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<p>Form <b>990</b></p> <p></p> <p>Department of the Treasury</p> <p>Internal Revenue Service</p>	<p><b>Return of Organization Exempt From Income Tax</b></p> <p><b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</b></p> <p>▶ Do not enter social security numbers on this form as it may be made public</p> <p>▶ Information about Form 990 and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a></p>	<p>OMB No 1545-0047</p> <p><b>2015</b></p> <p><b>Open to Public Inspection</b></p>
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<b>A For the 2015 calendar year, or tax year beginning 07-01-2015 , and ending 06-30-2016</b>		<b>D Employer identification number</b>	
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Peninsula Regional Medical Center		52-0591628
	% JIM GREGORY Doing business as		
	Number and street (or P O box if mail is not delivered to street address) 100 East Carroll Street	Room/suite	<b>E</b> Telephone number (410) 546-6400
	City or town, state or province, country, and ZIP or foreign postal code Salisbury, MD 21801		<b>G</b> Gross receipts \$ 585,368,385
	<b>F</b> Name and address of principal officer Margaret Naleppa CEO 100 East Carroll Street Salisbury, MD 21801		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J Website:</b> ▶ www.peninsula.org			
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1897	<b>M</b> State of legal domicile MD

<b>Part I</b>	<b>Summary</b>
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities Improve the health of the communities we serve		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	3,492
6 Total number of volunteers (estimate if necessary)	6	281	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	7,657,123	
7b Total unrelated business taxable income from Form 990-T, line 34	7b	-483,971	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	639,051	541,790
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	403,960,086	415,667,877
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	18,313,873	9,246,018
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	774,562	937,804
		423,687,572	426,393,489
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	187,534,771	200,320,027
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <u>479,926</u>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	210,226,154	218,212,886
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	397,760,925	418,532,913
	19 Revenue less expenses Subtract line 18 from line 12	25,926,647	7,860,576
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16)		641,573,965	639,262,347
21 Total liabilities (Part X, line 26)		212,476,437	228,707,154
22 Net assets or fund balances Subtract line 21 from line 20		429,097,528	410,555,193

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

<b>Sign Here</b>	*****			2017-05-09	
	Signature of officer			Date	
<b>Paid Preparer Use Only</b>	BRUCE RITCHIE CFO				
	Type or print name and title				
	Pnnr/Type preparer's name Mary Torretta	Preparer's signature Mary Torretta	Date	Check <input type="checkbox"/> if self-employed	PTIN P00847851
	Firm's name ▶ Grant Thornton LLP			Firm's EIN ▶	
	Firm's address ▶ 1000 WILSON BLVD SUITE 1400 ARLINGTON, VA 22209			Phone no (703) 847-7500	

Part III

Statement of Program Service Accomplishments

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

☐ Yes ☒ No

1 Briefly describe the organization's mission

IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE

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

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

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

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

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

4a (Code ) (Expenses \$ 366,038,057 including grants of \$ ) (Revenue \$ 408,211,765 )

see schedule o

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

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

4d Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses ▶ 366,038,057

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	No
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	No
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 Yes	
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 Yes	
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? If "Yes," complete Schedule I, Parts I and II . . . . .	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? If "Yes," complete Schedule I, Parts I and III . . . . .	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? If "Yes," complete Schedule J . . . . .	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	24d		No
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b>			
	Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II . . . . .	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? If "Yes," complete Schedule L, Part III . . . . .	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? If "Yes," complete Schedule L, Part IV . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .	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? If "Yes," complete Schedule R, Part I . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .	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)? If "Yes," complete Schedule R, Part V, line 2 . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .	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? If "Yes," complete Schedule R, Part VI . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	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.	1a	266	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	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	3,492	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	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? If "No" to line 3b, provide an explanation in Schedule O.	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes	
b	If "Yes," enter the name of the foreign country: CJ 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?	12a		
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? <b>Note.</b> 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? If "No," provide an explanation in Schedule O.	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
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	<b>1a</b> 16		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	<b>1b</b> 12		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	<b>2</b>	Yes	
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	<b>3</b>		No
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	<b>4</b>		No
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?	<b>5</b>		No
<b>6</b> Did the organization have members or stockholders?	<b>6</b>	Yes	
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<b>7a</b>	Yes	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<b>7b</b>	Yes	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
<b>a</b> The governing body?	<b>8a</b>	Yes	
<b>b</b> Each committee with authority to act on behalf of the governing body?	<b>8b</b>	Yes	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	<b>9</b>		No

