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Form 990   Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047
		<b>2009</b>
	<b>Open to Public Inspection</b>	

<b>A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009</b>				
<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>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C</b> Name of organization UPPER CHESAPEAKE MEDICAL CENTER	<b>D</b> Employer identification number  52-1253920	
		Doing Business As		<b>E</b> Telephone number  (410) 877-3700
		Number and street (or P O box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ 203,993,708
		500 UPPER CHESAPEAKE DRIVE		
	City or town, state or country, and ZIP + 4 BEL AIR, MD 21014			
<b>F</b> Name and address of principal officer LYLE E SHELDON 520 UPPER CHESAPEAKE DR STE BEL AIR, MD 21014		<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>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J Website:</b> ▶ WWW.UCHS.ORG				
<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 1997	
			<b>M</b> State of legal domicile MD	

<b>Part I</b>	<b>Summary</b>
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Activities & Governance	<b>1</b>	Briefly describe the organization's mission or most significant activities ACUTE HOSPITAL CARE		
<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				
Revenue	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	15
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	10
	<b>5</b>	Total number of employees (Part V, line 2a) . . . . .	<b>5</b>	2,144
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	702
	<b>7a</b>	Total gross unrelated business revenue from Part VIII, column (C), line 12 . . .	<b>7a</b>	0
	<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34 . . .	<b>7b</b>	0
Expenses	<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) . . . . .	465,345	472,192
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	179,987,081	200,218,598
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,549,052	315,000
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	-6,608,045	10,629
			175,393,433	201,016,419
	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	107,078	82,083
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
Net Assets or Fund Balances	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	82,501,194	87,534,205
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	93,700,172	99,663,766
	<b>18</b>	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	176,308,444	187,280,054
	<b>19</b>	Revenue less expenses Subtract line 18 from line 12 . . . . .	-915,011	13,736,365
			<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b>	Total assets (Part X, line 16) . . . . .	247,379,332	277,103,492
	<b>21</b>	Total liabilities (Part X, line 26) . . . . .	245,366,211	207,411,891
	<b>22</b>	Net assets or fund balances Subtract line 21 from line 20 . . . . .	2,013,121	69,691,601

<b>Part II</b>	<b>Signature Block</b>
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<b>Sign Here</b>	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			
	***** Signature of officer		2010-11-08 Date	
	JOSEPH E HOFFMAN III CHIEF FINANCIAL OFFICER Type or print name and title			
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	GRANT THORNTON LLP 2001 MARKET STREET SUITE 3100 PHILADELPHIA, PA 19103		EIN ▶
			Phone no ▶ (215) 561-4200	

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



Part IV

Checklist of Required Schedules

		Yes	No	
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes	
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• 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? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
14b	• Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b		No
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 U S ? If "Yes," complete Schedule F, Part II	15		No
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 U S ? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21		No
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> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 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> . . . . .	23	Yes	
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 questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
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> . . . . .	25a		No
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> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
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> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
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> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
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> . . . . .	32		No
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> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35		No
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> . . . . .	36		No
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> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable . . . . .	1a9		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return . . . . .	2a2,144		
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 this return (see instructions) . . . . .	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	4a		No
b	If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts . . . . .			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? . . . . .	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	6b		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .	7h		
8	<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? . . . . .	8		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>			
a	Did the organization make any taxable distributions under section 4966? . . . . .	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	9b		
10	<b>Section 501(c)(7) organizations.</b> Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	10b		
11	<b>Section 501(c)(12) organizations.</b> Enter			
a	Gross income from members or shareholders . . . . .	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .	11b		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	12b		

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . . . .	1a	15	
b	Enter the number of voting members that are independent . . . . .	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	5		No
6	Does the organization have members or stockholders? . . . . .	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body? . . . . .	8a	Yes	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9		No

Section B. Policies

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

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

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 Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ MR JOSEPH E HOFFMAN III 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014 (443) 643-3340

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

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

Form **990** (2009)



<b>1b</b>	<b>Total</b> . . . . .	961,791	2,926,223	882,021
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**2**

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶55

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

Section B. Independent Contractors

**1**

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

(A) Name and business address	(B) Description of services	(C) Compensation
NORTHEAST BALTIMORE ACUTESDAVITA 1551 WEWATTA STREET DENVER, CO 80202	DIALYSIS SERVICES	456,665
SPHERIS 13552 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	TRANSCRIPTION SVCS	816,083
NORTHERN CHESAPEAKE ANESTHESIA ASSO 500 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014	PHYSICIAN FEES	2,229,407
ALPHA SYSTEMS 458 PIKE ROAD HUNTINGDON VALLEY, PA 19006	MEDICAL IMAGING SVCS	357,568
MID-ATLANTIC CARDIOVASCULAR ASSOCIA 520 UPPER CHESAPEAKE DRIVE SUITE 2 BEL AIR, MD 21014	PHYSICIAN FEES	366,349

