
Fixed income funds (4)	1,648	1,432	216
<b>Totals</b>	<b>\$ 74,325</b>	<b>\$ 26,194</b>	<b>\$ 48,131</b>

<b>Liabilities</b>			
Interest rate swap agreement (5)	\$ 12,265	\$ -	\$ 12,265

The following table presents the financial instruments carried at fair value as of June 30, 2012 grouped by hierarchy level:

<b>Assets</b>	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>
Cash and cash equivalents (1)	\$ 4,508	\$ 4,508	\$ -
Certificates of deposit (1)	48	-	48
U.S. Treasuries (2)	11,627	-	11,627
Corporate bonds (2)	17,524	-	17,524
Asset backed securities (2)	7,878	-	7,878
Equities and equity funds (3)	4,183	-	4,183
Fixed income funds (4)	1,369	-	1,369
<b>Totals</b>	<b>\$ 47,137</b>	<b>\$ 4,508</b>	<b>\$ 42,629</b>

<b>Liabilities</b>			
Interest rate swap agreement (5)	\$ 18,872	\$ -	\$ 18,872

- (1) Cash and cash equivalents, commercial paper, money market funds, and overnight investments include investments with original maturities of three months or less. Certificates of deposit are carried at amortized cost. Certificates of deposit and commercial paper that have original maturities greater than three months are considered short-term investments. Cash and cash equivalents, commercial paper, money market funds, and overnight investments are rendered level 1 due to their frequent pricing and ease of converting to cash. Computed prices versus market value render the certificates of deposit level 2.
- (2) For investments in U.S. Treasuries (notes, bonds, and bills), corporate bonds, and asset backed securities, fair value is based upon quotes for similar securities; therefore these investments are rendered level 2. These investments fluctuate in value based upon changes in interest rates.
- (3) Equities include individual equities and investments in mutual funds, commingled trusts and hedge

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

funds. The individual equities and mutual funds are valued based on the closing price on the primary market and are rendered level 1. The commingled trusts and hedge funds are valued regularly within each month utilizing NAV per unit and are rendered level 2.

- (4) Fixed income funds are investments in mutual funds and commingled trusts investing in fixed income instruments. The underlying fixed investments are principally U.S. Treasuries, corporate bonds, commercial paper, and asset backed securities. The mutual funds are valued based on the closing price on the primary market and are rendered level 1. The commingled trusts are valued regularly within each month utilizing NAV per unit and are rendered level 2.
- (5) The interest rate swap agreements, discussed further in footnote 9 "Derivative Financial Instruments," are valued using a swap valuation model that utilizes an income approach using observable market inputs including long-term interest rates, LIBOR swap rates, and credit default swap rates. See footnote 8.

During 2013 and 2012, there were no transfers between level 1 and 2.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while HCGH believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

Financial instruments are reflected in the Combined Balance Sheets as of June 30, 2013 and 2012 as follows (in thousands):

	2013	2012
Cash and cash equivalents measured at fair value	\$ 22,670	\$ 4,508
Total cash and cash equivalents	<u>\$ 22,670</u>	<u>\$ 4,508</u>
Short and long-term investments measured at fair value	\$ 51,655	\$ 42,629
Investments accounted for under equity method	6,993	7,013
Total short and long-term investments	<u>\$ 58,648</u>	<u>\$ 49,642</u>
Interest in net assets of HHF	\$ 13,903	\$ 13,228
Other	135	135
Total assets whose use is limited	<u>\$ 14,038</u>	<u>\$ 13,363</u>

HCGH holds alternative investments that are not traded on national exchanges or over-the counter markets. HCGH is provided a net asset value per share for these alternative investments that has been calculated in accordance investment company rules, which among other requirements, indicates that the underlying investments be measured at fair value. There are no unfunded commitments related to HCGH's alternative investments.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

The following tables display information by major alternative investment category as of June 30, 2013 and 2012 (in thousands):

As of June 30, 2013

Description	Market Value	Liquidity	Notice Period	Receipt of Proceeds
Global asset allocation	\$2,293	Monthly	5 days	Within 15 to 30 days, 95% in 5 days of redemption, 5% in 30 days after withdrawal
Fund of funds	1,382	Monthly or quarterly	25 - 70 days	Within 30 days, or 90% in 30 to 60 days, 10% after annual audit
Hedge funds	137	Quarterly	60 days	95% within 30 days of redemption date; 5% within 120 days of redemption date
	<u>\$3,812</u>			

As of June 30, 2012

Description	Market Value	Liquidity	Notice Period	Receipt of Proceeds
Global asset allocation	\$2,190	Monthly	5 days	At least 95% within 15 days, remaining within 30 days of redemption date
Fund of funds	1,230	Monthly, quarterly or annually	25 - 70 days	At least 90% within 60 days, remaining received after the audit or as SPV shares
Hedge funds	108	Quarterly - last day of the calendar quarter	60 days	95% within 30 days, 5% within 120 days of redemption date
	<u>\$3,528</u>			

The estimated total fair value of long-term debt, rendered level 2 based on quoted market prices for the same or similar issues, was \$40.0 million as of June 30, 2012. No long-term debt was outstanding as of June 30, 2013.

