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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 private foundations)

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Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 07-01-2014 , and ending 06-30-2015

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization SHORE HEALTH SYSTEM INC		D Employer identification number 52-0610538
	% JOANNE HAHEY CFO Doing business as		
	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number (410) 822-1000
	City or town, state or province, country, and ZIP or foreign postal code Easton, MD 21601		G Gross receipts \$ 247,316,230
F Name and address of principal officer Kenneth Kozel 219 South Washington St Easton, MD 21601		H(a) Is this a group return for subordinates? ☐ Yes ☒ No H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no) ☐ 4947(a)(1) or ☐ 527	J Website: ▶ HTTP //UMSHOREREGIONAL.ORG/		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1906	
		M State of legal domicile MD	

Part I	Summary
Activities & Governance	1 Briefly describe the organization's mission or most significant activities SHORE HEALTH SYSTEM IS A REGIONAL, NOT-FOR-PROFIT NETWORK OF INPATIENT AND OUTPATIENT SERVICES WITH FACILITIES IN TALBOT, DORCHESTER, CAROLINE, AND QUEEN ANNE'S COUNTIES
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets
Revenue	3 Number of voting members of the governing body (Part VI, line 1a)
	4 Number of independent voting members of the governing body (Part VI, line 1b)
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)
	6 Total number of volunteers (estimate if necessary)
	7a Total unrelated business revenue from Part VIII, column (C), line 12
	7b Net unrelated business taxable income from Form 990-T, line 34
Expenses	8 Contributions and grants (Part VIII, line 1h)
	9 Program service revenue (Part VIII, line 2g)
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)
Net Assets or Fund Balances	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)
	14 Benefits paid to or for members (Part IX, column (A), line 4)
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)
	16a Professional fundraising fees (Part IX, column (A), line 11e)
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)
	19 Revenue less expenses Subtract line 18 from line 12
	20 Total assets (Part X, line 16)
	21 Total liabilities (Part X, line 26)
	22 Net assets or fund balances Subtract line 21 from line 20

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		2016-05-06 Date		
	JOANNE HAHEY cfo Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Frank Giardini	Preparer's signature Frank Giardini	Date	Check ☐ if self-employed	PTIN P00532355
	Firm's name ▶ GRANT THORNTON LLP			Firm's EIN ▶	
	Firm's address ▶ 2001 MARKET STREET SUITE 700 PHILADELPHIA, PA 19103			Phone no (215) 561-4200	

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

For Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form 990 (2014)

Statement of Program Service Accomplishments
Check if Schedule O contains a response or note to any line in this Part III ☒

TO EXCEL IN QUALITY CARE AND PATIENT SATISFACTION

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

4a (Code) (Expenses \$ 196,674,383 including grants of \$) (Revenue \$ 234,343,627)
 SSee schedule o

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

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

4e	Total program service expenses ▶	196,674,383
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	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	No
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 other assistance to or for any foreign organization? 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 other assistance to or for foreign individuals? 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	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
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 or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals 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 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) 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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <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	Yes	
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		No
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	Yes	
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	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	912	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c. Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	2,264
b. If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a. Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	Yes
b. If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O.</i>		3b	Yes
4a. At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	No
b. If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a. Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b. Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c. If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a. Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a	No
b. If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a. Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	No
b. If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c. Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d. If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
e. Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f. Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g. If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h. If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?			
		8	
9a. Did the sponsoring organization make any taxable distributions under section 4966?		9a	
b. Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
a. Initiation fees and capital contributions included on Part VIII, line 12.		10a	
b. Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
a. Gross income from members or shareholders.		11a	
b. Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
b. If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a. 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.		13a	
b. Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c. Enter the amount of reserves on hand.		13c	
14a. Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b. If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O.</i>		14b	

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 or note to any line 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	22	
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	a The governing body?	8a	Yes
8b	b Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
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
	b 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	b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	c 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	a The organization's CEO, Executive Director, or top management official	15a	Yes
15b	b 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	Yes
16b	b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

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. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, address, and telephone number of the person who possesses the organization's books and records ▶JOANNE HAHEY CFO 219 SOUTH WASHINGTON ST EASTON, MD 21601 (410) 822-1000

Part VII

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

Check if Schedule O contains a response or note to any line in this Part VII

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

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

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

(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			

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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			

1b	Sub-Total	▶			
c	Total from continuation sheets to Part VII, Section A	▶			
d	Total (add lines 1b and 1c)	▶	3,272,569	7,478,281	388,479

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶61

		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
MD Emergency Medicine Network, 110 S Paca St 6th Fl Ste 200 BALTIMORE, MD 21201	Physician Services	3,383,485
MD Inpatient Care Specialists, 6934 Aviation Blvd Ste A GLEN BURNIE, MD 21061	Physician Services	1,723,842
Tidewater Anesthesia Assoc PA, PO BOX 1208 EASTON, MD 21601	Anesthesia Services	1,208,330
Aramark Healthcare Food Lockbox, 27271 Network Place CHICAGO, IL 60673	Food Services	745,522
The Whiting Turner Contracting Comp, PO Box 17596 BALTIMORE, MD 21297	Construction Service	700,000

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 ▶31

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d	579,635			
	e	Government grants (contributions) 1e	475,095			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	31,333			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	1,086,063			
Program Service Revenue	2a	PATIENT SERVICE REVENUE	621500	239,177,087	231,945,392	7,231,695
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	239,177,087			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	3,254,381			3,254,381
	4	Income from investment of tax-exempt bond proceeds	0			
	5	Royalties	0			
	6a	Gross rents	(i) Real 793,584	(ii) Personal		
	b	Less rental expenses	919,638			
	c	Rental income or (loss)	-126,054	0		
	d	Net rental income or (loss)	-126,054			-126,054
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 606,880		
	b	Less cost or other basis and sales expenses		100,850		
	c	Gain or (loss)		506,030		
	d	Net gain or (loss)	506,030			506,030
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events	0			
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities	0			
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory	0			
		Miscellaneous Revenue	Business Code			
	11a	JOINT VENTURE REVENUE	523000	222,128	222,128	
	b	CAFETERIA SALES	722514	671,583	671,583	
	c	PHYSICIAN LOAN INTEREST	900099	39,854	39,854	
	d	All other revenue		1,464,670	1,464,670	
	e	Total. Add lines 11a-11d	2,398,235			
	12	Total revenue. See Instructions	246,295,742	234,343,627	7,231,695	3,634,357

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 or note to any line 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 domestic organizations and domestic governments See Part IV, line 21	0			
2	Grants and other assistance to domestic individuals See Part IV, line 22	0			
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,432,802	903,739	1,529,063	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	75,940,806	66,068,501	9,872,305	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,852,147	3,351,368	500,779	
9	Other employee benefits	14,214,221	12,366,372	1,847,849	
10	Payroll taxes	5,997,387	5,217,727	779,660	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	88,316		88,316	
c	Accounting	2,325,984		2,325,984	
d	Lobbying	16,215	16,215		
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	27,365,459	25,875,819	1,489,640	
12	Advertising and promotion	944,688	821,879	122,809	
13	Office expenses	2,195,473	1,910,062	285,411	
14	Information technology	7,810,535	6,795,165	1,015,370	
15	Royalties	0			
16	Occupancy	5,125,284	4,458,997	666,287	
17	Travel	291,735	253,809	37,926	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	4,555,802	3,963,548	592,254	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	14,016,366	12,194,238	1,822,128	
23	Insurance	475,656	210,277	265,379	
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	BAD DEBT	11,022,746	11,022,746		
b	MEDICAL SUPPLIES	32,200,549	32,200,549		
c	RECRUITMENT	634,705	552,193	82,512	
d	EXPENDITURES FOR FUND PURPOSES	1,051,394	1,051,394		
e	All other expenses	8,551,476	7,439,785	1,111,691	
25	Total functional expenses. Add lines 1 through 24e	221,109,746	196,674,383	24,435,363	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 ☐ if following SOP 98-2 (ASC 958-720)				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		13,656,840	1	7,351,287
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		19,564,821	3	14,556,956
	4	Accounts receivable, net		0	4	0
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		3,611,118	8	3,202,200
	9	Prepaid expenses and deferred charges		1,454,899	9	945,849
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a323,145,621			
	b	Less accumulated depreciation	10b186,255,823	130,731,801	10c	136,889,798
	11	Investments—publicly traded securities		27,769,433	11	42,928,598
	12	Investments—other securities See Part IV, line 11		41,330,000	12	51,207,000
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		132,127,179	15	130,551,395
	16	Total assets. Add lines 1 through 15 (must equal line 34)		370,246,091	16	387,633,083
Liabilities	17	Accounts payable and accrued expenses		32,115,008	17	33,649,572
	18	Grants payable		0	18	0
	19	Deferred revenue		3,034	19	2,603
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		12,371,947	23	10,794,508
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		104,559,509	25	99,676,004
	26	Total liabilities. Add lines 17 through 25		149,049,498	26	144,122,687
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		189,472,551	27	206,298,044
	28	Temporarily restricted net assets		17,750,159	28	22,951,397
	29	Permanently restricted net assets		13,973,883	29	14,260,955
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ 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		221,196,593	33	243,510,396
	34	Total liabilities and net assets/fund balances		370,246,091	34	387,633,083

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	246,295,742
2	Total expenses (must equal Part IX, column (A), line 25)	2	221,109,746
3	Revenue less expenses Subtract line 2 from line 1	3	25,185,996
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	221,196,593
5	Net unrealized gains (losses) on investments	5	-2,416,013
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	-456,180
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	243,510,396

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? 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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a	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 ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	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	2c	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?	3a	No
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	3b	

Additional Data

Software ID:

Software Version:

EIN: 52-0610538

Name: SHORE HEALTH SYSTEM INC

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			
(1) John Dillon Chairman	1 0 5 0	X		X				0	0	0
(1) Richard Loeffler Vice Chairman	1 0 4 0	X		X				0	0	0
(2) Stuart Bounds Secretary	1 0 4 0	X		X				0	0	0
(3) Wayne L Gardner Sr Treasurer	1 0 4 0	X		X				0	0	0
(4) Myra Butler Director	1 0 4 0	X						0	0	0
(5) Charles Capute Director	1 0 5 0	X						0	0	0
(6) Art Cecil Director	1 0 4 0	X						0	0	0
(7) Joseph Ciotola Director	1 0 4 0	X						0	0	0
(8) Deborah Davis Director	1 0 4 0	X						0	0	0
(9) Kathy Deoudes Director	1 0 4 0	X						0	0	0
(10) Marlene Feldman Director	1 0 4 0	X						0	0	0
(11) Wayne Howard Director	1 0 4 0	X						0	0	0
(12) Michael Joyce Director	1 0 4 0	X						0	0	0
(13) Keith McMahan Director	1 0 5 0	X						0	0	0
(14) David Milligan Director	1 0 4 0	X						0	0	0
(15) William Noll Director	1 0 4 0	X						0	0	0
(16) Geoff Oxnam Director	1 0 4 0	X						0	0	0
(17) Martha Russell Director	1 0 4 0	X						0	0	0
(18) C Daniel Saunders Esq Director	1 0 4 0	X						0	0	0
(19) Thomas Stauch Director	1 0 4 0	X						0	0	0
(20) Robert Swam Director	1 0 4 0	X						0	0	0
(21) Myron Szczukowski Director	1 0 4 0	X						0	0	0
(22) Robert A Chrencik Ex-Officio/Director	1 0 49 0	X						0	6,881,071	21,095
(23) John W Ashworth III Ex-Officio/Director	1 0 49 0	X						0	597,210	21,095
(24) Kenneth Kozel President/CEO	32 0 18 0	X		X				547,964	0	87,862

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			
(26) Joanne R Hahey CFO/SVP Finance	32 0 18 0	X		X				197,076	0	35,022
(1) William Huffner CMO	50 0 0 0				X			484,197	0	66,621
(2) Christopher J Parker SVP - Pt Care/CNO	48 0 2 0				X			330,065	0	22,856
(3) Jonathan Cook VP/Physician Services	40 0 0 0				X			305,967	0	2,247
(4) Patti K Willis VP External Relations & comm	40 0 0 0					X		244,049	0	20,532
(5) Michele Wilson VP/Physician SERVICES	40 0 0 0					X		182,178	0	25,610
(6) Francis G Lee VP - Philanthropy	1 0 39 0					X		190,194	0	35,903
(7) John Sawyer Sr Medical Pharmacist	40 0 0 0					X		181,560	0	21,608
(8) Walter J Zajac VP Finance	35 0 5 0					X		261,070	0	23,352
(9) Gerard M Walsh COO	45 0 5 0						X	348,249	0	4,676

SCHEDULE A
(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public
Inspection

Name of the organization SHORE HEALTH SYSTEM INC	Employer identification number 52-0610538
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Part I

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f

Enter the number of supported organizations _____

g

Provide the following information about the supported organization(s)

(i)Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI)						
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 section 501(c)(3) organization, check this box and stop here						▶

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2013 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2014. 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—2013. 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—2014. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
b 10%-facts-and-circumstances test—2013. 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 VI 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2014. 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—2013. 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 Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. . . .	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990) .	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).	10b	
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.	11c	

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)			
a ☐ The organization satisfied the Activities Test. Complete line 2 below.			
b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.			
c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 <u>Activities Test</u> Answer (a) and (b) below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.	2b		
3 <u>Parent of Supported Organizations</u> Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.	3b		

Part V – Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI) _____		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)		

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2014			
a From 2009.			
b From 2010.			
c From 2011.			
d From 2012.			
e From 2013.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2014 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2014, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2014 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2015. Add lines 3j and 4c			
8 Breakdown of line 7			
a From 2010.			
b From 2011.			
c From 2012.			
d From 2013.			
e From 2014.			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference

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.**

▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at**

www.irs.gov/form990.