**2**

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶26

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c					
	d	Related organizations . . . .	1d	325,000				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	147,192				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f . . . . .			472,192			
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE REVENUE	621,110	200,124,640	200,124,640			
	b	SPINE CENTER/CARDIOLOGY	621,110	93,958	93,958			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f . . . . .			200,218,598			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .			315,000	0	0	315,000
	4	Income from investment of tax-exempt bond proceeds . .			0			
	5	Royalties . . . . .			0			
	6a	Gross Rents	(i) Real	(ii) Personal				
			1,586,035					
			2,977,289					
			-1,391,254					
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) . . . . .			-1,391,254			-1,391,254
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b	Less cost or other basis and sales expenses						
	c	Gain or (loss)						
	d	Net gain or (loss) . . . . .			0			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .						
	a							
	b	Less direct expenses . . . . .						
	c	Net income or (loss) from fundraising events . .			0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .						
	a							
	b	Less direct expenses . . . . .						
	c	Net income or (loss) from gaming activities . .			0			
	10a	Gross sales of inventory, less returns and allowances . . . . .						
a								
b	Less cost of goods sold . . . . .							
c	Net income or (loss) from sales of inventory . .			0				
Miscellaneous Revenue		Business Code						
11a	CAFETERIA SALES	900,099	947,087				947,087	
b	VENDING MACHINES/PURCHASE DISCOUNTS	900,099	83,889				83,889	
c	MISCELLANEOUS	900,099	370,907				370,907	
d	All other revenue . . . . .							
e	Total. Add lines 11a-11d . . . . .			1,401,883				
12	Total revenue. See Instructions . . . . .			201,016,419	200,218,598	0	325,629	

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	82,083	82,083		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees . . . . .	0	0	0	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7	Other salaries and wages	70,521,114	53,197,358	17,323,756	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	4,023,456	3,035,080	988,376	
9	Other employee benefits . . . . .	7,153,955	5,376,397	1,777,558	
10	Payroll taxes . . . . .	5,835,680	4,402,125	1,433,555	
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	0			
c	Accounting . . . . .	6,781		6,781	
d	Lobbying . . . . .	0			
e	Professional fundraising See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	0			
g	Other . . . . .	6,094,007	4,097,241	1,996,766	
12	Advertising and promotion . . . . .	246,503	202	246,301	
13	Office expenses . . . . .	43,994,844	40,149,063	3,845,781	
14	Information technology . . . . .	0			
15	Royalties . . . . .	0			
16	Occupancy . . . . .	2,498,802		2,498,802	
17	Travel . . . . .	16,661	10,304	6,357	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	43,104	19,337	23,767	
20	Interest . . . . .	3,059,828	2,013,169	1,046,659	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	7,897,707	5,814,520	2,083,187	
23	Insurance . . . . .	2,529,066	1,907,792	621,274	
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )				
a	MANAGEMENT FEE - UCHS	6,113,769		6,113,769	
b	PROVISION FOR BAD DEBTS	13,000,346	13,000,346		
c	CONTRACT MANAGEMENT	1,248,214		1,248,214	
d	PURCHASED SERVICES	3,724,997	2,203,490	1,521,507	
e	TEMPORARY STAFFING	831,387	784,787	46,600	
f	All other expenses	8,357,750	2,487,118	5,870,632	
25	Total functional expenses. Add lines 1 through 24f	187,280,054	138,580,412	48,699,642	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			11,530,487	1	16,217,044
	2	Savings and temporary cash investments . . . . .				2	
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			20,860,817	4	20,341,417
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .			3,762,200	8	4,434,393
	9	Prepaid expenses and deferred charges . . . . .			409,434	9	615,565
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	209,280,768	152,653,989	10c	149,848,900
	b	Less accumulated depreciation . . . . .	10b	59,431,868			
	11	Investments—publicly traded securities . . . . .			13,330,020	11	38,948,645
	12	Investments—other securities See Part IV, line 11 . . . . .				12	
	13	Investments—program-related See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .			862,818	14	702,993
	15	Other assets See Part IV, line 11 . . . . .			43,969,567	15	45,994,535
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			247,379,332	16	277,103,492	
Liabilities	17	Accounts payable and accrued expenses . . . . .			24,198,652	17	18,195,610
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .			150,135,939	20	149,343,332
	21	Escrow or custodial account liability Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities Complete Part X of Schedule D . . . . .			71,031,620	25	39,872,949
	26	Total liabilities. Add lines 17 through 25 . . . . .			245,366,211	26	207,411,891
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			2,013,121	27	69,691,601
	28	Temporarily restricted net assets . . . . .				28	
	29	Permanently restricted net assets . . . . .				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			2,013,121	33	69,691,601
	34	Total liabilities and net assets/fund balances . . . . .			247,379,332	34	277,103,492

**Part XI**    **Financial Statements and Reporting**

	Yes	No
<b>1</b> 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		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant?    .    .		No
<b>b</b> Were the organization's financial statements audited by an independent accountant?    .    .    .    .    .    .    .	Yes	
<b>c</b> If "Yes," to 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    .    .    .	Yes	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b> 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?    .    .    .    .    .    .    .    .    .    .    .    .    .    .    .    .		No
<b>b</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 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization UPPER CHESAPEAKE MEDICAL CENTER	Employer identification number 52-1253920
---	--

