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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047
	The organization may have to use a copy of this return to satisfy state reporting requirements	<div> <div>2012</div> <div>Open to Public Inspection</div> </div>

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Greater Baltimore Medical Center Inc		D Employer identification number 52-6049658	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) 6701 North Charles Street	Room/suite	E Telephone number (443) 849-2000	
	City or town, state or country, and ZIP + 4 Baltimore, MD 21204		G Gross receipts \$ 417,725,631	
	F Name and address of principal officer Eric L Melchior 6701 North Charles Street Baltimore, MD 21204		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ www.gbmc.org				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation 1960	
			M State of legal domicile MD	

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities To provide medical care and service of the highest quality to each patient (Cont on Sch O) leading to health, healing and hope		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	26
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	19
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	4,008
	6 Total number of volunteers (estimate if necessary)	6	689
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	547,080
	7b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	8,846,500	5,148,335
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	397,111,334	382,793,474
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,690,713	4,142,040
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,070,519	4,097,821
		411,719,066	396,181,670
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	233,500	206,437
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	207,446,989	203,238,152
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) \rightarrow 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	185,776,259	176,980,335
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	393,456,748	380,424,924
	19 Revenue less expenses Subtract line 18 from line 12	18,262,318	15,756,746
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	477,401,916	506,563,818
	21 Total liabilities (Part X, line 26)	300,860,361	273,383,375
	22 Net assets or fund balances Subtract line 21 from line 20	176,541,555	233,180,443

Part II Signature Block

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

Sign Here	Signature of officer				2014-05-15	
	Enc L Melchior EVP & CFO Type or print name and title				Date	
Paid Preparer Use Only	Print/Type preparer's name Yvette L Woods		Preparer's signature		Date	
	Check <input type="checkbox"/> if self-employed		PTIN P00364424			
	Firm's name ▶ DELOITTE TAX LLP				Firm's EIN ▶ 86-1065772	
	Firm's address ▶ 1750 TYSONS BLVD MCLEAN, VA 221024219				Phone no (703) 251-1000	

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

Part III

Statement of Program Service Accomplishments

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

☐

☒

1

Briefly describe the organization's mission

See Schedule O

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

4a

(Code) (Expenses \$ 128,863,117 including grants of \$) (Revenue \$ 134,990,932)

The Greater Baltimore Medical Center, Inc (GBMC) is a 270-bed medical center (acute and sub-acute care) located on a suburban campus, which provided inpatient care and observation services to 17,413 and 4,800 patients, respectively. Additionally, GBMC delivered over 3,976 babies in the fiscal year. Since its founding, GBMC's accomplishments have validated the vision of its founders to combine the best of community and university-level medicine. GBMC's distinctive service lines include women's cancer, surgical and medical services. GBMC is a fully accredited teaching hospital that is affiliated with John Hopkins University.

4b

(Code) (Expenses \$ 71,578,481 including grants of \$) (Revenue \$ 93,232,377)

The operating room performed over 28,284 inpatient and outpatient surgical procedures in the fiscal year. Specialties include GBMC's comprehensive obesity management program, the oldest recognized American Society of Metabolic and Bariatric surgery (ASMBS) Center of Excellence in the Metropolitan Baltimore area, Johns Hopkins head and neck surgery at GBMC, minimally invasive and endocrine surgery, neurosurgery, vascular and thoracic surgery, and urology.

4c

(Code) (Expenses \$ 63,677,116 including grants of \$) (Revenue \$ 87,213,794)

The emergency department treated 57,400 patients in the fiscal year. The emergency services department has 3 patient care areas, designed to minimize wait & maximize service for patients & their families. Patients with minor injuries such as sprains are cared for in the Urgent Care area. Severe problems such as acute abdominal pain, chest pain or injuries from motor vehicle accidents are evaluated and treated in Emergent Care. Adjacent to the Emergent Care area is an Observational Care area for adult patients who need to be monitored but not admitted. In addition to emergency services, GBMC provided other outpatient care to over 43,886 patients in specialty clinics such as Ophthalmology, wound care, anti-coagulation, radiation oncology and infusion therapy.

(Code) (Expenses \$ 75,718,142 including grants of \$ 206,437) (Revenue \$ 66,677,364)

Laboratory Service, Radiology - Therapeutic, Residency Program, Magnetic Resonance Imaging, Physician Practices, Cardiac Catheterization, Other Program Services

4d

Other program services (Describe in Schedule O)

(Expenses \$ 75,718,142 including grants of \$ 206,437) (Revenue \$ 66,677,364)
























4e

Total program service expenses

339,836,856

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
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, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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 lines 24b through 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, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	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	Yes	
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 (or a family member thereof) was an officer, director, trustee, or direct or indirect 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	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	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 11b 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

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	226	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	4,008	
2b 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 (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		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)?			No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
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 as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?			No
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?			
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
7d If "Yes," indicate the number of Forms 8282 filed during the year.		0	
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
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.			
9a Did the organization make any taxable distributions under section 4966?			
9b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.			
13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.			
13c Enter the amount of reserves on hand.			
14a Did the organization receive any payments for indoor tanning services during the tax year?			No
14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	26	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	19	
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 governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	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	Did the organization have local chapters, branches, or affiliates?	10a	Yes
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	Yes
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did 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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, 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	No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	MD
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	Eric Melchior 6701 North Charles Street Baltimore, MD (443) 849-2000

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

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

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	10,946,944	0	1,182,720

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 322

		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 or individual 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. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Johns Hopkins University 125 Medical Admin Rd 720 Rutland Baltimore MD 21205	Residency Program	5,068,876
Advanced RadiologyMedical Imaging of Ba 7253 Ambassador Road Baltimore MD 21244	Radiology Services	2,009,911
Aramark Healthcare Support Services PO Box 651009 Charlotte NC 28265	Management - Dietary	1,347,601
Physicians Anesthesia Associates LLC 110 West Road Suite 210 Towson MD 21204	Anesthesia Services	1,303,710
Crothall Healthcare 13028 Collection Center Drive Chicago MD 60693	Patient Transport & Environmental Serv	1,242,452

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►121

Part VIII

Statement of Revenue

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

			(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	275,926			
	d	Related organizations	1d	4,604,754			
	e	Government grants (contributions)	1e	267,655			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		5,148,335			
Program Service Revenue	2a	Patient Service	Business Code 621110	374,794,600	374,794,600		
	b	Other Operating Rev	900099	7,998,874	7,451,794	547,080	
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		382,793,474			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,506,771		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		(i) Real					
		(ii) Personal					
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		(i) Securities					
		(ii) Other					
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		1,635,269			1,635,269
8a		Gross income from fundraising events (not including \$ 275,926 of contributions reported on line 1c) See Part IV, line 18		230,264			
a							
b		Less direct expenses					
b	Less direct expenses		257,237				
c	Net income or (loss) from fundraising events . .		-26,973			-26,973	
9a	Gross income from gaming activities See Part IV, line 19						
a							
b	Less direct expenses						
b	Less direct expenses						
c	Net income or (loss) from gaming activities . .						
10a	Gross sales of inventory, less returns and allowances						
a							
b	Less cost of goods sold						
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code					
11a	Cafeteria Income	722210	2,099,043			2,099,043	
b	Parking Revenue	812930	2,025,751			2,025,751	
c							
d	All other revenue						
e	Total. Add lines 11a-11d		4,124,794				
12	Total revenue. See Instructions		396,181,670	382,246,394	547,080	8,239,861	

Part IX

Statement of Functional Expenses

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

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

☐

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 United States. See Part IV, line 21.	206,437	206,437		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	6,514,198		6,514,198	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	156,358,684	147,690,498	8,668,186	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	11,331,248	9,665,257	1,665,991	
9	Other employee benefits.	18,190,639	16,296,542	1,894,097	
10	Payroll taxes.	10,843,383	9,921,437	921,946	
11	Fees for services (non-employees):				
a	Management.	2,292,061	2,126,798	165,263	
b	Legal.	130,257	29,259	100,998	
c	Accounting.	175,149	50,834	124,315	
d	Lobbying.	54,468		54,468	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	469,858		469,858	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	28,426,053	25,282,450	3,143,603	
12	Advertising and promotion.	1,237,052	183,606	1,053,446	
13	Office expenses.	90,537,204	89,361,576	1,175,628	
14	Information technology.	4,844,717	3,408,854	1,435,863	
15	Royalties.				
16	Occupancy.	2,034,947	1,789,799	245,148	
17	Travel.	393,511	315,988	77,523	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	469,014	421,641	47,373	
20	Interest.	6,658,321	5,980,731	677,590	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	25,508,224	23,082,768	2,425,456	
23	Insurance.	8,849,664	1,478,695	7,370,969	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Purchased Services	2,414,279	610,310	1,803,969	
b	Residents	1,703,531	1,703,056	475	
c	Other (Dues & Amort.)	782,025	230,320	551,705	
d					
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	380,424,924	339,836,856	40,588,068	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		18,755,717	2	7,543,479
	3	Pledges and grants receivable, net		2,059,806	3	214,242
	4	Accounts receivable, net		45,007,171	4	44,077,103
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,349,076	8	3,322,140
	9	Prepaid expenses and deferred charges		8,490,568	9	9,013,489
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	548,004,340		
	b	Less accumulated depreciation	10b	325,919,604	226,394,104	10c 222,084,736
	11	Investments—publicly traded securities		103,347,024	11	139,290,553
	12	Investments—other securities See Part IV, line 11		23,002,320	12	33,009,699
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		46,996,130	15	48,008,377
	16	Total assets. Add lines 1 through 15 (must equal line 34)		477,401,916	16	506,563,818
Liabilities	17	Accounts payable and accrued expenses		58,112,260	17	64,060,917
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		110,516,221	20	107,969,247
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		132,231,880	25	101,353,211
	26	Total liabilities. Add lines 17 through 25		300,860,361	26	273,383,375
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		146,516,322	27	197,041,373
	28	Temporarily restricted net assets		21,337,976	28	25,948,808
	29	Permanently restricted net assets		8,687,257	29	10,190,262
	Organizations that do not follow SFAS 117 (ASC 958), 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		176,541,555	33	233,180,443
	34	Total liabilities and net assets/fund balances		477,401,916	34	506,563,818

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	396,181,670
2	Total expenses (must equal Part IX, column (A), line 25)	2	380,424,924
3	Revenue less expenses Subtract line 2 from line 1	3	15,756,746
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	176,541,555
5	Net unrealized gains (losses) on investments	5	11,610,997
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	29,271,145
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	233,180,443

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

(A)	(B)	(C)	(D)
Name and Title	Average	Position (do not check)	Reportable

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Honorable Vicki Ballou-Watts Director	1 00 3 00	X						0	0	0
Mr Herbert J Belgrad Director	1 00 2 00	X						0	0	0
Ms Sandra Berman Director	1 00 2 00	X						0	0	0
Ms Kara C King Bess Director	1 00 2 00	X						0	0	0
Robert K Brookland MD Director	1 00 3 00	X						0	0	0
Mr Samuel Heffner Director	1 00 2 00	X						0	0	0
Mr Frederick M Hudson Director	1 00 2 00	X						0	0	0
Theda C Kontis MD Director	1 00 2 00	X						0	0	0
Mr Benjamin F Lucas II Director	1 00 2 00	X						0	0	0
Mr Thomas H Maddux Director	1 00 2 00	X						0	0	0
Mr Anthony Milando Director	1 00 2 00	X						0	0	0
Mr Frank R Palmer Director	1 00 2 00	X						0	0	0
Mr Robert A Shelton Director	1 00 2 00	X						0	0	0
Mr Stuart O Simms Director	1 00 2 00	X						0	0	0
Ms Bonnie R Stein Director	1 00 2 00	X						0	0	0
Mr James B Stradtner Director	1 00 2 00	X						0	0	0
Mr Steven A Thomas Director	1 00 3 00	X						0	0	0
Ms Marion G Thompson Director	1 00 2 00	X						0	0	0
Harold Tucker MD Chief of Staff	1 00 2 00	X						130,000	0	0
Ronald F Tutrone Jr MD Director/GBMC Research Chair	12 00 2 00	X						300,000	0	0
John M Wogan MD Vice Chief of Staff	1 00 2 00	X						0	0	0
John B Chessare MD President & CEO GBMC Healthcare	23 00 17 00	X		X				735,517	0	204,279
Mr Harry S Johnson Chair	1 00 2 00	X		X				0	0	0
Ms Patricia J Mitchell Vice Chair	1 00 2 00	X		X				0	0	0
Mr Stephen T Scott Treasurer	1 00 2 00	X		X				0	0	0

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Ms Mary B Wieler Secretary	1 00 2 00	X		X				0	0	0
Mr Eric L Melchior EVP & CFO	20 00 20 00			X				863,032	0	39,795
Mr Keith R Poisson EVP & COO	28 00 12 00			X				469,007	0	125,592
John R Saunders MD VP Medical Affairs	39 00 1 00			X				504,470	0	74,528
Mr George E Bayless III VP Finance	29 00 11 00				X			266,709	0	66,032
Ms Carolyn L Candiello VP Quality & Pt Safety	39 00 1 00				X			181,199	0	49,135
Ms Jenny Coldiron VP Development	5 00 35 00				X			218,793	0	64,998
Mr John W Ellis Sr VP Strategy & Bus Dev	30 00 10 00				X			433,127	0	123,944
Mr Michael A Forthman VP Facilities & Support Ser	35 00 5 00				X			224,148	0	52,859
Ms Catherine Hamel VP Post Acute Srvs & Exec Dir Hospice	5 00 35 00				X			220,400	0	55,024
Ms Joanne Porter Sr VP Chief Nursing Exec	39 00 1 00				X			325,559	0	69,026
Ms Tressa B Springman VP & CIO (Left 10/12)	35 00 5 00				X			331,212	0	62,552
Ms Delons S Tuggle VP Human Resources	35 00 5 00				X			292,502	0	30,759
Gary I Cohen MD Med Director/Physician	40 00 0 00					X		830,583	0	38,861
Neri M Cohen MD Division Chief/Physician	40 00 0 00					X		748,869	0	36,467
Reginald J Davis MD Med Director/Physician	40 00 0 00					X		1,590,742	0	24,388
Bimal G Ramı MD Physician	40 00 0 00					X		823,801	0	35,643
Lauren A Schnaper MD Center Director/Physician	40 00 0 00					X		596,499	0	28,838
Mr Laurence Merlis Former CEO	0 00 0 00						X	860,775	0	0

