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Form

990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2009

Open to Public Inspection

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

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
PENINSULA REGIONAL MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
100 EAST CARROLL STREET

Room/suite

City or town, state or country, and ZIP + 4
SALISBURY, MD 21801

D Employer identification number
52-0591628

E Telephone number
(410) 546-6400

G Gross receipts \$ 489,241,479

F Name and address of principal officer
MARGARET NALEPPA CEO
100 EAST CARROLL STREET
SALISBURY, MD 21801

H(a) Is this a group return for affiliates?
☐ Yes ☒ No

H(b) Are all affiliates included?
☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☒ 501(c) (3) ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.PENINSULA.ORG

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1897

M State of legal domicile MD

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) 3 _____ 1

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 _____ 1

5 Total number of employees (Part V, line 2a) 5 _____ 3,22

6 Total number of volunteers (estimate if necessary) 6 _____ 20

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 7a _____ 1,331,35

7b Net unrelated business taxable income from Form 990-T, line 34 7b _____ 0

Revenue

8 Contributions and grants (Part VIII, line 1h) 8 _____ 453,011

9 Program service revenue (Part VIII, line 2g) 9 _____ 370,503,208

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 10 _____ -16,693,303

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 11 _____ 769,492

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 12 _____ 355,032,408

Current Year

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 13 _____ 0

14 Benefits paid to or for members (Part IX, column (A), line 4) 14 _____ 0

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 15 _____ 169,508,709

16a Professional fundraising fees (Part IX, column (A), line 11e) 16a _____ 0

b Total fundraising expenses (Part IX, column (D), line 25) ▶492,132

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) 17 _____ 189,364,617

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) 18 _____ 358,873,326

19 Revenue less expenses Subtract line 18 from line 12 19 _____ -3,840,918

End of Year

Net Assets or Fund Balances

20 Total assets (Part X, line 16) 20 _____ 434,945,614

21 Total liabilities (Part X, line 26) 21 _____ 207,629,444

22 Net assets or fund balances Subtract line 21 from line 20 22 _____ 227,316,170

Beginning of Current Year

Part II Signature Block

Sign Here

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 Date 2011-05-12

Bruce I Ritchie CFO Type or print name and title

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed ☐

Firm's name (or yours if self-employed), address, and ZIP + 4 EIN ▶ Phone no ▶ (864) 242-5740

Part IIISTatement of Program Service Accomplishments

1Briefly describe the organization’s mission

IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes

☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes

☒ No

If “Yes,” describe these changes on Schedule O

4

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

4a	(Code) (Expenses \$ 333,133,285 including grants of \$) (Revenue \$ 369,840,390)
	Peninsula Regional Medical Center is a not-for-profit 501(c)(3) non-stock corporation founded in 1897 to serve the health care needs of the community The Hospital's primary purpose is to provide the highest primary, secondary, and selected tertiary health care services to residents of and visitors to the Mid-Delmarva Peninsula in a competent, compassionate, and cost-effective manner designed to elicit a high degree of customer satisfaction The Hospital's mission is to improve the health of the communities we serve by providing quality medical care regardless of race, creed, sex, national origin, handicap, or age If a patient is unable to pay due to financial resources, efforts will be taken to assure care at an affordable cost, or obtained assistance through appropriate agencies on the patient's behalf Emergency services care will be provided to everyone regardless of ability to pay Peninsula Regional Medical Center served over 23,000 inpatients and provided more than 485,000 outpatient services during fiscal 2010 Food service provided more than 550,000 meals to patients and employees Although reimbursement for services rendered is critical to the operation and stability of Peninsula Regional Medical Center, it is recognized that not all individuals possess the ability to pay for essential medical services The Hospital, in keeping with the commitment to serve all members of the community, during fiscal 2010 provided Charity and other allowances totaling \$31,569,219 Discounts to third party payors including government programs such as Medicare and Medicaid \$26,604,007 Write-off of uncollectible accounts \$17,976,987 The total unreimbursed value of providing care to these patients is \$76,150,213 Also provided are many wellness programs, community education and free programs offered throughout the year based upon activities and services that Peninsula Regional Medical Center believes will serve a bona fide community health need Some of the programs are as follows A variety of brochures are displayed in all hospital waiting areas to educate members of the community regarding programs and services Participation in health fairs during FY 2010 in order to foster health education in the community Being called upon to speak before community organizations on a variety of healthcare topics We provide childbirth preparation classes, exercise classes for prenatal and postpartum women and CPR classes We provide assistance to educators through our work with student nurses, radiology, respiratory and laboratory technicians During FY 2010, Peninsula Regional Medical Center volunteers contributed over 46,500 hours toward the common purpose of servicing the health care of the community PROGRAM ACTIVITY During FY 2010, Peninsula Regional Medical Center performed over 800 community outreach activities Specific examples of education and outreach programs, support groups, community health screenings, and fitness and wellness activities supported by Peninsula Regional Medical Center are as follows Community Educational and Outreach Programs Labor & Delivery Tours (exclusive of Childbirth Class Tours) CPR Diabetes Outpatient Education Program Childbirth Preparation Classes Refresher Course - Childbirth Sibling Classes Infant Care Classes Grandparent Classes Safe Sitter Program CPR to Community Organizations Women's Health Education Support Groups Diabetes Support Groups Bereavement Support Group Events Community Screenings Height/Weight, Blood Pressure Skin Cancer Screenings Oral, Head and Neck Cancer Screenings Hearing Screenings Flu Clinic Educational Exhibits - Diabetes Education, Trauma, Women's Health, Safe Sitter Relay for Life Benefits Asthma Camp March of Dimes Walk America United Way Wellness Community Fitness/Exercise Programming Cardiac Rehabilitation Indoor Cycling and Weights Women and Weight Training