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

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?	<b>10a</b>	No
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	<b>10b</b>	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<b>11a</b>	Yes
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	<b>12a</b>	Yes
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>12b</b>	Yes
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<b>12c</b>	Yes
<b>13</b> Did the organization have a written whistleblower policy?	<b>13</b>	Yes
<b>14</b> Did the organization have a written document retention and destruction policy?	<b>14</b>	Yes
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	<b>15a</b>	Yes
<b>b</b> Other officers or key employees of the organization	<b>15b</b>	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	<b>16a</b>	Yes
<b>b</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?	<b>16b</b>	Yes

**Section C. Disclosure**

**17** List the States with which a copy of this Form 990 is required to be filed **CA , MD , NC**

**18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you 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  
**JIM GREGORY 100 EAST CARROLL STREET Salisbury, MD 21801 (410) 912-4979**

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

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

- List all of the organization's **current** 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

[illegible]



## Part VII

<b>1b</b>	<b>Sub-Total</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A</b>			
<b>d</b>	<b>Total (add lines 1b and 1c)</b>	8,144,246	0	1,050,645

**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 ► 241

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

## Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
EPIC SYSTEMS CORPORATION, PO BOX 88314 MILWAUKEE, WI 532880314	TECHNICAL SERVICES	6,327,831
HORIZON CSA LLC, 265 PIT ROAD MOORESVILLE, NC 28115	BIOMEDICAL SERVICES	5,733,037
SHERIDAN ANESTHESIA of MD, PO BOX 452197 SUNRISE, FL 333232197	ANESTHESIA SERVICES	3,593,370
SLEEP WAVES INC, 873 E BALTIORE PIKE STE 345 KENNETT SQUARE, PA 19348	SLEEP LAB SERVICES	2,700,000
MEDICUS HOSPITALIST SERVICES LLC, 22 ROULSTON Road WINDHAM, NH 03087	HOSPITALIST SERVICES	1,868,170

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 ► 82

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	270,791			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	270,999			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .			541,790		
Program Service Revenue	2a	NET PATIENT SERVICES	Business Code 621500	409,766,949	407,619,746	2,147,203	
	b	AMBULATORY PHARMACY	900099	5,298,181		5,298,181	
	c	INVESTMENT IN PREMIER	900099	602,747	592,019	10,728	
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .			415,667,877		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		6,816,797		1,011
4		Income from investment of tax-exempt bond proceeds . . .		0			
5		Royalties . . . . .		0			
6a		Gross rents	(i) Real 324,177	(ii) Personal			
b		Less rental expenses	404,389				
c		Rental income or (loss)	-80,212	0			
d		Net rental income or (loss) . . . . .		-80,212			-80,212
7a		Gross amount from sales of assets other than inventory	(i) Securities 160,055,167	(ii) Other 944,561			
b		Less cost or other basis and sales expenses	157,689,133	881,374			
c		Gain or (loss)	2,366,034	63,187			
d		Net gain or (loss) . . . . .		2,429,221			2,429,221
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		CAFETERIA	722514	818,016			818,016
b	MANAGEMENT FEES	561000	200,000		200,000		
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .			1,018,016			
12	Total revenue. See Instructions . . . . .			426,393,489	408,211,765	7,657,123	9,982,811