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
Greater Baltimore Medical Center Inc

Employer identification number
52-6049658

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
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 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. 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—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2012. 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—2011. 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 Section 509(a)(2)

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15		
16 Public support percentage from 2011 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶			

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

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

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

Part II-A

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

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

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(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?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	0
d	Mailings to members, legislators, or the public?	Yes		833
e	Publications, or published or broadcast statements?	Yes		3,335
f	Grants to other organizations for lobbying purposes?		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		41,128
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?	Yes		9,172
j	Total. Add lines 1c through 1i.			54,468
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.		
Identifier	Return Reference	Explanation
Explanation of Lobbying Activities	Part II-B, Line 1	The amount for other activities includes meetings with GBMC staff, legislative committees and contracted GBMC lobbyist, as well as amounts incurred for general research on federal and state healthcare issues.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
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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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

	Held at the End of the 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, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes☐ No

6

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

7

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

8

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

☐ Yes☐ No

9

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

Part III

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

1a

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

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1▶\$ _____

(ii) Assets included in Form 990, Part X▶\$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

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

b

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

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

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

☐ Yes

☐ No

Part IV

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

- 1a

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

☐ Yes

☐ No
- b

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

	Amount
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	14,235,801	12,868,698	10,391,609	9,433,475	10,781,157
b Contributions	1,503,005	1,101,223	1,025,384	2,135	53,262
c Net investment earnings, gains, and losses	1,659,827	304,027	1,484,905	993,109	-1,358,011
d Grants or scholarships					
e Other expenditures for facilities and programs	40,542	38,147	33,200	37,110	42,933
f Administrative expenses					
g End of year balance	17,358,091	14,235,801	12,868,698	10,391,609	9,433,475

- 2

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

a

Board designated or quasi-endowment

b

Permanent endowment

58 710 %

c

Temporarily restricted endowment

41 290 %

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b
- 4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		15,290,673		15,290,673
b Buildings		295,998,372	139,210,850	156,787,522
c Leasehold improvements		9,561,917	5,130,995	4,430,922
d Equipment		132,182,619	106,803,095	25,379,524
e Other		94,970,759	74,774,664	20,196,095
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				222,084,736

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return					
1	Total revenue, gains, and other support per audited financial statements			1	416,704,929
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	11,610,997		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	8,661,044		
e	Add lines 2a through 2d			2e	20,272,041
3	Subtract line 2e from line 1			3	396,432,888
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	-251,218		
c	Add lines 4a and 4b		4c		
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)			5	396,181,670
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements			1	379,061,937
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 XIII)	2d	-1,149,228		
e	Add lines 2a through 2d			2e	-1,149,228
3	Subtract line 2e from line 1			3	380,211,165
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	213,759		
c	Add lines 4a and 4b		4c		
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	380,424,924

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	Part V, line 4 GBMC Investments holds and manages the endowment of the Hospital. Intended uses of the organization's Endowment Funds: 1) Research - Support clinical research performed at Greater Baltimore Medical Center; 2) Education - Support education programs, lectures and scholarships; 3) Special Programs - Rehabilitation services for low vision and blindness, human genetics and the Center for Nursing Excellence; 4) General Support for Greater Baltimore Medical Center.
Description of Uncertain Tax Positions Under FIN 48	Part X, Line 2	The Financial Accounting Standards Board's (FASB) guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty of income tax positions. This guidance defines the threshold for recognizing tax return positions in the consolidated financial statements as "more likely than not" that the position is sustainable, based on its technical merits. This standard also provides guidance on the measurement, classification and disclosure of tax return positions in the consolidated financial statements. The Company has adopted this guidance, and there were no amounts recorded in the consolidated financial statements during the years ended June 30, 2013 and 2012 for uncertain tax positions.
Part XI, Line 2d - Other Adjustments		Investment Fee reclassified to expense -469,858 Ruxton Insurance Company, Ltd. excluded from tax return 2,082,016 Net assets Released from Restriction for Operations 5,210,267 Equity in unrestricted assets of affiliate 1,838,619
Part XI, Line 4b - Other Adjustments		Event Expense, netted from revenue -257,237 GBMC/Hopkins Pediatric Surgery, LLC Capital contribution 6,019
Part XII, Line 2d - Other Adjustments		Ruxton Insurance Company, Ltd. -1,149,228
Part XII, Line 4b - Other Adjustments		Investment Fee reclassified to expense -256,099 Event Expense, netted from revenue 469,858

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
			<u>GBMC Golf Outing</u>	<u>Steeple Chase</u>	<u>1</u>	(add col (a) through	
			(event type)	(event type)	(total number)	col (c))	
	1	Gross receipts	203,241	186,554	116,395	506,190	
	2	Less Contributions . . .	136,249	23,282	116,395	275,926	
3	Gross income (line 1 minus line 2)	66,992	163,272		230,264		
Direct Expenses	4	Cash prizes	0	25,000	0	25,000	
	5	Noncash prizes . . .	1,100	0	10,545	11,645	
	6	Rent/facility costs . . .	45,779	24,531	0	70,310	
	7	Food and beverages .	13,938	35,997	1,097	51,032	
	8	Entertainment	0	14,390	0	14,390	
	9	Other direct expenses .	1,147	66,201	17,512	84,860	
	10	Direct expense summary Add lines 4 through 9 in column (d) ►					(257,237)
	11	Net income summary Combine line 3, column (d), and line 10 ►					-26,973

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses . . .			
Direct Expenses	6	Volunteer labor			
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	
b An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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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

2012

Open to Public Inspection

Name of the organization
Greater Baltimore Medical Center Inc

Employer identification number
52-6049658

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	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?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	Yes	
b	If "Yes," did the organization make it available to the public?	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheet 1)			15,684,956	10,432,036	5,252,920	1 380 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b) .						
d Total Financial Assistance and Means-Tested Government Programs .			15,684,956	10,432,036	5,252,920	1 380 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			931,383	4,971	926,412	0 240 %
f Health professions education (from Worksheet 5)			10,260,319	64,775	10,195,544	2 680 %
g Subsidized health services (from Worksheet 6)			1,321,220	518,829	802,391	0 210 %
h Research (from Worksheet 7)			433,849		433,849	0 110 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			24,514		24,514	0 010 %
j Total. Other Benefits			12,971,285	588,575	12,382,710	3 250 %
k Total. Add lines 7d and 7j .			28,656,241	11,020,611	17,635,630	4 630 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements			25,000		25,000	0.010 %
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development			100,000		100,000	0.020 %
9Other						
10Total			125,000		125,000	0.030 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

Yes

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

7,179,417

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME).

5

6Enter Medicare allowable costs of care relating to payments on line 5.

6

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

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

☐ Cost accounting system

☐ Cost to charge ratio

☐ Other

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

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

9b

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Schedule H (Form 990) 2012

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Greater Baltimore Medical Center 6701 North Charles Street Baltimore, MD 21204 www.gbmc.org	X	X		X			X		Contains licensed Skilled Nursing Facility beds	

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Greater Baltimore Medical Center

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

1

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input checked="" type="checkbox"/> Medicaid/Medicare			
g <input checked="" type="checkbox"/> State regulation			
h <input type="checkbox"/> Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a <input type="checkbox"/> The policy was posted on the hospital facility's website			
b <input type="checkbox"/> The policy was attached to billing invoices			
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input type="checkbox"/> The policy was available upon request			
g <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input checked="" type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		17	Yes
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input checked="" type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

- 18
- Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a

☒

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		Part I, Line 7 Cost of Charity Care was calculated using the cost-to-charge ratio prescribed in the instructions to Worksheet 2 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
		Part I, Line 7g GBMC supports coverage of specialty services (orthopedics, anesthesia, general surgery, etc) provided in the emergency room to Medicaid and uninsured patient populations by ensuring payment of the physician professional fees for surgical related cases GBMC also employs a full-time Geriatric Nurse Practitioner whose sole responsibility is to provide education and primary care services at Towson area low-income senior living facilities GBMC partners with Catholic Charities to provide on-site physician coverage at a residential mental health treatment for children (Villa Maria)

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) GBMC adopted the guidance of ASU 2011-7, which required the reclassification of the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue As such \$9.5 million for provision of bad debt was recorded as a reduction of patient service revenue
		Part II GBMC's has contributed \$500,000 over a 5-year period to a statewide Maryland initiative that is investing in nursing by ensuring the anticipated future demand and need for nursing care is adequately met In addition, GBMC partners with the Christo Rey organization through a \$25,000 annual sponsorship that allows for practical job skills to be gained by at-risk high-school students through sponsorship of a student in an on-site work/study role

Identifier	ReturnReference	Explanation
		Part III, Line 4 Part III, Line 2 GBMC uses a calculated cost ratio of 75 50% This makes the reporting of bad debt consistent with the reporting of charity care Part III, Line 4 Please see Page 12, Note 2(l) of the attached June 30, 2013 Audited Financial Statements
		Part III, Line 9b Patients who have been previously screened for charity care, are not Medical Assistance eligible and have no insurance do not receive invoices They are automatically referred GBMC's Assumptive Financial Assistance Program The Program is run in partnership with TransUnion credit reporting agency All self pay accounts and those previously identified as charity care are referred to TransUnion, who utilizes a proprietary credit scoring system to determine likelihood of ability to pay based on estimated income and family size The results from the TransUnion credit scoring are compared to GBMC's Financial Assistance eligibility criteria and a decision is made to write off or to pursue collection

Identifier	ReturnReference	Explanation
Greater Baltimore Medical Center		Part V, Section B, Line 3 As part of the Community Healthcare Needs Assessment (CHNA), select individuals throughout the community representing a variety of unique services, including public health, medical services, social organizations, child & youth services and faith-based organizations were chosen to participate in directly responding to a survey regarding what each individual believed to be the most significant social and healthcare issues facing the community at-large These survey responses became an official component of the overall CHNA report
Greater Baltimore Medical Center		Part V, Section B, Line 4 University of Maryland - St Joseph Medical Center and Sheppard Pratt Health System

Identifier	ReturnReference	Explanation
Greater Baltimore Medical Center		Part V , Section B, Line 7 Greater Baltimore Medical Center (GBMC) continues to define and put into operations work around its implementation strategy in response to the needs identified in the Community Needs Health Assessment However, due to the timing and receipt of the Community Health Needs Assessment report, much of that work continues to be on-going and was not accomplished during the time period covered by this tax return Specifically, GBMC will focus on the identified community health issues it has the most ability to impact in a meaningful way, whether through internally developed strategies and/or partnerships However, the GBMC implementation strategy will likely have a very limited focus on the identified need of mental health services, a service which it is not designated to provide within its acute care spectrum of services Instead, it is believed that much of this need identified community need will be the primary focus of the Sheppard Pratt Health System, a dedicated psychiatric hospital located adjacent to GBMC
Greater Baltimore Medical Center		Part V , Section B, Line 14g The hospital provides a Permission & Acknowledgements document, which among other things, summarizes the hospital's financial assistance policy The document is provided to patients at the time of admission and included within the invoice billing In addition, each invoice notes the availability of financial assistance to patients that believe they are unable to pay The existence of financial assistance is also visibly displayed within areas of patient flow, such as the emergency department, registration kiosks, surgical service areas, etc

Identifier	ReturnReference	Explanation
Greater Baltimore Medical Center		Part V, Section B, Line 16e Three invoices are sent to the patient and two follow-up phone calls are made Patients are provided with information regarding the financial assistance application process Primary collection agencies do not credit report
Greater Baltimore Medical Center		Part V, Section B, Line 17e Three invoices are sent to the patient and two follow-up phone calls are made Patients are provided with information regarding the financial assistance application process Primary collection agencies do not credit report

Identifier	ReturnReference	Explanation
Greater Baltimore Medical Center		Part V, Section B, Line 20d GBMC uses objective criteria in accordance with the Maryland State Uniform Financial Assistance application to determine the eligible charity care reduction from the Maryland Health Services Cost Review Commission's approved rates Patients with combined gross household income of less than 300% of the poverty guidelines are generally eligible for 100% financial assistance Applicants with income over 300% of the poverty guidelines are reviewed on a case by case basis utilizing criteria outlined in the policy which considers net income relative to monthly expenses
		Part VI, Line 2 Greater Baltimore Medical Center (GBMC) completes a GAP assessment designed to evaluate and understand the unmet healthcare needs of the GBMC community, and how GBMC, given its service orientation, might be best served to assist in meeting the identified unmet needs GBMC uses statistical and medical incidence data from local County health departments that collect such data, as well as other various national data GBMC maintains an inter-disciplinary Community Needs Advisory Committee, with representation from the Board of Directors, Outreach Services, Compliance, Finance, Legal, Spiritual Support, and other clinic based areas, which meets monthly to evaluate, debate and approve community based initiatives In addition, the Committee reports directly to the President and Chief Executive Officer Refer to Exhibit 1 for a GBMC publication highlighting recent community benefit activities