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

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

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

4e	Total program service expenses\$ 333,133,285
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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	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	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		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
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		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		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		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		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	Yes	
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.	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	Yes	
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	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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		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		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		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		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		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		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	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		No
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	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	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	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? Note. 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	1a	207		
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b		1
c		Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	
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	2a	3,226		
	b		If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: 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	Yes	
	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 Organizations that may receive deductible contributions under section 170(c).					
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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?					
9 Sponsoring organizations maintaining donor advised funds.					
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 Section 501(c)(7) organizations. 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 Section 501(c)(12) organizations. 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 Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?					
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	16	
b	Enter the number of voting members that are independent	1b	14	
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		No
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		No
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	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
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		No
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	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed CA , NC
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. JIM GREGORY 100 EAST CARROLL ST SALSIBURY, MD 21801 (410) 912-4979

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)

1b	Total	4,811,744	0	413,679
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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▶125

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	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
SHERIDAN ANESTHESIA OF MD PO BOX 452197 SUNRISE, FL 33323	ANESTHESIA SERVICES	7,162,251
HORIZON CSA 265 PIT RD MOORESVILLE, NC 28115	BIOMEDICAL SERVICES	3,915,872
MAYO COLLABORATIVE SERVICES PO BOX 9146 MINNEAPOLIS, MN 55480	MEDICAL SERVICES	1,215,006
CROTHALL SERVICES GROUP 955 CHESTERDROOK BLVD SUITE 300 WAYNE, PA 19087	ENVIRONMENTAL SVCS	975,576
HCSG CARDIOVASCULAR SERVICES PO BOX 11407 BIRMINGHAM, AL 35246	MEDICAL SERVICES	932,514

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 ▶58

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	321,717				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	16,503				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			338,220			
Program Service Revenue			Business Code					
	2a	Net patient services	621,500	369,688,229	368,565,749	1,122,480		
	b	Partnership income	900,099	1,290,248	1,290,248			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			370,978,477			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			4,581,474		4,581,474	
	4	Income from investment of tax-exempt bond proceeds . . .			0			
	5	Royalties			0			
	6a	(i) Real		(ii) Personal				
		Gross Rents	71,760					
		b Less rental expenses	77,105					
		c Rental income or (loss)	-5,345					
	d	Net rental income or (loss)			-5,345		-5,345	
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory	112,280,395	24,619				
		b Less cost or other basis and sales expenses	105,802,605	89,759				
		c Gain or (loss)	6,477,790	-65,140				
	d	Net gain or (loss)			6,412,650		6,412,650	
	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		900,099	772,617			772,617	
b	MEDICAL RECORDS		900,099	653			653	
c	PARTNERSHIP REVENUE		900,003	43,264	-15,607	58,871		
d	All other revenue			150,000		150,000		
e	Total. Add lines 11a-11d			966,534				
12	Total revenue. See Instructions			383,272,010	369,840,390	1,331,351	11,762,049	

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				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,442,123	1,313,023	125,618	3,482
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	942,466	858,115	82,089	2,262
7	Other salaries and wages	134,970,098	122,888,559	11,756,399	325,140
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,343,714	5,775,871	552,561	15,282
9	Other employee benefits	20,432,544	18,601,642	1,781,629	49,273
10	Payroll taxes	9,546,759	8,808,694	720,035	18,030
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	607,933	2,008	605,925	
c	Accounting	149,900		149,900	
d	Lobbying	25,260	25,260		
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	797,039		797,039	
g	Other	0			
12	Advertising and promotion	0			
13	Office expenses	90,594,387	89,958,167	599,592	36,628
14	Information technology	729,803	720,665	9,138	
15	Royalties	0			
16	Occupancy	4,775,442	4,775,442		
17	Travel	314,650	221,181	89,565	3,904
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	66,406	66,406		
20	Interest	6,853,109	6,853,109		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	20,820,902	20,774,808	46,094	
23	Insurance	2,795,113	300,141	2,494,972	
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	BAD DEBTS	17,976,987	17,976,987		
b	EQUIP RENTAL AND MAINTENANCE	10,961,582	9,464,639	1,492,009	4,934
c	PROFESSIONAL FEES	33,047,258	23,670,409	9,344,251	32,598
d	MISCELLNEOUS	327,709	78,159	248,951	599
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	364,521,184	333,133,285	30,895,767	492,132
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			298,569	1	154,899
	2	Savings and temporary cash investments			17,114,706	2	25,139,457
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			37,406,473	4	35,817,855
	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			6,590,441	8	7,086,954
	9	Prepaid expenses and deferred charges			3,342,471	9	4,358,438
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	425,743,372			
	b	Less accumulated depreciation	10b	213,077,893	215,838,468	10c	212,665,479
	11	Investments—publicly traded securities			95,830,020	11	105,748,847
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			58,524,466	15	60,136,102
	16	Total assets. Add lines 1 through 15 (must equal line 34)			434,945,614	16	451,108,031
Liabilities	17	Accounts payable and accrued expenses			17,843,703	17	14,233,918
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			140,226,545	20	137,319,548
	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			90,000	24	75,000
	25	Other liabilities Complete Part X of Schedule D			49,469,196	25	48,174,409
	26	Total liabilities. Add lines 17 through 25			207,629,444	26	199,802,875
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			206,944,044	27	231,374,493
	28	Temporarily restricted net assets			12,337,825	28	11,879,875
	29	Permanently restricted net assets			8,034,301	29	8,050,788
	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			227,316,170	33	251,305,156
	34	Total liabilities and net assets/fund balances			434,945,614	34	451,108,031

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c 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	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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 PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
---	--

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)

(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 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 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		
b33 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		
20Private 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

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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
PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

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		25,260
	j Total lines 1c through 1i			25,260
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?			