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 **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the 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
11g(i)		
11g(ii)		
11g(iii)		

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2008 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

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

Section B. Total Support

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

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

☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17Investment income percentage for <b>2009</b> (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from <b>2008</b> Schedule A, Part III, line 17	18	

19a**33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

b**33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

20**Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

☐



**Part IV**

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

SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2009

Open to Public  
Inspection

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

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

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

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

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization UPPER CHESAPEAKE MEDICAL CENTER	Employer identification number 52-1253920
---	--

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 funtion 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

State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made 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

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		8,274
j Total lines 1c through 1i			8,274
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B, LINE 1I	LOBBYING EXPENSES IN THE AMOUNT OF \$8,274 FOR 12/31/09 REPRESENT A PORTION OF THE DUES PAID TO AMERICAN HOSPITAL ASSOCIATION AND MARYLAND HOSPITAL ASSOCIATION. THESE ASSOCIATIONS ALLOCATE A PORTION OF MEMBER DUES TO LOBBYING ACTIVITY.

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization UPPER CHESAPEAKE MEDICAL CENTER	Employer identification number 52-1253920
---	--

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 may 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 pleasure) ☐ Preservation of an historically importantly land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

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

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

3

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

4

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

5

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

6

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

7

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

8

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

9

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

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

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii)

Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

1c

Beginning balance

1d

Additions during the year

1e

Distributions during the year

1f

Ending balance

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if 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	Investment earnings or losses . . . . .				
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .				
f	Administrative expenses . . . . .				
g	End of year balance . . . . .				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ %

b

Permanent endowment ▶ %

c

Term endowment ▶ %

3a

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

(i)

unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii)

related organizations . . . . .

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		6,947,918		6,947,918
b Buildings . . . . .		148,114,825	22,932,820	125,182,005
c Leasehold improvements . . . . .		1,331,454	157,273	1,174,181
d Equipment . . . . .		51,388,339	36,140,825	15,247,514
e Other . . . . .		1,498,232	200,950	1,297,282
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				149,848,900



Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	201,016,419
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	187,280,054
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	13,736,365
4	Net unrealized gains (losses) on investments	4	-52,275
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	53,994,390
9	Total adjustments (net) Add lines 4 - 8	9	53,942,115
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	67,678,480

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	257,935,823
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	-52,275
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	53,994,390
e	Add lines 2a through 2d . . . . .	2e	53,942,115
3	Subtract line 2e from line 1 . . . . .	3	203,993,708
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	-2,977,289
c	Add lines 4a and 4b . . . . .	4c	-2,977,289
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	201,016,419

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	190,257,343
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	2,977,289
e	Add lines 2a through 2d . . . . .	2e	2,977,289
3	Subtract line 2e from line 1 . . . . .	3	187,280,054
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	187,280,054

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
INCOME TAXES (FIN 48)	PART X, QUESTION 2	Upper Chesapeake Medical Center accounts for tax provisions in accordance with FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, included in ASC Subtopic 740-10, Income Taxes - Overall, which clarifies the accounting for uncertainty in tax provisions. FIN 48 requires that the Upper Chesapeake Medical Center recognize the impact of an uncertain tax position in its financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position.
RECONCILIATION OF CHANGE IN NET ASSETS	SCHEDULE D, PART XI, LINE 8	UNREALIZED GAIN ON SWAP 23,240,761 MINIMUM PENSION LIABILITY 3,127,176 NET TRANSFERS TO/FROM AFFILIATES 876,453 EQUITY CONTRIBUTION FROM UCHS/UMMS VENTURE 26,750,000 ----- TOTAL 53,994,390 =====
RECONCILIATION OF REVENUE	SCHEDULE D, PART XII	Line 2d - Other revenue included on books not on return UNREALIZED GAIN ON SWAP 23,240,761 MINIMUM PENSION LIABILITY 3,127,176 TRANSFER FROM AFFILIATES 876,453 EQUITY CONTRIBUTION FROM UCHS/UMMS VENTURE LLC 26,750,000 ----- Total Line 2d 53,994,390 ===== Line 4d - Other revenue included on return not on books RECLASS - RENTAL EXPENSES (2,977,289)
RECONCILIATION OF EXPENSES	SCHEDULE D, PART XIII	Line 2d - Other expenses included on books not on return RECLASS - RENTAL EXPENSES 2,977,289



SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
UPPER CHESAPEAKE MEDICAL CENTER

Employer identification number  
52-1253920

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," is it a written policy? . . . . .	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients  a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____</div> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . <div><input checked="" type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____</div> c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care  4 Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	3a	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . .	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c		No
6a	Does the organization prepare an annual community benefit report? . . . . .	6a	Yes	
6b	If "Yes," does the organization make it available to the public? . . . . .	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2) . . . .			7,024,192		7,024,192	3 960 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . .						
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .			7,024,192		7,024,192	3 960 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			116,569	683	115,886	0 070 %
f Health professions education (from Worksheet 5) . . . .			96,756		96,756	0 050 %
g Subsidized health services (from Worksheet 6) . . . .			2,831,904		2,831,904	1 600 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . .			77,557		77,557	0 040 %
j <b>Total</b> Other Benefits . . . .			3,122,786	683	3,122,103	1 760 %
k <b>Total.</b> Add lines 7d and 7j . . . .			10,146,978	683	10,146,295	0