4. Investments and Assets Whose Use is Limited:

The market value of investments (short and long-term) as of June 30 consisted of the following (in thousands):

	2013	2012
Investments in affiliates	\$ 3,181	\$ 3,485
Commercial paper	656	-
U.S. Treasuries	18,517	11,627
Certificates of deposit	48	48
Corporate bonds	20,742	17,524
Asset backed securities	5,243	7,878
Fixed income funds	1,648	1,369
Equities and equity index funds	4,801	4,183
Alternative investments	3,812	3,528
	<u>\$ 58,648</u>	<u>\$ 49,642</u>

Included in investments as of June 30, 2013 and 2012 are \$55.4 million and \$46.1 million, respectively of investments pooled together with other JHHS affiliates.



**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

The market value of assets whose use is limited as of June 30 consisted of the following (in thousands):

	2013	2012
Interest in net assets of Howard Hospital Foundation	\$ 13,903	\$ 13,228
Other	135	135
	<u>\$ 14,038</u>	<u>\$ 13,363</u>

Realized and unrealized gains (losses) on investments for the years ended June 30, 2013 and 2012, included in non-operating revenues and expenses section of the Statements of Operations and Changes in Net Assets consisted of the following:

	2013	2012
Realized gains on investments	\$ 445	\$ 37
Unrealized (losses) gains on trading investments	(123)	27
Total	<u>\$ 322</u>	<u>\$ 64</u>

5. Investments in Joint Ventures:

HCGH has a 25% investment interest in Ten Acres Medical Center, LLC ("Ten Acres") obtained in exchange for contributed land with an original cost of \$4.0 million. Columbia Investment Properties, LLC ("CIP") owns the remaining 75% of Ten Acres. Ten Acres is a Maryland Limited Liability Company formed to develop, own, operate, manage or dispose of a medical office building (the "Project") on a portion of the HCGH campus in Howard County, Maryland. The Project consists of approximately a 170,000 square foot medical office building. The term of the joint venture shall continue perpetually unless otherwise agreed upon pursuant to the operating agreement.

Ten Acres is managed by a Board of Managers consisting of one HCGH appointed manager and three CIP appointed members. Profits and losses, as well as additional contributed capital, shall be allocated to the members equal to each members' percentage ownership interest. Distributions shall be made in accordance with the provisions of the operating agreement as determined by the Board of Managers. HCGH accounts for its investment in Ten Acres under the equity method of accounting. HCGH's investment in Ten Acres was \$1.6 million and \$1.9 million as of June 30, 2013 and 2012, respectively. HCGH recorded a gain on this investment of \$251 thousand and \$415 thousand for the years ended June 30, 2013, and 2012, respectively. In addition, HCGH received cash dividends from Ten Acres of \$551 thousand for each the years ended June 30, 2013 and 2012.

HCGH has a 20% interest in the Central Maryland Radiation Oncology Center, LLC ("CMROC"), which is located in the Ten Acres medical office building. HCGH's investment in CMROC was \$1.5 million for each of the years ended June 30, 2013 and 2012. HCGH recorded a loss on this investment of \$26 thousand for the year ended June 30, 2013, and a gain of \$23 thousand for the year ended June 30, 2012. HCGH has guaranteed 50% of the total debt of CMROC that amounts to \$880 thousand as of June 30, 2013.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

6. Property, Plant and Equipment:

Property, plant and equipment and accumulated depreciation and amortization consisted of the following as of June 30 (in thousands):

	2013		2012	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and land improvements	\$ 13,699	\$ 211	\$ 8,889	\$ 134
Building and improvements	176,098	45,672	168,101	39,303
Fixed and moveable equipment	78,128	51,963	71,387	41,841
Construction in progress	428	-	102	-
	<u>\$ 268,353</u>	<u>\$ 97,846</u>	<u>\$ 248,479</u>	<u>\$ 81,278</u>

Accruals for purchases of property, plant and equipment amounted to \$307 thousand and \$388 thousand as of June 30, 2013 and 2012, respectively, and are included in accounts payable in the Balance Sheets. Depreciation and amortization expense was \$17.6 million and \$17.3 million for years ended June 30, 2013 and 2012, respectively.

There were no impairment of long-lived assets recorded for the years ended June 30, 2013 and 2012.