OMB No 1545-0047

2014

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) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of the organization SHORE HEALTH SYSTEM INC	Employer identification number 52-0610538
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

Part II-A

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

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

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?		☐ Yes ☐ 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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		16,215
j	Total. Add lines 1c through 1i.			16,215
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).

1	Were substantially all (90% or more) dues received nondeductible by members?	1	Yes	No
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

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, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
Other Activities	Schedule C, Part II-B, Line 1: THE ORGANIZATION DOES NOT ENGAGE IN ANY DIRECT LOBBYING ACTIVITIES. THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE MARYLAND HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN HOSPITAL ASSOCIATION (AHA) and AMERICAN MEDICAL REHABILITATION PROVIDERS ASSOCIATION (AMRPA). MHA, AHA, and AMRPA ENGAGE IN MANY SUPPORT ACTIVITIES INCLUDING LOBBYING AND ADVOCATING FOR THEIR MEMBER HOSPITALS. THE MHA, AHA, and AMRPA REPORTED THAT 48.0%, 22.80%, and 39.0% RESPECTIVELY OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND AS SUCH, THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C PART II-B LINE 1I AS LOBBYING ACTIVITIES.

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization SHORE HEALTH SYSTEM INC	Employer identification number 52-0610538
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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 value of contributions to (during year)	
3	Aggregate value of 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? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No	

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

1

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

☐ Preservation of land for public use (e g , recreation or education)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the 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) Revenue 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

Revenue 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) 2014

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 | |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- 2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ 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	2,404,542	2,404,542	2,404,542	2,404,542	2,404,542
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	2,404,542	2,404,542	2,404,542	2,404,542	2,404,542

- 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 100 000 %
- c

Temporarily restricted endowment

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

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

No

(ii) related organizations

3a(ii)

No
- b

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

3b
- 4

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		13,052,555		13,052,555
b Buildings		140,591,952	62,511,857	78,080,095
c Leasehold improvements				
d Equipment		165,552,417	120,091,696	45,460,721
e Other		3,948,697	3,652,270	296,427
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				136,889,798

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII

Supplemental Information

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.

Return Reference	Explanation
Intended Uses of Endowment Funds	Schedule D, Part V, Line 4 ENDOWMENT FUNDS ARE USED TO SUPPORT THE HEALTHCARE MISSION OF SHORE HEALTH SYSTEM. INVESTMENT EARNINGS ON THE ENDOWMENT FUND ARE TRANSFERED TO RESTRICTED AND UNRESTRICTED FUNDS IN SUPPORT OF THE ORGANIZATION'S TAX EXEMPT MISSION.
Liability for Uncertain Tax Position (ASC 740)	Schedule D, Part X, Line 2 THE ORGANIZATION IS A SUBSIDIARY OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE CORPORATION). THE CORPORATION ADOPTED THE PROVISIONS OF ASC 740, ACCOUNTING FOR UNCERTAINTY IN THE INCOME TAXES (FIN 48) ON JULY 1, 2007. THE FOOTNOTE RELATED TO ASC 740 IN THE CORPORATION'S AUDITED FINANCIAL STATEMENTS IS AS FOLLOWS: THE CORPORATION FOLLOWS A THRESHOLD OF MORE-LIKELY-THAN-NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. MANAGEMENT DOES NOT BELIEVE THAT THERE ARE ANY UNRECOGNIZED TAX BENEFITS THAT SHOULD BE RECOGNIZED.

[illegible]

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.

▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
SHORE HEALTH SYSTEM INC

Employer identification number
52-0610538

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 ☒ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ 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 ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ % 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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other _____ 500 % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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	3a	Yes	
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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7

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)			3,843,527		3,843,527	1 830 %
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			3,843,527		3,843,527	1 830 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,608,271	40,779	1,567,492	0 750 %
f Health professions education (from Worksheet 5)			1,148,042		1,148,042	0 550 %
g Subsidized health services (from Worksheet 6)			7,088,790		7,088,790	3 370 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			565,136	120,000	445,136	0 210 %
j Total. Other Benefits			10,410,239	160,779	10,249,460	4 880 %
k Total. Add lines 7d and 7j			14,253,766	160,779	14,092,987	6 710 %

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			8,135		8,135	
3Community support			9,540		9,540	
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			10,497		10,497	
7Community health improvement advocacy			11,722		11,722	0.010 %
8Workforce development			55,688		55,688	0.030 %
9Other						
10Total			95,582		95,582	0.040 %

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?

1Yes

No

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

27,406,679

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).

5113,896,351

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

6110,699,599

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

73,196,752

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?

9aYes

No

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.

9bYes

No

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				

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?

2
Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

		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
	See Additional Data Table										

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)

THE MEMORIAL HOSPITAL AT EASTON

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):

1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 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 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
a ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The significant health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☒ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA 20 13		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	No
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 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)	7	Yes
a ☒ Hospital facility's website (list url) www.umshoreregional.org		
b ☐ Other website (list url)		
c ☐ Made a paper copy available for public inspection without charge at the hospital facility		
d ☐ Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	No
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 13		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	No
a If "Yes" (list url)		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a 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)?	12a	No
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, 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)

Name of hospital facility or letter of facility reporting group

THE MEMORIAL HOSPITAL AT EASTON

		Yes	No
Financial Assistance Policy (FAP)			
13	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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes
a	☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>500</u> %		
b	☐ Income level other than FPG (describe in Section C)		
c	☒ Asset level		
d	☒ Medical indigency		
e	☒ Insurance status		
f	☐ Underinsurance discount		
g	☐ Residency		
h	☐ Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	14	Yes
15	Explained the method for applying for financial assistance?	15	Yes
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)		
a	☒ Described the information the hospital facility may require an individual to provide as part of his or her application		
b	☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	☒ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	☐ Other (describe in Section C)		
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a	☒ The FAP was widely available on a website (list url) <u>www.umshoreregional.org</u>		
b	☐ The FAP application form was widely available on a website (list url) _____		
c	☐ A plain language summary of the FAP was widely available on a website (list url) _____		
d	☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	☒ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	☒ Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	☐ Other (describe in Section C)		
Billing and Collections			
17	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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes
18	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 individual's eligibility under the facility's FAP		
a	☐ Reporting to credit agency(ies)		
b	☐ Selling an individual's debt to another party		
c	☐ Actions that require a legal or judicial process		
d	☐ Other similar actions (describe in Section C)		
e	☐ None of these actions or other similar actions were permitted		

Part V

Facility Information (continued)

THE MEMORIAL HOSPITAL AT EASTON

Name of hospital facility or letter of facility reporting group			Yes	No
19	Did the hospital facility or other authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Actions that require a legal or judicial process d ☐ Other similar actions (describe in Section C) 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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 individuals regarding the individuals' bills d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy e ☐ Other (describe in Section C) f ☐ None of these efforts were made	19		No
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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 a ☐ The hospital facility did not provide care for any emergency medical conditions b ☐ The hospital facility's policy was not in writing c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d ☐ Other (describe in Section C)	21	Yes	
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d ☒ Other (describe in Section C) 23 During the tax year, did the hospital facility charge any FAP-eligible individual 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 Section C 24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C	23		No
		24		No

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)

DORCHESTER GENERAL HOSPITAL

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):

2

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 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 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
a ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The significant health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☒ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	No
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 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)	7	Yes
a ☒ Hospital facility's website (list url) <u>www.umshoreregional.org</u>		
b ☐ Other website (list url) _____		
c ☐ Made a paper copy available for public inspection without charge at the hospital facility		
d ☐ Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	No
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>13</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	
a If "Yes" (list url) _____		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a 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)?	12a	No
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, 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)

Name of hospital facility or letter of facility reporting group

DORCHESTER GENERAL HOSPITAL

		Yes	No
Financial Assistance Policy (FAP)			
13	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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes
a	☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>500</u> %		
b	☐ Income level other than FPG (describe in Section C)		
c	☒ Asset level		
d	☒ Medical indigency		
e	☒ Insurance status		
f	☐ Underinsurance discount		
g	☐ Residency		
h	☐ Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	14	Yes
15	Explained the method for applying for financial assistance?	15	Yes
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)		
a	☒ Described the information the hospital facility may require an individual to provide as part of his or her application		
b	☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	☒ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	☐ Other (describe in Section C)		
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a	☒ The FAP was widely available on a website (list url) <u>www.umshoreregional.org</u>		
b	☐ The FAP application form was widely available on a website (list url) _____		
c	☐ A plain language summary of the FAP was widely available on a website (list url) _____		
d	☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	☒ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	☒ Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	☐ Other (describe in Section C)		
Billing and Collections			
17	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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes
18	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 individual's eligibility under the facility's FAP		
a	☐ Reporting to credit agency(ies)		
b	☐ Selling an individual's debt to another party		
c	☐ Actions that require a legal or judicial process		
d	☐ Other similar actions (describe in Section C)		
e	☐ None of these actions or other similar actions were permitted		

Part V

Facility Information (continued)

DORCHESTER GENERAL HOSPITAL		
Name of hospital facility or letter of facility reporting group		
	Yes	No
19 Did the hospital facility or other authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	19	No
a ☐ Reporting to credit agency(ies)		
b ☐ Selling an individual's debt to another party		
c ☐ Actions that require a legal or judicial process		
d ☐ Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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 individuals regarding the individuals' bills		
d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy		
e ☐ Other (describe in Section C)		
f ☐ None of these efforts were made		
Policy Relating to Emergency Medical Care		
21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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	21	Yes
a ☐ The hospital facility did not provide care for any emergency medical conditions		
b ☐ The hospital facility's policy was not in writing		
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d ☐ Other (describe in Section C)		
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)		
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d ☒ Other (describe in Section C)		
23 During the tax year, did the hospital facility charge any FAP-eligible individual 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 Section C	23	No
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C	24	No

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

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation
See Additional Data Table	

Part V

Facility Information *(continued)*

Section D. 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? 11

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

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
Criteria for Free or Discounted Care	Schedule H, Part I, Line 3c SHORE HEALTH SYSTEM WILL PROVIDE FINANCIAL ASSISTANCE TO PERSONS WHO HAVE HEALTHCARE NEEDS AND ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR A GOVERNMENT PROGRAM, OR OTHERWISE UNABLE TO PAY FOR MEDICALLY NECESSARY CARE BASED ON THEIR INDIVIDUAL FINANCIAL SITUATION, FOR RELATED SYSTEM HOSPITALS, FINANCIAL ASSISTANCE IS BASED ON INDIGENCE OR HIGH MEDICAL EXPENSE FOR PATIENTS WHO MEET SPECIFIED FINANCIAL CRITERIA, REQUEST ASSISTANCE, AND PROVIDE ADEQUATE EVIDENCE OF SUCH NEED AND ELIGIBILITY ELIGIBILITY INCLUDES INCOME, PRESUMPTIVE FINANCIAL ASSISTANCE ELIGIBILITY, AND MEDICAL HARDSHIP CRITERIA, WHICH MAY INCLUDE ASSET CONSIDERATION

Form and Line Reference	Explanation
Related Organization Report	Schedule H, Part I, Line 6a SHORE HEALTH SYSTEM, IS AN AFFILIATE OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM THE COMMUNITY BENEFIT REPORT IS PREPARED SEPARATELY