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	29,945,265	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	31,398,327	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	578,138,742	
6	Enter Medicare allowable costs of care relating to payments on line 5	675,130,765	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	73,007,977	
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 type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1Upper Chesa Hlth Sys	Mgmt svcs/oversight hlth svcs	66.000 %		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

## Name and address

UPPER CHESAPEAKE MEDICAL CENTER INC				
500 UPPER CHESAPEAKE DRIVE	X	X		X
BEL AIR, MD 21014				
UC HEALTH LINK CLINIC				
2027 PULASKI HWY STE 206				
HAVRE DE GRACE, MD 21078				
				PRIMARY CARE CLINIC FOR MEDICALLY INDIGENT

## Part VI Supplemental Information

Complete this part to provide the following information

- 1** Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V. See Instructions.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

The Hospital grants credit to patients, substantially all of whom are local residents. The Hospital generally does not require collateral or other security in extending credit, however, the Hospital routinely obtains assignment of (or are otherwise entitled to receive) patients' benefits receivable under their health insurance programs, plans or policies.

The Hospital did not have a Medicare shortfall

The Hospital displays signs at every registration point informing the patients about the availability of the various financial and medical assistance programs. The Hospital offers every self-pay patient or any patient who inquires, the financial assistance informational packet and application. The cover sheet for the financial assistance packet also includes information on obtaining Medical Assistance. In addition, the Hospital has a financial counselor that visits the self-pay patient in the emergency department or in the patient's room to discuss what is available to them. The Hospital also employs a medical assistance advocacy company to assist the hospital's patients get medical assistance. The Hospital also provides information about the programs in each billing statement.

Patient service revenue of Upper Chesapeake Medical Center is recorded at rates established by the State of Maryland Health Services Cost Review Commission (HSCRC) and, accordingly, reflects actual charges to patients based on rates in effect during the period in which the services are rendered. The Hospital has charge per case (CPC) agreements with the HSCRC which are renewed annually. These CPC agreements establish a prospectively approved average charge per inpatient case (defined as hospital admissions plus births) and an estimated case mix index. These CPC agreements also set the rates for all payers, including Medicare and Medicaid. These approved CPC charges are adjusted during the rate year for actual changes in the case mix. The CPC agreements allow the hospital to adjust approved unit rates, within certain limits, to achieve the average CPC target for each rate year ending June 30. Outpatient service revenue is recorded at the rates established by the HSCRC which reflect actual charges to patients based on those rates in effect during the period in which the services are rendered. As with the charges for inpatient cases, each payer is charged an identical rate for outpatient services. The State of Maryland's unique inpatient and outpatient rate system allows revenue generated from each payer type to equally contribute to the operating margin of Upper Chesapeake Medical Center. As a result, revenue earned from the Medicaid program produced the same positive contribution margin as did revenue earned from Medicare and other insurers. Furthermore, costs provided to patients covered by the Medicaid program were fully reimbursed. We have therefore concluded that no community benefit was generated from inpatient and outpatient services provided to patients covered by the Medicaid program.

- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves  
Every three years a Community Health Assessment Survey/Plan is performed

- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- The Hospital displays signs at every registration point informing the patients about the availability of the various financial and medical assistance programs. The Hospital offers every self-pay patient or any patient who inquires, the financial assistance informational packet and application. The cover sheet for the financial assistance packet also includes information on obtaining Medical Assistance. In addition, the Hospital has a financial counselor that visits the self-pay patient in the emergency department or in the patient's room to discuss what is available to them. The Hospital also employs a medical assistance advocacy company to assist the hospital's patients get medical assistance. The Hospital also provides information about the programs in each billing statement.

- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- The service area of the Upper Chesapeake Health System, which includes Harford Memorial Hospital, consists of the northeast part of Maryland, including Harford County, western Cecil County and portion of Baltimore county This service area is located at the apex of the Chesapeake Bay and is spread across 536 square miles It contains, among others, the cities and towns of Havre de Grace, Aberdeen, Bel Air, Fallston, and Edgewood The service area enjoys a diverse economic base, ranging from concentrations in service, manufacturing distribution, and retail, to Federal government employment Harford Community College provides a local venue for advanced education and Harford County's proximity to Baltimore gives it access to nationally recognized universities which help provide a skilled workforce The Service Area is served by Interstate 95, Amtrak and freight rail lines along the busy east-coast transportation corridor between New York and Washington, DC In 2007, the Service Area had a total population of 276,500 people with historical annual growth rates of approximately 1.8% per year This growth has been characterized by an influx of young families seeking suburban environment in which to live and is complemented by a growth in businesses and other services that follow young, middle class families In 2007, the Service Area had an estimated 101,930 households with a median family income of \$67,300 and an average household income of \$81,000 87% of the service area's adults over the age of 25 are high school graduates or higher, 27% achieved bachelor's degrees or higher The service area's growth and geographic location explain its ability to attract major east-coast distribution center and industry, which have provided additional employment opportunities in the service area In December 2007, the service area had a work force of approximately 142,829

- 5 Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- The Hospital did not have community building activities during the calendar year ended December 31, 2009

- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )

- 7** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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

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

2009

Open to Public  
Inspection

Name of the organization  
UPPER CHESAPEAKE MEDICAL CENTER

Employer identification number  
52-1253920

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. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

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

2

Enter total number of section 501(c)(3) and government organizations . . . . .