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 3 GBMC educates patients about their eligibility for governmental assistance and organization charity care assistance in many ways, starting with the intake process A summary of the financial assistance policy is posted, along with contact information at all registration areas, the emergency room, and the billing office When patients are registered, they are provided with a financial assistance brochure and are handed a "Permissions/Acknowledgment" (signed by the patient) This form explains the hospital's financial assistance policy and provides GBMC phone numbers and a website Also stated on the form is information for how GBMC representatives can assist with applying for Maryland Medical Assistance GBMC also contracts with outside agencies to help with the medical assistance eligibility process Lastly, a statement about financial assistance and a copy of GBMC's policy accompanies all bills to patients</p>
		<p>Part VI, Line 4 Greater Baltimore Medical Center, Inc ("GBMC") is a private, not-for-profit, 270 bed, regional medical center It is located in Towson, Maryland, a suburban Baltimore County community two miles north of Baltimore city GBMC's primary service area includes all of Baltimore County, the northern portion of Baltimore City, and portions of Carroll and Harford Counties The population in GBMC's service area has traditionally been affluent when compared to that of Baltimore County and the Nation The 2010 Median Family income for GBMC's immediate service area was \$78,627, compared to \$85,098 and \$62,982 for Maryland and the Nation respectively However, GBMC's percentage of uninsured is 1 47% for its immediate service area, compared to 12 0% for Baltimore County and a National average of 13 2% GBMC's immediate service area has a Medicaid population of 5 26%, compared to Medicaid averages of 13% and 15% for Baltimore County and the State of Maryland respectively</p>

Identifier	ReturnReference	Explanation
		Part VI, Line 5 A majority of GBMC's governing body is comprised of persons who reside in the organization's primary service area GBMC extends medical staff privileges to all qualified physicians in its community GBMC reinvests its operating margin into improvements in patient care and research GBMC provides teaching through accredited intern and resident education programs in Internal Medicine, Gynecology, Ophthalmology, Otolaryngology, and Colo-Rectal surgery Most recently, GBMC has invested in a geriatric nurse practitioner program whose sole responsibility is to provide education and primary care services to low-income senior living facilities in the local service area GBMC continues to fund anesthesia, obstetrical, and orthopedic services to Medicaid and uninsured patient populations GBMC has generally covered this by agreeing to provide physician payment for surgical cases coming through the emergency department where the patient is considered to be indigent
Reports Filed With States	Part VI, Line 7	MD

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Greater Baltimore Medical Center Inc

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

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

OMB No 1545-0047

2012

Open to Public
Inspection

Employer identification number
52-6049658

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Cristo Rey Internship Program Inc 420 South Chester Baltimore, MD 21231	36-4067306	501(c)(3)	25,000				See Part IV
(2) Maryland Healthcare Education Institute 6820 Deerpath Road Elkridge, MD 210756234	04-3511768	501(c)(3)	100,000				See Part IV
(3) American Heart Association 415 North Charles Street Baltimore, MD 21297	13-5613797	501(c)(3)	11,667				See Part IV
(4) GBMC Healthcare Inc 6701 North Charles Street Baltimore, MD 21204	52-1484872	501(c)(3)	50,000				See Part IV

2

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

4

3

Enter total number of other organizations listed in the line 1 table

0

Part III

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

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

Part IV Supplemental Information.		
Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information		
Identifier	Return Reference	Explanation
Schedule I, Part I, Line 2		The organization's procedures for monitoring the use of grant funds in the U S are evaluated and selected through a formal Community Needs Advisory Committee and are based on unique and identified needs Periodic reports (some quarterly and other annually) are required by grantors Additionally, field visits are conducted
Part II, line 1, Column (h)		Name of Organization or Government Cristo Rey Internship Program, Inc (h) Purpose of Grant or Assistance To make a private, college - preparatory education affordable to urban young people from Baltimore Name of Organization or Government Maryland Healthcare Education Institute (h) Purpose of Grant or Assistance MHA assistance in partnership with other organizations throughout the state to end Maryland's chronic nursing shortages Name of Organization or Government American Heart Association (h) General support Name of Organization or Government GBMC Healthcare, Inc (h) General support for GBMC Healthcare, Inc

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Greater Baltimore Medical Center Inc

Employer identification number
52-6049658

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 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 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 of the expenses described above? If "No," complete Part III to explain	1b		
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		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input 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? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c		No
	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? If "Yes," to line 5a or 5b, describe in Part III.	5b		No
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		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b		No
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 Regulations 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 duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII
Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4b	Part II, Line 4b The following individuals participate in a non-qualified supplemental retirement plan GBMC Healthcare has a non-qualified supplemental retirement plan This plan was approved by the Compensation Committee of the GBMC Healthcare Board of Directors to supplement the executive's retirement income The supplemental retirement plan was developed based on an independent consultant report on market-based practices for supplemental retirement plans The percentage of final average pay, the requirements for vesting, participants, and pay-out provisions were established, reviewed, and approved by the compensation committee The contributions to the supplemental non-qualified retirement plan are included in schedule J, Part II, column C or in schedule J, Part I, column B(III) as part of deferred compensation The following individuals participated in this supplemental non-qualified retirement plan John B Chessare, M D - \$170,512 Earned, \$0 Paid Mr George E Bayless, III - \$23,129 Earned, \$0 Paid Ms Carolyn L Candiello - \$20,000 Earned, \$0 Paid Ms Jenny Coldiron - \$21,548 Earned, \$0 Paid Mr John W Ellis - \$88,396 Earned, \$0 Paid Mr Michael A Forthman - \$11,842 Earned, \$0 Paid Ms Catherine Hamel - \$6,088 Earned, \$0 Paid Mr Eric Melchior - \$0 Earned, \$278,334 Paid Mr Keith R Poisson - \$80,362 Earned, \$0 Paid Ms Joanne Porter - \$39,470 Earned, \$0 Paid John R Saunders, M D - \$30,000 Earned, \$0 Paid Ms Tressa B Springmann - \$37,361 Earned, \$0 Paid Ms Deloris Tuggle - \$20,000 Earned, \$0 Paid Mr Lawrence Merlis - \$0 Earned, \$860,775 Paid Part I, Line 3 Greater Baltimore Medical Center, Inc relied on its parent, GBMC Healthcare, Inc , to set compensation for Greater Baltimore Medical Center, Inc 's president GBMC Healthcare, Inc used a compensation committee, an independent compensation consultant, a written employment contract, a compensation survey or study, and an approval by a board or compensation committee to establish the top management official's compensation

Software ID:
Software Version:
EIN: 52-6049658
Name: Greater Baltimore Medical Center Inc

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
Ronald F Tutrone Jr MD	(i)	300,000	0	0	0	0	300,000	0
	(ii)	0	0	0	0	0	0	0
John B Chessare MD	(i)	651,193	59,289	25,035	175,412	28,867	939,796	0
	(ii)	0	0	0	0	0	0	0
Mr Eric L Melchior	(i)	397,105	423,950	41,977	15,850	23,945	902,827	278,334
	(ii)	0	0	0	0	0	0	0
Mr Keith R Poisson	(i)	381,781	60,239	26,987	93,762	31,830	594,599	0
	(ii)	0	0	0	0	0	0	0
John R Saunders MD	(i)	440,060	37,069	27,341	38,500	36,028	578,998	0
	(ii)	0	0	0	0	0	0	0
Mr George E Bayless III	(i)	224,759	32,303	9,647	35,401	30,631	332,741	0
	(ii)	0	0	0	0	0	0	0
Ms Carolyn L Candiello	(i)	155,112	21,561	4,526	27,864	21,271	230,334	0
	(ii)	0	0	0	0	0	0	0
Ms Jenny Coldiron	(i)	181,970	29,868	6,955	28,709	36,289	283,791	0
	(ii)	0	0	0	0	0	0	0
Mr John W Ellis	(i)	347,131	58,713	27,283	101,796	22,148	557,071	0
	(ii)	0	0	0	0	0	0	0
Mr Michael A Forthman	(i)	191,359	24,656	8,133	22,776	30,083	277,007	0
	(ii)	0	0	0	0	0	0	0
Ms Catherine Hamel	(i)	179,200	30,230	10,970	17,937	37,087	275,424	0
	(ii)	0	0	0	0	0	0	0
Ms Joanne Porter	(i)	255,116	37,211	33,232	55,320	13,706	394,585	0
	(ii)	0	0	0	0	0	0	0
Ms Tressa B Springman	(i)	253,122	70,582	7,508	52,319	10,233	393,764	0
	(ii)	0	0	0	0	0	0	0
Ms Deloris S Tuggle	(i)	241,080	19,472	31,950	26,148	4,611	323,261	0
	(ii)	0	0	0	0	0	0	0
Gary I Cohen MD	(i)	223,268	601,835	5,480	15,850	23,011	869,444	0
	(ii)	0	0	0	0	0	0	0
Neri M Cohen MD	(i)	628,488	120,000	381	4,900	31,567	785,336	0
	(ii)	0	0	0	0	0	0	0
Reginald J Davis MD	(i)	1,312,906	277,320	516	4,900	19,488	1,615,130	0
	(ii)	0	0	0	0	0	0	0
Bimal G Ramı MD	(i)	593,855	229,826	120	4,900	30,743	859,444	0
	(ii)	0	0	0	0	0	0	0
Lauren A Schnaper MD	(i)	520,707	75,000	792	7,350	21,488	625,337	0
	(ii)	0	0	0	0	0	0	0
Mr Laurence Merlis	(i)	0	860,775	0	0	0	860,775	860,775
	(ii)	0	0	0	0	0	0	0

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2012
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
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Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A MD Health & Higher Ed Fac Auth	52-0936091	574218BX0	04-20-2011	67,785,219	Building Renovation and Refund Series 2009		X		X		X
B MD Health & Higher Ed Fac Auth	52-0936091	574218EY5	04-11-2012	36,317,095	Building Renovation and Refund Series 2001		X		X		X

Part II

Proceeds

1	Amount of bonds retired	A	B	C	D				
2	Amount of bonds legally defeased	62,062,333	36,317,095						
3	Total proceeds of issue	67,945,000	35,680,000						
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	723,328							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	4,999,558							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2011		2012					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?		X		X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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%		0%		%		%	
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 00000%		0 00000%		%		%	
6	Total of lines 4 and 5	0%		0%		%		%	
7	Does the bond issue meet the private security or payment test?	X		X					
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?		X		X				
c	No rebate due?		X		X				
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X		X				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?								
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X					

Part VI

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

Identifier	Return Reference	Explanation
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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, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
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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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			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 assistance	(d) Type of assistance	(e) Purpose 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
(1) Ms Bonnie Stein	Board Member	139,422	See Part V		No
(2) Howard Siegel MD	Former Board Member	518,653	See Part V		No
(3) Mr Herbert Belgrad	Board Member	63,430	See Part V		No
(4) Mr Harry Johnson	Chairman	4,476	See Part V		No
(5) John Wogan MD	Vice Chief of Staff	82,236	See Part V		No
(6) Ronald F Tutrone Jr MD	Director	162,000	See Part V		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
		Ms Bonnie Stein is an EVP at PNC Bank, which is the trustee for many of GBMC's investments Howard Siegel, M D is a partner in a PA that provides pathology services to GBMC Mr Herbert Belgrad is a partner in Tydings & Rosenberg LLP that provides legal services to GBMC Mr Harry Johnson is a partner in the law firm Whiting, Taylor & Preston LLP that provides legal services to GBMC John Wogan, M D is a partner in a PA that provides educational services to GBMC Ronald F Tutrone, Jr , M D provides urology research to GBMC

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2012**Open to Public
Inspection**Name of the organization
Greater Baltimore Medical Center Inc**Employer identification number**

52-6049658

Identifier	Return Reference	Explanation
Description of Organization Mission	Form 990, Part III, Line 1	Greater Baltimore Medical Center's primary exempt purpose is as follows (1) To organize, build, erect, equip, manage and operate exclusively for charitable purposes, a non-profit general hospital and medical center for the care of the sick, and to furnish medical and surgical attendance therein in any form in the care of sick, afflicted infirm or injured persons, provided, however, the operations are not to be exclusively for those who are able and expected to pay but to the extent of financial ability are to be for those not able to pay for the services rendered and the facilities are not to be restricted to a particular group of physicians and surgeons except to the extent that discretionary authority in the management may impose limitations based upon the qualifications of those applying or upon the size and nature of the facilities, and no part of its net earnings are to inure directly or indirectly to the benefit of any private shareholder or individual (2) To organize, build, erect, equip, manage and operate a school or schools for training physicians, surgeons, nurses and others, and to educate and train any such persons in the care of sick, afflicted, infirm, or injured persons by teaching medicine, hygiene, surgery and everything having to do with the physical well-being of individuals (3) To engage in any activity and to do anything and everything that may be necessary, expedient or incidental to the purposes stated in paragraphs (1) and (2) (4) To have and to exercise to the extent necessary or desirable for the accomplishment of any of the aforesaid purposes, and to the extent that they are not inconsistent with the charitable purposes of the corporation, and the limitations imposed by section 501(c)(3) of the Internal Revenue Code, any and all powers conferred upon corporations by the Maryland General Corporation law

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	The Board of Directors of GBMC Healthcare, Inc is the governing body for the organization GBMC Healthcare, Inc is the parent corporation and sole stockholder of the organization The business and affairs of the organization are managed under the direction of its Board of Directors except as reserved to the stockholder, GBMC Healthcare, Inc in accordance with the bylaws such as A) To change the mission, purpose, philosophy or objectives of the organization B) To amend the bylaws of the organization C) To dissolve, to consolidate or to merge the organization D) To ratify the election of the president or other officers of the organization E) To remove the president or other officers of the organization F) To elect members of the Board of Directors of the organization G) To remove members of the Board of Directors of the organization H) To purchase, sell or encumber with debt I) To sell all or substantially all of the organization's assets, or to undertake major expansion projects J) To approve the annual operating and capital budgets of the organization K) To appoint general counsel to and the fiscal auditor of the organization L) To set the fiscal year of the organization M) To issue additional stock, following the initial issuance of stock