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

<input type="checkbox"/>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>					
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	4,365,844	3,903,437	453,855	8,552
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	162,085,406	144,918,170	16,849,732	317,504
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,387,680	4,817,045	560,081	10,554
9	Other employee benefits	17,284,494	15,467,083	1,783,798	33,613
10	Payroll taxes	11,196,603	10,137,483	1,041,337	17,783
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	611,451	1,576	609,875	
c	Accounting	273,539		273,539	
d	Lobbying	25,982		25,982	
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	1,648,946		1,648,946	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	52,111,760	35,128,020	16,965,179	18,561
12	Advertising and promotion	778,147	778,147		
13	Office expenses	112,788,814	111,007,033	1,720,153	61,628
14	Information technology	1,109,377	1,075,495	33,389	493
15	Royalties	0			
16	Occupancy	4,322,290	4,225,174	97,116	
17	Travel	906,483	124,199	771,694	10,590
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	34,646		34,646	
20	Interest	4,918,158		4,918,158	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	22,564,666	22,518,844	45,822	
23	Insurance	4,112,862	263,741	3,849,121	
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 DEBTS	11,448,645	11,448,645		
b	DUES	557,120	223,965	332,507	648
c					
d					
e	All other expenses				
25	<b>Total functional expenses.</b> Add lines 1 through 24e	418,532,913	366,038,057	52,014,930	479,926
26	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here <input type="checkbox"/> 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 . . . . .		1,605,466	1	2,261,850	
	2	Savings and temporary cash investments . . . . .		44,566,906	2	26,994,129	
	3	Pledges and grants receivable, net . . . . .		0	3	0	
	4	Accounts receivable, net . . . . .		38,694,139	4	41,519,879	
	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 . . . . .		10,189,320	8	9,363,458	
	9	Prepaid expenses and deferred charges . . . . .		4,921,805	9	6,275,679	
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D . . . . .	10a	517,904,767			
	b	Less: accumulated depreciation . . . . .	10b	297,233,585	202,333,316	10c	220,671,182
	11	Investments—publicly traded securities . . . . .		232,783,197	11	233,113,292	
	12	Investments—other securities. See Part IV, line 11 . . . . .		0	12	0	
	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 . . . . .		106,479,816	15	99,062,878	
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .		641,573,965	16	639,262,347		
Liabilities	17	Accounts payable and accrued expenses . . . . .		17,577,598	17	17,724,004	
	18	Grants payable . . . . .		0	18	0	
	19	Deferred revenue . . . . .		0	19	0	
	20	Tax-exempt bond liabilities . . . . .		146,651,280	20	143,614,264	
	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 . . . . .		0	23	0	
	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 . . . . .		48,247,559	25	67,368,886	
	26	Total liabilities. Add lines 17 through 25 . . . . .		212,476,437	26	228,707,154	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .		397,331,967	27	377,252,005	
	28	Temporarily restricted net assets . . . . .		23,519,520	28	25,058,289	
	29	Permanently restricted net assets . . . . .		8,246,041	29	8,244,899	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .			30		
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .			31		
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .			32		
	33	Total net assets or fund balances . . . . .		429,097,528	33	410,555,193	
	34	Total liabilities and net assets/fund balances . . . . .		641,573,965	34	639,262,347	

**Part XI**    **Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	426,393,489
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	418,532,913
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	7,860,576
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	429,097,528
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-10,143,394
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	-16,259,517
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	410,555,193

**Part XII**    **Financial Statements and Reporting**

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

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

Additional Data

Software ID:  
Software Version:  
EIN: 52-0591628  
Name: Peninsula Regional Medical Center

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

(A) Name and Title	(B) Average hours per week (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			
Margaret Naleppa ..... President/CEO	40 0 ..... 1 0	X		X				936,075	0	167,764
William R McCain ..... Chairman	1 0 ..... 2 0	X		X				22,500	0	0
Monty Saylor ..... Vice Chairman	1 0 ..... 1 0	X		X				7,500	0	0
Deborah Abbott ..... Secretary	1 0 ..... 1 0	X		X				0	0	0
Herbert J Geary III ..... Treasurer	1 0 ..... 1 0	X		X				0	0	0
Timothy Benning MD ..... Board Member	1 0 ..... 1 0	X						0	0	0
Thomas Coates ..... Board Member	1 0 ..... 1 0	X						0	0	0
Memo Dinker ..... Board Member	1 0 ..... 1 0	X						0	0	0
Mark Higdon ..... Board Member	1 0 ..... 1 0	X						4,996	0	0
David Kerrigan MD ..... Board Member	1 0 ..... 1 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Marion Keenan ..... Board Member	1 0 ..... 1 0	X						0	0	0
Ryan McLaughlin ..... Board Member	1 0 ..... 1 0	X						0	0	0
Vel Natesan MD ..... Board Member	1 0 ..... 1 0	X						14,975	0	0
Martin Neat ..... Board Member	10 0 ..... 1 0	X						0	0	0
Thomas Riccio MD ..... Board Member	1 0 ..... 1 0	X						0	0	0
David Rommel ..... Board Member	1 0 ..... 2 0	X						0	0	0
Murray K Hoy ..... Board Member, Ended 11/2015	1 0 ..... 1 0	X						0	0	0
William Todd MD ..... Board Member, Ended 12/2015	1 0 ..... 2 0	X						0	0	0
Lura Lunsford ..... VP of Operations	40 0 ..... 1 0			X				517,423	0	93,405
Bruce I Ritchie ..... CFO	40 0 ..... 1 0			X				522,622	0	117,474