▶

3

Enter total number of other organizations . . . . .

▶

**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.  
Use Schedule I-1 (Form 990) 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
SCHOLARSHIPS TO STUDY IN THE MEDICAL FIELD	52	82,083			
See Additional Data Table					

**Part IV** **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

[illegible]

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
UPPER CHESAPEAKE MEDICAL CENTER

Employer identification number  
52-1253920

Part I

Questions Regarding Compensation

		Yes	No
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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
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?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
LYLE E SHELDON	(i)	0	0	0	0	0	0	
	(ii)	503,419	248,774	36,072	165,700	44,279	998,244	
FAHEEM YOUNUS MD	(i)	0	0	152,242	0	0	152,242	
	(ii)	0	0	0	0	0	0	
JOYCE FOX	(i)	0	0	0	0	0	0	
	(ii)	166,805	26,102	9,043	29,770	2,553	234,273	
JOSEPH E HOFFMAN III	(i)	0	0	0	0	0	0	
	(ii)	259,457	108,644	22,102	61,753	31,176	483,132	
JOHN KEVIN LYNCH	(i)	195,111	4,000	0	23,728	13,128	235,967	
	(ii)	0	0	0	0	0	0	
PAMELA C MCLAUGHLIN	(i)	97,066	48,881	73	20,888	19,057	185,965	
	(ii)	0	0	0	0	0	0	
JEFFREY M GORSCHBOTH	(i)	107,128	43,453	69	4,148	22,379	177,177	
	(ii)	0	0	0	0	0	0	
ANGELA M KAITIS	(i)	117,778	10,447	442	24,031	19,709	172,407	
	(ii)	0	0	0	0	0	0	
PATRICIA ERCOLANO	(i)	118,498	17,403	208	11,881	20,650	168,640	
	(ii)	0	0	0	0	0	0	
KENNETH D KOZEL	(i)	0	0	0	0	0	0	
	(ii)	270,653	83,133	37,402	60,750	23,398	475,336	
DEAN C KASTER	(i)	0	0	0	0	0	0	
	(ii)	204,717	67,259	2,536	51,778	25,023	351,313	
MARGARET M VAUGHAN	(i)	0	0	0	0	0	0	
	(ii)	276,442	104,471	22,749	84,533	24,168	512,363	
E SCOTT CONOVER	(i)	0	0	0	0	0	0	
	(ii)	228,667	27,774	17,530	34,110	7,175	315,256	
TONI M SHIVERY	(i)	0	0	0	0	0	0	
	(ii)	160,025	33,471	8,976	34,855	21,401	258,728	



Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE J, COMPENSATION INFORMATION	PART I, QUESTION 4B	THIS FILING ORGANIZATION MADE SPLIT DOLLAR LIFE INSURANCE PLAN CONTRIBUTIONS TO THE FOLLOWING MEMBERS OF SENIOR LEADERSHIP WHO ARE LISTED ON THIS FILING ORGANIZATION'S FORM 990, PART VII, SECTION A, LINE 1A: LYLE E. SHELDON \$107,000; JOSEPH E. HOFFMAN III \$28,001; DEAN C. KASTER \$22,510; MARGARET M. VAUGHAN \$31,167.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2009
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization UPPER CHESAPEAKE MEDICAL CENTER	Employer identification number 52-1253920
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Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	MARYLAND HEALTH & HIGHER EDUCATION FACILITIES AUTH	52-0936091	5742172P9	08-08-2008	124,100,000	REFI EXISTING DEBT/PURCH LAND		X		X
B	MARYLAND HEALTH & HIGHER EDUCATION FACILITIES AUTH	52-0936091	5742172P9	08-08-2008	55,325,000	REFINANCE EXISTING DEBT		X		X

Part II

Proceeds

		A	B	C		D		E	
1	Total proceeds of issue	104,244,000	45,891,939						
2	Gross proceeds in reserve funds	0	4,435,825						
3	Proceeds in refunding or defeasance escrows	103,437,431	42,124,236						
4	Other unspent proceeds	0	0						
5	Issuance costs from proceeds	806,569	414,720						
6	Working capital expenditures from proceeds	0	0						
7	Capital expenditures from proceeds	0	0						
8	Year of substantial completion	2008	2008						
		Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?	X		X					
10	Were the bonds issued as part of an advance refunding issue?		X		X				
11	Has the final allocation of proceeds been made?	X		X					
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
UPPER CHESAPEAKE MEDICAL CENTER