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	See Form 990, Part VI, Section A, Line 6 Description

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	See Form 990, Part VI, Section A, Line 6 Description

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The Audit and Compliance Committee of Greater Baltimore Medical Center, Inc 's supported parent organization, GBMC Healthcare, Inc , reviews this Form 990 A copy of the Form 990 is provided to the full Board of Directors of the Hospital and GBMC Healthcare prior to filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Annually, every board member, physician, advanced practitioner and manager (which includes key employees) must complete a comprehensive questionnaire that provides for the disclosure of potential conflicts. All disclosures are reviewed by the Compliance Officer. Those disclosures that are questionable or may rise to the level of a conflict are discussed with the Chief Legal Officer and appropriate action is taken, if necessary. A summary of disclosures is provided to the Audit Committee (for management) and to the Governance Committee (for Board members) annually.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>The Compensation Committee ("Committee") of the Board of Directors of GBMC Healthcare, Inc , which is comprised of directors that are "disinterested" as defined by IRS regulations, is authorized to oversee the organization's executive compensation program. The Committee reviews and approves the compensation provided to the organization's President and Chief Executive Officer and each officer, key employee and senior leader, whether or not these individuals would be considered "disqualified persons" under the intermediate sanctions regulations of federal income tax law. The Committee has adopted a written philosophy setting forth the guiding principles governing the compensation provided to the organization's executives. The Committee's review and approval process was established and is conducted in a manner so as to qualify for the rebuttable presumption of reasonableness under the intermediate sanctions regulations of federal income tax law. All forms of compensation and benefits provided to members of the senior leadership team are reviewed, which includes current and deferred compensation and all employee benefits, both qualified and non-qualified to ensure that the "total compensation" is reasonable. The Committee engaged an independent executive compensation consultant that specializes in the review of hospital and health system executive compensation and benefits to compile market compensation data of similarly sized health care organizations throughout the country as well as the same geographic region. No data from any for-profit entities were used. The data were categorized by executive position, and a salary range was developed with the assistance of the independent compensation consultant. The Committee relied upon this data, relevant business judgment factors (e.g., experience, performance, recruitment and retention factors and the unique demands of the position), the guidance provided by the stated compensation philosophy and the written opinion of the independent executive compensation consultant as to the reasonableness of the compensation in relation to market data in making its executive compensation decisions. The Committee also considers its business judgment. The Committee documents the basis for its decisions through the timely preparation of written minutes of the compensation committee meetings during which such decisions are deliberated and determined. The Committee's decisions are subject to the final approval of the Board of Directors.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The governing documents are located on the State of Maryland Department of Taxation's website. Financial statements are made public through the State of Maryland Charitable Registration. Financial statements for GBMC Healthcare, Inc. are also available through the Electronic Municipal Market Access (EMMA) website via the continuing disclosure document. The Conflict of Interest policy is not available to the public.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Equity in Earnings 7,148,003 Transfer to Affiliates -1,667,437 Pension Expense 23,790,579

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Greater Baltimore Medical Center Inc

Employer identification number
52-6049658

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Finney Trimble Surgical Associates LLC 6535 North Charles Street Suite 510 Towson, MD 21204 27-0277242	Surgical physician practice	MD	-983,239	232,605	Greater Baltimore Medical Center Inc

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) GBMC Medical Arts LP 6701 North Charles Street Baltimore, MD 21204 52-1412751	Real Estate Mgt	MD	N/A	N/A				No			No	
(2) GBMC Medical Arts Pavilion West LP 6701 North Charles Street Baltimore, MD 21204 52-1899034	Real Estate Mgt	MD	N/A	N/A				No			No	
(3) Greater Baltimore Diagnostic Imaging Partnership 6701 North Charles Street Baltimore, MD 21204 52-1561640	Imaging Services	MD	N/A	N/A				No			No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) GBMC Agency Inc 6701 North Charles Street Baltimore, MD 21204 52-1411931	Investments	MD	N/A	C					No
(2) GBMC Management Inc 6701 North Charles Street Baltimore, MD 21204 52-1411974	Management Co	MD	N/A	C					No
(3) GBMC Finance Corporation 6701 North Charles Street Baltimore, MD 21204 52-1863069	Financing Agent	MD	N/A	C					No
(4) GBMC Finance Corporation II 6701 North Charles Street Baltimore, MD 21204 52-1836142	Financing Agent	MD	N/A	C					No
(5) GBMC Finance Corporation III 6701 North Charles Street Baltimore, MD 21204 52-1836144	Financing Agent	MD	N/A	C					No
(6) Ruxton Insurance Company Ltd 3 Gorham Road Hamilton HM 08 Hamilton BD 98-0413102	Insurance Captive	BD	N/A	C					No
(7) GBMD Inc 6701 North Charles Street Baltimore, MD 21204 52-1914558	Healthcare	MD	N/A	C					No

Part V

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

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a Yes

1b Yes

1c Yes

1d

1e

1f

1g

1h

1i

1j Yes

1k Yes

1l Yes

1m Yes

1n Yes

1o Yes

1p

1q Yes

1r Yes

1s 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-s)	(c) Amount involved	(d) Method of determining amount involved

Schedule R (Form 990) 2012

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]

Software ID:
Software Version:
EIN: 52-6049658
Name: Greater Baltimore Medical Center Inc

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
GBMC Agency Inc 6701 North Charles Street Baltimore, MD 21204 52-1411931	Investments	MD	N/A	C					No
GBMC Management Inc 6701 North Charles Street Baltimore, MD 21204 52-1411974	Management Co	MD	N/A	C					No
GBMC Finance Corporation 6701 North Charles Street Baltimore, MD 21204 52-1863069	Financing Agent	MD	N/A	C					No
GBMC Finance Corporation II 6701 North Charles Street Baltimore, MD 21204 52-1836142	Financing Agent	MD	N/A	C					No
GBMC Finance Corporation III 6701 North Charles Street Baltimore, MD 21204 52-1836144	Financing Agent	MD	N/A	C					No
Ruxton Insurance Company Ltd 3 Gorham Road Hamilton HM 08 Hamilton BD 98-0413102	Insurance Captive	BD	N/A	C					No
GBMD Inc 6701 North Charles Street Baltimore, MD 21204 52-1914558	Healthcare	MD	N/A	C					No



**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements
and Consolidating Information

June 30, 2013 and 2012

(With Independent Auditors' Report Thereon)

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

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KPMG LLP
1 East Pratt Street
Baltimore, MD 21202-1128

Independent Auditors' Report

The Board of Directors
GBMC Healthcare, Inc.:

We have audited the accompanying consolidated financial statements of GBMC Healthcare, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GBMC Healthcare, Inc. and its subsidiaries as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Emphasis of Matter

As discussed in note 2(s) to the consolidated financial statements, in 2013, the Company adopted new accounting guidance, Accounting Standards Update No. 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information in Schedules 1-3 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

October 3, 2013

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets

June 30, 2013 and 2012

(in thousands)

Assets	2013	2012
Current assets		
Cash and cash equivalents	\$ 11,371	21,717
Short-term investments and limited or restricted use funds	19,634	19,936
Patient accounts receivable, net of reserves of \$9,035 and \$8,124	51,319	51,606
Other receivables	12,222	11,235
Other current assets	8,308	8,176
Total current assets	<u>102,854</u>	<u>112,670</u>
Noncurrent assets		
Investments and limited or restricted use funds	307,814	256,190
Property, plant and equipment, net	256,339	263,469
Other assets	27,093	23,242
Total noncurrent assets	<u>591,246</u>	<u>542,901</u>
Total assets	<u><u>\$ 694,100</u></u>	<u><u>655,571</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 55,455	50,137
Insurance reserves, current	13,581	13,382
Advances from third-party payors	13,650	15,204
Current portion of long-term debt and capital lease liabilities	4,649	4,412
Other current liabilities	5,532	6,202
Total current liabilities	<u>92,867</u>	<u>89,337</u>
Noncurrent liabilities		
Long-term debt	105,487	108,345
Capital lease liabilities	28,570	30,433
Insurance reserves	33,142	32,474
Pension liability	18,668	46,683
Other long-term liabilities	2,638	2,520
Total liabilities	<u>281,372</u>	<u>309,792</u>
Net assets		
Unrestricted controlling interest	355,704	295,713
Unrestricted non-controlling interest	6,513	6,846
Total unrestricted	<u>362,217</u>	<u>302,559</u>
Temporarily restricted	29,177	23,514
Permanently restricted	21,334	19,706
Total net assets	<u>412,728</u>	<u>345,779</u>
Total liabilities and net assets	<u><u>\$ 694,100</u></u>	<u><u>655,571</u></u>

See accompanying notes to consolidated financial statements

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Consolidated Statements of Operations

Years ended June 30, 2013 and 2012

(in thousands)

	<u>2013</u>	<u>2012</u>
Patient service revenue:		
Patient service revenue, net of contractual allowances	\$ 468,878	468,033
Provision for uncollectible accounts	<u>(11,599)</u>	<u>(11,190)</u>
Net patient service revenue	457,279	456,843
Other operating revenue	17,654	19,965
Net assets released from restrictions	<u>6,978</u>	<u>6,361</u>
Total operating revenue	<u>481,911</u>	<u>483,169</u>
Operating expenses:		
Salaries, wages and employee benefits	284,019	282,759
Expendable supplies	89,087	88,755
Purchased services	66,288	69,249
Depreciation and amortization	29,994	28,152
Interest	<u>6,753</u>	<u>7,267</u>
Total operating expenses	<u>476,141</u>	<u>476,182</u>
Total operating income	5,770	6,987
Other income (expense):		
Contributions	2,773	5,024
Fundraising expense	(2,383)	(2,006)
Investment income, net	30,941	5,924
Gain on basis of investment	—	2,141
Loss on extinguishment of debt	<u>—</u>	<u>(1,279)</u>
Total other income	<u>31,331</u>	<u>9,804</u>
Excess of revenues over expenses	<u>\$ 37,101</u>	<u>16,791</u>

See accompanying notes to consolidated financial statements.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2013 and 2012

(in thousands)

	<u>2013</u>	<u>2012</u>
Excess of revenues over expenses	\$ 37,101	16,791
Changes in unrestricted net assets:		
Pension related changes other than net periodic pension costs	23,791	(32,756)
Net assets released for purchase of fixed assets	204	2,577
Contribution from non-controlling interest	5	6,985
Distribution to non-controlling interest	(1,325)	(785)
Other	(118)	529
Increase (decrease) in unrestricted net assets	<u>59,658</u>	<u>(6,659)</u>
Changes in temporarily restricted net assets:		
Contributions	9,052	4,519
Investment income, net	3,793	861
Net assets released for operations	(6,978)	(6,361)
Net assets released for purchase of fixed assets	(204)	(2,577)
Increase (decrease) in temporarily restricted net assets	<u>5,663</u>	<u>(3,558)</u>
Changes in permanently restricted net assets:		
Contributions	1,628	1,734
Increase in permanently restricted net assets	<u>1,628</u>	<u>1,734</u>
Increase (decrease) in net assets	66,949	(8,483)
Net assets, beginning of year	<u>345,779</u>	<u>354,262</u>
Net assets, end of year	<u>\$ 412,728</u>	<u>345,779</u>

See accompanying notes to consolidated financial statements.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
Years ended June 30, 2013 and 2012
(in thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 66.949	(8.483)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	29.994	28.152
Loss on extinguishment of debt	—	1.279
Provision for uncollectible accounts	11.599	11.190
Equity in earnings of investee companies	—	(74)
Net gain on sale of assets	—	(60)
Gain on business acquisition	—	(2.141)
Realized and unrealized gain on investments	(30.943)	(3.716)
Pension related changes other than net periodic pension costs	(23.791)	32.756
Restricted investment income	(456)	(386)
Restricted contributions	(10.680)	(6.253)
Contributions from non-controlling interest	(5)	(6.985)
Distributions to non-controlling interest	1.325	785
Changes in assets and liabilities		
Increase in patient accounts receivables	(11.312)	(7.282)
Increase in other receivables and other assets	(229)	(8.540)
Increase in accounts payable and accrued expenses, advances from third parties, current and non current liabilities	744	2.057
Decrease in pension liability	(4.224)	(8.396)
Net cash provided by operating activities	<u>28.971</u>	<u>23.903</u>
Cash flows from investing activities		
Increase in investments and limited or restricted use funds	(19.923)	(32.167)
Cash from acquisition of MIB	—	760
Cash paid for acquisition of MIB	—	(1.500)
Additions to property and equipment	(19.490)	(23.539)
Net cash used in investing activities	<u>(39.413)</u>	<u>(56.446)</u>
Cash flows from financing activities		
Payments on long-term debt and capital lease liabilities	(4.462)	(1.963)
Payments for financing costs	—	(622)
Defeasance of bonds	—	(35.056)
Proceeds from bond issuance	—	36.303
Proceeds from restricted contributions	5.878	7.196
Contributions from non-controlling interest	5	835
Distributions to non-controlling interest	(1.325)	(785)
Net cash provided by financing activities	<u>96</u>	<u>5.908</u>
Decrease in cash	(10.346)	(26.635)
Cash and cash equivalents, beginning of year	21.717	48.352
Cash and cash equivalents, end of year	<u>\$ 11.371</u>	<u>21.717</u>
Cash paid during the year for interest	\$ 6.572	7.496
Capital additions accrued but not paid	3.335	143
Limited use funds used to defease bonds	—	4.573
Noncash contribution from non-controlling interest	—	6.150

See accompanying notes to consolidated financial statements

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

(1) Organization and Consolidation

GBMC HealthCare, Inc. (the Company), is a holding company for nonprofit companies, which include: Greater Baltimore Medical Center, Inc. (Medical Center), Greater Baltimore Health Alliance Physicians, LLC, GBMC Foundation, Inc., Gilchrist Hospice Care, Inc., GBMC Land, Inc., and GBMC Investments.