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			
Charles Silvia Jr MD ..... VP - Chief Medical Officer	40 0 ..... 0 0			X				442,102	0	64,166
Sara Scott ..... VP People & Organization Dev	40 0 ..... 0 0				X			218,117	0	53,558
Steven Leonard ..... VP Operation Optimization & In	40 0 ..... 0 0				X			305,002	0	86,143
Karen Poisker ..... VP Population Health	40 0 ..... 0 0				X			286,650	0	118,885
Thomas DeMarco MD ..... VP - PRMG	40 0 ..... 0 0				X			354,425	0	27,135
Andy Pierre MD ..... Physician	40 0 ..... 0 0					X		732,975	0	39,436
Jacek Malik MD ..... Physician	40 0 ..... 0 0					X		788,941	0	34,977
Walid El Ayass MD ..... Physician	40 0 ..... 0 0					X		1,076,753	0	24,434
James Todd MD ..... Physician	40 0 ..... 0 0					X		747,690	0	91,926
Kurt Wehberg MD ..... Physician	40 0 ..... 0 0					X		737,473	0	94,101



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			
Mary Beth D'Amico ..... Fmr VP Patient Care Services	0 0 ..... 0 0						X	241,743	0	23,386
Daniel Mulvanny ..... Fmr VP General Counsel	0 0 ..... 0 0						X	186,284	0	13,855

SCHEDULE A  
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2015

Open to Public Inspection

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

Peninsula Regional Medical Center

Employer identification number

52-0591628

Part I

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

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

1

☐

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

2

☐

A school described in **section 170(b)(1)(A)(ii).**(Attach Schedule E (Form 990 or 990-EZ))

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 (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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 . . . . .						<input type="checkbox"/>

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))					14	
15 Public support percentage for 2014 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2015.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						<input type="checkbox"/>
b 33 1/3% support test—2014.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						<input type="checkbox"/>
17a 10%-facts-and-circumstances test—2015.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						<input type="checkbox"/>
b 10%-facts-and-circumstances test—2014.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						<input type="checkbox"/>
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						<input type="checkbox"/>

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> <span style="float: right;">► <input type="checkbox"/></span>						

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

<b>15</b> Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2014 Schedule A, Part III, line 15	<b>16</b>	

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

<b>17</b> Investment income percentage for <b>2015</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2014</b> Schedule A, Part III, line 17	<b>18</b>	

**19a 33 1/3% support tests—2015.** 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—2014.** 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 <b>Part VI</b> 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 <b>Part VI</b> 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 <b>Part VI</b> 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 <b>Part VI</b> 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 <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c <b>Substitutions only.</b> 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 <b>Part VI</b> .	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 <b>Part VI</b> .	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 <b>Part VI</b> .	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 <b>Part VI</b> .	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
<div>1</div> <div>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? <i>If "No," describe in <b>Part VI</b> 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.</i></div>		
<div>2</div> <div>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? <i>If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i></div>		

Section C. Type II Supporting Organizations

	Yes	No
<div>1</div> <div>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)? <i>If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i></div>		

Section D. All Type III Supporting Organizations

	Yes	No
<div>1</div> <div>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?</div>		
<div>2</div> <div>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? <i>If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).</i></div>		
<div>3</div> <div>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? <i>If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.</i></div>		