During the year ended June 30, 2013, HCGH had no retirement of fully depreciated long-lived assets. During the year ended June 30, 2012, HCGH retired fully depreciated long-lived assets determined to have no future value. The original cost and accumulated depreciation of these long-lived assets was \$4.8 million.

7. Debt:

Obligated Group

The Johns Hopkins Health System Obligated Group ("JHHS Obligated Group") consists of The Johns Hopkins Hospital ("JHH"), Johns Hopkins Bayview Medical Center, Inc. ("JHBMC"), HCGH, Suburban Hospital, Inc. ("SHI"), Suburban Hospital Healthcare System, Inc. ("SHHS") and JHHSC. JHBMC was admitted into the JHHS Obligated Group in 2004 as part of a debt refinancing. SHI and SHHS were admitted into the JHHS Obligated Group in 2010 as part of a JHH debt issuance. HCGH was admitted to the JHHS Obligated Group in May 2012 as part of a JHH debt issuance. JHHSC was admitted in May 2013 as part of a JHHSC debt issuance. All of the debt of JHH, JHBMC, HCGH, SHI, SHHS, and JHHSC are parity debt, and as such are collateralized equally and ratably by a claim on and a security interest in all of JHH's, JHBMC's, HCGH's, SHI's, SHHS', and JHHSC's receipts as defined in the Master Loan Agreement with MHHEFA. JHHS Obligated Group members are required to achieve a defined minimum debt service coverage ratio each year, maintain adequate insurance coverage, and comply with certain restrictions on their ability to incur additional debt. As of June 30, 2013, JHHS Obligated Group members were in compliance with these requirements. As of June 30, 2013 the outstanding JHHS Obligated Group members' parity debt was \$1.2 billion. As of June 30, 2012 the outstanding JHHS Obligated Group members' parity debt was \$1.1 billion. See Note 13 for Affiliate Notes Payable.

1998 Series-Revenue Bonds

In June 1998, Howard County Acquisition Corporation (now known as HCGH) borrowed \$133.9 million through the issuance by MHHEFA of its 1998 Johns Hopkins Medicine Howard County General Hospital Series Revenue Bonds ("1998 Bonds") with stated interest rates ranging from 4.15% to 5.00%. Annual

# Howard County General Hospital, Inc.

## Notes to Financial Statements

### for the years ended June 30, 2013 and 2012

---

principal repayments ranging from \$2.9 million to \$3.1 million were due July 1 of each year until 2013. The 1998 bonds included three series of term bonds - \$21.9 million due July 1, 2019, \$54.3 million due July 1, 2029, and \$30.3 million due July 1, 2033. The annual sinking fund payments on these term bonds ranged from \$3.2 million on July 1, 2014 to \$8.1 million on July 1, 2033.

In April 2012, HCGH redeemed all of the outstanding principal of the 1998 Bonds that amounted to \$110.6 million. In connection with the redemption, HCGH wrote off \$1.6 million of the unamortized original issue discount as early retirement of debt and is recorded in the non-operating section of the Statement of Operations.

#### 2008 Series-Revenue Bonds

In May 2008, HCGH borrowed \$40.0 million through the issuance of its 2008 Series Revenue Bonds ("2008 Bonds") to finance the expansion, renovation and equipping of HCGH's acute care hospital. The 2008 Bonds were due July 1, 2046, and paid interest monthly at a variable rate based on the bonds sold by a designated re-marketing agent on a weekly basis. The rates were approximately 0.12% and 0.13% for the years ended June 30, 2013 and 2012, respectively. Mandatory annual sinking fund installments begin July 1, 2034, ranging from \$2.3 million to \$3.9 million. The 2008 Bonds were collateralized by a pledge of the receipts of HCGH and guaranteed by the JHHS Obligated Group. In May 2013, HCGH redeemed all of the outstanding principle of the 2008 Bonds that amounted to \$40.0 million.

In connection with the 2008 Bonds, HCGH entered into a \$40.5 million direct-pay letter of credit agreement with PNC Bank, National Association to provide for the payment of principal and interest on the 2008 Bonds. This agreement included the principal amount of the debt plus 42 days of interest at the maximum rate of 10%, and expired on May 8, 2013. The \$40.0 million was classified as current portion of long-term debt on the Balance Sheet as of June 30, 2012 since this agreement expired before June 30, 2013. There were no amounts drawn on the letter of credit as of June 30, 2013 or 2012.

#### 8. Derivative Financial Instruments:

HCGH's primary objective for holding derivative financial instruments is to manage interest rate risk. Derivative financial instruments are recorded at fair value and are included in other long-term liabilities in the Balance Sheets. The total notional amount of the interest rate swap agreement was \$40.0 million as of June 30, 2013, and 2012.