The Medical Center is a wholly owned not-for-profit hospital, which provides in-patient, outpatient and emergency care services primarily for residents of the Baltimore metropolitan area. In addition, the Medical Center has ownership of Finney Trimble Surgical Associates, LLC, a physician healthcare provider and Ruxton Insurance Company, Ltd., an insurance captive domiciled in Bermuda. Ruxton insures the risks for malpractice and general liability claims. The Medical Center was formed by agreement dated September 1, 1965, by the Hospital for Women of Maryland of Baltimore City (Women's Hospital) and Presbyterian Eye, Ear and Throat Charity Hospital (Presbyterian Hospital).

Greater Baltimore Health Alliance Physicians, LLC (GBHA), is a wholly owned not-for-profit accountable care organization, which integrates community primary care with hospital and multi-specialty care in the Baltimore area.

GBMC Foundation, Inc. (Foundation) is a wholly owned not-for-profit organization, which coordinates fundraising efforts to benefit the Company and its subsidiaries.

Gilchrist Hospice Care, Inc. (Hospice) is a wholly owned not-for-profit organization, which provides inpatient and home hospice care in the greater Baltimore area.

GBMC Land, Inc. (Land) is a wholly owned not-for-profit organization, which operates Physicians Pavilion North, a medical building on the campus of the Medical Center.

GBMC Investments, Inc., is a wholly owned not-for-profit organization, which holds investments of the Company and is the parent of the following for-profit subsidiaries:

GBMC Agency, Inc. (Agency), which has interest in various medical services companies and operates a medical office building, Physicians Pavilion at Owings Mills (Owings Mills). Agency also has interest or ownership in the following organizations:

- GBMC Physicians, LLC, a physician healthcare provider.
- Greater Baltimore Diagnostic Imaging Partners, LLC, (GBDIP), a diagnostic imaging company, which is 50% owned and consolidated in the financial statements of the Company.
- GBMC Pavilion West Medical Arts Limited Partnership (PPW), a Maryland limited partnership, which owns and operates the five upper floors and has interest in certain common areas of Physicians Pavilion West, a medical office building on the campus of the Medical Center.
- GBMC Management, Inc. (PPE), which owns and operates Physicians Pavilion East, a medical office building on the campus of the Medical Center.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

The Company's consolidated financial statements include the subsidiaries in which the Company has 50% or more voting interests or when the Company is deemed to have control.

(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

The accompanying consolidated financial statements have been prepared on an accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Significant intercompany accounts and transactions have been eliminated in consolidation.

(b) *Cash and Cash Equivalents*

Cash and cash equivalents, carried at cost, which approximates fair value, include short-term investments with original maturities of three months or less from the date of purchase invested that are readily convertible to known amounts of cash. Cash balances may exceed amounts insured by federal agencies, and therefore, bear a risk of loss. The Company has not experienced such losses on these funds.

(c) *Limited or Restricted Use Funds Held*

Limited or restricted use funds primarily include assets held by trustees under agreement. Such funds include assets set aside for bond repayment, malpractice costs, plant replacement, and amounts restricted by donors. Independent third parties designate the assets held by trustees under agreement. The limited or restricted use funds are classified as current or noncurrent based upon the timing and nature of their intended use.

(d) *Inventories*

Inventories, consisting of medical supplies, drugs are stated at the lower of cost or market, with cost being determined primarily under the first-in, first-out method.

(e) *Investments and Investment Income*

Investments include amounts designated by management for specific purposes, insurance reserves, plant replacement, and other purposes. The Company's investment portfolio is considered a trading portfolio and is classified as current or noncurrent assets based on management's intention as to use. Limited use funds that are required for obligations classified as current liabilities are reported as current assets. Investments in marketable securities are measured at fair market value on the consolidated balance sheets. The fair value of the investments is based on quoted market prices or dealer quotations. See note 4 for discussion of the measurement of fair value for investments.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

Investment income or loss (including realized gains and losses on investments, interest and dividends) on proceeds of borrowings that are held by a trustee, to the extent not capitalized, and investment income on assets deposited in the insurance captive investment are reported as other operating income. Investment income or loss (including unrealized and realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses unless restricted by donor or law. Investment income on investments of temporarily restricted net assets is recorded as an increase in temporarily restricted net assets to the extent restricted by the donor or law.

Investment income is recorded on the accrual basis. Purchases and sales of investments are reflected on a trade-date basis. Realized gains and losses on sales of investments are based on historical cost.

(f) Property, Plant and Equipment

Property, plant and equipment are recorded at cost or, if donated, at fair market value at date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 2 to 40 years. The cost and accumulated depreciation relating to property, plant and equipment sold or retired are removed from the respective accounts at the time of disposition and the resulting gain or loss is reflected in other operating income in the consolidated statement of operations.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(g) Other Assets

Other assets is comprised of the following items:

	2013	2012
Reinsurance receivable	\$ 10,154	9,368
Goodwill	7,593	7,593
Pledge receivables	5,476	2,450
Deferred costs	2,494	2,704
Equity investments	631	569
Other	745	558
	<u>\$ 27,093</u>	<u>23,242</u>

Goodwill is assessed annually for impairment at the reporting unit. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two step goodwill impairment tests as described in Accounting Standards Codification, Topic 350, *Intangibles – Goodwill and Other*. The more likely than not threshold is defined as having a likelihood of more than 50%.

In fiscal year 2012, the Company acquired an additional interest in Magnetic Imaging of Baltimore, LLC (MIB), which resulted in accounting for the entity on a consolidated basis versus the equity method (refer to note 5 for discussion of the business acquisition). The Company recorded this acquisition using the purchase accounting method and recorded goodwill of \$7,593. At June 30, 2013 and 2012, the Company assessed the goodwill for its reporting unit, GBDIP, for impairment. The Company determined that it was not more likely than not that the fair value of GBDIP was less than its carrying amount. Accordingly, the Company concluded that goodwill was not impaired as of June 30, 2013 and 2012 without having to perform the two-step impairment test.

Deferred costs include deferred financing costs related to long-term borrowings, are amortized on a straight-line basis, which approximates the effective interest rate method, over the life of the borrowings, which ranges from 3 to 32.5 years. The Company has incurred deferred financing costs related to the issuance of Maryland Health and Higher Educational Facilities Authority (MHHEFA) Series 2012, Series 2011, and Series 1995 Revenue Bonds that have been capitalized. Amortization expense for deferred leasing, prepaid land lease, and bond financing costs for the years ended June 30, 2013 and 2012 was \$226 and \$222, respectively. Accumulated amortization at June 30, 2013 and 2012 amounted to \$634 and \$741, respectively.

Deferred costs also include deferred leasing costs and prepaid land lease payments for Hospice and Owings Mills, which are amortized over the lease terms and expensed on a straight-line basis over the life of the related lease.

The Company accounts for its joint ventures using the equity method or at cost, as appropriate, and any income/loss is included other operating revenues in the consolidated statements of operations.

(h) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Company are reported at their fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

(i) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Company has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Company in perpetuity.

(j) Insurance Reserves

The provision for estimated insurance reserves include estimates of the ultimate costs for reported malpractice, health and workers' compensation claims and claims incurred but not reported.

(k) Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients and third-party payors for services rendered. Rates for the Medical Center's charges related to patient services are set and approved in accordance with the established regulations and rate methodologies of Maryland's rate-setting authority, the Health Services Cost Review Commission (HSCRC), an independent agency created by the State of Maryland through legislative actions. All payors are required to pay the Medical Center's rates as approved by the HSCRC. The HSCRC allows a contractual allowance discount of up to 6.00% on charges to Medicare and Medicaid patients. Other third party payors may receive a prompt payment discount of up to 2.25% through an advanced funding agreement with the Medical Center.

The Medical Center's HSCRC approved rates are adjusted annually to account for compliance with approved rates, annual inflation and changes in cost and volume. The Medical Center has a charge per episode (CPE) agreement with the HSCRC. The CPE agreement establishes a prospectively approved average charge per inpatient episode based upon an estimated case mix index. The agreement allows the Medical Center to adjust approved unit rates, within certain limits, to achieve the average CPE target. The HSCRC allows for certain corridors related to the approved rates such that variances within those corridors do not adversely impact the Medical Center. Outpatient services are charged using the established HSCRC unit rates. The Medical Center's policy is to defer revenue above the approved amounts and beyond the approved corridors.

Physician charges are not regulated by the HSCRC, and are primarily reimbursed by third party payors at rates that are contractually agreed upon.

Hospice's net revenue is reported at the estimated net realizable amounts from third-party payors who pay on a per-diem basis.

Adjustments to patient service revenue for contractual allowances, discounts and financial assistance were \$126,504 and \$123,998 for the years ended June 30, 2013 and 2012, respectively.

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(l) Allowance for Bad Debt

Patient accounts receivable are reduced by allowances for bad debts. In evaluating the collectibility of accounts receivable, the Company analyzes historical collections and write-offs and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for bad debts and provision for uncollectible accounts. Management regularly reviews its estimate and evaluates the sufficiency of the allowance for bad debts. The Company analyzes contractual amounts due from patients who have third-party coverage and provides an allowance for doubtful accounts and a provision for bad debts. For patient accounts receivable associated with self-pay patients, which includes those patients without existing insurance coverage for a portion of the bill, the Company records a significant provision for bad debts for patients that are unable or unwilling to pay for the portion of the bill representing their financial responsibility. Account balances are charged off against the allowance for doubtful accounts after all means of collection has been exhausted.

The activity in the allowance for bad debts is summarized as follows for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Beginning balance	\$ 8,124	6,551
Provision for uncollectible accounts	11,599	11,190
Less write offs	<u>(10,688)</u>	<u>(9,617)</u>
Ending balance	<u>\$ 9,035</u>	<u>8,124</u>

(m) Meaningful Use

Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians and certain other professionals (Providers) when they adopt, implement or upgrade (AIU) certified electronic health record (EHR) technology or become “meaningful users,” as defined under ARRA, of EHR technology in ways that demonstrate improved quality, safety and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four periods. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments; however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments, but not both. The Company recognizes Medicare EHR incentive payments when it is reasonably assured that the Company will successfully demonstrate compliance with the specified meaningful use criteria. The Medical Center and certain physicians satisfied the CMS AIU and/or meaningful use criteria. As a result, the Company recognized approximately \$1,781 and 3,394 of Medicare and Medicaid EHR incentive payments in other operating revenues in the consolidated statement of operations for the years ended June 30, 2013 and 2012, respectively.

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(In thousands)

(n) *Excess of Revenue over Expenses*

The consolidated statements of operations include a performance indicator, excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice include pension changes other than net periodic pension costs, contributions and distributions with noncontrolling investors, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

(o) *Financial Assistance and Community Benefits*

As part of the Company's mission, it provides medical care without discrimination, including the ability of a patient to pay for services. Under the Company's Financial Assistance Policy, patients who meet certain financial based criteria can qualify for free care on all or a portion of the total patient bill. The Company recorded \$4,866 and \$5,293 of financial assistance during the years ended June 30, 2013 and 2012, respectively. The total direct and indirect cost of providing financial assistance was approximately \$3,669 and \$3,920 for fiscal years 2013 and 2012, respectively.

In addition to its Financial Assistance Policy, the Company has a long-standing commitment of supporting the community through the provision of outreach services designed to address identified health and social issues. Specifically, the Company provides a variety of screening and early detection tests, wellness activities, social support services and educational seminars. A majority of these services are provided at either nominal or no cost to community members.

(p) *Rental Income*

Base rental income is recognized as revenue on a straight-line basis over the life of the lease. The difference between the rent recognized and the rental income as stipulated in the lease agreement has been recognized as a receivable in the accompanying statements of financial position from inception of the lease. Rental income is included in other operating income in the accompanying consolidated statements of operations.

(q) *Income Taxes*

Income taxes are provided for earnings (loss) of those subsidiaries, which are subject to federal and state income tax based on the Company's share of the subsidiaries' taxable income, whether or not distributed. The Company's share of these subsidiaries' net losses is deductible to the extent of the Company's tax basis in the subsidiaries.

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The Financial Accounting Standards Board's (FASB) guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty of income tax positions. This guidance defines the threshold for recognizing tax return positions in the consolidated financial statements as "more likely than not" that the position is sustainable, based on its technical merits. This standard also provides guidance on the measurement, classification and disclosure of tax return positions in the consolidated financial statements. The Company has adopted this guidance, and there were no amounts recorded in the consolidated financial statements during the years ended June 30, 2013 and 2012 for uncertain tax positions.

The subsidiaries of GBMC Investments, Inc. are taxable entities. An operating loss carry forward of approximately \$64,793 is available to offset future taxable income through the year 2033.

As of June 30, 2013, deferred tax assets of \$27,573, consisting primarily of net operating loss carry forwards, were offset by a related valuation allowance.

(r) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(s) New Accounting Pronouncements

In July 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The guidance is intended to provide financial statement users with greater transparency about a healthcare entity's net patient service revenue and related allowance for doubtful accounts. The guidance provides information to assist financial statement users in assessing an entity's sources of patient service revenue and related changes in its allowance for doubtful accounts. The guidance requires certain healthcare entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those healthcare entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. The guidance also requires disclosures of patient service revenue (net of contractual allowances and discounts), as well as qualitative information about changes in the allowance for doubtful accounts. As permitted, the Company adopted the guidance of ASU 2011-07 on July 1, 2012. As such the Company reclassified the provision for uncollectible accounts of \$11,599 and \$11,190 for the years ended 2013 and 2012, respectively, from operating expenses to a reduction of patient service revenue in the statement of operations. Note 9 has been updated to reflect this change. In addition, the required disclosures related to the

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Company's sources of patient service revenue and changes in the allowance for doubtful accounts can be found at notes 2(1) and 3.