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
OTHER ACTIVITIES	PART II-B, LINE 1L	PENINSULA REGIONAL MEDICAL CENTER PAYS DUES TO ORGANIZATIONS THAT LOBBY FEDERAL AND STATE LEGISLATORS ON BEHALF OF HOSPITALS AND HEALTH SYSTEMS THE PORTION OF DUES PAID TO THE AMERICAN HOSPITAL ASSOCIATION ATTRIBUTABLE TO LOBBYING WERE \$9,677 AND THE PORTION OF DUES TO THE MARYLAND HOSPITAL ASSOCIATION WERE \$15,583

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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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) <input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax 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? <input type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input type="checkbox"/> 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	25,231,843	29,317,177		
b	Contributions	206,865	110,900		
c	Investment earnings or losses	3,074,487	-4,000,545		
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses	217,196	195,689		
g	End of year balance	28,295,999	25,231,843		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 51.180 %

b

Permanent endowment ▶ 0.150 %

c

Term endowment ▶ 48.670 %

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)

No

(ii) related organizations

3a(ii)

No

b

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

3b

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		10,492,173		10,492,173
b Buildings		194,392,222	45,978,931	148,413,291
c Leasehold improvements				
d Equipment		210,232,500	162,628,866	47,603,634
e Other		10,626,477	4,470,096	6,156,381
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				212,665,479

Schedule D (Form 990) 2009

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	383,272,010
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	364,521,184
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	18,750,826
4	Net unrealized gains (losses) on investments	4	4,978,411
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	259,749
9	Total adjustments (net) Add lines 4 - 8	9	5,238,160
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	23,988,986

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	388,552,616
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	4,978,411
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-60,191
e	Add lines 2a through 2d	2e	4,918,220
3	Subtract line 2e from line 1	3	383,634,396
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	797,039
b	Other (Describe in Part XIV)	4b	-1,159,425
c	Add lines 4a and 4b	4c	-362,386
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	383,272,010

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	363,438,816
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	77,105
e	Add lines 2a through 2d	2e	77,105
3	Subtract line 2e from line 1	3	363,361,711
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	797,039
b	Other (Describe in Part XIV)	4b	362,434
c	Add lines 4a and 4b	4c	1,159,473
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	364,521,184

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
INTENDED USE OF ENDOWMENTS FUNDS	PART V, LINE 4	THE ORGANIZATION'S ENDOWMENT FUND CAN BE USED FOR CAPITAL, PATIENT SERVICES OF EDUCATIONAL PURPOSES
FIN 48 FOOTNOTE	PART X, LINE 2	The organization did not have any uncertain tax positions that were material to the financial statements. Accordingly, the organization did not include a FIN 48 footnote in its audited financial statements. PART XI, LINE 8 - OTHER PENSION ADJUSTMENT - FAS 158 \$(1,619,960) ENDOWMENT ADJUSTMENT 11,276 INVESTMENT INCOME SWAP 1,371,859 CHANGE IN EQUITY INTEREST OF FOUNDATION 1,016,778 NET ASSETS RELEASED FROM RESTRICTION (382,908) PARTNERSHIP K-1 VS BOOK INCOME (137,296) TOTAL \$259,749 PART XII, LINE 2D - OTHER RENTAL EXPENSE ON LINE 6B \$77,105 PARTNERSHIP K-1 BOOK VS TAX (137,296) TOTAL \$(60,191) PART XII, LINE 4B - OTHER EXPENSES ON PREMIER K-1 \$ 3 FOUNDATION CONTRIBUTIONS 212,431 INVESTMENT INCOME SWAP (1,371,859) TOTAL \$(1,159,425) PART XIII, LINE 2D - OTHER RENTAL EXPENSE ON LINE 6B \$77,105 TOTAL \$77,105 PART XIII, LINE 4B - OTHER EXPENSES ON PREMIER K-1 \$ 3 FOUNDATION CONTRIBUTIONS 212,431 MGMT FEES RECLASSIFIED FROM EXPENSES 150,000 TOTAL \$362,434

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
PENINSULA REGIONAL MEDICAL CENTER

Employer identification number
52-0591628

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 type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual 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>	3a Yes	
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 type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____</div>	3b Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4 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)			12,218,922	0	12,218,922	3 530 %
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			12,218,922	0	12,218,922	3 530 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		52,846	1,422,608	351,169	1,071,439	0 310 %
f Health professions education (from Worksheet 5)		1,360	375,385	0	375,385	0 110 %
g Subsidized health services (from Worksheet 6)		28,402	9,400,963	2,846,883	6,554,080	1 890 %
h Research (from Worksheet 7)			3,345	0	3,345	
i Cash and in-kind contributions to community groups (from Worksheet 8)		3,750	165,376	0	165,376	0 050 %
j Total Other Benefits		86,358	11,367,677	3,198,052	8,169,625	2 360 %
k Total. Add lines 7d and 7j		86,358	23,586,599	3,198,052	20,388,547	5 890 %