Employer identification number  
52-1253920

Part I

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
2	Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . <div></div> \$ _____			
3	Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . <div></div> \$ _____			

Part II

Loans to and/or From Interested Persons.  
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III

Grants or Assistance Benefitting Interested Persons.  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
ROGER E SCHNEIDER	VASC SURG ASSOC PARTNER	163,669	PHYSICIAN FEES PAID TO VSA LLC		No

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization UPPER CHESAPEAKE MEDICAL CENTER	Employer identification number 52-1253920
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Identifier	Return Reference	Explanation
PART VI, SECTION A, GOVERNING BODY & MANAGEMENT	QUESTION 2 - FAMILY OR BUSINESS RELATIONSHIP	LYLE E SHELDON AND JOSEPH E HOFFMAN III ARE OFFICERS IN THE SAME BUSINESS ENTITIES THE SAME BUSINESS ENTITIES ARE THE FOR-PROFT CORPORATIONS OR PARTNERSHIPS THAT ARE RELATED TO THIS FILING ENTITY PLEASE SEE FORM 990, SCHEDULE R
PART VI, SECTION A, GOVERNING BODY & MANAGEMENT	QUESTION 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS	THE ORGANIZATION AMENDED ITS BY LAWS DUE TO FORMATION OF A PARTNERSHIP WITH THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM
PART VI, SECTION A, GOVERNING BODY & MANAGEMENT	QUESTION 6 - EXISTENCE OF MEMBERS	THIS FILING ORGANIZATION IS A TAX-EXEMPT SUBSIDIARY OF UPPER CHESAPEAKE HEALTH SYSTEM, INC UPPER CHESAPEAKE HEALTH SYSTEM, INC IS THE SOLE MEMBER OF ALL ITS TAX-EXEMPT SUBSIDIARIES
PART VI, SECTION B, POLICIES	QUESTION 11A - ORGANIZATIONAL REVIEW OF FORM 990	THE BOARD OF UPPER CHESAPEAKE HEALTH SYSTEM, INC ("HEALTH SYSTEM") HAS ASSIGNED THE EXECUTIVE COMMITTEE OF THE HEALTH SYSTEM'S BOARD TO REVIEW AND APPROVE ALL CONTENTS OF FORM 990 ON BEHALF OF THE BOARDS OF ALL HEALTH SYSTEM'S TAX-EXEMPT AFFILIATES IN TURN, ONCE THE FORM 990 HAS BEEN APPROVED BY HEALTH SYSTEM'S EXECUTIVE COMMITTEE, A FINAL VERSION OF THE FORM 990 WILL BE MADE AVAILABLE TO ALL BOARD MEMBERS OF THE RESPECTIVE HEALTH SYSTEM'S TAX-EXEMPT AFFILIATES FORMAL NOTIFICATION OF THE FINAL AND APPROVED FORM 990 FOR EACH OF THE HEALTH SYSTEM'S AFFILIATES AS WELL AS ITS AVAILABILITY WILL BE COMMUNICATED TO THE APPLICABLE BOARD MEMBERS ON OR BEFORE THE FILING OF THE FORM 990
PART VI, SECTION B, POLICIES	QUESTION 12C - CONFLICT OF INTEREST POLICY	The organization's written conflict of interest policy covers the following individuals Directors, Principal Officers, and Senior Management Furthermore, the policy extends to the family members (per Internal Revenue Service definition) of such Directors, Principal Officers, and Senior Management The Board of Directors and any committee considering a contract, transaction or arrangement to which a known or potential conflict of interest relates, determines whether a conflict exists Actual conflicts are reviewed by the Chairman of the Board An individual with a known or potential conflict of interest must refrain from participating in, or acting on, the decision on any matter in which a conflict of interest, or even the appearance of such a conflict of interest, is present with respect to such individual and will remove himself or herself from any meeting or deliberations on the matter
PART VI, SECTION B, POLICIES	QUESTION 15 - PROCESS FOR DETERMINING COMPENSATION	The executive compensation committee of the board of directors approves compensation for the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and all key employees The executive compensation committee utilizes but is not limited to the following resources in evaluating and establishing reasonable compensation independent compensation consultants, compensation surveys and compensation studies This organization and its tax-exempt affiliates strive to maintain an arm's length relationship between itself and its employees It is the goal of the executive compensation committee to ensure that total compensation (compensation and benefits) paid to its employees is fair and reasonable Finally, the process of setting and approving such compensation is performed annually by the board's executive compensation committee
PART VI, SECTION C, DISCLOSURE	QUESTION 19 - DOCUMENTS AVAILABLE TO THE PUBLIC	THE ORGANIZATION WILL MAKE THE FOLLOWING DOCUMENTS AVAILABLE TO THE PUBLIC UPON REQUEST ARTICLES OF INCORPORATION, BY LAWS, CONFLICT OF INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS (HARFORD MEMORIAL HOSPITAL, INC AND UPPER CHESAPEAKE MEDICAL CENTER, INC )
PART VIII - STATEMENT OF REVENUE	LINE 2A - PROGRAM SERVICE REVENUE	PATIENT SERVICE REVENUE \$219,681,466 NET CONTRACTUAL ALLOWANCES \$ 19,556,826 --- ----- NET PATIENT REVENUE \$200,124,640 =====