(3) Concentration of Credit Risk

The Company grants credit without collateral to its patients, most of whom are local residents and are insured under third party payor agreements. The mix of receivables and patient service revenue from patients and third parties as of June 30, 2013 and 2012 were as follows:

	Accounts receivables		Revenue	
	2013	2012	2013	2012
Medicare	34%	31%	40%	38%
Medicaid	4	3	2	2
Blue cross	13	16	17	19
Other third party payors	42	42	39	39
Self pay	7	8	2	2
Total	100%	100%	100%	100%

The Company provides general acute healthcare services in the State of Maryland. The Company and other healthcare providers are subject to certain inherent risks, including the following:

- Dependence on revenues derived from reimbursement by the federal Medicare and state Medicaid programs
- Regulation of hospital rates by the State of Maryland Health Services Cost Review Commission
- Government regulation, government budgetary constraints and proposed legislative and regulatory changes, and
- Lawsuits alleging malpractice or other claims

Such inherent risks require the use of certain management estimates in the preparation of the Company's consolidated financial statements and it is reasonably possible that a change in such estimates may occur.

The Medicare and state Medicaid reimbursement programs represent a substantial portion of the Company's revenues and the Company's operations are subject to a variety of other federal, state and local regulatory requirements. Failure to maintain required regulatory approvals and licenses and/or changes in such regulatory requirements could have a significant adverse effect on the Company.

Changes in federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the Company.

The federal government and many states have aggressively increased enforcement under Medicare and Medicaid anti-fraud and abuse laws and physician self-referral laws (STARK law and regulation). Federal

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healthcare reform initiatives continue to prompt a national review of federally funded healthcare programs. In addition, the federal government and many states continue to fund programs to audit and recover potential overpayments to providers from the Medicare and Medicaid programs. In September 2009, the Medical Center was notified that the Recovery Audit Contractors (RAC) would begin auditing company operations in 2011 and the Medical Center received its first request for records in the last quarter of fiscal year 2011. RAC activity continued in fiscal year 2013 and, on average, the audits for fiscal year 2013 and 2012 remained consistent. The Medical Center has devoted resources to track, tend and defend RAC audit results and implemented a response program and compliance program to monitor conformance with applicable laws and regulations, but the possibility of future government review and enforcement action exists.

As a result of recently enacted and pending federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement to healthcare providers and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over the next decade. This federal healthcare reform legislation did not affect the 2013 or 2012 consolidated financial statements.

(4) Investments and Limited or Restricted Use Funds

Guidance for fair value measurements establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value under current guidance must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last one is considered unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Company for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets	June 30, 2013			
	Level 1	Level 2	Level 3	Total
Managed cash funds	\$ 31,229	—	—	31,229
Corporate debt securities	—	88,447	—	88,447
Bonds – treasury	7,182	—	—	7,182
Bonds – federal agency backed	—	5,243	—	5,243
Bonds – mortgage-backed	—	5,585	—	5,585
Mutual funds – fixed income	—	15,630	—	15,630
Municipal bonds	—	1,730	—	1,730
Total fixed income	7,182	116,635	—	123,817
Common stock	136,840	—	812	137,652
Foreign stock	7,624	—	2,127	9,751
Mutual funds	24,636	—	—	24,636
Mutual funds international	363	—	—	363
Total equity	169,463	—	2,939	172,402
Total investments and limited or restricted use funds	207,874	116,635	2,939	327,448
Less current portion	19,634	—	—	19,634
Total noncurrent investments and limited or restricted use funds	\$ 188,240	116,635	2,939	307,814

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Assets	June 30, 2012			
	Level 1	Level 2	Level 3	Total
Managed cash funds	\$ 32,022	—	—	32,022
Corporate debt securities	—	74,607	—	74,607
Bonds – treasury	6,118	—	—	6,118
Bonds – federal agency backed	—	4,800	—	4,800
Bonds – mortgage-backed	—	7,450	—	7,450
Mutual funds – fixed income	—	15,340	—	15,340
Municipal bonds	—	2,062	—	2,062
Total fixed income	6,118	104,259	—	110,377
Common stock	100,983	—	869	101,852
Foreign stock	10,854	—	1,352	12,206
Mutual funds	19,360	—	—	19,360
Mutual funds international	309	—	—	309
Total equity	131,506	—	2,221	133,727
Total investments and limited or restricted use funds	169,646	104,259	2,221	276,126
Less current portion	19,936	—	—	19,936
Total noncurrent investments and limited or restricted use funds	\$ 149,710	104,259	2,221	256,190

As of June 30, 2013, the Level 3 investments consist of holdings of \$2,127 in a managed foreign investment fund and donated stock in a closely held company of \$812. The foreign investment fund value is provided by the investment manager and is based upon the sales price at close of the exchange on which each security is principally traded. The value of the donated stock is based on independent appraisals obtained by the closely held company. There were no significant transfers between levels during the years ended June 30, 2013 and 2012.

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Investments and limited or restricted use funds are comprised of the following at June 30:

	<u>2013</u>	<u>2012</u>
Funds for debt service	\$ 5,041	4,582
Insurance settlements	52,415	46,402
Donor restricted	41,958	39,447
Unrestricted	<u>228,034</u>	<u>185,695</u>
	<u>\$ 327,448</u>	<u>276,126</u>

Investment income and gains for cash and cash equivalents and investments and limited use funds are comprised of the following for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Unrestricted income:		
Dividends and interest, net	\$ 3,335	2,683
Realized gains on sales of investments	3,376	2,353
Unrealized gains on investments	<u>24,230</u>	<u>888</u>
Total unrestricted income, net	<u>30,941</u>	<u>5,924</u>
Temporarily restricted income:		
Dividends and interest, net	456	386
Realized gains on sales of investments	405	431
Unrealized gains on investments	<u>2,932</u>	<u>44</u>
Total temporarily restricted income, net	<u>3,793</u>	<u>861</u>
Total investment income, net	<u>\$ 34,734</u>	<u>6,785</u>

(5) Business Acquisition

Effective December 31, 2011, Agency acquired an additional 25% partnership interest in Magnetic Imaging of Baltimore, LLP (MIB) for \$1,670. Agency's interest, now totaling 50%, was subsequently contributed to GBDIP. The remaining 50% interest in MIB was contributed to GBDIP by Advanced Radiology, LLC (Advanced), which also has a 50% interest in GBDIP, in a separate transaction. This acquisition of controlling interest in MIB resulted in the recognition of a gain of \$2,141, which represents the excess of the fair value of assets over the carrying value of Agency's original investment.

The Company's consolidated financial statements included the operating results of MIB as of the date of acquisition. For the year ended 2012, the unaudited pro forma financial information below assumes that the business acquisition of MIB occurred on July 1, 2010.

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Pro forma financial information for the year ended June 30, 2012 including the acquisition of MIB:

Revenue	\$ 496,462
Expenses	490,159
Other operating income	<u>44</u>
Net operating income	6,347
Non operating income	<u>9,864</u>
Excess of revenues over expenses	<u><u>\$ 16,211</u></u>

(6) Property, Plant and Equipment

The following is a summary of the cost of property, plant and equipment as of June 30:

	<u>2013</u>	<u>2012</u>
Land and land improvements	\$ 22,975	22,974
Buildings and building service equipment	342,664	329,860
Movable equipment	214,120	207,128
Capital leases	39,322	39,369
Construction in progress	<u>3,694</u>	<u>3,142</u>
	622,775	602,473
Less accumulated depreciation and amortization	<u>(366,436)</u>	<u>(339,004)</u>
Total property, plant and equipment, net	<u><u>\$ 256,339</u></u>	<u><u>263,469</u></u>
Depreciation expense	\$ 29,643	27,795
Amortization expense	<u>351</u>	<u>357</u>
Total depreciation and amortization expense	<u><u>\$ 29,994</u></u>	<u><u>28,152</u></u>

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(7) Long-Term Debt

Long-term debt as of June 30 consisted of the following:

	<u>2013</u>	<u>2012</u>
MHHEFA project and refunding revenue bonds:		
Series 2012 bonds:		
3.25% – 5.00% term bonds	\$ 35,680	35,680
Series 2011 bonds:		
2.50% – 5.75% term bonds	65,765	67,945
Series 1995 bonds:		
Variable rate serial bonds	6,070	6,415
Note payable (3.5% – 4.5%)	265	440
Unamortized bond premium	454	476
	<u>108,234</u>	<u>110,956</u>
Less current portion of long-term debt	(2,747)	(2,611)
	<u>\$ 105,487</u>	<u>108,345</u>

On April 11, 2012, MHHEFA issued \$35,680 of tax exempt Revenue Bonds, Series 2012 on behalf of the Company. Bond proceeds were loaned to the Company pursuant to the Master Trust Indenture. The 2012 bonds bear interest at 3.25% – 5.00%. The bond proceeds and limited use funds were used to refund Series 2001 Revenue Bonds \$(40,265). The Company recorded a loss on the extinguishment of debt of \$1,279 in connection with the transaction. The Series 2012 Bonds are due on July 1 in annual installments ranging from \$1,710 in 2022 to \$3,700 in 2034.

On April 20, 2011, MHHEFA issued \$67,945 of tax exempt Revenue Bonds, Series 2011 on behalf of the Company. Bond proceeds were loaned to the Company pursuant to the Master Trust Indenture. The Series 2011 bonds bear interest at 2.50% – 5.75%. The bond proceeds and limited use funds were used to finance construction and renovation to the hospital and to refund, a) the Series 2009 Revenue Bonds (\$45,000); b) a portion of Series 2001 Revenue Bonds (\$12,565); and c) the Series 1993 Revenue Bonds (\$11,975). The Series 2011 bonds are due on July 1 in annual installments ranging from \$2,295 in 2013 to \$3,905 in 2034.

On October 4, 1995, MHHEFA issued \$10,000 of tax exempt Revenue Bonds, Series 1995 on behalf of the Company. The Series 1995 bonds are due on July 1 in annual installments ranging from \$360 in 2013 to \$590 in 2025. The bonds bear interest at a variable rate, which is determined on a weekly basis by the remarketing agent of the issue. The rate was 0.24% as of June 30, 2013 and 2012, respectively. The Series 1995 Bonds are supported by a Standby Bond Purchase Agreement issued by M&T Bank, covering the remaining portion of the obligation, effective through October 1, 2016.

The Series 2012, 2011, and 1995 Revenue Bonds are collateralized equally and ratably by a lien on all gross receipts of the Company.

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The aggregate future maturities of long-term debt as of June 30, 2013 are as follows:

	Long-term debt
2014	\$ 2,747
2015	2,852
2016	3,366
2017	3,495
2018	3,620
Thereafter	91,700
	<u>107,780</u>
Unamortized bond premium	454
	<u>\$ 108,234</u>

The fair value of the Company's long-term debt, which is estimated, based on quotes from underwriters, was approximately \$111,624 and \$120,283 as of June 30, 2013 and 2012.

Under the Master Trust Indenture, the Company is required to maintain, among other covenants, a maximum annual debt service coverage ratio of not less than 1.1 to 1.0.

In 2012, the Company renewed a \$10,000 line of credit, which expires on November 30, 2013 bearing interest at the LIBOR Daily Floating Rate. No amounts were drawn on this line during fiscal years 2013 or 2012.

(8) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30:

	2013	2012
Healthcare services:		
Departmental needs	\$ 17,650	14,223
Purchase of equipment/construction	4,164	4,143
Education	3,678	2,798
Uncompensated care	3,685	2,350
	<u>\$ 29,177</u>	<u>23,514</u>

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Permanently restricted net assets at June 30 are restricted to investment in perpetuity, the income from which is expendable to support:

	<u>2013</u>	<u>2012</u>
Endowment, income from which is restricted to offset expenses supporting Genetics Center, Urology Research, Nursing Education and specific departmental needs	\$ 10,239	8,689
Hospice care	<u>11,095</u>	<u>11,017</u>
	<u>\$ 21,334</u>	<u>19,706</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2013</u>	<u>2012</u>
Departmental needs	\$ 4,983	3,699
Education	1,185	962
Uncompensated care	<u>810</u>	<u>1,700</u>
Net asset released for operations	<u>\$ 1,995</u>	<u>2,662</u>
Purchase of equipment/construction	\$ 204	2,577

The Company's endowment fund consists of an \$11 million endowment for Hospice as well, as other donations from individual donors. The Company has no internal board designated endowment funds recorded in unrestricted net assets. The net assets associated with the endowment are classified and reported based on the existence or absence of donor imposed restrictions.

The Company has interpreted the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Company classifies as permanently restricted net assets the original value of the gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance, with UPMIFA, the Company considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the Company and the donor restricted endowment fund

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- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The Company had the following activities among its endowment fund during the years ended June 30 delineated by net asset class:

	<u>Unrestricted</u>	<u>Temporary restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2011	\$ —	4,812	17,972	22,784
Investment return				
Investment income, net	—	133	—	133
Net appreciation (realized and unrealized)	—	171	—	171
Total investment return	—	304	—	304
Contributions	—	—	1,734	1,734
Appropriation of endowment assets for expenditure	—	(905)	—	(905)
Endowment net assets, June 30, 2012	—	4,211	19,706	23,917
Investment return				
Investment income, net	—	456	—	456
Net appreciation (realized and unrealized)	—	3,337	—	3,337
Total investment return	—	3,793	—	3,793
Contributions	—	—	1,628	1,628
Appropriation of endowment assets for expenditure	—	(1,768)	—	(1,768)
Endowment net assets, June 30, 2013	\$ —	6,236	21,334	27,570

(a) Endowment Funds with Deficits

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When

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donor endowment deficits exist, they are classified as a reduction of unrestricted net assets. There were no such deficits as of June 30, 2013 and 2012, respectively.