Section E. Type III Functionally-Integrated Supporting Organizations

<div>1</div> <div>Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)</div> <div><div>a</div><div><input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.</div></div> <div><div>b</div><div><input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.</div></div> <div><div>c</div><div><input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).</div></div>		
<div>2</div> <div>Activities Test. Answer (a) and (b) below.</div>		
<div>a</div> <div>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? <i>If "Yes," then in <b>Part VI</b> 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.</i></div>		
<div>b</div> <div>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? <i>If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i></div>		
<div>3</div> <div>Parent of Supported Organizations. Answer (a) and (b) below.</div>		
<div>a</div> <div>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.</div>		
<div>b</div> <div>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.</div>		

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	<b>Adjusted Net Income</b> (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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> 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	<b>Minimum Asset Amount</b> (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	<b>Distributable Amount.</b> 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) <input type="checkbox"/>		

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

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in Part VI) See instructions	
<b>7 Total annual distributions.</b> Add lines 1 through 6	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
<b>9</b> Distributable amount for 2015 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
<b>1</b> Distributable amount for 2015 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
<b>3</b> Excess distributions carryover, if any, to 2015			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b> From 2013. . . . .			
<b>e</b> From 2014. . . . .			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2015 distributable amount			
<b>i</b> Carryover from 2010 not applied (see instructions)			
<b>j</b> Remainder Subtract lines 3g, 3h, and 3i from 3f			
<b>4</b> Distributions for 2015 from Section D, line 7 \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2015 distributable amount			
<b>c</b> Remainder Subtract lines 4a and 4b from 4			
<b>5</b> Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
<b>6</b> Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
<b>7 Excess distributions carryover to 2016.</b> Add lines 3j and 4c			
<b>8</b> Breakdown of line 7			
<b>a</b>			
<b>b</b>			
<b>c</b> Excess from 2013. . . . .			
<b>d</b> From 2014. . . . .			
<b>e</b> From 2015. . . . .			



**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](http://www.irs.gov/form990).

OMB No 1545-0047  
**2015**  
**Open to Public Inspection**

If the organization answered "Yes" on 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" on 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" on 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 Peninsula Regional Medical Center	Employer identification number 52-0591628
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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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
2				
3				
4				
5				
6				

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><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														
		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(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 on 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	25,982
j Total. Add lines 1c through 1i		25,982
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No
b If "Yes," enter the amount of any tax incurred under section 4912		
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912		
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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 11 PENINSULA REGIONAL MEDICAL CENTER DOES NOT ENGAGE IN ANY DIRECT LOBBYING ACTIVITIES. THE ORGANIZATION PAYS MEMBERSHIP DUES TO MARYLAND HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN HOSPITAL ASSOCIATION (AHA). MHA AND AHA ENGAGE IN MANY SUPPORT ACTIVITIES INCLUDING LOBBYING AND ADVOCATING FOR THEIR MEMBER HOSPITALS. THE MHA AND AHA REPORTED THAT 6.15% AND 22.12% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND SUCH. THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C PART IV AS LOBBYING ACTIVITIES.

SCHEDULE D

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," on 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](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization Peninsula Regional Medical Center	Employer identification number 52-0591628
---	--

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on 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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1	Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or education)<div><input type="checkbox"/> Protection of natural habitat</div><div><input type="checkbox"/> Preservation of open space</div></div> <div><input type="checkbox"/> Preservation of an historically important land area</div> <div><input type="checkbox"/> Preservation of a certified historic structure</div>
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
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>
6	Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►
7	Amount of expenses incurred in monitoring, inspecting, handling of violations, 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)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>
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" on 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 on 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 on Form 990, Part VIII, line 1 ► \$
b	Assets included in Form 990, Part X ► \$

Part III

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

(continued)

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on 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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

Amount

1c

1d

1e

1f

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	50,044,611	45,972,891	39,054,428	34,734,107	34,191,392
b Contributions	500,000	647,931	500,000	6,448	12,685
c Net investment earnings, gains, and losses	-399,685	3,765,292	6,781,222	4,624,939	801,060
d Grants or scholarships					
e Other expenditures for facilities and programs			41,210		
f Administrative expenses	343,683	341,503	321,549	311,066	271,030
g End of year balance	49,801,243	50,044,611	45,972,891	39,054,428	34,734,107

2

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

a

Board designated or quasi-endowment

50 760 %

b

Permanent endowment

0 150 %

c

Temporarily restricted endowment

49 090 %

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

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

Yes

No

3a(ii)