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		5,243	0	5,243	
3	Community support		2,446	0	2,446	
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		50,290	0	50,290	0 010 %
7	Community health improvement advocacy		30,292	0	30,292	0 010 %
8	Workforce development		5,704	0	5,704	
9	Other					
10	Total		93,975	0	93,975	0 020 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	214,124,182	
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	3	
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)	5209,590,412	
6	Enter Medicare allowable costs of care relating to payments on line 5	6198,641,330	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	710,949,082	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	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 %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

[illegible]

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

See additional data

- 2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves

See additional data

- 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

See additional data

- 4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

See additional data

- 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

See additional data

- 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)

See additional data

- 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 communites served

PART VI, LINE 7 Peninsula Regional Medical Center is part of the Peninsula Regional Health System The system includes a foundation and for-profit entities with interests in various health care joint ventures In addition to the community benefits provided by the medical center, the health system evaluates the needs of the community and will participate in community benefit programs as needed

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

MD

Additional Data

Software ID:
Software Version:
EIN: 52-0591628
Name: PENINSULA REGIONAL MEDICAL CENTER

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Not applicable

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Peninsula Regional Medical Center files annually a community benefit report with the state of Maryland. The report is filed with the HSCRC (Health Services Cost Review Commission).

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Line 7a Column (c) & (d)- Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission, (HSCRC) determines payment through a rate-setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all-payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care Line 7b column (c) & (f)- Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission, (HSCRC) determines payment through a rate-setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all-payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any directed offsetting revenue related to Uncompensated Care Community benefit expenses are equal to Medicaid revenues in Maryland, as such, the net effect is zero The exception to this is the impact on the hospital of its share of the Medicaid assessment In recent years, the state of Maryland has closed fiscal gaps in the state Medicaid budget by assessing hospitals through the rate-setting system Line 7f column (c)- Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission, (HSCRC) determines payment through a rate-setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all-payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care Line 7f column (d)- Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission, (HSCRC) determines payment through a rate- setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all-payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care The cost methodology for charity care and certain other community benefits is the cost-to-charge ratio used for the charity care programs and direct cost method for the other benefits/programs

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The amount of bad debt expense excluded from the denominator in the column (f) percentages is \$17,976,987

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Hospital provides services to patients in the Eastern Shore area of Maryland, Delaware and Virginia, the majority of whom are covered by third-party health insurance. The Hospital bills the insurer directly for services provided. Insurance coverage and financial information is obtained from patients upon admission when available. The Hospital's policy is to perform in-house collection procedures for approximately 85 days. A determination is made at that time as to what additional collection efforts to pursue. A provision for uncollectible accounts is recorded for amounts not yet written off, which are expected to become uncollectible. Discounts ranging from 2% to 6% of charges are given to Medicare, Medicaid and certain approved commercial health insurance and health maintenance organization programs for regulated services. Discounts in varying percentages are given for certain unregulated services. These major payors routinely review patient billings and deny payment for certain charges as medically unnecessary or as performed without appropriate preauthorization. Discounts and denials are recorded as reductions of net patient service revenue. Accounts receivable from these third-party payors have been adjusted to reflect the difference between charges and the estimated reimbursable amounts. Approximately 36% and 36%, respectively, of accounts receivable were due from the Medicare program as of June 30, 2010 and 2009, respectively. Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from Medicare and Medicaid programs.

Bad Debt Methodology - Peninsula Regional Medical Center is a tax-exempt not-for-profit hospital that provides quality medical services to patients regardless of their ability to pay. By providing medical services to all community members regardless of their ability to pay, the hospital's bad debt expense qualifies as a community benefit. The bad debt expense calculated on Line 2 was calculated using the patient care cost to charges methodology.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Medicare allowable costs were calculated using a cost to charge ratio Peninsula Regional Medical Center provides quality medical services to all patients regardless of what insurance they have Approximately, 49.13% of the Medical Center's revenue is attributable to Medicare patients

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Collection policies are the same for all patients. If a patient notifies the medical center about their inability to pay, the medical center will send them the charity care and financial assistance forms to fill out. Once the forms are complete and returned to the medical center and the patient qualifies for financial assistance, then the patient's account will be removed from collections and the account will be written off.

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

PART VI, LINE 2 Peninsula Regional Medical Center in cooperation with the Wicomico, Worcester and Somerset Counties, Health Departments, the Atlantic General Hospital and the Edward W. McCready Memorial Hospital, has been conducting community health surveys of the Tri-County area since 1995. These surveys, administered by Professional Research Consultants (PRC) of Omaha, Nebraska were administered in 1995, 2000, 2004 and 2009. In addition to these adult surveys, a separate adolescent survey was conducted in 2000, 2005, and 2010. Results of these surveys are used by the participants to assess community health needs and plan future services. Of particular note was the development of the Tri-County Diabetes Alliance, which is a cooperative venture between all the partners and community agencies to reduce the incidences of diabetes in the tri-county area. Other outcomes resulting from the survey findings include smoking cessation programs, other early detection and screening programs for heart and cancer, as well as health promotion and education with a focus on prevention. The PRC Community Health Assessment is a systematic, data-driven approach to determining the health status, behaviors and needs of our community residents. Survey results are shared with the community and are posted to the participants websites. This Community Health Assessment serves as a tool towards reaching the following three goals: 1. To improve residents' health status, increase their life spans, and elevate their overall quality of life. 2. Reduce the health disparities among residents by gathering demographic information along with health status and behavior data. 3. To increase accessibility to preventive services for all community residents.