Form and Line Reference	Explanation
Cost Attributable to a Physical Clinic	Schedule H, Part I, Line 7g SUBSIDIZED COSTS ARE NOT ATTRIBUTED TO A PHYSICIAN CLINIC, BUT ANESTHESIA AND EMERGENCY HOSPITAL SERVICES

Form and Line Reference	Explanation
Costing Methodology	Part I, Line 7A, column (D) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE Part I, LINE 7B, COLUMNS (C) THROUGH (F) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO ADDITIONALLY, NET REVENUES FOR MEDICAID SHOULD REFLECT THE FULL IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT Part I, LINE 7F COLUMN (C) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE Part I, LINE 7F COLUMN (D) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE

Form and Line Reference	Explanation
Community Building Activities	Part II Through a variety of community building activities, UM Shore Regional Health promotes health and wellness in the community it serves. These activities include active engagement and collaboration with local Health Departments, Chambers of Commerce, and organizations that work to improve the quality of life for the residents of the Mid-Shore (Talbot, Caroline, Dorchester, Queen Annes, and Kent Counties). Because local action is essential to public health progress, UM Shore Regional Health is a key stakeholder in the Mid-Shore Health Improvement Coalition, a partnership of public sector agencies, health care providers and community-based partners. The coalition was formed in December 2011 in response to a Statewide Health Improvement Process (SHIP). In addition to providing the coalition with leadership, a variety of clinical and non-clinical UM SRH associates serve on various coalition workgroups. The work of the coalition began by reviewing and prioritizing objectives identified by the Maryland Department of Health and Mental Hygiene (DHMH) State Health Improvement Process (SHIP). SHIP, launched in September 2011, focuses on improving the health of Maryland residents in six vision areas: Healthy Babies, Healthy Social Environments, Safe Physical Environments, Infectious Disease, Chronic Disease and Health Care Access. Under SHIP's umbrella, the coalition develops and implements strategies that will improve local public health. The coalition decided to focus on three health priorities: (1) adolescent obesity, (2) adolescent tobacco use, and (3) diabetes related emergency department visits. The coalition formulated an action plan that articulates specific goals and strategies for the three health priorities. Through coalition workgroups and committees, representatives from the Mid-Shore collaborate to assess local health needs and services, share data and other resources, explore evidence-based health practices, and acquire support to enhance and initiate health programs that impact targeted populations and communities. The coalition plans to effectively leverage and utilize new and existing resources to measurably improve the health status of the residents of the Mid-Shore. In addition to being an integral part of the Mid-Shore Health Improvement Coalition, UM SRH continues to maintain open communication with the Health Departments of Talbot, Caroline, Dorchester, Queen Annes, and Kent Counties, Mid-Shore Mental Health System, Choptank Community Health System, local government and schools. UM SRH's community outreach programs can be found in County schools, senior centers, community centers and churches throughout the Mid-Shore. UM SRH's director of community outreach participates in committees and advisory councils, promoting continuous dialogue between the medical center and community stakeholders. This provides opportunities for new ideas and programs to be exchanged, allowing UM SRH to maximize community outreach efforts. UM SRH seeks insight from community members attending educational programs through its outreach events. Program participants are asked to complete a brief survey evaluation, providing feedback and comments about the program they attended, as well as providing suggestions for future program topics.

Form and Line Reference	Explanation
METHODOLOGY USED BY THE ORGANIZATION TO ESTIMATE BAD DEBT EXPENSE	SCHEDULE H, PART III, LINES 2 AND 3 IN MARYLAND, THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) STARTED SETTING HOSPITAL RATES IN 1974 AT THAT TIME, THE HSCRC APPROVED RATES APPLIED ONLY TO COMMERCIAL INSURERS IN 1977, THE HSCRC NEGOTIATED A WAIVER FROM MEDICARE HOSPITAL PAYMENT RULES FOR MARYLAND HOSPITALS TO BRING THE FEDERAL MEDICARE PAYMENTS UNDER HSCRC CONTROL MEDICARE REIMBURSES MARYLAND HOSPITALS ACCORDING TO RATES ESTABLISHED BYTHE HSCRC AS LONG AS THE STATE CONTINUES TO MEET A TWO-PART TEST THIS TWO-PART WAIVER TEST ALLOWS MEDICARE TO PARTICIPATE IN THE MARYLAND SYSTEM AS LONG AS TWO CONDITIONS ARE MET - ALL OTHER PAYERS PARTICIPATING IN THE SYSTEM PAY HSCRC SET RATES, AND - THE RATE OF GROWTH IN MEDICARE PAYMENTS TO MARYLAND HOSPITALS FROM 1981 TO THE PRESENT IS NOT GREATER THAN THE RATE OF GROWTH IN MEDICARE PAYMENTS TO HOSPITALS NATIONALLY OVER THE SAME TIME FRAME BAD DEBT EXPENSE FOOTNOTE ON AUDITED FINANCIAL STATEMENTS Schedule H, Part III, Line 4 For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for bad debts, allowance for contractual adjustments, provision for bad debts, and contractual adjustments on accounts for which third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of the amounts due unlikely For receivables associated with self-pay patients or balances remaining after third-party coverage has already paid, the Corporation records a significant provision for bad debts in the period of service on the basis of its historical collections, which indicates that many patients ultimately do not pay the portion of their bill for which they are financially responsible The difference between the discounted rates and the amounts collected after all reasonable collection efforts have been exhausted is charged off against the allowance for Bad Debts allowance for Bad Debts

Form and Line Reference	Explanation
Medicare Cost Report	Schedule H, Part III, Line 8 ALLOWABLE COSTS ARE ESTIMATED RATIO OF COST TO CHARGE APPLIED TO GROSS CHARGES

Form and Line Reference	Explanation
Collection Practices	Schedule H, Part III, Line 9b IT IS THE POLICY OF SHORE HEALTH SYSTEM TO WORK WITH OUR PATIENTS TO IDENTIFY AVAILABLE RESOURCES TO PAY FOR THEIR CARE ALL PATIENTS PRESENTING AS SELF PAY AND REQUESTING CHARITY RELIEF FROM THEIR BILL WILL BE SCREENED AT ALL POINTS OF ENTRY, FOR POSSIBLE COVERAGE THROUGH STATE PROGRAMS AND A PROBABLE DETERMINATION FOR COVERAGE FOR EITHER MEDICAL ASSISTANCE OR FINANCIAL ASSISTANCE (CHARITY CARE) FROM THE HOSPITAL IS IMMEDIATELY GIVEN TO THE PATIENT THE PROCESS IS RESOURCE INTENSIVE AND TIME CONSUMING FOR PATIENTS AND THE HOSPITAL, HOWEVER, IF PATIENTS QUALIFY FOR ONE OF THESE PROGRAMS, THEN THEY WILL HAVE HEALTH BENEFITS THAT THEY WILL CARRY WITH THEM BEYOND THEIR CURRENT HOSPITAL BILLS, AND ALLOW THEM TO ACCESS PREVENTIVE CARE SERVICES AS WELL SHORE HEALTH SYSTEM WORKS WITH A BUSINESS PARTNER WHO WILL WORK WITH OUR PATIENTS TO ASSIST THEM WITH THE STATE ASSISTANCE PROGRAMS, WHICH IS FREE TO OUR PATIENTS IF A PATIENT DOES NOT QUALIFY FOR MEDICAID OR ANOTHER PROGRAM, SHORE HEALTH SYSTEM OFFERS OUR FINANCIAL ASSISTANCE PROGRAM SHORE HEALTH SYSTEM POSTS NOTICES OF OUR POLICY IN CONSPICUOUS PLACES THROUGHOUT THE HOSPITALS, HAS INFORMATION WITHIN OUR HOSPITAL BILLING BROCHURE, EDUCATES ALL NEW EMPLOYEES THOROUGHLY ON THE PROCESS DURING ORIENTATION, AND DOES A YEARLY RE-EDUCATION TO ALL EXISTING STAFF ALL STAFF HAVE COPIES OF THE FINANCIAL ASSISTANCE APPLICATION, BOTH IN ENGLISH AND SPANISH, TO SUPPLY TO PATIENTS WHO WE DEEM, AFTER SCREENING, TO HAVE A NEED FOR ASSISTANCE SHORE HEALTH SYSTEM HAS A DEDICATED FINANCIAL ASSISTANCE LIAISON TO WORK WITH OUR PATIENTS TO ASSIST THEM WITH THIS PROCESS AND EXPEDITE THE DECISION PROCESS

Form and Line Reference	Explanation
Community Health Care Needs Assessment	Schedule H, Part VI, Line 2 UM SHORE REGIONAL HEALTH (SHS) IN COLLABORATION WITH CHESTER RIVER HOSPITAL SYSTEM (CRHS) CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR THE FIVE COUNTIES OF MARYLAND'S MID-SHORE TALBOT, CAROLINE, QUEEN ANNE'S, DORCHESTER, AND KENT THE HEALTH NEEDS OF OUR COMMUNITY WERE IDENTIFIED THROUGH A PROCESS WHICH INCLUDED COLLECTING AND ANALYZING PRIMARY AND SECONDARY DATA SHORE HEALTH SYSTEM, MEMORIAL HOSPITAL AT EASTON AND DORCHESTER GENERAL HOSPITAL STARTED THE PROCESS OF THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) ON 7/1/2012 AND COMPLETED THE PROCESS ON 5/22/2013 THE PLAN WAS PRESENTED AND APPROVED BY THE BOARD OF DIRECTORS ON MAY 22, 2013 IN PARTICULAR, THE CHNA INCLUDES PRIMARY DATA FROM TALBOT, CAROLINE, DORCHESTER, KENT, QUEEN ANNE'S HEALTH DEPARTMENTS AND THE COMMUNITY AT LARGE ADDITIONALLY, SHORE HEALTH, IS A PARTICIPATING MEMBER OF THE MID-SHORE SHIP COALITION, WHERE WE ARE PARTNERING WITH OTHER COMMUNITY STAKEHOLDERS INVESTED IN IMPROVING THE COMMUNITY'S OVERALL HEALTH MEMBERS OF THE MID-SHORE SHIP COALITION INCLUDE COMMUNITY LEADERS, COUNTY GOVERNMENT REPRESENTATIVES, LOCAL NON-PROFIT ORGANIZATIONS, LOCAL HEALTH PROVIDERS, AND MEMBERS OF THE BUSINESS COMMUNITY FEEDBACK FROM CUSTOMERS INCLUDES DATA COLLECTED FROM SURVEYS, ADVISORY GROUPS AND FROM OUR COMMUNITY OUTREACH AND EDUCATION SESSIONS SECONDARY DATA RESOURCES REFERENCED TO IDENTIFY COMMUNITY HEALTH NEEDS INCLUDE COUNTY HEALTH RANKINGS (HTTP //WWW.COUNTYHEALTHRANKINGS.ORG), MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE'S STATE HEALTH IMPROVEMENT PROCESS (SHIP) (HTTP //DHMH.MARYLAND.GOV/SHIP/), THE MARYLAND CHARTBOOK OF MINORITY HEALTH AND MINORITY HEALTH DISPARITIES (HTTP //DHMH.MARYLAND.GOV/MHHD/DOCUMENTS/2NDRESOURCE_2009.PDF) SHORE REGIONAL HEALTH PARTICIPATES ON THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) COMMUNITY BENEFITS WORKGROUP TO STUDY DEMOGRAPHICS, ASSESS COMMUNITY HEALTH DISPARITIES, INVENTORY RESOURCES AND ESTABLISH COMMUNITY BENEFIT GOALS FOR BOTH UM SHORE REGIONAL HEALTH AND UMMS UM SHORE REGIONAL HEALTH CONSULTED WITH COMMUNITY PARTNERS AND ORGANIZATIONS TO DISCUSS COMMUNITY NEEDS RELATED TO HEALTH IMPROVEMENT AND ACCESS TO CARE THE FOLLOWING LIST OF PARTNER AGENCIES MEETS ON A QUARTERLY BASIS AS MEMBERS OF THE MID-SHORE SHIP COALITION - CHOPTANK COMMUNITY HEALTH SYSTEMS - CAROLINE COUNTY MINORITY OUTREACH TECHNICAL ASSISTANCE - TALBOT COUNTY LOCAL MANAGEMENT BOARD - PARTNERSHIP FOR DRUG FREE DORCHESTER - CAROLINE COUNTY COMMUNITY REPRESENTATIVE - EASTERN SHORE AREA HEALTH EDUCATION CENTER - KENT COUNTY MINORITY OUTREACH TECHNICAL ASSISTANCE - YMCA OF THE CHESAPEAKE - UNIVERSITY OF MD EXTENSION - KENT COUNTY LOCAL MANAGEMENT BOARD - KENT COUNTY DEPARTMENT OF JUVENILE SERVICES - COALITION AGAINST TOBACCO USE - MT OLIVE AME CHURCH - MID SHORE CORE SERVICE AGENCY - ASSOCIATED BLACK CHARITIES - QUEEN ANNE COUNTY HOUSING AND FAMILY SERVICES - QUEEN ANNE COUNTY HEALTH DEPARTMENT - DORCHESTER COUNTY HEALTH DEPARTMENT - TALBOT COUNTY HEALTH DEPARTMENT - CAROLINE COUNTY HEALTH DEPARTMENT - EASTON MEMORIAL HOSPITAL - CHESTER RIVER HOSPITAL - MID-SHORE MENTAL HEALTH SYSTEMS SHORE HEALTH AND CHESTER RIVER HEALTH HOSTED A SERIES OF COMMUNITY LISTENING FORUMS TO GATHER COMMUNITY INPUT FOR A REGIONALIZATION STUDY THAT EXPLORES THE BENEFITS OF A REGIONAL APPROACH TO PROVIDING HEALTH CARE FOR CAROLINE, DORCHESTER, KENT, QUEEN ANNE'S AND TALBOT COUNTIES IN ADDITION, SHORE HEALTH MEETS QUARTERLY WITH MEMBERS OF THE LOCAL HEALTH DEPARTMENTS AND COMMUNITY LEADERS, INCLUDING - CHOPTANK COMMUNITY HEALTH SYSTEM JOSEPH SHEEHAN - HEALTH DEPARTMENTS HEALTH OFFICERS - MID SHORE MENTAL HEALTH SYSTEMS HOLLY IRELAND - EASTERN SHORE HOSPITAL CENTER RANDY BRADFORD IN ADDITION, THE FOLLOWING AGENCIES/ORGANIZATIONS ARE REFERENCED IN GATHERING INFORMATION AND DATA - MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE - MARYLAND DEPARTMENT OF PLANNING - MARYLAND VITAL STATISTICS ADMINISTRATION - HEALTHSTREAM, INC - COUNTY HEALTH RANKINGS - MID SHORE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY CEDS OUR CHNA IDENTIFIED THE FOLLOWING LIST OF PRIORITIES FOR OUR COMMUNITY - DIABETES - HEART DISEASE - CANCER - BEHAVIORAL HEALTH - ACCESS TO CARE SEVERAL ADDITIONAL TOPIC AREAS WERE IDENTIFIED BY THE CHNA STEERING COMMITTEE INCLUDING SAFE HOUSING, TRANSPORTATION, AND SUBSTANCE ABUSE THE UNMET NEEDS NOT ADDRESSED BY SHS AND CRHS WILL CONTINUE TO BE ADDRESSED BY KEY GOVERNMENTAL AGENCIES AND EXISTING COMMUNITY-BASED ORGANIZATIONS WHILE SHS AND CRHS WILL FOCUS THE MAJORITY OF OUR EFFORTS ON THE IDENTIFIED PRIORITIES OUTLINED IN THE CHNA ACTION PLAN, WE WILL REVIEW THE COMPLETE SET OF NEEDS IDENTIFIED IN THE CHNA FOR FUTURE COLLABORATION AND WORK THESE AREAS, WHILE STILL IMPORTANT TO THE HEALTH OF THE COMMUNITY, WILL BE MET THROUGH OTHER HEALTH CARE ORGANIZATIONS WITH OUR ASSISTANCE AS AVAILABLE SHORE HEALTH SYSTEM, MEMORIAL HOSPITAL AT EASTON AND DORCHESTER GENERAL HOSPITAL, PUBLICIZED THE CHNA VIA A WEBSITE