HCGH follows accounting guidance on derivative financial instruments that is based on whether the derivative instrument meets the criteria for designation as cash flow or fair value hedges. The criteria for designating a derivative as a hedge include the assessment of the instrument's effectiveness in risk reduction, matching of the derivative instrument to its underlying transaction, and the assessment of the probability that the underlying transaction will occur. HCGH's derivative financial instruments include one interest rate swap agreement without hedge accounting designation.

The value of the interest rate swap agreement entered into by HCGH is adjusted to market value monthly at the close of each accounting period based upon quotations from market makers. Entering into interest rate swap agreements involves, to varying degrees, elements of credit, default, prepayment, market and documentation risk in excess of the amounts recognized on the Balance Sheets. Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates. HCGH does not hold derivative instruments for the purpose of managing credit risk, limits the amount of credit exposure to any one counterparty and enters into derivative transactions with high quality counterparties. HCGH recognizes gains and losses from changes in fair values of interest rate swap agreements as a non-operating revenue or expense within the performance indicator excess of revenues over expenses on the Statements of Operations and Changes in Net Assets.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

The fair value of derivative instruments consisted of the following as of June 30 (in thousands):

	<u>Derivatives reported as liabilities</u>			
	Balance Sheet Caption	2013 Fair Value	Balance Sheet Caption	2012 Fair Value
Interest rate swap not designated as hedging instrument	Other long-term liabilities	<u>\$ 12,265</u>	Other long-term liabilities	<u>\$ 18,872</u>

Derivatives not designated as hedging instruments consisted of the following as of June 30 (in thousands):

<u>Classification of derivative gain (loss) in the Statement of Operations and Changes in Net Assets</u>	<u>Amount of gain (loss) recognized in change in unrestricted net assets</u>	
	2013	2012
Interest rate swaps:		
Change in market value of swap agreement	<u>\$ 6,607</u>	<u>\$ (9,990)</u>

The following is a description of HCGH's interest rate swap agreement:

In May 2006, HCGH entered into a fixed payor interest rate swap agreement with Goldman, Sachs & Co. The notional amount of this swap agreement is \$40.0 million and carries a term of 32 years. HCGH will pay Goldman, Sachs & Co. a fixed annual rate of 3.946% on the notional amount of the swap agreement in return for the receipt of a floating rate of interest equal to 67% of the one month LIBOR rate. The floating rates were 0.13% and 0.16% as of June 30, 2013 and 2012, respectively. JHHS has guaranteed the prompt payment of this interest rate swap agreement.

This swap agreement has certain collateral thresholds whereby, on a daily basis, if the market value of the swap agreement declines such that its devaluation exceeds the threshold, cash must be deposited by HCGH with the swap counterparty for the difference between the threshold amount and the fair value. As of June 30, 2013 and 2012 no collateral was required to be posted to the swap counter party.

9. Temporarily and Permanently Restricted Net Assets:

Temporarily restricted net assets as of June 30 (in thousands), are restricted to:

	2013	2012
Health care services	\$ 6,860	\$ 5,697
Purchase of property, plant and equipment	4,116	4,604
	<u>\$ 10,976</u>	<u>\$ 10,301</u>

Permanently restricted net assets as of June 30 (in thousands), are restricted to:

	2013	2012
Health care services	<u>\$ 3,060</u>	<u>\$ 3,060</u>

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

10. Pension Plan:

HCGH sponsors a cash balance defined benefit pension plan (the "Plan"). HCGH contributed 7.5% of each employee's base compensation up to \$25 thousand and 11.3% of base compensation in excess of \$25 thousand. The Plan's assets are invested in a diversified portfolio of stocks, bonds and money market certificates managed by a bank trust department. As of January 1, 1996, accruals under the Plan were frozen. Employees now participate in a 401(k) plan. Effective for the year ended June 30, 2007, HCGH adopted the provisions of statement of financial accounting standards employer's accounting for defined benefit pension and other postretirement plans. This guidance requires that the funded status of defined benefit postretirement plans be recognized on HCGH's Balance Sheet, and changes in the funded status be reflected as a change in net assets.