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

PART VI, LINE 3 Peninsula Regional Medical Center makes available to all patients the highest quality of medical care possible within the resources available. If a patient is unable to pay due to financial resources, all efforts will be made to help the patient obtain assistance through appropriate agencies, or, if help is not available, to provide care at reduced or zero cost. One of Peninsula Regional's overall guiding principles is that concern over a hospital bill should never prevent any individual from receiving emergency health services. The Medical Center will communicate this message clearly to prospective patients and to local community service agencies and make it clear that emergency services will be provided without regard to ability to pay. The Medical Center will ensure that an emergency admission or treatment is not delayed or denied pending determination of coverage or requirement for prepayment or deposit. The Medical Center will post adequate notice of the availability of medical services, and the general obligation of the Hospital to provide charity care. Peninsula Regional's "Financial Assistance Policy" includes the required language of determination of probable eligibility within two business days. On page 2, the "Financial Assistance Policy" states that upon receipt of the financial assistance request, the Representative will review income and all documentation. The patient must be notified within two business days of their probable eligibility. In accordance with section 1, 2 and 3, Peninsula Regional provides public notice and information regarding its charity care policy in Delmarva's largest paper "The Daily Times", posted signs in the admission, business office emergency room and other major service areas of the Medical Center, additionally individual notice is provided to each person who seeks services in the Medical Center at the time of pre-admission or admission.

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

PART VI, LINE 4 Peninsula Regional is located in Salisbury, Maryland. The Hospital's service area is predominately rural and covers 6 counties located in three different states: Maryland, Delaware and Virginia. Some of the unique healthcare characteristics of these counties include a high prevalence of diabetes which is approximately twice that of the state of Maryland. There is a higher incidence of skin cancer and the incidence rate for heart disease is statistically significantly higher than Maryland. In addition, the median income is lower than that of Maryland and educational attainment lags behind the States average. The Medical Center's Primary Service Area is comprised of the majority of zip codes in Wicomico, Worcester, and Somerset Counties. As of June 30th, 2010 these counties contributed approximately 77 percent of Peninsula Regional's total discharges. The Medical Center also services Dorchester County, Maryland, the Southern portion of Sussex County, Delaware and the Northern portion of Accomack County, Virginia. These counties comprised an additional 23 percent of the Medical Center's total discharges during the same time period.

PATIENT DISCHARGED FROM THE FOLLOWING GEOGRAPHICAL AREAS	AREA	2010 Discharges	%
Wicomico	12,332	51.4%	
Worcester	3,714	15.5%	
Somerset	2,459	10.3%	
Dorchester	456	1.9%	
Delaware	2,867	12.0%	
Virginia	1,451	6.1%	
All Others	699	2.8%	
TOTAL	23,978	100.0%	

Source: Peninsula Regional Medical Center, Financial and Statistical Report, June 30, 2010. Between 2009 and 2014, the Medical Center's Primary Service Area (Wicomico, Worcester and Somerset Counties, Maryland) is expected to grow 5.3 percent or slightly more than 1 percent per year. Much of this growth will be experienced in Wicomico County at a rate of 6.8 percent followed by Worcester County at 3.4 percent and Somerset County at 3.3 percent. In the Medical Center's secondary service area (Dorchester County, Maryland, Sussex County, Delaware, and Accomack County, Virginia) the population is expected to grow 8 percent or 1.6 percent per year over the same time period. Most of this growth (10.2 percent) is expected to occur in Sussex County, Delaware.

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

PART VI, LINE 5 Peninsula Regional Medical Center is committed to the health of the rural communities it serves. In FY 2010, the Hospital's charity care increased 20% (\$11,506,723 to \$13,865,063) from the previous year. In addition, combined charity and bad debt for FY2010 was \$31,842,050. The Health of the Community is the Hospital's mission providing quality healthcare and ease of access for a rural population. To that end, the Hospital has established 9 Primary Care Physician satellite offices located strategically throughout the service area. These satellite locations address the specific diseases that are indigent to these rural areas. Based on the information gathered through the most recent Community Health Assessment and the guidelines set forth in Healthy People 2010, the following "health priorities" represent a significant opportunity for health improvement which are being addressed by the Hospital, Physician Satellite Offices and the County Health Departments. - Diabetes (As a result of the Community Health Assessment Survey, a Tri-County Diabetes Alliance was established to help educate, create awareness, and improve the health of people with diabetes and those at risk for developing diabetes) www.tridiabetes.org - Heart Disease & Stroke - Nutrition - Access to Health Care Services. In addition to these areas, there are multiple other priorities and contributing factors that each partner assessed in conjunction with this survey. In identifying priorities for community action and designing strategies for implementation, a number of criteria were applied to the consideration process, including Impact. The degree to which the issue affects or exacerbates other quality of life and health-related issues. Magnitude. The number of persons affected, also taking into Account variance from benchmark data and year 2010 targets. Seriousness. The degree to which the problem leads to death, disability or impairs one's quality of life. Feasibility. The ability of organizations to reasonably impact the issue, given available resources. Consequences of inaction. The risk of exacerbating the problem by not addressing at the earliest opportunity. Each partner was responsible for engaging in activities specific to the geography within which they operate. Each partner used the results of the survey to plan screenings and/or interventions tailored to the needs of their population. Partners shared plans and collaborated where possible. In addition to the programs already presented, a number of other initiatives from the community health survey have been started including. - Under the priority area of access to care, access to dental services - particularly for children was identified. As a result, grants and gifts were received to expand dental programs at the local Health Department. - For heart disease, a state grant supplied the money to do work site wellness programs including screenings. - For cancer, money from the cigarette restitution fund was used to provide colorectal screenings including prevention, education, diagnosis and treatment. Additionally, funds were obtained from a grant to provide mammograms for low income women. - In terms of obesity, a three year federal grant provided funds targeted at African-American families to participate in a program to make lifestyle changes, quit smoking, control their blood pressure, exercise (through a walking program) and meetings with a nutritionist to modify their eating behavior. - For substance abuse, a new suboxone (a heroin alternative) clinic was established with great success. This is the only such clinic on the Eastern Shore. - And finally, for mental health care, a new clinic which is co-located in a primary care site expands care for mental health patients without the stigma of being seen in a Mental Health Clinic.