Form and Line Reference	Explanation
Community Health Care Needs Assessment	ITE HTTP //WWW SHOREHEALTH ORG/PDFS/2013-COMMUNITY-HEALTH-ACTION-PLAN PDF B MADE AVAILABL E ON REQUEST AT THE HOSPITAL FACILITY SHORE HEALTH SYSTEM, MEMORIAL HOSPITAL AT EASTON AND DORCHESTER GENERAL HOSPITAL, CONDUCTED ITS CHNA WITH THE FOLLOWING OTHER FACILITIES SHOR E HEALTH SYSTEM (SHS) IN COLLABORATION WITH CHESTER RIVER HOSPITAL SYSTEM (CRHS) CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR THE FIVE COUNTIES OF MARYLAND'S MID-SHORE TALBOT, CAROLINE, QUEEN ANNE'S, DORCHESTER, AND KENT

Form and Line Reference	Explanation
Eligibility Education	Schedule H, Part VI, Line 3 It is the policy of UM Shore Regional Health to work with our patients to identify available resources to pay for their care. All patients presenting as self pay and requesting charity relief from their bill will be screened at all points of entry, for possible coverage through state programs and a probable determination for coverage for either Medical Assistance or Financial Assistance (charity care) from the hospital is immediately given to the patient. The process is resource intensive and time consuming for patients and the hospital, however, if patients qualify for one of these programs, then they will have health benefits that they will carry with them beyond their current hospital bills, and allow them to access preventive care services as well. UM Shore Regional Health works with a business partner who will work with our patients to assist them with the state assistance programs, which is free to our patients. If a patient does not qualify for Medicaid or another program, UM Shore Regional Health offers our financial assistance program. UM Shore Regional Health posts notices of our policy in conspicuous places throughout the hospitals- including the emergency department, has information within our hospital billing brochure, educates all new employees thoroughly on the process during orientation, and does a yearly re- education to all existing staff. All staff have copies of the financial assistance application, both in English and Spanish, to supply to patients who we deem, after screening, to have a need for assistance. UM Shore Regional Health has a dedicated Financial Assistance Liaison to work with our patients to assist them with this process and expedite the decision process. Shore Health notifies patients of availability of financial assistance funds prior to service during our calls to patients, through signage at all of our registration locations, through our patient billing brochure and through our discussions with patients during registration. In addition, the information sheet is mailed to patients with all statements and/or handed to them if needed. Notices are sent regarding our Hill Burton program (services at reduced cost) yearly as well. - Shore Health prepares its FAP in a culturally sensitive manner, at a reading comprehension level appropriate to the CBSA's population, and in Spanish. - Shore Health posts its FAP and financial assistance contact information in admissions areas, emergency rooms, and other areas of facilities in which eligible patients are likely to present, - Shore Health provides a copy of the FAP and financial assistance contact information to patients or their families as part of the intake process, - Shore Health provides a copy of the FAP and financial assistance contact information to patients with discharge materials. - A copy of Shore Health's FAP along with financial assistance contact information, is provided in patient bills, and/or - Shore Health discusses with patients or their families the availability of various government benefits, such as Medicaid or state programs, and assists patients with qualification for such programs, where applicable. - An abbreviated statement referencing Shore Health's financial assistance policy, including a phone number to call for more information, is run annually in the local newspaper (Star Democrat).

Form and Line Reference	Explanation
Description of Community Served	Schedule H, Part VI, Line 4 Situated on Maryland's Eastern Shore, Shore Regional Health's three hospitals, University of Maryland Medical Center at Easton (UMC at Easton), University of Maryland Medical Center at Dorchester (UMC at Dorchester), University of Maryland Medical Center at Chestertown (UMC at Chestertown) are not for profit hospitals offering a complete range of inpatient and outpatient services to over 175,000 people throughout the Mid-Shore of Maryland. Shore Regional Health's service area is defined as the Maryland counties of Caroline, Dorchester, Talbot, Queen Annes and Kent. UMC at Easton is situated at the center of the mid-shore area and thus serves a large rural geographical area (all 5 counties of the mid-shore). UMC at Dorchester is located approximately 18 miles from Easton and primarily serves Dorchester County and portions of Caroline County. UMC at Chestertown located in Chestertown, in Kent County merged with Shore Regional Health in July 2013. UMC at Chestertown serves the residents of Kent County, portions of Queen Annes and Caroline Counties and the surrounding areas. The five counties of the Mid-Shore comprise 20% of the landmass of the State of Maryland and 2% of the population. The entire region has over 4,400 employers with nearly 45,000 workers. Only 50 of those employers employ 100 or more workers. Almost 85% of employers in this rural region are manufacturing firms, which require workers with high-level technology skills as well as low-skilled workers. (96.2% adults have less than a 9th grade education and another 9.62% have an education at the 9th -12th grade level but do not have a high school diploma). The service industry is growing rapidly as the local population shifts to include more senior adults who retire to this beautiful area of the State. Although the seafood industry continues to be important to the region, it is fast becoming an endangered species. The level of economic distress in the region is immediately evident when compared with the state figure especially for Caroline, Dorchester, and Kent Counties. It should be noted that Talbot County appears to have a significantly higher median income than Caroline and Dorchester, however, a large percentage of the population has incomes in line with those of Caroline and Dorchester. The figures for Talbot are somewhat skewed due to large incomes of a few individual families and high net worth individuals. According to the Maryland Department of Labor, Licensing and Regulation and the Bureau of Labor Statistics as of June 2015, the State unemployment rate was 7.2%. The unemployment rate for Caroline County was 5.7%, Dorchester County was 9.7%, Talbot County was 5.2%, Kent County was 5.6%, Queen Annes was 4.9%. Source: http://dli.maryland.gov/links/maius/, http://www.dli.state.md.us/lmi/emppay/. Shore Regional Health's service area has a higher percentage of population aged 65 and older as compared to Maryland overall. Talbot County has a 23.7% rate for this age group and Kent County has 21.8% of its residents age 65 years or older. These rates are 65% higher than Maryland's percentage and higher than other rural areas in the state by almost a quarter. Today, more than two-thirds of all health care costs are for treating chronic illnesses. Among health care costs for older Americans, 95% are for chronic diseases. The cost of providing health care for one person aged 65 or older is three to five times higher than the cost for someone younger than 65. Source: http://www.cdc.gov/features/agingandhealth/state_of_aging_and_health_in_america_2013.pdf. Hoffman C, Rice D, Sung HY. Persons with chronic conditions: their prevalence and costs. JAMA 1996;276(18):1473-1479. While progress is being made, the Mid-Shore economy still faces a myriad of challenges that include limited access to affordable high speed broadband services, a shortage of affordable housing, an inadequate supply of skilled workers, lower per capita income, and more layoffs in the manufacturing sector (Source: Mid Shore Comprehensive Economic Development Strategy CEDS). In terms of healthcare, large disparities exist between Blacks and Whites as reported by the Office of Minority Health and Health Disparities, DHMH. For emergency department (ED) visit rates for diabetes, asthma and hypertension, the Black rates are typically 3- to 5 fold higher than White rates. Adults at healthy weight metrics is lower (worse) for Blacks in all three counties where Black data could be reported. Heart disease mortality Black rates are variously higher or lower compared to White rates in individual counties. In Caroline, the Black rate is lower than the White rates not because the Black rate is particularly low, but because the White rate is unusually high. For cancer mortality, Black rates exceed White rates in Dorchester, Kent, Queen Annes and Talbot. In Caroline, Black rates are lower, again because of a rather high White rate. The Black rates and White rates are below the