The change in benefit obligation, plan assets, and funded status of the Plan is shown below (in thousands):

	2013	2012
<u>Change in benefit obligation</u>		
Benefit obligation at beginning of year	\$ 11,482	\$ 10,099
Interest cost	470	551
Actuarial gain	87	1,631
Benefits paid	(864)	(799)
Benefit obligation as of June 30	<u>\$ 11,175</u>	<u>\$ 11,482</u>

Change in plan assets

Fair value of plan assets at beginning of year	\$ 10,225	\$ 10,963
Actual return on plan assets	587	12
Employer contribution	91	-
Benefits paid	(1,023)	(750)
Fair value of plan assets as of June 30	<u>\$ 9,880</u>	<u>\$ 10,225</u>

Funded status as of June 30,

Fair value of plan assets	\$ 9,880	\$ 10,225
Projected benefit obligation	11,175	11,482
Funded status	<u>\$ (1,295)</u>	<u>\$ (1,257)</u>

Amounts recognized in the Balance Sheets consist of (in thousands):

Net pension asset (liability)	<u>\$ (1,295)</u>	<u>\$ (1,257)</u>
-------------------------------	-------------------	-------------------

Amounts not yet recognized in net periodic benefit cost and included in unrestricted net assets consist of (in thousands):

	2013	2012
Actuarial net loss	<u>\$ 4,656</u>	<u>\$ 5,510</u>
Accumulated benefit obligation	<u>\$ 11,175</u>	<u>\$ 11,482</u>

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

---

Net periodic pension benefit cost

	2013	2012
Components of net periodic pension cost (in thousands):		
Interest cost	\$ 470	\$ 551
Expected return on plan assets	(609)	(724)
Amortization of prior service cost	636	400
Settlement loss recognized	486	273
Net periodic pension benefit expense	<u>\$ 983</u>	<u>\$ 500</u>

	2013	2012
Other Changes in Plan Assets and Benefit Obligations Recognized in Unrestricted Net Assets		
Net loss	\$ 109	\$ 2,343
Amortization of net gain	(963)	(746)
Total recognized in unrestricted net assets	<u>\$ (854)</u>	<u>\$ 1,597</u>
Total recognized in net periodic benefit cost and unrestricted net assets	<u>\$ 129</u>	<u>\$ 2,097</u>

The actuarial net loss for the defined benefit plans that will be amortized from unrestricted net assets into net periodic benefit costs in 2014 is \$549 thousand.

The assumptions used in determining net periodic pension cost for the plan are as follows for the year ended June 30:

	2013	2012
Discount rate	4.66%	6.03%
Expected return on plan assets	8.00%	8.25%

The assumptions used in determining the benefit obligation for the plan are as follows as of July 1:

	2013	2012
Discount rate	5.12%	4.66%
Expected return on plan assets	8.00%	8.00%

The expected rate of return on the plan assets assumption was developed based on historical returns for the major asset classes. This review also considered both current market conditions and projected future conditions.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

Plan Assets

HCGH's pension plan weighted average asset allocations as of June 30 by asset category are as follows:

Asset class	2013	2012
Cash and cash equivalents	1.98%	4.88%
Equities and equity funds	32.44%	30.69%
Fixed income funds	29.18%	26.15%
Alternatives	<u>36.40%</u>	<u>38.28%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

The Plan's assets are invested, along with JHHS plan assets in a Master Trust, among and within various asset classes in order to achieve sufficient diversification in accordance with HCGH risk tolerance. This is achieved through the utilization of asset managers and systematic allocation to investment management style(s), providing a broad exposure to different segments of the fixed income and equity markets. The Plan strives to allocate assets between equity securities (including global asset allocation) and debt securities at a target rate of approximately 75% and 25%, respectively.

Fair Value of Plan Assets

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between a market participant at the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions.

The following table presents the plan assets carried at fair value as of June 30, 2013 and 2012, grouped by hierarchy level (in thousands):

As of June 30, 2013

Assets	Total Fair Value	Level 1	Level 2
Cash and cash equivalents (1)	\$ 197	\$ 197	\$ -
Equities and equity funds (2)	3,233	220	3,013
Fixed income funds (3)	2,922	2,630	292
Alternatives (4)	<u>3,628</u>	<u>-</u>	<u>3,628</u>
Totals	<u>\$ 9,980</u>	<u>\$ 3,047</u>	<u>\$ 6,933</u>

As of June 30, 2012

Assets	Total Fair Value	Level 1	Level 2
Cash and cash equivalents (1)	\$ 499	\$ 499	\$ -
Equities and equity funds (2)	3,138	242	2,896
Fixed income funds (3)	2,674	2,357	317
Alternatives (4)	<u>3,914</u>	<u>-</u>	<u>3,914</u>
Totals	<u>\$ 10,225</u>	<u>\$ 3,098</u>	<u>\$ 7,127</u>

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
for the years ended June 30, 2013 and 2012

- (1) Cash and cash equivalents include investments with original maturities of three months or less and overnight investments. Cash and cash equivalents, and overnight investments are rendered level 1 due to their frequent pricing and ease of converting to cash.
- (2) Equities include individual equities. Equity funds include investments in mutual funds, commingled trusts and hedge funds. The individual equities and mutual funds are valued based on the closing price on the primary market and are rendered level 1. The commingled trusts and hedge funds are valued regularly within each month utilizing NAV per unit and are rendered level 2.
- (3) Fixed income funds are investments in mutual funds and commingled trusts investing in fixed income instruments. The underlying fixed investments are principally U.S. Treasuries, corporate bonds, commercial paper, and asset backed securities. The mutual funds are valued based on the closing price on the primary market and are rendered level 1. The commingled trusts are valued regularly within each month utilizing NAV per unit and are rendered level 2.
- (4) Alternative investments include investments that are not traded on national exchanges or over-the-counter markets. These investments are valued at using a NAV per share that has been calculated in accordance with investment company rules, which among other things, indicates that the underlying investments be measured at fair value. This valuation technique coupled with short-term redemption notice periods renders these investments level 2.