Form 990 Schedule H, Part VI - Supplemental Information, Line 6
Form 990 Schedule H, Part VI - Supplemental Information, Line 6

PART VI, LINE 6 Community Flu Shots The mission of the Medical Center is to "Improve the health of the communities we serve " In fiscal year 2010, the Medical Center provided over 5,000 flu shots (below cost, we did ask for a donation) through a 3 day drive - thru flu campaign The Medical Center gave over 750 free flu shots to the residents in Wicomico, Worcester, Somerset and Sussex counties Atlantic United Methodist Church/Diakonia/Phillips Restaurant - 100 Lower Shore Enterprises - 59 Salisbury Substance Abuse Center - 30 Laurel King's Methodist Church - 40 New Macedonia Baptist Church - 30 Homeless Community - 280 Village of Hope Clinic - 85 Three Lower Counties (TLC) - 58 Seton Center - 68 *Due to the national shortage, PRMC was not able to give out as many flu shots, as in 2010 Peninsula Partners Peninsula Partners is designed for individuals 55 and older and is a special program provided as a service to our community absolutely free Peninsula Partners members will learn tips on healthy living, attend seminars and participate in health screenings This program provides - Monthly Lifestyle Newsletter - featuring healthy tips, in depth health articles, etc - Safe Driving Classes - Health Screenings - Social Events - Inpatient Visits - Safety Classes - Seminars on Various Health Topics In FY2010, Peninsula Partners had over 9,500 members and over 901 inpatient visits were made Wagner Wellness Van Peninsula Regional's Wagner Wellness Van delivers health care assessments and education to rural locations within the Hospitals service area The van has multiple uses and many venues It is on site at local community outdoor festivals with staff providing the following screenings blood pressure, pulse oximetry, body fat analysis, grip strength, and vision During FY 10 we screened 415 members of the community with varied "at risk" levels (This only represents our van presence at major community initiatives, and does not represent the multitude of community appearances made by other Medical Center departments at health fairs on the Delmarva Peninsula) In October 2008, in an effort to expand our mobile service to the at-risk and underserved populations, Peninsula Regional Medical Center formed a partnership with the Wicomico Health Department to offer diabetes, stroke and hypertension education and screenings to these populations (sites recommended by the health department) This program continues today Other Initiatives The Hospital and its employees also participate on an annual basis in many charitable causes that promote a healthy lifestyle and overall well-being of those in the community In CY2010, Hospital employees contributed over \$156,000 to the United Way campaign, in addition to having over 100 employees walk and participate in the March of Dimes Hospital employees and physicians also participated in the 2010 Wicomico County Relay for Life This cancer survivor's reception hosted over 600 cancer survivors and brings hope to those suffering Every year Hospital Employees are engaged in Community Outreach which are volunteer type services provided "outside the realm of normal hospital patient care " The Hospital encourages volunteerism in the following areas - Health Screenings - Health Education - Support Groups - Program Support - Research - Financial Contributions In FY2010, over 62,500 hours were given by employees As an example, the Hospital is a community partner with "The Wellness Community of Delmarva " This is a non-profit organization dedicated to providing free emotional support, education and hope for people affected by cancer and their loved ones The Hospital's employees voluntarily give of their time and talents to support this terrific program The Hospital also participates in the "Healthiest Maryland" initiative a recent program launched by Lt Governor Brown, the Administration and Secretary Colmers This is a statewide movement to create a culture of wellness - an environment where the healthiest choice is easy Maryland Rural HealthCare Association is another agency that promotes the delivery of rural health care, their mission statement is to Enhance the health and well being of rural populations in Maryland through leadership, education, advocacy and collaboration The Hospital is represented on this committee and is committed to finding solutions to providing the most efficient and effective healthcare delivery to an underserved rural population There exist geographic pockets in Peninsula Regional's service area which are Federally listed as being underserved by healthcare providers In an effort to address the rural populations need for providers, the Hospital has partnered in developing healthcare programs with local colleges and universities For example, the Hospital has collaborated with UMES (University of Maryland Eastern Shore) and has made a 5 year \$250,000 dollar investment in their Physician Assistant Program This investment will expand the healthcare

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

educational opportunities, and in the future provide health care professionals available to care for residents in our region. There continues to be ongoing collaborations with Worcester Community College and Salisbury University to further develop healthcare programs and providers to meet the challenges of 21st century healthcare. PART VI, LINE 6 - SEE EXPLANATION FOR PART VI, LINE 5

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
PENINSULA REGIONAL MEDICAL CENTER