Identifier	Return Reference	Explanation
SCHEDULE K - SUPPLEMENTAL INFORMATION ON TAX-EXEMPT BONDS		UPPER CHESAPEAKE MEDICAL CENTER, INC & HARFORD MEMORIAL HOSPITAL, INC (COLLECTIVELY, "HOSPITALS") OBTAINED A LOAN OF \$179,425,000 THROUGH THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY IN CONNECTION WITH THE ISSUANCE OF ITS REVENUE BONDS - UPPER CHESAPEAKE HOSPITALS ISSUE, SERIES 2008A-C BONDS (THE SERIES 2008 BONDS) HOSPITALS HAVE ALLOCATED THE ISSUE PRICE BETWEEN EACH HOSPITAL AS FOLLOWS UPPER CHESAPEAKE MEDICAL CENTER, INC 84% HARFORD MEMORIAL HOSPITAL, INC 16%

PART VII, SECTION A, PART I AVERAGE HOURS PER WEEK The following chart details the filing organization's board of directors members and officers who are also board of directors members and officers of related exempt organizations and the hours spent per week on duties for those related exempt organizations The chart does not reflect hours spent per week on duties for any related for-profit entities The hours reflected in Part VII, Section A, Column B are only the average hours per week for this filing organization UCF HMH UCMS UCP UCHC UCHS LYLE E SHELDON 1 5 1 1 - 40 PRESIDENT/CHIEF EXECUTIVE OFFICER JOSEPH E HOFFMAN 1 5 1 1 1 40 SENIOR VP/CHIEF FINANCIAL OFFICER UCF HMH UCMS UCP UCHC UCHS JOYCE FOX - 20 - - - - VP PATIENT SERVICES/CHIEF NURSE OFFICER MARGARET M VAUGHAN - 5 1 - - 40 SENIOR VP/CHIEF MEDICAL OFFICER KENNETH D KOZEL 1 5 1 1 1 40 SENIOR VP/CHIEF OPERATING OFFICER DEAN C KASTER - 5 - - - 40 SENIOR VP/CORPORATE STRATEGY/PLANNING E SCOTT CONOVER - 5 1 - - 40 SENIOR VP/GENERAL COUNSEL TONI M SHIVERY - 5 - - - 40 VP/HUMAN RESOURCES UCF - UPPER CHESAPEAKE HEALTH FOUNDATION, INC HMH - HARFORD MEMORIAL HOSPITAL, INC UCMS - UPPER CHESAPEAKE MEDICAL SERVICES, INC UCP - UPPER CHESAPEAKE PROPERTIES, INC UCHC - UPPER CHESAPEAKE/ST JOES HOME CARE, INC UCHS - UPPER CHESAPEAKE HEALTH SYSTEM, INC

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

Cat No 51056K

Schedule O (Form 990) 2009

## Related Organizations and Unrelated Partnerships

# 2009

**Open to Public Inspection**

▶ **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.**

Employer identification number

52-1253920

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

(a)  
Name, address, and EIN of disregarded entity

**(b)**  
Primary activity

(c)  
Legal domicile (state  
or foreign country)

(d)  
Total income

(e)  
End-of-year assets

(f)  
Direct controlling  
entity

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

(a)  
Name, address, and EIN of related organization

**(b)**  
Primary activity

(c)  
Legal domicile (state  
or foreign country)

(d)  
Exempt Code section

(e)  
Public charity status  
(if section 501(c)(3))

(f)  
Direct controlling  
entity

See Additional Data Table

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
UCHSUMMS VENT LLC											
520 UPPER CHESAPEAKE BEL AIR, MD21014 52-2178070	MEDICAL SERVICES	MD	NA								

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
UPPER CHESAPEAKE HEALTH VENTURES INC 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-2031264	MISC SERVICE	MD	NA	C CORP			
UPPER CHESAPEAKE MED OFFICE BLDG INC 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1946829	REAL ESTATE	MD	NA	C CORP			
UPPER CHESAPEAKE MGMT SVCS ORG INC 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1946025	MANAGEMENT SVCS	MD	NA	C CORP			
UC MEDICAL CENTER LAND CONDOMINIUM INC 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 77-0674478	REAL ESTATE	MD	NA	C CORP	275,528	44,664	100 000 %
UPPER CHESAPEAKE INSURANCE COMPANY LTD PO BOX 1109 GRAND CAYMAN, CAYMAN ISLANDS KY1-1102 CJ 98-0468438	CAPTIVE INSURANCE	CJ	NA	LTD			



Part V

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

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

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 (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a Yes