(b) Return Objectives and Risk Parameters

The Company has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks. The Company expects its endowment funds over time, to provide an average rate of return of approximately 7.5% annually. Actual returns in any given year may vary from this amount.

(c) Strategies Employed for Achieving Investment Objectives

To achieve its long-term rate of return objectives, the Company relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yields (interest and dividends). The Company targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

(d) Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives

The Board of Directors of the Company approves the method to be used to appropriate endowment funds for expenditure. The Company amended its endowment spending allocation policy to conform to UPMIFA, which was passed by Maryland on April 14, 2009 and limits annual endowment spending to 7% of the annual market value per year.

(9) Functional Expenses

The Company provides general healthcare services to residents within its geographic location. Expenses related to providing these services for the years ended June 30 were as follows:

	2013	2012
Health care services	\$ 425,889	423,042
General and administrative	50,252	53,140
Total operating expenses	<u>\$ 476,141</u>	<u>476,182</u>

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AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

(10) Leases

(a) Capital Leases

The Company is obligated under a long term lease expiring in 2030 for the use of a medical office building. Payments increase at varying rates from \$2,253 to \$3,005 per year over the remaining life. Interest rates approximated 5.76% as of June 30, 2013 and 2012, respectively.

The Company leases medical equipment with annual payments ranging from \$290 to \$777 and the last lease expires in fiscal year 2016.

Scheduled principal and interest payments on capital lease and financing obligations are as follows:

	<u>Payment</u>	<u>Principal</u>
2014	\$ 3,555	1,902
2015	3,160	1,583
2016	2,716	1,201
2017	2,483	1,025
2018	2,483	1,086
Thereafter	<u>33,025</u>	<u>23,675</u>
	47,422	30,472
Less amount representing interest	<u>(16,950)</u>	<u>—</u>
	<u>\$ 30,472</u>	<u>30,472</u>

(b) Operating Leases

The Company leases land, office space, and equipment under leases ranging from two to thirteen years. Options to renew these leases range from one to ten years.

Minimum future rental expense for the years subsequent to June 30 is as follows:

	<u>Equipment</u>	<u>Facility</u>	<u>Total</u>
2014	\$ 777	1,478	2,255
2015	664	1,365	2,029
2016	290	1,358	1,648
2017	298	1,353	1,651
2018	305	1,227	1,532
Thereafter	<u>633</u>	<u>1,596</u>	<u>2,229</u>
	<u>\$ 2,967</u>	<u>8,377</u>	<u>11,344</u>

**GBMC HEALTHCARE, INC.
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June 30, 2013 and 2012

(In thousands)

Most of the Company's leases contain renewal options and provisions for pass-through of operating expenses and real estate taxes. These provisions are not included in the minimum future rental expense unless exercised. Lease expense, including pass-throughs, amounted to approximately \$2,610 and \$2,524 for the year ended June 30, 2013 and 2012, respectively.

(11) Retirement Plans

(a) Defined Benefit Plan

The Company has two noncontributory defined benefit pension plans, Greater Baltimore Medical Center Retirement Plan (DB Non Union) and the Pension Plan for Members of the Bargaining Unit of Greater Baltimore Medical Center (DB Union), covering all full-time employees with at least one year of service. Benefits under the plans are determined based on increasing percentages (depending on years of service) of final average compensation. Annual contributions are made to these plans in accordance with Employment Retirement Income Security Act (ERISA) regulations.

Effective June 30, 2007, the DB Non Union plan was frozen. As a result, no future benefits may be earned; however, employees are eligible to vest under the terms of the plan.

The following tables set forth the plans' funded status and amounts recognized in the Company's financial statements as of June 30, 2013 and 2012. The change in benefit obligation, plan assets, and funded status of the pension plans is as follows:

	<u>2013</u>	<u>2012</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 179,911	146,233
Service cost	901	626
Interest cost	8,192	8,616
Actuarial (gain) loss	(10,097)	29,506
Benefits paid	(5,653)	(5,070)
Benefit obligation at end of year	<u>\$ 173,254</u>	<u>179,911</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 133,228	123,910
Actual return on plan assets	17,998	4,039
Employer contribution	9,013	10,349
Benefits paid	(5,653)	(5,070)
Fair value of plan assets at end of year	<u>\$ 154,586</u>	<u>133,228</u>
Funded status at end of year	\$ (18,668)	(46,683)

**GBMC HEALTHCARE, INC.
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Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

	<u>2013</u>	<u>2012</u>
Amounts recognized in unrestricted net assets as of June 30, 2013 and 2012 are as follows:		
Net prior service cost	\$ (2,224)	(2,570)
Net actuarial loss	45,689	69,826
	<u>\$ 43,465</u>	<u>67,256</u>
Components of net periodic benefit cost for the years ended June 30, 2013 and 2012 are as follows:		
Service cost	\$ 901	626
Interest cost	8,192	8,616
Expected return on plan assets	(10,014)	(9,544)
Amortization of prior service cost	(347)	(332)
Amortization of loss deferral	6,055	2,585
Net periodic pension benefit cost	<u>\$ 4,787</u>	<u>1,951</u>
Other changes in plan assets and benefit obligation recognized in unrestricted net assets:		
Net actuarial loss (gain)	\$ (18,083)	35,009
Less:		
Amortization of net gain	(6,055)	(2,585)
Amortization of prior service costs	347	332
Total	<u>\$ (23,791)</u>	<u>32,756</u>

The accumulated benefit obligation for the pension plans, which differs from the estimated actuarial present value of the projected benefit obligation because it is based on current rather than future compensation levels, was \$171,299 and \$177,690 as of June 30, 2013 and 2012, respectively.

Amounts in unrestricted net assets expected to be recognized as a component of net periodic pension benefit cost in fiscal year 2014:

Prior service cost	\$ (372)
Loss	3,345
	<u>\$ 2,973</u>

**GBMC HEALTHCARE, INC.
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Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

i) Assumptions

The weighted averages used in developing the projected pension benefit obligations for the plans as of June 30 were as follows:

	<u>2013</u>	<u>2012</u>
Discount rate	5.09%	4.64%
Expected return on plan assets	7.50	7.50
Rate of compensation increase	4.00	4.00

ii) Expected Long-Term Rate of Return

The expected long-term rate of return assumption used was based on a total plan return estimation by looking at the current yields available from fixed-income and reasonable equity return assumption based on long-term market trends and applying this to the Plan's asset mix. In addition, the actual long-term historical returns realized by the pension plans were taken into consideration.

iii) Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	<u>Non union</u>	<u>Union</u>	<u>Total</u>
2014	\$ 6,599	1,123	7,722
2015	7,050	1,130	8,180
2016	7,268	1,174	8,442
2017	7,768	1,253	9,021
2018	8,124	1,274	9,398
2019-2023	45,273	7,091	52,364
Total	\$ <u>82,082</u>	<u>13,045</u>	<u>95,127</u>

The Company's pension plan weighted average asset allocations as of June 30 by asset category were as follows:

	<u>2013</u>	<u>2012</u>
Equity securities	45%	53%
Debt securities	50	46
Cash and cash equivalents	5	1
	<u>100%</u>	<u>100%</u>

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

The following table sets forth by level, within the fair value hierarchy, the Plans' assets at fair value as of June 30:

June 30, 2013				
	Level 1	Level 2	Level 3	Total
Managed cash funds	\$ 6,958	—	—	6,958
Mutual funds-fixed income	—	39,405	—	39,405
Common collective trust	—	38,118	—	38,118
Total fixed income	6,958	77,523	—	84,481
Common stock	34,292	—	—	34,292
Foreign stock	1,897	—	—	1,897
Mutual funds	25,322	—	—	25,322
Mutual funds international	8,594	—	—	8,594
Total equity	70,105	—	—	70,105
Total plan assets	\$ 77,063	77,523	—	154,586

June 30, 2012				
	Level 1	Level 2	Level 3	Total
Managed cash funds	\$ 1,560	—	—	1,560
Mutual funds-fixed income	—	24,067	—	24,067
Common collective trust	—	37,237	—	37,237
Total fixed income	1,560	61,304	—	62,864
Common stock	34,466	—	—	34,466
Foreign stock	2,500	—	—	2,500
Mutual funds	27,370	—	—	27,370
Mutual funds international	6,028	—	—	6,028
Total equity	70,364	—	—	70,364
Total plan assets	\$ 71,924	61,304	—	133,228

The following is a description of the valuation methodologies used for assets measured at fair value:

Corporate bonds· Valued at unadjusted quoted market share prices within active markets or based on external price data of comparable securities.

Equity securities· Valued at unadjusted quoted market share prices within active markets.

**GBMC HEALTHCARE, INC.
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Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plans at year-end. Shares traded in an active market.

Common/collective trust funds: Valued at fair value based on the unit value of the fund. Unit values are determined by the bank sponsoring such funds dividing the fund's net assets at fair value by its units outstanding at the valuation date.

iv) Pension Investment Policies

The primary objective of the Company's pension investment program is the long-term growth of capital consistent with the protection of principal during major market declines. The program utilizes several balanced managers and provides for asset allocation guidelines consistent with the Company's risk exposure. The equity portion of the portfolio may range from 45% to 65% of total portfolio assets with a target of 55% measured at market value. The fixed income and cash equivalents portion of the portfolio may range from 35% to 55% of total portfolio assets with a target of 45% measured at market value.

The equity segment of the portfolio may include common and preferred stock, convertible securities, warrants, and cash equivalent securities. Equity holdings in any one industry should not exceed 20% of the equity portfolio, holdings in any one economic sector should not exceed 50% of the equity portfolio, and holdings in any one company should not exceed 15% of the equity portfolio. Cash equivalent positions should not exceed 10% of the equity managers' portfolio and no more than 15% of the total portfolio measured at market value shall be invested in small companies, defined as companies of less than \$500 million in market capitalization.

The fixed income segment of the portfolio may include marketable bonds, preferred stocks, up to 20% in Securities and Exchange Commission (SEC) registered 144A and securities and cash equivalent securities. With the exception of securities issued by or guaranteed by the U.S. Treasury or U.S. government agencies and instrumentalities, the maximum position in a single issuer's securities should not exceed 5% of the portfolio at market value. The manager is expected to maintain a weighted average bond portfolio quality rating of at least "A." Exposure to below investment grade securities, that is less than "BBB," is limited to a maximum of 20% of the portfolio at market value.

v) Contributions

The Company expects to contribute \$1,200 to its DB Union pension plan and \$3,900 to its DB Non Union pension plan in the fiscal year ending June 30, 2014.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

(b) Defined Contribution Plan

Effective July 1, 2007, the Company established the GBMC, Inc. 401(a) Defined Contribution Plan (DC Non Union) covering all employees except those covered by the collective bargaining agreement, or employees in a zero hour or registry position. The Company contributes up to 6% of all eligible employee wages (basic contribution) to the plan and the Company matches up to 3% of employee wages of those who contribute to the Greater Baltimore Medical Center, Inc. Voluntary 403(b) Plan. At the discretion of the Board of Directors, the Company may contribute additional funds to the plan.

	<u>2013</u>	<u>2012</u>
Basic contribution	\$ 3,633	4,100
Match contribution	3,008	2,961
Total contribution	<u>\$ 6,641</u>	<u>7,061</u>

Effective July 1, 2009 the Company established the GBMC, Inc. 401(a) Defined Contribution Plan for Members of the Bargaining Union of Greater Baltimore Medical Center (DC Union) for the members covered by a collective bargaining agreement. The Company matches up to 3% of eligible employee wages of those who contribute to the Greater Baltimore Medical Center, Inc. Voluntary 403(b) Plan. The Company contributed \$75 and \$73 for fiscal year 2013 and 2012.

(c) Nonqualified Plan

The Company has a noncontributory, nonqualified deferred compensation plan for certain key employees. Benefits under the Plan are determined based on increasing percentages (depending on years of service) of base pay. The Company recorded expense related to this plan of \$672 and \$651 for the years ended June 30, 2013 and 2012, respectively.

**GBMC HEALTHCARE, INC.
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Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

(12) Asserted and Unasserted Insurance Claims and Contingencies

The Company maintains an offshore captive insurance company in Bermuda to provide coverage for medical malpractice claims. Reserve balances have been discounted at the rate of 3% for the years ended June 30, 2013 and 2012. Retention on limits in which Ruxton assumes risk of loss is based on an annual occurrence basis of \$3 million per occurrence and \$18 million in aggregate. Amounts in excess of these limits are insured by highly rated commercial insurance companies.

As of June 30, 2013 and 2012, the Company was partially self-insured for workers' compensation and health insurance claims on a claims-made basis. The aggregate reserves for workers' compensation claims were determined and discounted at the rate of 1.5% and 0.8% for 2013 and 2012, respectively. The receivable for the expected reinsurance recoverable is recorded within other current assets on the balance sheet. The Company's excess workers' compensation policy is based on a per claim basis in excess of \$350 plus a corridor deductible of \$750.

The Company is subject to legal proceedings and claims, which arise from the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to the actions will not materially affect the consolidated financial position of the Company.