Employer identification number
52-0591628

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"/> Housing allowance or residence for personal use</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</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"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</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	Yes
b	Any related organization?	6b	Yes
	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				
R Alan Newberry	(i)	609,529	182,212	72,975	55,567	22,183	942,466	0
	(ii)	0	0	0	0	0	0	0
Bruce I Ritchie	(i)	278,239	60,608	20,232	46,228	17,727	423,034	0
	(ii)	0	0	0	0	0	0	0
Margaret Naleppa	(i)	490,466	132,880	10,547	36,398	18,197	688,488	0
	(ii)	0	0	0	0	0	0	0
Lura Lunsford	(i)	211,241	31,265	6,605	34,589	16,901	300,601	0
	(ii)	0	0	0	0	0	0	0
Thomas Lawrence MD	(i)	360,970	97,197	2,808	42,189	18,897	522,061	0
	(ii)	0	0	0	0	0	0	0
James Martin MD	(i)	539,021	0	0	15,222	5,856	560,099	0
	(ii)	0	0	0	0	0	0	0
Joseph Grasso MD	(i)	466,623	0	0	15,222	14,192	496,037	0
	(ii)	0	0	0	0	0	0	0
Justinian Ngaiza MD	(i)	519,815	0	0	15,120	14,397	549,332	0
	(ii)	0	0	0	0	0	0	0
Panpit Klug MD	(i)	688,511	0	0	15,222	9,572	713,305	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Compensation Information	Schedule J	Part I, Line 4B Margaret Naleppa is a participant in the 457F non qualified plan. Part I, Line 6A and 6B Officers and key employees of Peninsula Regional Medical Center are paid compensation determined by the net earnings activity of the Medical Center and Peninsula Regional Health System.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
PENINSULA REGIONAL MEDICAL CENTER

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2009

Open to Public Inspection

Employer identification number
52-0591628

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A Maryland Health & Higher Educational Facilities Au	52-0936091	574217WT8	02-09-2006	146,668,251	SEE SCHEDULE O		X		X

Part II

Proceeds

	A		B		C		D		E	
	1	Total proceeds of issue	154,822,905							
2	Gross proceeds in reserve funds	11,127,422								
3	Proceeds in refunding or defeasance escrows									
4	Other unspent proceeds									
5	Issuance costs from proceeds	1,167,501								
6	Working capital expenditures from proceeds									
7	Capital expenditures from proceeds	100,184,165								
8	Year of substantial completion	2009								
		Yes	No	Yes	No	Yes	No	Yes	No	
9	Were the bonds issued as part of a current refunding issue?	X								
10	Were the bonds issued as part of an advance refunding issue?		X							
11	Has the final allocation of proceeds been made?	X								
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X								

Part III

Private Business Use

	A		B		C		D		E	
	1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		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									
3b	Are there any research agreements with respect to the financed property which may result in private business use?		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									
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 830 %									
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 120 %									
6	Total of lines 4 and 5	0 950 %									
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
2	Is the bond issue a variable rate issue?		X								
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X									
b	Name of provider	Morgan Stanley									
c	Term of hedge	20 4									
4a	Were gross proceeds invested in a GIC?		X								
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X								
6	Did the bond issue qualify for an exception to rebate?	X									

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PENINSULA REGIONAL MEDICAL CENTER

Employer identification number
52-0591628

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

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

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

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
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
PENINSULA CARDIOLOGY ASSOCIATES	SEE SCHEDULE O	229,164	CARDIOLOGY SVCS, RENTAL FEES		No

Additional Data

Software ID:

Software Version:

EIN: 52-0591628

Name: PENINSULA REGIONAL MEDICAL CENTER

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As Filed Data -

DLN: 93493136041071

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 PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		PENINSULA REGIONAL MEDICAL CENTER IS ORGANIZED AS A NON-STOCK, NOT FOR PROFIT CORPORATION WITH MEMBERS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A LINE 7A		THE NOMINATING COMMITTEE OF THE BOARD MAKES RECOMMENDATIONS FOR NEW MEMBERSHIP THE BOARD OF TRUSTEES GIVES FINAL APPROVAL FORM 990, PART VI, SECTION A, LINE 7B NEW RESOLUTIONS ARE ADOPTED BY THE BOARD'S COMMITTEE CHAIRPERSONS OR MEMBERS OF THE BOARD AND PRESENTED TO THE BOARD FOR APPROVAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		OVERSIGHT OF THE COMPLETION OF THE ORGANIZATION'S FORM 990 HAS BEEN DELEGATED TO THE CHIEF FINANCIAL OFFICER OF PENINSULA REGIONAL MEDICAL CENTER BY THE PRESIDENT OF THE ORGANIZATION ONCE THE FORM 990 AND ALL SCHEDULES HAVE BEEN PREPARED BY THE ORGANIZATION'S INDEPENDENT TAX SERVICES PROVIDER, THEY ARE REVIEWED BY THE PRESIDENT PRIOR TO FILING