1b No

1c Yes

1d No

1e No

1f No

1g No

1h No

1i No

1j No

1k No

1l Yes

1m Yes

1n Yes

1o No

1p Yes

1q No

1r No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	UPPER CHESAPEAKE HEALTH SYSTEMS INC	A	185,004
(2)	UPPER CHESAPEAKE HEALTH SYSTEMS INC	L	6,113,769
(3)	UPPER CHESAPEAKE HEALTH SYSTEMS INC	P	11,660,111
(4)			
(5)			
(6)			

Schedule R (Form 990) 2009

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Software ID:

Software Version:

EIN: 52-1253920

Name: UPPER CHESAPEAKE MEDICAL CENTER

Form 990, Schedule R, Part II - 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 501(c)(3))	(f) Direct Controlling Entity
UPPER CHESAPEAKE HEALTH SYSTEMS INC  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1398513	HLTHCARE SVCS	MD	501(C)(3)	11C,III-FI	
UPPER CHESAPEAKE HEALTH FOUNDATION INC  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1398507	FIN SUPPORT	MD	501(C)(3)	11A	
UPPER CHESAPEAKE MEDICAL SERVICES INC  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1501734	PHYSICIAN SVC	MD	501(c)(3)	9	
HARFORD MEMORIAL HOSPITAL INC  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-0591484	HOSPITAL CARE	MD	501(c)(3)	3	
UPPER CHESAPEAKE PROPERTIES INC  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1907237	TITLE HOLDING	MD	501(C)(2)	N/A	
UPPER CHESAPEAKEST JOE'S HOME CARE INC  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 52-1229742	HOSPICE CARE	MD	501(c)(3)	9	
UPPER CHESAPKE RESIDENTIAL HOSPICE HOUSE  520 UPPER CHESAPEAKE DRIVE BEL AIR, MD21014 26-0737028	HOSPICE CARE	MD	501(C)(3)	7	
HEALTHY HARFORD INC  2027 PULASKI HWY SUITE 215 HAVRE DE GRACE, MD21078 52-1944325	HEALTH INIATV	MD	501(C)(3)	7	

Additional Data

Software ID:

Software Version:

EIN: 52-1253920

Name: UPPER CHESAPEAKE MEDICAL CENTER

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
H WILLIAM ACKER TREASURER/DIRECTOR	5 0	X		X				0	0	0
JOHN H CAIN DIRECTOR	1 0	X						0	0	0
DIANE K FORD DIRECTOR	1 0	X						0	0	0
ROBERT F HOOFNAGLE JR MD DIRECTOR	1 0	X						34,167	0	0
M SCOT KAUFMAN SECRETARY/DIRECTOR	5 0	X		X				0	0	0
ANDREW KLEIN DIRECTOR	1 0	X						0	0	0
JAMES LAMBDIN DIRECTOR	1 0	X						0	0	0
PETER J LoPRESTI DO DIRECTOR	1 0	X						14,825	0	0
ANTHONY J MEOLI DIRECTOR	1 0	X						0	0	0
ROGER E SCHNEIDER MD CHAIRMAN/DIRECTOR	5 0	X		X				0	0	0
LYLE E SHELTON PRESIDENT & CEO/DIRECTOR	5 0	X		X				0	788,265	209,979
RICHARD P STREETT JR VMD DIRECTOR	1 0	X						0	0	0
ADELE A WILZACK RN MS DIRECTOR	1 0	X						0	0	0
ALBERT J A YOUNG DIRECTOR	1 0	X						0	0	0
FAHEEM YOUNUS MD DIRECTOR	1 0	X						152,242	0	0
JOYCE FOX VP - PATIENT SVCS/CNO	20 0				X			0	201,950	32,323
JOSEPH E HOFFMAN III SR VP/CFO	5 0				X			0	390,203	92,929
KENNETH D KOZEL SR VP/COO	5 0				X			0	391,188	84,148
DEAN C KASTER SR VP - CORP STRATEGY/PLANNING	5 0				X			0	274,512	76,801
MARGARET M VAUGHAN SR VP - CHIEF MEDICAL OFFICER	5 0				X			0	403,662	108,701
E SCOTT CONOVER SR VP/GENERAL COUNSEL	5 0				X			0	273,971	41,285
TONI M SHIVERY VP - HUMAN RESOURCES	5 0				X			0	202,472	56,256
JOHN KEVIN LYNCH PHYSICIAN/HOSPITALIST	40 0					X		199,111	0	36,856
PAMELA C MCLAUGHLIN PHARMACIST	40 0					X		146,020	0	39,945
JEFFREY M GORSCHBOTH PHARMACIST	40 0					X		150,650	0	26,527

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANGELA M KAITIS DIR - PHARMACEUTICAL SERVICES	40.0					X		128,667	0	43,740
PATRICIA ERCOLANO VP - PERFORMANCE IMPROVEMENT	40.0					X		136,109	0	32,531

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MANAGEMENT FEE - UCHS	6,113,769		6,113,769	
PROVISON FOR BAD DEBTS	13,000,346	13,000,346		
CONTRACT MANAGEMENT	1,248,214		1,248,214	
PURCHASED SERVICES	3,724,997	2,203,490	1,521,507	
TEMPORARY STAFFING	831,387	784,787	46,600	