Form and Line Reference	Explanation
Description of Community Served	State Health Improvement Process (SHIP) goals (Source http://www.dhmdh.maryland.gov/ship) County Health Rankings for the Mid-Shore counties also reveal the large disparities between counties for health outcomes in the service area Overall, Queen Annes County ranks 6th, Talbot County ranks 7th, Dorchester ranks 19th, Caroline ranks 23rd, Kent ranks 18th (out of 24 counties including Baltimore City) in health outcomes that indicate the overall health of the county (Source http://www.countyhealthrankings.org/maryland/ 2015) UMC at E atons Primary Service Area 21601, 21613, 21629, 21632, 21655, 21639, 21643 UMC at Dorches ters Primary Service Area 21613, 21643, 21631 UMC at Chestertowns Primary Service Area 21620, 21661, 21651, 21678 Community Benefit Service Area (CBSA) Target Population 175,000 Talbot County Male 47.4%, Female 52.6% White, Not Hispanic (NH) 83.3% Black, NH 13.2% Hispanic 6.3% Asian, NH 1.5% American Indian, NH 0.3% Median Age 43.3 Median Household Income \$61,597 Dorchester County Male 47.5%, Female 52.5% White, Not Hispanic (NH) 68% Black, NH 28.3% Hispanic 4.6% Asian, NH 1.1% American Indian, NH 0.5% Median Age 40.7 Median Household Income \$43,361 Caroline County Male 48.8%, Female 51.2% White, Not Hispanic (NH) 81.5% Black, NH 14.3% Hispanic 6.4% Asian, NH 0.6% American Indian, NH 0.4% Median Age 37 Median Household Income \$58,632 Queen Annes County Male 49.7%, Female 50.3% White, Not Hispanic (NH) 89.8% Black, NH 6.9% Hispanic 3.0% Asian, NH 1.1% American Indian, NH 0.3% Median Age 38.8 Median Household Income \$87,256 Kent County Male 47.9%, Female 52.1% White, Not Hispanic (NH) 81.8% Black, NH 15.1% Hispanic 3.4% Asian, NH 1.0% American Indian, NH 0.3% Median Age 45.6 Median Household Income \$56,259 (Source http://quickfacts.census.gov/) Percentage of households with incomes below the federal poverty guidelines within the CBSA Talbot 8.6%, Dorchester 16.5%, Caroline 14.4%, Queen Annes 8.1%, Kent 13.2% Source http://quickfacts.census.gov/qfd/states/24/24041.html Percentage of uninsured people by County within the CBSA Talbot 13%, Dorchester 13%, Caroline 14%, Queen Annes 10%, Kent 13% Source http://www.countyhealthrankings.org/app/maryland/2015/county/snapshots/041 Percentage of Medicaid recipients by County within the CBSA Talbot 17%, Dorchester 31%, Caroline 27%, Queen Annes 16%, Kent 20% Source http://www.chpdm-eh.ealth.org/mco Life Expectancy by County within the CBSA Talbot County All Races 81 White 81.9, Black 76.2 Dorchester County All Races 78.1, White 79.1, Black 75.2 Caroline County All Races 76.9, White 77.1, Black 75.7 Queen Annes County All Races 79.4, White 79.7, Black 74.3 Kent County All Races 80.3, White 81.2, Black 75.8 (Source http://dhmdh.maryland.gov) Mortality Rates by County within the CBSA (Age adjusted rates per 100,000 population) Talbot County All Races 1149.5, White 1209.6, Black 938.7 Dorchester County All Races 1077.8, White 1122.9, Black 1015.4 Caroline County All Races 984.9, White 1012.0, Black 901.6 Queen Annes County All Races 818.3, White 828.0, Black 822.5 Kent County All Races 1243.5, White 1224.6, Black 1364.2 (Source http://dhmdh.maryland.gov/vsa/Documents/13annual.pdf) Access to healthy food, Population that is Food Insecure Talbot County 10.5% Dorchester County 15.8% Caroline County 12.1% Queen Annes County 7.5% Kent County 11.5% (Source URL http://www.mdfoodsystemmap.org) Quality of Housing Home Ownership Rate Talbot County 72.5% Dorchester County 65.9% Caroline County 72.5% Queen Annes County 84.5% Kent County 71.4% Caroline County There is a lack of Section 8 Rental Assistance housing in Caroline County At the present time, only about one-third of the demand has been filled Total Housing units 13,514 Homeownership rate, 2009-2013 72.3% Housing units in multi-unit structures, 9.7% Median value of owner-occupied housing units, \$212,800 Kent County There is a need to provide housing for

Form and Line Reference	Explanation
Promoting the Health of the Community	Part VI, Line 5 The analysis of local data indicated that diabetes, heart disease, cancer, behavioral health and access to care were all health improvement priorities for the Mid-Shore. After careful review of County health data, the Mid-Shore SHIP Coalition prioritized the potential health improvement areas and decided to focus the Coalition's efforts on three areas: (1) adolescent obesity, (2) adolescent tobacco use, and (3) diabetes-related emergency department visits. The Coalition is committed to examining what evidence-based initiatives can improve the county's health in these three areas related to racial, ethnic and other demographic and geographic-related health disparities. Maryland's State Health Improvement Process (SHIP) provides a framework for continual progress toward a healthier Maryland. Maryland's State Health Improvement Process (SHIP) began with national, state and local data being reviewed and analyzed by the Maryland Department of Health and Mental Hygiene (DHMH) Office of Population Health as well as by the 5 Departments of Health (Talbot, Caroline, Dorchester, Queen Anne's, Kent). It has three main components: accountability, local action and public engagement. SHIP includes 39 measures that provide a framework to improve the health of Maryland residents. Twenty-eight of the measures have been identified as critical racial/ethnic health disparities. Each measure has a data source and a target, and where possible, can be assessed at the county level. UM SRH's priorities are aligned with the Maryland State Health Improvement Process vision areas and those objectives outlined by the local health improvement coalition. UM SRH's Priorities: 1. Chronic Diseases (Obesity, Heart Disease, Diabetes and Cancer) 2. Wellness and Access 3. Reducing ED visits due to chronic disease 4. Access to Care. Several additional topic areas were identified by the CHNA Steering Committee including: safe housing, transportation, and substance abuse. The unmet needs not addressed by UM SRH will continue to be addressed by key governmental agencies and existing community-based organizations. While UM SRH will focus the majority of our efforts on the identified priorities outlined in the CHNA Action Plan, we will review the complete set of needs identified in the CHNA for future collaboration and work. These areas, while still important to the health of the community, will be met through other health care organizations with our assistance as available. Initiative 1 Identified Need: Chronic Disease Management Hospital Initiative. Shore Wellness Partners (SWP) provides community case management, at no charge, to community members who meet the eligibility criteria. Primary Objective of Initiative/Metrics that will be Used to Evaluate the Results: Shore Well Partners is a unique program that provides a continuum of care, focusing on preventive care to improve the ability of patients and families to work together to reduce emergency department visits and readmissions. The program is designed for at-risk families and individuals who do not have sufficient resources and are not eligible for other in-home services. Wellness Partners helps patients with disease management and life skills so that they can continue to live in their own homes. The service is provided by Shore Health System at no charge for those who qualify. Objectives: - Managing physical health problems - Connection with other community services - Dietary education - Home safety evaluations - Safe medicine use - Education on specific illness and treatments - Emotional support - Monitoring client progress through home visits or phone calls. Total Number of People Within the Target Population: The number of clients serviced depends on the complexity and needs of the client. FY15, 400 people identified as approved for referral. Total Number of People Reached by the Initiative Within the Target Population: 1. New clients = 115 2. Number of patient visits = 3,954. Single or Multi-Year Initiative Time Period: Multi-year initiative beginning in 2011. Key Partners and/or Hospitals in Initiative Development and/or Implementation: Members of the Shore Wellness Partners team include advanced practice nurses and medical social workers. These specialists work with patients, caregivers, and primary care providers (sometimes care is provided in the patient's home). Shore Wellness Partners is a partner in the HEZ for Dorchester and Caroline Counties. Detailed information for the HEZ model, Competent Care Connections can be found at http://dhmh.org. Evaluation Dates: July 1, 2014 through June 30, FY15. Evaluation of Outcomes: (1) # of referrals to service, (2) # of patients on service with Shore Wellness Partners, (3) Comparison of ALL CAUSE readmissions for FY15. Key Collaborators in Delivery of the Initiative: Members of the Shore Wellness Partners team include advanced practice nurses and medical social workers. These specialists work with patients, caregivers, and primary

Form and Line Reference	Explanation
Promoting the Health of the Community	care providers (sometimes care is provided in the patient's home) Shore Wellness Partners is a partner in the HEZ for Dorchester and Caroline Counties Detailed information for the HEZ model, Competent Care Connections can be found at http://dhmh.maryland.gov/healthenterprises/zones/SitePages/Home Outcomes (process and impact measures included) There was a 48% reduction in hospital admissions for clients on service with SWP for 0-6 months, which represented 84% of the SWP clients in FY 2015 This admission reduction is similar to the Glendening-Napoli, Dowling, Pulvion, Baillargeon and Raimer (2012) study that found a 53 % decrease in hospital admissions Evaluation of Outcomes Based on FY 2015 history, readmissions to the hospital, SWP had a 4.6% 30 day readmission rate for clients served Continuation of Initiative Yes, Expansion of SWP to Chestertown, Kent County Total Cost of Initiative \$ 582,158 (includes staff salary and supplies Does not include indirect overhead) Direct offsetting revenue from Restricted Grants HEZ Grant \$35,000 Initiative 2 Identified Need Cardiovascular, The Antithrombosis Clinic is designed to provide dedicated health care monitoring for those patient receiving chronic warfarin therapy Warfarin therapy is reported widely in the medical literature as having significant morbidities associated with long-term therapy Vigilant monitoring is necessary to avoid these complications This clinic provides close monitoring of these patients with dedicated, knowledgeable staff Through close monitoring, education, and continuous follow-up, the risks associated with long term anticoagulation are greatly reduced Hospital Initiative Provide anticoagulated patients (no charge) with close monitoring, educational resources and dedicated expertise to prevent adverse outcomes, reduction of hospital encounters related to over anticoagulation or under anticoagulation Total Number of People within the Target Population All anticoagulated patients who require close monitoring, educational resources and dedicated expertise to prevent adverse outcomes, reduction of hospital encounters related to over anticoagulation or under anticoagulation Total Number of People Reached by the Initiative within the Target Population UMC at Chestertown - 4,445 patient encounters occurred during this period UMC at Easton - 15,792 patient encounters occurred during this period Primary Objective of the Initiative Provide safe anticoagulation management, provide extensive patient education regarding anticoagulation therapy, prevent adverse events related to anticoagulation therapy Single or Multi-Year Initiative -Time Period Multi Year,2008-present Key Collaborators in Delivery of the Initiative Participating Hospital Staff, Shore Regional Health Pharmacy Services Impact/Outcome of Hospital Initiative UMC at Easton - 15,792 patient encounters occurred during this period - Average # patients served 1211.8 patients - Average time to therapeutic INR is 4.3 days (national average is 5.8 days) - 76.15% patients were maintained within therapeutic range >90% time (national average is 58%) - 4.7% incidence of Major Hemorrhagic Events (Literature reports rate of 5-8.1%) UMC at Chestertown - 4,445 patient encounters occurred during this period - Average # patients served 268 patients - Average time to therapeutic INR is 4.5 days (national average is 5.8 days) - 68.9% patients were maintained within therapeutic range >90% time (national average is 58%) - 2.5% adverse events noted requiring hospitalization Evaluation of Outcomes Indicators show a better than national average therapeutic range for patients in the program and better than average time to therapeutic INR than national average leading to a reduction of hospital encounters related to over anticoagulation or under anticoagulation Continuation of Initiative Yes, the initiative is continuing Total Cost of Initiative UMC at Easton \$265,345 UMC at Chestertown \$89,636 (includes s

Form and Line Reference	Explanation
Affiliated Health Care System Roles	Schedule H, Part VI, Line 6 THE UNIVERSITY OF MARYLAND MEDICAL CENTER IS AN 800-BED TEACHING HOSPITAL IN BALTIMORE AND THE FLAGSHIP INSTITUTION OF THE 12-HOSPITAL UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) AS A NATIONAL AND REGIONAL REFERRAL CENTER FOR TRAUMA, CANCER CARE, NEUROCARE, CARDIAC CARE, WOMEN'S AND CHILDREN'S HEALTH AND PHYSICAL REHABILITATION, UMMC TREATS PATIENTS WHO ARE REFERRED NATIONALLY AND REGIONALLY FOR EXPERTISE IN TIME-SENSITIVE CRITICAL CARE MEDICINE UMMC ALSO HAS ONE OF THE LARGEST SOLID ORGAN TRANSPLANT PROGRAMS IN THE COUNTRY, PERFORMING MORE THAN 400 ABDOMINAL AND THORACIC TRANSPLANTS A YEAR ALL PHYSICIANS ON STAFF AT THE MEDICAL CENTER ARE FACULTY PHYSICIANS OF THE UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE AS PART OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, THE MEDICAL CENTER PARTICIPATES IN THE UMMS COMMUNITY HEALTH OUTREACH AND ADVOCACY TEAM TO VALIDATE DATA AND INFORMATION FROM OTHER UMMS HOSPITALS AND COLLABORATE ON LARGE SYSTEM-WIDE EVENTS AND INITIATIVES SEVERAL UMMS-SPONSORED EVENTS THAT THE MEDICAL CENTER PARTNERS WITH OTHER UMMS' HOSPITALS INCLUDE SPRING INTO GOOD HEALTH, FROM THE HEART, AND TAKE A LOVED ONE TO THE DOCTOR TODAY THE UMMC RETAINS ITS STRATEGIC COMMUNITY OUTREACH PRIORITIES WHILE COLLABORATING WITH OTHER UMMS HOSPITALS THE MEDICAL CENTER ESPECIALLY COLLABORATES WITH THE BALTIMORE-BASED HOSPITALS (UNIVERSITY OF MARYLAND MIDTOWN CAMPUS, FORMERLY MARYLAND GENERAL, MT WASHINGTON PEDIATRIC HOSPITAL, AND UNIVERSITY OF MARYLAND REHABILITATION AND ORTHOPEDIC INSTITUTE, FORMERLY KERNAN HOSPITAL) SEVERAL MEMBERS OF THE UMMC COMMUNITY OUTREACH TEAM ARE MEMBERS OF THE UMMS COMMUNITY ADVOCACY AND UMMS COMMUNITY BENEFITS TEAMS INFORMATION AND COLLABORATIVE OPPORTUNITIES ARE DISCUSSED IN ALL FORUMS IN MOST INSTANCES, THE UMMC PROVIDES CLINICAL EXPERTISE IN MANY SPECIALTY FIELDS AS WELL STAFF SUPPORT AND RESOURCES FOR LARGER SYSTEM-WIDE PROGRAMMING WHILE RETAINING FOCUS ON OUR KEY COMMUNITY STRATEGIC PRIORITIES