Yes

No

b

If "Yes" on 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)	Accumulated (c)depreciation	(d)Book value
1a Land		10,636,389		10,636,389
b Buildings		255,577,507	93,327,936	162,249,571
c Leasehold improvements				
d Equipment		240,118,452	198,647,980	41,470,472
e Other		11,572,419	5,257,669	6,314,750
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				220,671,182

Schedule D (Form 990) 2015



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

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	412,476,752
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains (losses) on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	404,389
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	404,389
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	412,072,363
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	1,648,968
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	12,672,158
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	14,321,126
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	426,393,489

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

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

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	405,639,689
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	404,389
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	404,389
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	405,235,300
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	1,648,968
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	11,648,645
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	13,297,613
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	418,532,913

**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 USE OF ENDOWMENT FUNDS	Schedule D, Part V, Line 4 The organization's endowment funds are used for capital, patient services or educational purposes



**Part XIII**   **Supplemental Information** *(continued)*

Return Reference	Explanation
Schedule D, Part XI, Line 4a	Investment Management Fees \$1,648,968 Schedule D, Part XI, Line 4b Bad Debt Expenses \$11,448,645 Premier Book Tax Difference \$381,208 Foundation Contributions \$270,791 Other Contributions \$250,000 Management Fees Reclassed from Expenses \$200,000 DPIC Book Tax Difference \$120,503 ESHP Book Tax Difference \$1,011 ----- Total \$12,672,158
Schedule D, Part XII, line 2d	Rent Expenses \$404,389
Schedule D, Part XII, line 4b	Bad Debt Expenses \$11,448,645 Management Fees Reclassed From Expenses \$200,000 ----- -- Total \$11,648,645

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 52-0591628  
**Name:** Peninsula Regional Medical Center

### Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
(1) DONOR RESTRICTED FUND	33,217,571
(2) BOARD DESIGNATED INVESTMENTS	23,583,932
(3) SELF INSURANCE FUND	20,237,854
(4) CONSTRUCTION FUND	10,227,977
(5) OTHER ASSETS	7,464,978
(6) INVESTMENT IN PARTNERSHIPS	2,679,949
(7) UNAMORTIZED FINANCING COSTS	1,309,738
(8) INTERCOMPANY RECEIVABLES	340,879

**SCHEDULE F  
(Form 990)****Statement of Activities Outside the United States**

OMB No 1545-0047

**2015****Open to Public  
Inspection**

- Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
► Attach to Form 990.

► Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).Department of the Treasury  
Internal Revenue ServiceName of the organization  
Peninsula Regional Medical Center**Employer identification number**

52-0591628

**Part I General Information on Activities Outside the United States.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No
- 2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States
- 3** Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Central America and the Caribbean	1	1	INVESTMENTS		2,503,417
(2)					
(3)					
(4)					
(5)					
<b>3a</b> Sub-total	1	1			2,503,417
<b>b</b> Total from continuation sheets to Part I					
<b>c Totals</b> (add lines 3a and 3b)	1	1			2,503,417

**Part II** **Grants and Other Assistance to Organizations or Entities Outside the United States.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1</b>	<b>(a)</b> Name of organization	<b>(b)</b> IRS code section and EIN (if applicable)	<b>(c)</b> Region	<b>(d)</b> Purpose of grant	<b>(e)</b> Amount of cash grant	<b>(f)</b> Manner of cash disbursement	<b>(g)</b> Amount of non-cash assistance	<b>(h)</b> Description of non-cash assistance	<b>(i)</b> Method of valuation (book, FMV, appraisal, other)
<b>( 1 )</b>									
<b>( 2 )</b>									
<b>( 3 )</b>									
<b>( 4 )</b>									

**2** Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶ \_\_\_\_\_

**3** Enter total number of other organizations or entities . . . . . ▶ \_\_\_\_\_

**Part III** **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
( 1 )							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							
( 17 )							
( 18 )							

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U S Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☒ Yes☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A, do not file with Form 990)*

☐ Yes☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S Persons with Respect to Certain Foreign Corporations (see Instructions for Form 5471)*

☒ Yes☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)*

☐ Yes☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons with Respect to Certain Foreign Partnerships (see Instructions for Form 8865)*

☐ Yes☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713, do not file with Form 990)*