There are no unfunded commitments related to the Plan's alternative investments. The following table displays information by major alternative investment category as of June 30, 2013 and 2012 (in thousands):

**June 30, 2013**

Description	Fair Market Value	Liquidity	Notice Period	Receipt of Proceeds
Global asset allocation	\$ 1,815	Monthly	5 to 30 days	Within 15 days, or 95% on redemption date, 5% within 3 days
Fund of funds	29	Quarterly	45 days	90% within 30, 10% after annual audit
Hedge funds	1,442	Monthly, quarterly, or bi-annually	30 to 90 days	90% to 95% within 3 to 30 days, 5% to 10% after annual audit or redemption date
Credit funds	336	Annually	60 to 90 days	Within 30 days, or 90% within 10 days, 10% after annual audit
Distressed credit	6	December 31, 2013		
	<u>\$ 3,628</u>			

**June 30, 2012**

Description	Fair Market Value	Liquidity	Notice Period	Receipt of Proceeds
Global asset allocation	\$ 1,797	Monthly	5 to 30 days	Within 15 days, or 95% on redemption date and 5% on third business day
Fund of funds	813	Quarterly	45 days	Within 5 days, or 90% within 30 to 60 days, 10% after annual audit
Hedge funds	865	Monthly or quarterly, or bi-annually	30 to 65 days	90-95% within 30 days, 5-10% after 10 days or after annual audit
Credit funds	317	Annual	60 to 90 days	Within 30 days, or 90% within 10 days, 10% after annual audit
Distressed credit	122	December 31, 2013		
	<u>\$ 3,914</u>			



**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

---

Contributions and Estimated Future Benefit Payments (Unaudited):

HCGH expects to contribute \$396 thousand to its pension plan in the fiscal year 2014.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid in each of the following fiscal years as of June 30, 2014 (in thousands):

2014	\$	2,070
2015		1,112
2016		1,215
2017		1,088
2018		801
2019-2022		3,712

HCGH also has a 401(k) savings Plan available to all employees. The revised plan provides that HCGH will contribute 1% to 2% of each employee's total compensation in addition to contributing from fifty cents to one dollar and fifty cents, based on years of service, for each dollar contributed by the employee. HCGH's contribution match basis is limited to 6% of the employee's total compensation. HCGH funded \$3.2 million and \$3.1 million for the years ended June 30, 2013 and 2012, respectively.

11. Maryland Health Services Cost Review Commission:

HCGH's charges are subject to review and approval by the Maryland Health Services Cost Review Commission ("HSCRC"). HCGH management has filed the required forms with the HSCRC and believes HCGH to be in compliance with HSCRC requirements. The total rate of reimbursement for services to patients under the Medicare and Medicaid programs is based on an arrangement between the Center for Medicare and Medicaid Services and the HSCRC. Management believes that this program will remain in effect at least through June 30, 2014. Effective April 1, 1999, the HSCRC developed a methodology to control inpatient hospital charges and the HCGH elected to be paid under the new methodology. The methodology established a charge per admission cap for each hospital. The hospital specific charge per admission is adjusted annually to reflect cost inflation, and is also adjusted for changes in the hospital's case mix index.

In fiscal 2011, the HSCRC implemented a new methodology to establish a charge per visit ("CPV") for certain types of outpatient services. The hospital specific charge per visit is adjusted annually to reflect cost inflation and is also adjusted for changes in case mix. This methodology is primarily focused on ambulatory surgery procedures, medical clinic visits and emergency room visits. The methodology also includes other types of outpatient services including infusion procedures, therapies, mental health and major radiology procedures. Certain types of visits such as radiation therapy, psychiatric day hospital and certain types of recurring visits will be treated as exclusions under this methodology. In March 2012, the HSCRC voted to suspend the CPV methodology for fiscal 2012. The HSCRC has not yet provided a timeline for the establishment of a replacement methodology.