Form and Line Reference	Explanation
Community Benefit Report State Filings	Schedule H, Part VI, Line 7 Maryland

Additional Data

Software ID:
Software Version:
EIN: 52-0610538
Name: SHORE HEALTH SYSTEM INC

Form 990 Part V Section C Supplemental Information for Part V, Section B.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
THE MEMORIAL HOSPITAL AT EASTON	
DORCHESTER GENERAL HOSPITAL	Schedule H, Part V, Section B Line 5 - Communication with local health departments, Public School Systems, church leaders, committees, advisory boards, and community workgroups active in identifying regional health care needs Line 11 - Environmental Health needs requiring expertise and resources beyond the capabilities of the system Mental Health and Mental Disorders is addressed through another organization (Mid Shore Mental Health Systems, Inc) Line 22d - Calculates an Approved % of Financial Assistance based on income and % of Federal Poverty Level Income The patient is billed the charges less the % of Financial Assistance determined Line 24 - Gross charges for services are always charged at the same rate without discrimination Gross charges for services are always billed, any adjustment such as financial assistance is applied to result in the balance due for payment

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. 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)
Requard Cancer Center 509 Idlewild Avenue Easton, MD 21601	Oncology Services
Digestive Disease Center 5111 Idlewild Avenue Easton, MD 21601	Oncology Services
Diagnostic Center 10 Martin Court Easton, MD 21601	Oncology Services
Shore Health System Surgery Center 6 Caulk Lane Easton, MD 21601	Oncology Services
Centreville Diagnostic Center 2540 Centerville Road Centreville, MD 21617	Oncology Services
Sunburst Center Route 50 Cambridge, MD 21613	Oncology Services
Integrative Medicine 607 Dutchmans Lane Easton, MD 21601	Oncology Services
Shoreworks Bryn Street Cambridge, MD 21658	Oncology Services
Queen Anne Emergency Center 115 Shoreway Drive Queenstown, MD 21658	Oncology Services
Denton Diagnostic Center 920 Market Street Denton, MD 21601	Oncology Services
The Shore Medical Pavilion 125 Shoreway Drive Queenstown, MD 21658	Oncology Services

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
SHORE HEALTH SYSTEM INC

Employer identification number
52-0610538

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 ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
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	1bYes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2Yes	
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 ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment?	4aYes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4bYes	
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), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	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	7Yes	
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 in column(B) 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**

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

Return Reference	Explanation
Health or social club dues or initiation fees	Schedule J, Part I, Line 1a UMMS executives receive a benefit package which may be used towards health club dues or other health maintenance programs such benefits are capped at \$7,000 or \$3,000 depending on job title as described in the program documents Severance Payments Schedule J, Part I, Line 4a DURING THE FISCAL YEAR-ENDED JUNE 30, 2015, CERTAIN OFFICERS AND KEY EMPLOYEES HAVE RECEIVED SEVERANCE PAYMENTS THESE AMOUNTS ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B (III), OTHER REPORTABLE COMPENSATION THE INDIVIDUALS AND AMOUNTS ARE LISTED BELOW - GERARD M WALSH \$237,884 - JONATHAN C COOK \$146,926
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b DURING THE FISCAL YEAR ENDED JUNE 30, 2015, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THE INDIVIDUALS LISTED BELOW HAVE NOT VESTED IN THE PLAN THEREFORE, THE ACCRUED CONTRIBUTION TO THE PLAN FOR THE FISCAL YEAR IS REPORTED ON SCHEDULE J, PART II, COLUMN C, RETIREMENT AND OTHER DEFERRED COMPENSATION - KENNETH KOZEL - JOANNE R HAHEY - WILLIAM E HUFFNER - MICHELE WILSON - FRANCIS G LEE DURING THE FISCAL YEAR ENDED JUNE 30, 2015, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THE INDIVIDUALS LISTED BELOW HAVE VESTED IN THE PLAN IN A PRIOR YEAR THEREFORE, THE CONTRIBUTIONS TO THE PLAN FOR THE FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION - PATTI K WILLIS - JOHN W ASHWORTH III - WALTER J ZAJAC - GERARD M WALSH - CHRISTOPHER J PARKER DURING THE FISCAL YEAR-ENDED JUNE 30, 2015, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THE INDIVIDUALS LISTED BELOW HAVE VESTED IN THE PLAN IN THE REPORTING TAX YEAR, THEREFORE THE FULL VALUE OF THE PLAN, INCLUDING ANY CONTRIBUTIONS TO THE PLAN FOR THE CURRENT FISCAL YEAR IS REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION PRIOR YEAR CONTRIBUTIONS TO THE PLAN WERE PREVIOUSLY REPORTED ON FORM 990 AND ARE INDICATED ON SCHEDULE J, PART II, COLUMN (F) - ROBERT A CHRENCIK - JONATHAN C COOK
Non-fixed payments	Schedule J, Part I, Line 7 Bonuses paid are based on a number of variables including but not limited to individual goal achievements as well as organization operation achievements The final determination of the bonus amount is determined and approved by the Board as part of the overall compensation review of the officers and key employees

Additional Data

Software ID:

Software Version:

EIN: 52-0610538

Name: SHORE HEALTH SYSTEM INC

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

(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 in column (B) reported as deferred in prior Form 990
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Robert A Chrencik, Ex-Officio/Director	(i) 0 (ii) 1,183,796	(i) 0 (ii) 1,004,469	(i) 0 (ii) 4,692,806	(i) 0 (ii) 10,400	(i) 0 (ii) 10,695	(i) 0 (ii) 6,902,166	(i) 0 (ii) 4,526,360
John W Ashworth III, Ex-Officio/Director	(i) 0 (ii) 373,547	(i) 0 (ii) 155,458	(i) 0 (ii) 68,205	(i) 0 (ii) 10,400	(i) 0 (ii) 10,695	(i) 0 (ii) 618,305	(i) 0 (ii) 0
Kenneth Kozel, President/CEO	(i) 373,609 (ii) 0	(i) 153,750 (ii) 0	(i) 20,605 (ii) 0	(i) 71,852 (ii) 0	(i) 16,010 (ii) 0	(i) 635,826 (ii) 0	(i) 0 (ii) 0
Joanne R Hahey, CFO/SVP Finance	(i) 168,627 (ii) 0	(i) 20,000 (ii) 0	(i) 8,449 (ii) 0	(i) 27,592 (ii) 0	(i) 7,430 (ii) 0	(i) 232,098 (ii) 0	(i) 0 (ii) 0
Gerard M Walsh, COO	(i) 100,669 (ii) 0	(i) 0 (ii) 0	(i) 247,580 (ii) 0	(i) 3,103 (ii) 0	(i) 1,573 (ii) 0	(i) 352,925 (ii) 0	(i) 0 (ii) 0
William Huffner, CMO	(i) 339,526 (ii) 0	(i) 118,799 (ii) 0	(i) 25,872 (ii) 0	(i) 56,185 (ii) 0	(i) 10,436 (ii) 0	(i) 550,818 (ii) 0	(i) 0 (ii) 0
Christopher J Parker, SVP - Pt Care/CNO	(i) 220,306 (ii) 0	(i) 74,683 (ii) 0	(i) 35,076 (ii) 0	(i) 9,219 (ii) 0	(i) 13,637 (ii) 0	(i) 352,921 (ii) 0	(i) 0 (ii) 0
Jonathan Cook, VP/Physician Services	(i) 42,177 (ii) 0	(i) 33,771 (ii) 0	(i) 230,019 (ii) 0	(i) 1,723 (ii) 0	(i) 524 (ii) 0	(i) 308,214 (ii) 0	(i) 63,778 (ii) 0
Patti K Willis, VP External Relations & comm	(i) 166,095 (ii) 0	(i) 54,959 (ii) 0	(i) 22,995 (ii) 0	(i) 6,896 (ii) 0	(i) 13,636 (ii) 0	(i) 264,581 (ii) 0	(i) 0 (ii) 0
Michele Wilson, VP/Physician SERVICES	(i) 116,478 (ii) 0	(i) 60,486 (ii) 0	(i) 5,214 (ii) 0	(i) 15,142 (ii) 0	(i) 10,468 (ii) 0	(i) 207,788 (ii) 0	(i) 0 (ii) 0
Francis G Lee, VP - Philanthropy	(i) 152,123 (ii) 0	(i) 34,038 (ii) 0	(i) 4,033 (ii) 0	(i) 20,321 (ii) 0	(i) 15,582 (ii) 0	(i) 226,097 (ii) 0	(i) 0 (ii) 0
John Sawyer, Sr Medical Pharmacist	(i) 181,190 (ii) 0	(i) 0 (ii) 0	(i) 370 (ii) 0	(i) 10,859 (ii) 0	(i) 10,749 (ii) 0	(i) 203,168 (ii) 0	(i) 0 (ii) 0
Walter J Zajac, VP Finance	(i) 176,476 (ii) 0	(i) 60,336 (ii) 0	(i) 24,258 (ii) 0	(i) 7,342 (ii) 0	(i) 16,010 (ii) 0	(i) 284,422 (ii) 0	(i) 0 (ii) 0

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2014

Open to Public Inspection

▶ 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.

▶Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization
SHORE HEALTH SYSTEM INC

Employer identification number
52-0610538

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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?
				YesNo

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	Yes	No

Total ▶ \$

Part III Grants or Assistance Benefiting 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) Wayne Gardner	Best Care Ambulance	291,169	payment to company		No
(2) Walter Zajac	spouse employed	76,273	compensation for FYE 2015		No
(3) Daniel Saunders	spouse employed	83,988	compensation for FYE 2015		No
(4) Christopher Parker	spouse employed	30,771	compensation for FYE 2015		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.****▶ Attach to Form 990 or 990-EZ.****▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.**

OMB No 1545-0047

2014**Open to Public
Inspection**Name of the organization
SHORE HEALTH SYSTEM INC**Employer identification number**

52-0610538

**Return
Reference****Explanation**Note Regarding
Reorganization

EFFECTIVE JULY 1, 2013, THE OPERATIONS OF SHORE HEALTH AND CHESTER RIVER WERE COMBINED AND RENAMED SHORE REGIONAL HEALTH. THIS WAS ACCOMPLISHED THROUGH MERGING CERTAIN ENTITIES WITHIN THE SYSTEMS PROGRAM SERVICE ACCOMPLISHMENTS FORM 990, PART III, LINE 4A. SHORE HEALTH SYSTEM, INC. IS A 191 LICENSED BED COMMUNITY HOSPITAL PROVIDING A FULL RANGE OF INPATIENT AND OUTPATIENT CLINICAL SERVICES TO THE MARYLAND MID-SHORE AREA, INCLUDING GENERAL HOSPITAL, EMERGENCY, AND SPECIALIZED SERVICES AS WELL AS OUTPATIENT CENTERS FOR PRIMARY CARE, DIAGNOSTICS, TREATMENT, EDUCATION, AND REHABILITATION. THE SYSTEM OFFERS FREE EDUCATION PROGRAMS AND SERVICES TO PROMOTE HEALTH AWARENESS IN THE COMMUNITY. DURING FY 2015, THE SYSTEM PROVIDED CARE FOR 11,565 INPATIENTS RESULTING IN 47,657 DAYS OF PATIENT CARE, TREATED 73,969 PATIENTS IN THE ER, AND PERFORMED 9,283 SURGERIES IN THE OR. THE SYSTEM'S ANCILLARY SERVICE DEPARTMENTS REALIZED 438,294 OUTPATIENT ENCOUNTERS. HOME HEALTH/HOSPICE SERVICES WERE PROVIDED TO 1,487 PATIENTS IN 23,391 NURSING VISITS. THE SYSTEMS MISSION STATEMENT IS "TO EXCEL IN QUALITY CARE AND PATIENT SATISFACTION." ITS STRATEGIC PRINCIPLE IS "EXCEPTIONAL CARE, EVERY DAY", AND ITS VALUES STATEMENT IS "EVERY INTERACTION WITH ANOTHER IS AN OPPORTUNITY TO CARE." AS A PART OF ITS MISSION, THE SYSTEM PROVIDES CHARITY CARE TO PATIENTS UNABLE TO PAY, PROVIDING \$3.8 MILLION OF CHARITY CARE IN FY 2015.