☐ Yes☒ No

**Part V**   **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

**990 Schedule F, Supplemental Information**

Return Reference	Explanation
ACTIVITIES PER REGION	SCHEDULE F, PART IV THE AMOUNTS IN COLUMN F WERE DETERMINED USING AN ACCRUAL METHOD OF ACCOUNTING THE ENTIRE \$2,503,417 REPRESENTS A CAPTIVE INSURANCE INVESTMENT

SCHEDULE H  
(Form 990)

Department of the  
Treasury  
Internal Revenue  
Service

Hospitals

► Complete if the organization answered "Yes" on 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](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization Peninsula Regional Medical Center	Employer identification number 52-0591628
---	--

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b	Yes	
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			
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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	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)			7,110,500		7,110,500	1 650 %
b Medicaid (from Worksheet 3, column a)			0		0	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			7,110,500		7,110,500	1 650 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		47,832	2,111,799	284,847	1,826,952	0 470 %
f Health professions education (from Worksheet 5)		538	1,153,751	46,914	1,106,837	0 270 %
g Subsidized health services (from Worksheet 6)		112,052	34,785,830	19,217,783	15,568,047	7 410 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		1,961	117,157		117,157	0 030 %
j Total. Other Benefits		162,383	38,168,537	19,549,544	18,618,993	8 180 %
k Total. Add lines 7d and 7j		162,383	45,279,037	19,549,544	25,729,493	9 830 %



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
1	Physical improvements and housing		397		397	
2	Economic development		35,961		35,961	0.010 %
3	Community support		33,323		33,323	0.010 %
4	Environmental improvements		112,651		112,651	0.030 %
5	Leadership development and training for community members					
6	Coalition building		368,416		368,416	0.090 %
7	Community health improvement advocacy					
8	Workforce development		421		421	
9	Other					
10	Total		551,169		551,169	0.140 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

No

2

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

2

11,448,645

3

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

3

0

4

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

Section B. Medicare

5

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

5

244,184,549

6

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

6

161,500,608

7

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

7

82,683,941

8

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

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

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

9a

Yes

No

b

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

9b

Yes

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				

## Section A. Hospital Facilities

**1**

See Additional Data Table

Schedule H (Form 990) 2015

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)

Peninsula Regional Medical Center

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
<b>Community Health Needs Assessment</b>		
<b>1</b> 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?	<b>1</b>	No
<b>2</b> 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	<b>2</b>	No
<b>3</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	<b>3</b>	Yes
If "Yes," indicate what the CHNA report describes (check all that apply)		
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The significant health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		
<b>4</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>16</u>		
<b>5</b> 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	<b>5</b>	Yes
<b>6a</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	<b>6a</b>	No
<b>b</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	<b>6b</b>	No
<b>7</b> 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)	<b>7</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW PENINSULA ORG</u>		
<b>b</b> <input type="checkbox"/> Other website (list url)		
<b>c</b> <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
<b>d</b> <input checked="" type="checkbox"/> Other (describe in Section C)		
<b>8</b> 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	<b>8</b>	Yes
<b>9</b> Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>16</u>		
<b>10</b> Is the hospital facility's most recently adopted implementation strategy posted on a website?	<b>10</b>	Yes
<b>a</b> If "Yes" (list url) <u>www.peninsula.org</u>		
<b>b</b> If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	<b>10b</b>	
<b>11</b> 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		
<b>12a</b> Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	<b>12a</b>	No
<b>b</b> If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	<b>12b</b>	
<b>c</b> If "Yes" on 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)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group		Peninsula Regional Medical Center	
		Yes	No
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	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 300 %		
b	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance discount		
g	<input type="checkbox"/> Residency		
h	<input checked="" type="checkbox"/> 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? 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)	15	Yes
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input checked="" type="checkbox"/> Other (describe in Section C)		
16	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	16	Yes
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url) WWW PENINSULA ORG		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) WWW PENINSULA ORG		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) WWW PENINSULA ORG		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	<input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> 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	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Actions that require a legal or judicial process		
d	<input type="checkbox"/> Other similar actions (describe in Section C)		
e	<input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		

Part V

Facility Information (continued)