The HSCRC approves hospital rates on a departmental unit rate basis. Individual unit rates are the basis for hospital reimbursement for inpatient excluded cases and for hospital outpatient excluded services. Under the HSCRC rate methodology, amounts collected for services to patients under Medicare and Medicaid are computed at approximately 94% of HSCRC approved rates. Other payors are eligible to receive up to a 2.25% discount based on prompt payment of claims.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

12. Professional and General Liability Insurance:

The Johns Hopkins University ("University"), JHHS and its affiliates, including HCGH, participate in an agreement with four other medical institutions to provide a program of professional and general liability insurance for each member institution. As part of this program, the participating medical institutions have formed a risk retention group ("RRG") and a captive insurance company to provide self-insurance for a portion of their risk.

JHH and the University each have a 10% ownership interest in the RRG and the captive insurance company. The medical institutions obtain primary and excess liability insurance coverage from commercial insurers and the RRG. The primary coverage is written by the RRG, and a portion of the risk is reinsured with the captive insurance company. Commercial excess insurance and reinsurance is purchased under a claims-made policy by the participating institutions for claims in excess of the primary coverage retained by the RRG and the captive. Primary retentions are \$1.0 million per incident. Primary coverage is insured under a retrospectively rated claims-made policy; premiums are accrued based upon an estimate of the ultimate cost of the experience to date of each participating member institution. The basis for loss accruals for unreported claims under the primary policy is an actuarial estimate of asserted and unasserted claims including reported and unreported incidents and includes cost associated with settling claims. Projected losses were discounted at .57% and .73% as of June 30, 2013 and 2012, respectively.

HCGH's participation in the RRG and the captive insurance company does not extend to claims incurred prior to its purchase by JHHS. HCGH is self insured for these claims unless they were reported to HCGH's previous insurance company prior to its purchase by JHHS. HCGH has established an additional loss accrual and is funding a separate deposit account with the RRG to cover estimated liabilities related to these claims.

Professional and general liability insurance expense incurred by HCGH was \$812 thousand, and \$853 thousand for years ended June 30, 2013 and 2012, respectively, and is included in purchased services on the Statements of Operations and Changes in Net Assets. Reserves were \$5.0 million, and \$4.9 million for years ended June 30, 2013 and 2012, respectively.

Effective July 1, 2011, HCGH adopted the provisions of ASU 2010-24, "Presentation of Insurance Claims and Related Insurance Recoveries", which clarifies that health care entities should not net insurance recoveries against the related claims liabilities. In accordance with ASU 2010-24, HCGH recorded an increase in its assets and liabilities in the accompanying consolidated Balance Sheet as of June 30, 2013 and 2012 as follows:

Caption on Balance Sheets	2013	2012
Prepaid expenses and other current assets	\$ 867	\$ 994
Estimated malpractice recoveries, net of current portion	1,522	1,254
Total assets	<u>\$ 2,389</u>	<u>\$ 2,248</u>
Current portion of estimated malpractice costs	\$ 867	\$ 994
Estimated malpractice costs, net of current portion	1,522	1,254
Total liabilities	<u>\$ 2,389</u>	<u>\$ 2,248</u>

The assets and liabilities represent HCGH's estimated self-insured captive insurance recoveries for claims reserves and certain claims in excess of self-insured retention levels. The insurance recoveries

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

and liabilities have been allocated between short-term and long-term assets and liabilities based upon the expected timing of the claims payments.

13. Transactions with Related Parties:

During the years ended June 30, 2013 and 2012, HCGH engaged in transactions with JHHS, and its affiliates, JHH, Johns Hopkins Community Physicians ("JHCP"), and JHMI Utilities, LLC ("Utility").

Significant expense transactions (in thousands):

	2013	2012
JHH blood lab services	\$ 7,201	\$ 7,388
JHHS shared services	7,129	6,786
JHCP physician services	3,170	3,338
Utility for information services	2,660	-
JHH clinical engineering services	857	810
	<u>\$ 21,017</u>	<u>\$ 18,322</u>

Balances due to related parties as of June 30 (in thousands):

	2013	2012
Due to JHHS	\$ (159)	\$ (821)
Due to JHH	(6,470)	(2,000)
Due to JHCP	(275)	(274)
Due to Utility	(1,774)	-
Due to others	(77)	(50)
Total due to Affiliates	<u>\$ (8,755)</u>	<u>\$ (3,145)</u>

Broadway Services, Inc. ("BSI"), a related organization, is a wholly-owned subsidiary of the Dome Corporation. The Dome Corporation is owned equally by JHHS and the University. BSI provides HCGH with security and manages its housekeeping services. During the years ended June 30, 2013 and 2012, HCGH incurred expenses of approximately \$1.9 million and \$1.6 million, respectively for these services.