The Company recorded reserve activity for claims and claims expense as follows:

	2013			
	Malpractice	Workers' compensation	Health	Total
Insurance reserves for self insured claims	\$ 29,300	4,017	2,509	35,826
Reserves that are recoverable from reinsurance carrier	10,154	743	—	10,897
Total insurance accrual	39,454	4,760	2,509	46,723
Less current portion of insurance accrual	6,312	4,760	2,509	13,581
Total noncurrent insurance accrual	\$ 33,142	—	—	33,142

**GBMC HEALTHCARE, INC.
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Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

	2012			
	Malpractice	Workers' compensation	Health	Total
Insurance reserves for self insured claims	\$ 29,399	3,574	2,957	35,930
Reserves that are recoverable from reinsurance carrier	9,368	558	—	9,926
Total insurance accrual	38,767	4,132	2,957	45,856
Less current portion of insurance accrual	6,293	4,132	2,957	13,382
Total noncurrent insurance accrual	\$ 32,474	—	—	32,474

(13) Promises to Contribute

The Company has received unconditional and conditional promises to give. The pledge receivables are recorded on a discounted basis using a rate in effect at the time of the pledge. Such rates approximate 4%. The Company is the beneficiary of three charitable remainder trusts whose present value as of June 30, 2013 and 2012 was \$709 and \$620, respectively. The value of pledge receivables was \$8,553 and \$3,773, respectively.

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

(14) Controlling and Non-controlling Interest

The following tables present a reconciliation of the changes in consolidated unrestricted net assets attributable to the Company's controlling interest and non-controlling interest:

	Unrestricted net assets controlling interest	Unrestricted net assets non-controlling interest	Total unrestricted net assets
Balance as of June 30, 2011	\$ 308,739	479	309,218
Excess of revenues over expenses	16,624	167	16,791
Pension related changes other than net periodic pension costs	(32,756)	—	(32,756)
Distributions to non-controlling interest owners	—	6,985	6,985
Government donated fixed assets	—	(785)	(785)
Net assets released for purchase of fixed assets	2,577	—	2,577
Other	529	—	529
	<u>(13,026)</u>	<u>6,367</u>	<u>(6,659)</u>
Balance as of June 30, 2012	\$ 295,713	6,846	302,559

**GBMC HEALTHCARE, INC.
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Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(In thousands)

	Unrestricted net assets controlling interest	Unrestricted net assets non-controlling interest	Total unrestricted net assets
Balance as of June 30, 2012	\$ 295,713	6,846	302,559
Excess of revenues over expenses	36,114	987	37,101
Pension related changes other than net periodic pension costs	23,791	—	23,791
Contribution by non-controlling interest owners	—	5	5
Distributions to non-controlling interest owners	—	(1,325)	(1,325)
Net assets released for purchase of fixed assets	204	—	204
Other	(118)	—	(118)
Increase in net assets	59,991	(333)	59,658
Balance as of June 30, 2013	\$ 355,704	6,513	362,217

The noncontrolling interest is comprised of:

- 50% interest in Greater Baltimore Diagnostic Imaging Partnership, that provides medical imaging services on the campus of the Company
- 50% interest in PPS-GBMC Joint Venture, LLC. doing business as NeighborCare that provides pharmaceutical services on the campus of the Company
- 50% interest in GBMC/HOPKINS Pediatric Surgery, LLC. that provides professional medical services
- 1% interest in GBMC Pavilion West Medical Arts Limited Partnership that is a medical office building on the Company campus

(15) Subsequent Events

The Company has evaluated all events and transactions from the consolidated balance sheet date through October 3, 2013, the date the consolidated financial statements were issued, and determined there are no other items to be recognized or disclosed this period.

ACCOMPANYING CONSOLIDATING INFORMATION

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**

(Consolidating Balance Sheet)

June 30, 2013

(in thousands)

Assets	Greater Baltimore Medical Center, Inc.	Ruxton Insurance	Eliminating entries	Greater Baltimore Medical Center, Inc. consolidated	GBMC Investments Inc. and Subsidiaries	Gilechrist Hospice Care Inc.	GBMC Foundation Inc.	GBHA Inc.	GBMC Land Inc.	GBMC Healthcare Inc. (Parent)	Eliminating entries	Total
Current assets:												
Cash and cash equivalents	\$ 2,503	82	—	2,585	1,672	7,028	—	14	55	17	—	11,371
Short-term investments and limited or restricted use funds	14,293	4,218	—	18,511	—	1,123	—	—	—	—	—	19,634
Patient accounts receivable, net	44,077	—	—	44,077	1,724	5,518	—	—	—	—	—	51,319
Other receivables	4,605	1,349	—	5,954	1,687	1,488	2,585	—	457	52	(1)	12,222
Advances to affiliates	10,695	—	(8,730)	1,965	(64)	—	—	—	—	—	(1,901)	—
Other current assets	7,505	247	—	7,752	383	173	—	—	—	—	—	8,308
Total current assets	83,678	5,896	(8,730)	80,844	5,402	15,330	2,585	14	512	69	(1,902)	102,854
Investments and limited or restricted use funds	130,851	48,704	—	179,555	64,631	63,628	—	—	—	—	—	307,814
Interest in net assets of affiliates	31,393	—	—	31,393	—	—	—	—	—	412,778	(444,171)	—
Long-term receivables from affiliates	35,974	—	(33,142)	2,832	—	—	—	—	—	—	(2,832)	—
Property, plant and equipment, net	222,085	—	—	222,085	23,178	9,849	—	(147)	1,374	—	—	256,339
Other non-current assets	2,587	10,154	—	12,741	8,996	1,601	4,010	—	85	—	(340)	27,093
Total assets	\$ 506,568	64,754	(41,872)	529,450	102,207	90,408	6,595	(133)	1,971	412,847	(449,245)	694,100
Liabilities and Net Assets												
Current liabilities:												
Accounts payable and accrued expenses	\$ 50,913	(149)	—	50,764	535	3,999	—	—	38	119	—	55,455
Insurance reserves, current	13,151	6,312	(6,312)	13,151	—	430	—	—	—	—	—	13,581
Payable to affiliates	—	2,418	(2,418)	—	1,287	614	—	—	—	—	(1,901)	—
Advances from third party payors	13,650	—	—	13,650	—	—	—	—	—	—	—	13,650
Current portion of long-term debt and capital lease liability	4,171	—	—	4,171	478	—	—	—	—	—	—	4,649
Other current liabilities	5,503	—	—	5,503	31	(2)	—	—	—	—	—	5,532
Total current liabilities	87,388	8,581	(8,730)	87,239	2,331	5,041	—	—	38	119	(1,901)	92,867
Long-term debt	105,314	—	—	105,314	173	—	—	—	—	—	—	105,487
Capital lease liabilities	27,963	—	—	27,963	607	—	—	—	—	—	—	28,570
Insurance reserves	33,142	33,142	(33,142)	33,142	—	—	—	—	—	—	—	33,142
Long-term payable to affiliate	—	—	—	—	2,088	—	—	744	—	—	(2,832)	—
Pension liability	18,668	—	—	18,668	—	—	—	—	—	—	—	18,668
Other long-term liabilities	912	—	—	912	1,726	—	—	—	—	—	—	2,638
Total liabilities	273,387	41,723	(41,872)	273,238	6,925	5,041	—	744	38	119	(4,733)	281,372
Net assets:												
Unrestricted controlling	197,041	23,031	—	220,072	71,515	68,362	6	(877)	1,933	355,704	(361,011)	355,704
Unrestricted non-controlling	—	—	—	—	6,513	—	—	—	—	6,513	(6,513)	6,513
Total unrestricted	197,041	23,031	—	220,072	78,028	68,362	6	(877)	1,933	362,217	(367,524)	362,217
Temporarily restricted	25,949	—	—	25,949	8,252	5,909	5,300	—	—	29,177	(45,410)	29,177
Permanently restricted	10,191	—	—	10,191	9,002	11,096	1,289	—	—	21,334	(31,578)	21,334
Total liabilities and net assets	\$ 506,568	64,754	(41,872)	529,450	102,207	90,408	6,595	(133)	1,971	412,847	(449,245)	694,100

See accompanying independent auditors' report

**GBMC HEALTHCARE INC
AND SUBSIDIARIES**
Consolidating Statement of Operations
June 30, 2013
(in thousands)

	Greater Baltimore Medical Center Inc	Ruxton Insurance	Eliminating entries	Greater Baltimore Medical Center Inc consolidated	GBMC Investments Inc. and Subsidiaries	Gilchrist Hospice Care Inc	GBMC Foundation Inc	GBHA Inc	GBMC Land Inc	GBMC Healthcare Inc (Parent)	Eliminating entries	Total
Operating revenues												
Patient service revenue, net of contractual allowances	\$ 384,298	—	—	384,298	45,085	39,495	—	—	—	—	—	468,878
Provision for uncollectible accounts	(9,509)	—	—	(9,509)	(1,009)	(421)	—	—	—	—	—	(11,599)
Net patient service revenue	374,789	—	—	374,789	43,410	39,074	—	—	—	—	—	457,279
Other operating revenue	12,492	10,938	(9,432)	13,998	9,050	21	—	13	3,000	150	(9,190)	17,054
Net assets released from restrictions	5,210	—	—	5,210	41	1,727	—	—	—	—	—	6,978
Total operating revenue	392,491	10,938	(9,432)	393,997	53,107	40,822	—	13	3,000	150	(9,190)	481,911
Operating expenses												
Salaries, wages and employee benefits	220,509	—	—	220,509	30,434	27,070	—	340	325	147	(1,400)	284,019
Expendable supplies	80,723	—	—	80,723	5,200	3,058	—	3	43	—	—	89,087
Purchased services	49,905	8,033	(9,432)	48,506	15,535	6,830	—	105	2,915	22	(7,025)	66,288
Depreciation and amortization	25,095	—	—	25,095	2,780	1,150	—	147	222	—	—	29,994
Interest	6,705	—	—	6,705	172	—	—	—	—	—	(124)	6,753
Overhead	(3,385)	250	—	(3,135)	2,175	400	—	—	50	200	250	—
Total operating expenses	380,212	8,283	(9,432)	379,063	62,356	39,108	—	595	3,555	429	(8,905)	470,141
Operating income (loss)	12,279	2,655	—	14,934	(9,249)	1,714	—	(582)	(549)	(273)	(225)	5,770
Other income												
Contributions	739	—	—	739	—	2,033	847	—	—	50	(890)	2,773
Fundraising expense	—	—	—	—	—	(909)	(1,724)	—	—	—	—	(2,383)
Investment income, net	15,142	570	—	15,718	8,784	6,563	—	—	—	—	(124)	30,941
Interests in net assets of affiliate	1,839	—	—	1,839	—	—	—	—	—	59,059	(61,498)	—
Excess (deficiency) of revenues over expenses	\$ 29,999	3,231	—	33,230	(405)	9,401	(877)	(582)	(549)	59,430	(62,493)	37,101

See accompanying independent auditors' report

**GBMC HEALTHCARE, INC.
AND SUBSIDIARIES**
Consolidating Statement of Changes in Net Assets
June 30, 2013
(in thousands)

	Greater Baltimore Medical Center, Inc.	Ruxton Insurance	Eliminating entries	Greater Baltimore Medical Center, Inc. Consolidated	GBMC Investments Inc. and Subsidiaries	Gilchrist Hospice Care Inc.	GBMC Foundation Inc.	GBHA Inc.	GBMC Land Inc.	GBMC Healthcare Inc. (Parent)	Eliminating entries	Total
Excess (deficiency) of revenues over expenses	\$ 29,999	3,231	—	33,230	(405)	9,401	(877)	(582)	(549)	59,430	(62,493)	37,101
Changes in unrestricted assets:												
Pension related changes other than net periodic pension costs	23,791	—	—	23,791	—	—	—	—	—	—	—	23,791
Net assets released for purchase of fixed assets	204	—	—	204	—	—	—	—	—	—	—	204
Contributions by non-controlling interest owners	5	—	—	5	—	—	—	—	—	—	—	5
Distribution to non-controlling interest	—	—	—	—	(1,325)	—	—	—	—	—	—	(1,325)
Transfers	(3,474)	—	—	(3,474)	1,175	—	883	—	347	222	847	—
Other	—	—	—	—	(118)	—	—	—	—	—	—	(118)
Increase (decrease) in unrestricted net assets	50,525	3,231	—	53,756	(733)	9,401	0	(582)	(202)	59,658	(61,640)	59,658
Changes in temporarily restricted net assets:												
Contributions	7,542	—	—	7,542	—	1,549	7,060	—	—	—	(7,099)	9,052
Investment income, net	40	—	—	40	1,060	2,092	—	—	—	—	1	3,793
Interests in temporarily restricted income of affiliate	3,063	—	—	3,063	—	—	—	—	—	5,063	(9,320)	—
Transfer of temporarily restricted assets	(1,220)	—	—	(1,220)	(2,277)	—	(3,563)	—	—	—	7,060	—
Net assets released for purchase of fixed assets	(204)	—	—	(204)	—	—	—	—	—	—	—	(204)
Net assets released for operations	(5,210)	—	—	(5,210)	(41)	(1,727)	—	—	—	—	—	(6,978)
Increase (decrease) in temporarily restricted net assets	4,011	—	—	4,011	(658)	1,914	3,497	—	—	5,063	(9,304)	5,063
Changes in permanently restricted net assets:												
Contributions	1,550	—	—	1,550	—	79	1,470	—	—	—	(1,471)	1,628
Interests in permanently restricted income of affiliate	1,647	—	—	1,647	—	—	—	—	—	1,628	(3,275)	—
Transfer of permanently restricted assets	(1,693)	—	—	(1,693)	424	—	(201)	—	—	—	1,470	—
Increase (decrease) in permanently restricted net assets	1,504	—	—	1,504	424	79	1,269	—	—	1,628	(3,270)	1,628
Increase (decrease) in net assets	56,040	3,231	—	59,871	(967)	11,394	4,772	(582)	(202)	66,949	(74,280)	66,949
Net assets, beginning of year	176,541	19,800	—	196,341	96,249	73,973	1,823	(295)	2,135	345,779	(370,220)	345,779
Net assets, end of year	\$ 233,181	23,031	—	256,212	95,282	85,367	6,595	(877)	1,933	412,728	(444,512)	412,728

See accompanying independent auditors' report