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C		BOARD OF TRUSTEES ARE REQUIRED TO DISCLOSE ANNUALLY, IN WRITING, ANY AND ALL INTERESTS WHICH THEY OR ANY MEMBER OF THEIR IMMEDIATE FAMILY, MAY HAVE IN ANY BUSINESS ENTITY WHICH HAS OR SEEKS A CONTRACTUAL REALTIONSHIP WITH THE CORPORATION OR ANY OF ITS AFFILIATES THE BOARD HAS AUTHORITY TO DETERMINE IF A VIOLATION HAS OCCURRED AND WHETHER ANY INTEREST WHICH SHOULD BE DISCLOSED SHOULD DISQUALIFY A DIRECTOR FROM PARTICIPATING IN ANY SPECIFIC BOARD DISCUSSION OR MEMBERSHIP ON THE BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI SECTION B, LINE 15		THE ORGANIZATION USES A COMPENSATION COMMITTEE TO DETERMINE THE COMPENSATION OF THE CEO/EXECUTIVE DIRECTOR AND OTHER KEY EMPLOYEES THE CEO OF THE ORGINIZATION HAS A WRITTEN EMPLOYMENT CONTRACT THE COMPENSATION COMMITTEE USES AN INDEPENDENT CONSULTANT, COMPENSATION SURVEYS AND OTHER ORGANIZATION'S FORM 990 IN THE DETERMINATION PROCESS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19		THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST TO THE PUBLIC INFORMATION OFFICE OF PENINSULA REGIONAL MEDICAL CENTER

Identifier	Return Reference	Explanation
SCHEDULE L		Rene Desmarias, M D , a trustee of the Medical Center, is a more than 5% ow ner of Peninsula Cardiology Associates

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, COLUMN F		The proceeds of the issue, after payment of financing costs, were used primarily (i) to finance and refinance a portion of the costs of construction, renovation, acquisition and equipping of healthcare facilities, (ii) to refund outstanding 1993 bonds (issued 10/28/93), (iii) to pay a portion of the interest accruing on the Series 2006 Bonds for a period to extend to January 1, 2009, and (iv) to pay the Counterparty a termination payment of \$1,575 in connection w ith a forw ard starting interest rate exchange agreement entered into on August 9, 2005 and unw ound on January 24, 2006 SCHEDULE K, PART II, LINE 7 Of the amount reported on Part II, Line 7, \$12,281,895 is capitalized interest

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PENINSULA REGIONAL MEDICAL CENTER

Employer identification number
52-0591628

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
PENINSULA REGIONAL MEDICAL FOUNDATION 100 EAST CARROLL ST SALISBURY, MD 21801 52-1851935	FUNDRAISING	MD	501(C)(3)	11A	NA
PENINSULA REGIONAL HEALTH SYSTEM INC 100 EAST CARROLL ST SALISBURY, MD 21801 52-2132761	PARENT	MD	501(C)(3)	11B	NA
PENINSULA GENERAL HOSPITAL INS TRUST 100 EAST CARROLL ST SALISBURY, MD 21801 52-6321234	INS TRUST	MD	501(C)(3)	11	NA

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
DELMARVA SURGERY CENTER 641 S SALISBURY BLVD SALISBURY, MD21801 52-2251436	HEALTHCARE	MD						No			No

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
PENINSULA HEALTH VENTURES INC 100 EAST CARROLL ST SALISBURY SALISBURY, MD21801 52-2250012	INVESTMENT	MD	NA	C CORP			
PRLTC INC 100 EAST CARROLL ST SALISBURY, MD21801 52-2190588	LONG TERM CARE	MD	NA	C CORP			

Part V

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

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

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

No

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

No

1p

Yes

1q

No

1r

Yes

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) PENINSULA REGIONAL MEDICAL CENTER FOUNDATION	L, R	2,410,588
(2) PENINSULA REGIONAL MEDICAL CENTER FOUNDATION	M, N,	422,581
(3) PENINSULA HEALTH VENTURES INC	K	150,000
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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.

[illegible]

(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			
R Alan Newberry Former President/CEO	40.0						X	864,716	0	77,750

Additional Data

Software ID:

Software Version:

EIN: 52-0591628

Name: PENINSULA REGIONAL 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			
Jeffrey F Turner Board Member	1 0	X						0	0	0
Farouk A Sultani MD Board Chairman (07/09-09/09)	10 0	X		X				7,500	0	0
Margaret Naleppa President/CEO	40 0	X		X				633,893	0	54,595
Martin Neat Vice-Chairman	1 0	X		X				0	0	0
Herbert J Geary III Board Member	1 0	X						0	0	0
Michael E Crouch MD Board Member	1 0	X						0	0	0
Murray Hoy Board Chairman (10/09-06/10)	10 0	X		X				22,500	0	0
Christjon J Huddleston MD Board Member	1 0	X						0	0	0
Hugh McLaughlin Board Member	1 0	X						0	0	0
Rene Desmarais MD Board Member (01/10 - 06/10)	1 0	X						0	0	0
Susan Robinson Board Member (04/10 - 06/10)	1 0	X						0	0	0
Brian Shockley Board Member	1 0	X						0	0	0
Marion Keenan Board Member	1 0	X						0	0	0
Conworth Dayton-Jones MD Board Member (07/09-12/09)	1 0	X						0	0	0
Edward W Urban Secretary	1 0	X		X				0	0	0
William R McCain Treasurer	1 0	X		X				0	0	0
Monty Saylor Board Member	1 0	X						0	0	0
Marilyn Booth Board Member (07/09 - 03/10)	1 0	X						0	0	0
Bruce I Ritchie CFO	40 0			X				359,079	0	63,955
Lura Lunsford VP of Operations	40 0			X				249,111	0	51,490
Thomas Lawrence MD VP of Medical Affairs	40 0					X		460,975	0	61,086
James Martin MD Physician	40 0					X		539,021	0	21,078
Joseph Grasso MD Physician	40 0					X		466,623	0	29,414
Justinian Ngaiza MD Physician	40 0					X		519,815	0	29,517
Panpit Klug MD Physician	40 0					X		688,511	0	24,794