In March 2012, HCGH and JHH entered into a short-term Promissory Note in the amount of \$110.6 million, and carried an interest rate of 2.75%. The Promissory Note principal and accrued interest was due on May 31, 2012, or upon an earlier long-term extension of the Affiliate Note. The proceeds of the Affiliate Note were placed in HCGH's debt service reserve trust for the purpose of redeeming the 1998 Bonds. In May 2012, the Promissory Note was extended ("2012 Affiliate Note"), and now has a final due date of July 1, 2033. The 2012 Affiliate Note carries an interest rate that resets annually and varies from 4.11% to 4.82%, and is payable semi-annually. Interest expense paid to JHH was \$4.7 million and \$758 thousand for the years ended June 30, 2013 and 2012, respectively. Principal payments are due on July 1 of each year and range from \$700 thousand in 2013 to \$7.2 million in 2034. The balance on the Promissory Note was \$110.6 million and \$109.9 million as of June 30, 2013 and 2012, respectively.

In May 2013, HCGH and JHHS entered into a long-term Promissory Note ("2013A Affiliate Note") in the amount of \$40.0 million, and carries a variable rate interest based on the three-month LIBOR plus a spread of 0.65%. The 2013A Affiliate Note comes due in 2046. Interest payments will be made at the end of each month. The rate was approximately 0.87% for the year ended June 30, 2013. Interest expense paid to JHHS was \$49 thousand for the year ended June 30, 2013. Principle payments on the 2013A Affiliate Note begin in the year 2034, and range from \$2.3 million to \$3.9 million.

On June 30, 2013, HCGH and JHHS entered into a long-term Promissory Note ("2013B Affiliate Note") in the amount of \$16.0 million, and carries a fixed interest rate of 3.00%. The 2013B Affiliate Note is

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

---

structured as a term note and comes due in 2023. Interest payments on the 2013B Affiliate Note loan are paid semi-annually on July 1 and January 1 each year.

Total maturities of all affiliate notes during the next five years and thereafter are as follows as of June 30, 2013 (in thousands):

2014	\$ 3,940
2015	3,872
2016	3,977
2017	4,095
2018	4,222
Thereafter	145,764
	<u>\$ 165,870</u>

The current portion of affiliate notes was \$3.9 million as of June 30, 2013.

Interest costs incurred related to all external and related party debt amounted to \$6.4 million during the year ended June 30, 2013, of which \$5 thousand was capitalized and \$6.4 million was expensed. Interest costs incurred relating to all external and related party debt amounted to \$7.3 million during the year ended June 30, 2012, of which \$29 thousand was capitalized and \$7.3 million was expensed.

14. Contracts, Commitments and Contingencies:

There are several lawsuits pending in which HCGH has been named as a defendant. In the opinion of HCGH's management, after consultation with legal counsel, the potential liability, in the event of adverse settlement, will not have a material impact on HCGH's financial position.

Commitments for leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred. The following is a schedule by year of the future minimum lease payments under operating leases as of June 30, 2013, that have initial or remaining lease terms in excess of one year (in thousands).

2014	\$ 1,051
2015	1,057
2016	1,084
2017	1,111
2018	1,140

Rental expense for all operating leases for years ended June 30, 2013 and 2012 were \$747 thousand and \$1.0 million, respectively.

15. Functional Expenses:

HCGH provides general health care services to residents within its geographic location. Expenses relating to these services were \$190.3 million and \$197.8 million for health care services, and \$31.7 million and \$32.4 million for general and administrative services for the years ended June 30, 2013 and 2012, respectively.

16. Howard Hospital Foundation:

Interest in net assets of HHF of \$13.9 million and \$13.2 million as of June 30, 2013 and 2012, respectively, are presented in Assets Whose Use is Limited in the Balance Sheets.

**Howard County General Hospital, Inc.**  
**Notes to Financial Statements**  
**for the years ended June 30, 2013 and 2012**

---

HHF assets consisted of cash and cash equivalents of \$372 thousand and \$1.0 million, marketable securities of \$7.9 million and \$6.9 million, and contributions receivable of \$5.9 million and \$5.7 million as of June 30, 2013 and 2012, respectively.

HHF liabilities were \$214 thousand and \$300 thousand and net assets were \$13.9 million and \$13.2 million as of June 30, 2013 and 2012, respectively. The changes in net assets were \$675 thousand and (\$1.3) million for the years ended June 30, 2013 and 2012, respectively.

HCGH made transfers to HHF in the amounts of \$1.0 million for each of the years ended June 30, 2013 and 2012. HHF made transfers to HCGH to reimburse HCGH for operating costs and other program support paid by HCGH on behalf of HHF amounting to \$1.0 million for each of the years ended June 30, 2013 and 2012, respectively.

17. Subsequent Events:

HCGH has performed an evaluation of subsequent events through September 27, 2013, which is the date the financial statements were issued.