Members or Stockholders Form 990, Part VI, Line 6. University of Maryland medical system corporation (UMMS) is the sole member of Shore Health System, Inc. UMMS may elect one or more board members of the governing body and all decisions of the governing body must be approved by UMMS.

Return Reference	Explanation
Form 990 Review Process	Form 990, Part VI, Line 11b THE IRS FORM 990 IS PREPARED AND REVIEWED BY THE ACCOUNTING FIRM OF GRANT THORNTON. ACCOUNTING PERSONNEL IN FINANCE SHARED SERVICES AT THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM GATHER THE INFORMATION NEEDED TO COMPLETE THE RETURN AND INPUT THE DATA INTO THE GRANT THORNTON TAX ORGANIZER, WHICH IS AN EXCEL-BASED SYSTEM. WHEN ALL DATA HAS BEEN ENTERED, THE INFORMATION IS SUBMITTED TO GRANT THORNTON FOR IMPORTATION INTO THEIR TAX SOFTWARE. AT THIS POINT, GRANT THORNTON STAFF MEMBERS REVIEW THE DATA, ASK FOR ADDITIONAL INFORMATION IF NEEDED AND PREPARE THE TAX RETURN. EACH RETURN IS REVIEWED AT SEVERAL LEVELS AT GRANT THORNTON INCLUDING THE TAX PARTNER. AFTER THEIR REVIEW PROCESS, A DRAFT RETURN IS SENT TO THE ACCOUNTING STAFF AT UMMS FOR AN IN-HOUSE REVIEW. UPON COMPLETION OF THE IN-HOUSE REVIEW, GRANT THORNTON IS INSTRUCTED TO MAKE ANY NECESSARY CHANGES AND TO PREPARE THE FINAL TAX RETURN. THE FINAL RETURN UNDERGOES ANOTHER REVIEW BY THE ACCOUNTING STAFF AT FINANCE SHARED SERVICES AND IS ALSO REVIEWED BY THE ACCOUNTING MANAGER, THE DIRECTOR OF FINANCIAL REPORTING, THE VICE PRESIDENT OF FINANCE AND THE CFO, WHO SIGNS THE RETURN. PRIOR TO FILING THE IRS FORM 990, THE ORGANIZATION'S BOARD CHAIRMAN, TREASURER, AUDIT COMMITTEE CHAIRMAN, EXECUTIVE COMMITTEE CHAIRMAN OR OTHER MEMBER OF THE BOARD WITH SIMILAR AUTHORITY WILL REVIEW THE IRS FORM 990. AT THE DISCRETION OF THE REVIEWING BOARD MEMBER, SUCH MEMBER WILL BRING ANY ISSUES OR QUESTIONS RELATED TO THE COMPLETED IRS FORM 990 TO THE ATTENTION OF THE BOARD. NOTWITHSTANDING THE ABOVE, A BOARD RESOLUTION IS NOT REQUIRED FOR THE FILING OF THE ORGANIZATION'S IRS FORM 990. EACH BOARD MEMBER IS PROVIDED WITH A COPY OF THE FINAL IRS FORM 990 BEFORE FILING.

Return Reference	Explanation
Conflict of Interest Policy Monitoring & Enforcement	Form 990, Part VI, Line 12c THE ORGANIZATION'S OFFICERS, DIRECTORS, EMPLOYEES AND MEDICAL STAFF MEMBERS, AS APPLICABLE, SHALL DISCLOSE CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST BETWEEN THEIR PERSONAL INTERESTS AND THE INTERESTS OF THE ORGANIZATION, OR ANY ENTITY CONTROLLED BY OR OWNED IN SUBSTANTIAL PART BY THE ORGANIZATION A QUESTIONNAIRE WHICH DISCLOSES POTENTIAL CONFLICTS OF INTEREST IS DISTRIBUTED ANNUALLY TO ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES THE GENERAL COUNSEL OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMSC) REVIEWS THE RESPONSES FOR UMMSC AND JAMES LAWRENCE KERNAN HOSPITAL THE CEO OR CFO OF EACH OF THE OTHER ENTITIES IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM REVIEWS THE RESPONSES FOR THOSE ENTITIES THE GENERAL COUNSEL, IN CONSULTATION WITH THE AUDIT COMMITTEE, IF NECESSARY, WOULD DETERMINE IF A CONFLICT OF INTEREST EXISTED FOR UMMSC, AND JAMES LAWRENCE KERNAN HOSPITAL WITH RESPECT TO THE OTHER ENTITIES IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, THE GENERAL COUNSEL MAY BE CALLED FOR CONSULT IF SO, THE GENERAL COUNSEL MAY CONSULT THE AUDIT COMMITTEE, IF NECESSARY WHENEVER A CONFLICT OR POTENTIAL CONFLICT OF INTEREST EXISTS, THE NATURE OF THE CONFLICT OR POTENTIAL CONFLICT OF INTEREST MUST BE DISCLOSED IN WRITING TO THE ORGANIZATION'S BOARD, BOARD COMMITTEE, AN OFFICER OF THE ORGANIZATION OR OTHER APPROPRIATE EXECUTIVE SUCH INDIVIDUAL HAVING A POTENTIAL CONFLICT OF INTEREST SHALL PLAY NO ROLE ON BEHALF OF THE ORGANIZATION, OR ANY ORGANIZATION CONTROLLED OR SUBSTANTIALLY OWNED, IN ANY TRANSACTION IN WHICH A CONFLICT EXISTS ALL INVITATIONS FOR BIDS, PROPOSALS OR SOLICITATIONS FOR OFFERS INCLUDE THE FOLLOWING PROVISION ANY VENDOR, SUPPLIER OR CONTRACTOR MUST DISCLOSE ANY ACTUAL OR POTENTIAL TRANSACTION WITH ANY ORGANIZATION OFFICER, DIRECTOR, EMPLOYEE OR MEMBER OF THE MEDICAL STAFF, INCLUDING FAMILY MEMBERS WITHIN FIVE DAYS OF THE TRANSACTION FAILURE TO COMPLY WITH THIS PROVISION IS A MATERIAL BREACH OF AGREEMENT IN ADDITION, A BOARD DISCLOSURE REPORT IS FILED WITH THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION ON AN ANNUAL BASIS SHOWING ANY BUSINESS TRANSACTIONS BETWEEN THE BOARD MEMBERS AND THE ORGANIZATION

Return Reference	Explanation
Process for Determining Compensation	Form 990, Part VI, Line 15a AND 15B THE ORGANIZATION DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER PRESCRIBED IN THE IRS REGULATIONS EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMMITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTEREST THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATION PACKAGES OF SIMILARLY SITUATED EXECUTIVES THE COMMITTEE CAREFULLY REVIEWS THAT DATA, THE EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKING PROCESS THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND ADOPTED AT THE NEXT-FOLLOWING MEETING THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HAS MET THE REQUIREMENTS OF THE IRS INTERMEDIATE SANCTIONS REGULATIONS THIS PROCESS IS USED TO DETERMINE THE COMPENSATION PACKAGES FOR ALL MANAGEMENT EMPLOYEES FROM THE VICE PRESIDENT LEVEL AND UP

Return Reference	Explanation
How Documents are Made Available to the Public	Form 990, Part VI, Line 19 IN GENERAL, FINANCIAL AND TAX INFORMATION RELATING TO THE ORGANIZATION IS DEEMED PROPRIETARY AND NOT SUBJECT TO DISCLOSURE UPON REQUEST. HOWEVER, SPECIFIC PROVISIONS OF FEDERAL AND STATE LAW REQUIRE THE ORGANIZATION TO DISCLOSE CERTAIN LIMITED FINANCIAL AND TAX DATA UPON A SPECIFIC REQUEST FOR THAT INFORMATION. REQUESTS FOR FORM 990 AND FORM 1023. A REQUESTOR SEEKING TO REVIEW AND/OR OBTAIN A COPY OF THE ORGANIZATION'S IRS FORM 990 OR FORM 1023 AS FILED WITH THE INTERNAL REVENUE SERVICE, INCLUDING ALL SCHEDULES AND ATTACHMENTS, MAY APPEAR IN PERSON OR SUBMIT A WRITTEN REQUEST. THE MOST RECENT THREE YEARS OF IRS FORM 990 MAY BE REQUESTED. IF THE REQUESTER APPEARS IN PERSON, THE INDIVIDUAL IS DIRECTED TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER FOR THE ORGANIZATION AND THE FORM 990 AND/OR FORM 1023 ARE MADE AVAILABLE FOR INSPECTION. THE INDIVIDUAL IS PERMITTED TO REVIEW THE RETURN, TAKE NOTES AND REQUEST A COPY. IF REQUESTED, A COPY IS PROVIDED ON THE SAME DAY. A NOMINAL FEE IS CHARGED FOR MAKING THE COPIES. THE ORGANIZATION MAY HAVE AN EMPLOYEE PRESENT DURING THE PUBLIC INSPECTION OF THE DOCUMENT. WRITTEN REQUESTS FOR AN ENTITY'S FORM 990 OR FORM 1023 ARE DIRECTED IMMEDIATELY TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER FOR THE ORGANIZATION. THE REQUESTED COPIES ARE MAILED WITHIN 30 DAYS OF THE REQUEST. REPRODUCTION FEES AND MAILING COSTS ARE CHARGED TO THE REQUESTOR. CONFLICT OF INTEREST POLICY AND GOVERNING DOCUMENTS. IF THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY OF OUR ORGANIZATION ARE SUBJECT TO THE FEDERAL PUBLIC DISCLOSURE RULES (OR STATE PUBLIC DISCLOSURE RULES), THESE DOCUMENTS WILL BE MADE PUBLICLY AVAILABLE AS APPLICABLE LAW MAY REQUIRE. OTHERWISE, THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY WILL BE PROVIDED TO THE PUBLIC AT THE DISCRETION OF MANAGEMENT.

Return Reference	Explanation
HOURS NARRATIVE	Form 990, Part VII, Section A, Column B THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) IS A MULTI-ENTITY HEALTH CARE SYSTEM THAT INCLUDES 11 ACUTE CARE HOSPITALS, 1 ACUTE CARE HOSPITAL OWNED IN A JOINT VENTURE ARRANGEMENT AND VARIOUS SUPPORTING ENTITIES. A NUMBER OF INDIVIDUALS PROVIDE SERVICES TO VARIOUS ENTITIES WITHIN THE SYSTEM. IN GENERAL, THE OFFICERS AND KEY EMPLOYEES OF UMMS AVERAGE IN EXCESS OF 40 HOURS PER WEEK SERVING THE DIFFERENT ENTITIES THAT COMPRISE UMMS.

Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 9 Change in Beneficial Interest \$4,245,426 Equity Trf \$(13,199,374) Donated Capital \$7,560,020 Dollars Released from Restrictions \$937,748 ----- Total \$(456,180)

Return Reference	Explanation
TAX EXEMPT BONDS	PART IV, LINE 24A PURSUANT TO A MASTER LOAN AGREEMENT DATED JUNE 20, 1991 (THE "MASTER LOAN AGREEMENT"), AS AMENDED, THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE "CORPORATION") AND SEVERAL OF ITS SUBSIDIARIES HAVE ISSUED DEBT THROUGH THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AS SECURITY FOR THE PERFORMANCE OF THE BOND OBLIGATION UNDER THE MASTER LOAN AGREEMENT, THE AUTHORITY MAINTAINS A SECURITY INTEREST IN THE REVENUE OF THE OBLIGORS. THE MASTER LOAN AGREEMENT CONTAINS CERTAIN RESTRICTIVE COVENANTS. THESE COVENANTS REQUIRE THAT RATES AND CHARGES BE SET AT CERTAIN LEVELS, LIMIT INCURRENCE OF ADDITIONAL DEBT, REQUIRE COMPLIANCE WITH CERTAIN OPERATING RATIOS AND RESTRICT THE DISPOSITION OF ASSETS. THE OBLIGATED GROUP UNDER THE MASTER LOAN AGREEMENT INCLUDES THE CORPORATION, THE JAMES LAWRENCE KERNAN HOSPITAL, INC., MARYLAND GENERAL HOSPITAL, INC., BALTIMORE WASHINGTON MEDICAL CENTER, INC., SHORE HEALTH SYSTEM, INC., CHESTER RIVER HOSPITAL CENTER, INC., CIVISTA MEDICAL CENTER, INC., UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL CENTER, LLC, UPPER CHESAPEAKE MEDICAL CENTER, INC., HARFORD MEMORIAL HOSPITAL, INC. AND THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM FOUNDATION, INC. EACH MEMBER OF THE OBLIGATED GROUP IS JOINTLY AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE OBLIGATIONS UNDER THE MASTER LOAN AGREEMENT OF THE CORPORATION'S \$1,417,355,000 OF OUTSTANDING AUTHORITY BONDS ON JUNE 30, 2015. ALL OF THE BONDS WERE ISSUED IN THE NAME OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990.

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION TEMP LABOR TOTAL FEES 3759172

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PHYSICIAN SERVICES TOTAL FEES 7073140

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION CORPORATE SERVICES TOTAL FEES 6832098

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION CONTRACT SERVICES TOTAL FEES 7477217

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION COLLECTION AGENCY TOTAL FEES 2223832

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization SHORE HEALTH SYSTEM INC	Employer identification number 52-0610538
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Part I

Identification of Disregarded Entities

Complete if the organization answered "Yes" on 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

Part II

Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
See Additional Data Table									

Part V Transactions With Related Organizations

Yes	No
------------	-----------

[illegible]

- | | | |
|-----------|------------|-----------|
| 1a | | No |
| 1b | Yes | |
| 1c | Yes | |
| 1d | | No |
| 1e | Yes | |

- | | | |
|----|-----|----|
| 1f | | No |
| 1g | | No |
| 1h | | No |
| 1i | | No |
| 1j | Yes | |
| | | |
| 1k | Yes | |
| 1l | Yes | |
| 1m | | No |
| 1n | Yes | |
| 1o | Yes | |
| | | |
| 1p | Yes | |
| 1q | Yes | |
| | | |
| 1r | Yes | |
| 1s | | No |

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Memorial Hospital Foundation	c	498,101	FMV
(2) Care Health Services	n	470,172	FMV
(3) Shore Clinical Foundation	b	13,199,374	FMV
(4) Dorchester General Hospital Foundation	c	81,534	FMV

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

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

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 52-0610538

Name: SHORE HEALTH SYSTEM INC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) Baltimore Washington Emergency Phys Inc 301 Hospital Drive Glen Burnie, MD 21061 52-1756326	Healthcare	MD	501(c)(3)	11A	BWMS		No
(1) Baltimore Washington Healthcare Services 301 Hospital Drive Glen Burnie, MD 21061 52-1830243	Healthcare	MD	501(c)(3)	11A	BWMS		No
(2) Baltimore Washington Medical Center Inc 301 Hospital Drive Glen Burnie, MD 21061 52-0689917	Healthcare	MD	501(c)(3)	3	BWMS		No
(3) UM Baltimore Washington Medical System 301 Hospital Drive Glen Burnie, MD 21061 52-1830242	Healthcare	MD	501(c)(3)	11A	UMMSC		No
(4) BW Medical Center Foundation Inc 301 Hospital Drive Glen Burnie, MD 21061 52-1813656	Fundraising	MD	501(c)(3)	11C	BWMS		No
(5) North Arundel Development Corporation 301 Hospital Drive Glen Burnie, MD 21061 52-1318404	Real Estate	MD	501(c)(2)		NCC		No
(6) North County Corporation 301 Hospital Drive Glen Burnie, MD 21061 52-1591355	Real Estate	MD	501(c)(2)		BWMS		No
(7) Shipleys Choice Medical Park Inc 22 South Greene Street Baltimore, MD 21201 04-3643849	Real Estate	MD	501(c)(2)		NCC		No
(8) Chester River Health Foundation Inc 100 Brown Street Chestertown, MD 21620 52-1338861	Fundraising	MD	501(c)(3)	8	CRHS		No
(9) Univ of MD Shore Regional HealthInc 100 Brown Street Chestertown, MD 21620 52-2046500	Healthcare	MD	501(c)(3)	11A	UMMSC		No
(10) Chester River Hospital Center 100 Brown Street Chestertown, MD 21620 52-0679694	Healthcare	MD	501(c)(3)	3	CRHS		No
(11) Chester River Manor Inc 200 Morgnec Road Chestertown, MD 21620 52-6070333	Healthcare	MD	501(c)(3)	9	CRHS		No
(12) Maryland General Clinical Practice Group 827 Linden Avenue Baltimore, MD 21201 52-1566211	Healthcare	MD	501(c)(3)	11B	MGHS		No
(13) Maryland General Comm Health Foundation 827 Linden Avenue Baltimore, MD 21201 52-2147532	Fundraising	MD	501(c)(3)	11C	MGHS		No
(14) University of Maryland Midtown Health I 827 Linden Avenue Baltimore, MD 21201 52-1175337	Healthcare	MD	501(c)(3)	11B	UMMSC		No
(15) Maryland General Hospital Inc 827 Linden Avenue Baltimore, MD 21201 52-0591667	Healthcare	MD	501(c)(3)	3	MGHS		No
(16) Care Health Services Inc 219 South Washington Street Easton, MD 21601 52-1510269	Healthcare	MD	501(c)(3)	9	SHS	Yes	
(17) Dorchester General Hospital Foundation 219 South Washington Street Easton, MD 21601 52-1703242	Fundraising	MD	501(c)(3)	11	SHS	Yes	
(18) Memorial Hospital Foundation Inc 219 South Washington Street Easton, MD 21601 52-1282080	Fundraising	MD	501(c)(3)	11A	SHS	Yes	
(19) University of Maryland Community Medical 22 South Greene Street Baltimore, MD 21201 52-1874111	Healthcare	MD	501(c)(3)	3	UMMSC	Yes	

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) James Lawrence Kernan Hosp Endow Fd 2200 Kernan Drive Baltimore, MD 21207 23-7360743	Fundraising	MD	501(c)(3)	11B	UMMSC		No
(1) James Lawrence Kernan Hospital Inc 2200 Kernan Drive Baltimore, MD 21207 52-0591639	Healthcare	MD	501(c)(3)	3	UMMSC		No
(2) UMMS Foundation Inc 22 South Greene Street Baltimore, MD 21201 52-2238893	Fundraising	MD	501(c)(3)	11A	UMMSC		No
(3) University of MD Medical System Corp 22 South Greene Street Baltimore, MD 21201 52-1362793	Healthcare	MD	501(c)(3)	3	UMMSC		No
(4) University of Maryland Charles Regional PO Box 1070 La Plata, MD 20646 52-2155576	Healthcare	MD	501(c)(3)	11C	UMMSC		No
(5) Civista Medical Center Inc PO Box 1070 La Plata, MD 20646 52-0445374	Healthcare	MD	501(c)(3)	3	CIVHS		No
(6) Charles Regional Medical Center Foundati PO Box 1070 La Plata, MD 20646 52-1414564	Fundraising	MD	501(c)(3)	11A	CIVHS		No
(7) Charles Regional Medical Center Auxiliar PO Box 1070 La Plata, MD 20646 52-1131193	Fundraising	MD	501(c)(3)	11A	CIVHS		No
(8) Univ of MD St Joseph Foundation Inc 7601 Osler Drive Towson, MD 21204 52-1681044	Fundraising	MD	501(c)(3)	11A	UMMSC		No
(9) Harford Memorial Hospital Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-0591484	Healthcare	MD	501(c)(3)	3	UMUCHS		No
(10) UCH Legacy Funding Corporation 520 Upper Chesapeake Dr Bel Air, MD 21014 52-0882914	Fundraising	MD	501(c)(3)	11A	UMUCHS		No
(11) UM Upper Chesapeake Health System Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1398513	Healthcare	MD	501(c)(3)	11C, III-FI	UMUCHS		No
(12) Upper Chesapeake Health Foundation Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1398507	Fundraising	MD	501(c)(3)	11A	UMUCHS		No
(13) Upper Chesapeake Medical Center Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1253920	Healthcare	MD	501(c)(3)	3	UMUCHS		No
(14) Upper Chesapeake Medical Services Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1501734	Healthcare	MD	501(c)(3)	9	UMUCHS		No
(15) Upper Chesapeake Properties Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1907237	Real Estate	MD	501(c)(2)		UMUCHS		No
(16) Upper Ches Residential Hospice House In 520 Upper Chesapeake Dr Bel Air, MD 21014 26-0737028	Hospice	MD	501(c)(3)	7	UMUCHS		No
(17) Upper ChesapeakeSt Joseph Home Care I 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1229742	Home Care	MD	501(c)(3)	9	UMUCHS		No
(18) UMSJ Health System LLC 7601 Osler Drive Towson, MD 21204 46-0797956	Healthcare	MD	501(c)(3)	11A	UMMSC		No

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Arundel Physicians Associates LLC 301 Hospital Drive Glen Burnie, MD 20161 52-2000762	Healthcare	MD	NA					No			No	
Baltimore Washington Imaging LLC 301 Hospital Drive Glen Burnie, MD 20161 20-0806027	Healthcare	MD	NA					No			No	
NAHSunrise of Severna Park LLC 301 Hospital Drive Glen Burnie, MD 20161 54-1810729	Healthcare	MD	NA					No			No	
North Arundel Senior Living LLC 301 Hospital Drive Glen Burnie, MD 20161 54-1810728	Healthcare	MD	NA					No			No	
Innovative Health LLC 29165 Canvasback Drive Suite 100 Easton, MD 21601 52-1997287	Billing	MD	shs	related	629,000	443,000		No			No	50 000 %
Central Maryland Radiology Oncology LLC 10710 Charter Drive Columbia, MD 21044 27-0879418	Healthcare	MD	NA					No			No	
Universitycare LLC 22 South Greene Street Baltimore, MD 21201 52-1914892	Healthcare	MD	NA					No			No	
O'Dea Medical Arts Limited Partnership 7601 Osler Drive Towson, MD 21204 52-1682964	Rental	MD	NA					No			No	
Advanced Imaging at St Joseph Medical C 7601 Osler Drive Towson, MD 21204 52-1958002	Healthcare	MD	NA					No			No	
UCHSUMMS Real Estate Trust 520 Upper Chesapeake Dr Bel Air, MD 21014 27-6803540	Real Estate	MD	NA					No			No	

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							
Arundel Physicians Associates Inc 301 Hospital Drive Glen Burnie, MD 21061 52-1992649	Healthcare	MD	NA	C Corp				No
Baltimore Washington Health Enterprises 301 Hospital Drive Glen Burnie, MD 21061 52-1936656	Healthcare	MD	NA	C Corp				No
BW Professional Services Inc 301 Hospital Drive Glen Burnie, MD 21061 52-1655640	Healthcare	MD	NA	C Corp				No
Univ of Maryland Charles Regional Care P PO Box 1070 La Plata, MD 20646 52-2176314	Healthcare	MD	NA	C Corp				No
University Midtown Prof Center A Condom 827 Linden Avenue Baltimore, MD 21201 52-1891126	Real Estate	MD	NA	C Corp				No
NA Executive Building Condo Assn Inc 301 Hospital Drive Glen Burnie, MD 21061	Real Estate	MD	NA	C Corp				No
Terrapin Insurance Company 98-0129232	Insurance	CJ	NA	C Corp				No
UMMS Self Insurance Trust 22 South Greene Street Baltimore, MD 21201 52-6315433	Insurance	MD	NA	Trust				No
Upper Chesapeake Insurance Company 520 Upper Chesapeake Dr Bel Air, MD 21014 98-0468438	Insurance	MD	NA	Trust				No
Upper Chesapeake Health Ventures Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-2031264	Healthcare	MD	NA	C Corp				No
Upper Chesapeake Medical Center Land Con 520 Upper Chesapeake Dr Bel Air, MD 21014 77-0674478	Real Estate	MD	NA	C Corp				No
Upper Chesapeake Medical Office Building 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1946829	Real Estate	MD	NA	C Corp				No