Peninsula Regional Medical Center

Name of hospital facility or letter of facility reporting group			Yes	No
19	Did the hospital facility or other authorized 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	<input type="checkbox"/> Reporting to credit agency(ies)			
b	<input type="checkbox"/> Selling an individual's debt to another party			
c	<input type="checkbox"/> Actions that require a legal or judicial process			
d	<input type="checkbox"/> 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 19 (check all that apply)			
a	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission			
b	<input type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge			
c	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills			
d	<input checked="" type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy			
e	<input type="checkbox"/> Other (describe in Section C)			
f	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b	<input type="checkbox"/> The hospital facility's policy was not in writing			
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	<input checked="" type="checkbox"/> Other (describe in 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

**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? \_\_\_\_\_

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

**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
<p>Other Method used in determining eligibility for financial assistance</p>	<p>Schedule H, Part I, Line 3c N/A - PENINSULA REGIONAL MEDICAL CENTER USES THE FPG IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE. FINANCIAL ASSISTANCE IS ALSO CONSIDERED IF A PATIENT IS OVER INCOME CRITERION BUT HAS FINANCIAL HARDSHIP BASED ON MEDICAL DEBT. PATIENTS WHO ARE BENEFICIARIES/RECIPIENTS OF CERTAIN MEANS-TESTED SOCIAL SERVICES PROGRAM ADMINISTERED BY THE STATE OF MARYLAND ARE DEEMED TO HAVE PRESUMPTIVE ELIGIBILITY FOR PRMC'S FA PROGRAM. Community Benefit Report Schedule H, Part I, Line 6a Peninsula Regional Medical Center functions as the primary hospital provider for the rural southernmost three counties of the Eastern Shore of Maryland, which includes Wicomico, Worcester and Somerset Counties. In FY 2016, approximately 77% of the patients discharged from the Medical Center were residents of the primary service area, which has an estimated population of approximately 179,752 in 2016 and is expected to increase to 183,873 in 2021, or by 2.3%. The primary service area population has grown by an estimated 10% since 2000. Peninsula Regionals CBSA (Community Benefit Service Area) consists of those zip codes within our primary service area. The majority of the population resides in Wicomico County (103,773) with Salisbury serving as the capital of the Eastern Shore. Salisbury is located on the headwaters of the Wicomico River and it is located at the crossroads of the Bay and the Ocean. The region is unique, the city of Salisbury has similar socio-economic and demographic characteristics of a large city, however, the area surrounding Salisbury is rural and has like-kind characteristics of small town America. Due to this dichotomy, serving both sometimes presents a challenge in delivering healthcare. The two other counties in Peninsula Regionals CBSA include Worcester County, with a population of 52,052 and Somerset County with a population of 23,639. The greater "metropolitan" Salisbury area (zip codes 21801, 21804) has a higher population density than the surrounding rural areas. This area has a vulnerable population that includes the indigent and a higher Medicaid mix. Moving east towards the beach located in Worcester County several of the larger towns Berlin (21811) and Ocean City (21842) have a higher population density. South of Salisbury, located in Somerset County, the town of Princess Anne (21853) and Crisfield (21817) are two of the larger towns. Excluding the greater Salisbury area, the landscape and environment is considered rural, made up of small businesses and agriculture. All three counties can be classified as rural with a historic economic foundation in agriculture, poultry and tourism. Watermen and farmers have always comprised a large percentage of the peninsula population, however, their numbers have been declining with growth in the population and expansion of other small businesses. Ocean City, located in Worcester County, is a major tourist destination, during the summer weekends, the city hosts between 320,000 and 345,000 vacationers, and up to 8 million visitors annually. The three counties have a diversified economic base, however, it is predominately made up of small employers (companies with less than 50 employees). Major employers include local hospitals, the chicken industry, local colleges and teaching institutions. The median income in our Community Benefits Service Area is considerably less than \$54,131, compared to Maryland's median income of \$77,385. In addition, 2015 unemployment rates were higher for Maryland's most Eastern Shore counties. The unemployment rate in Maryland was 5.2%, the Nation 5.3% compared to Wicomico 6.0%, Worcester 8.6%, and Somerset 8.1%. Research indicates lower median incomes and higher unemployment rates contribute to a disparity in access to medical care and a prevalence of untreated chronic disease. In the past Peninsula Regionals approach to rural population health and community benefits was generalized and consisted of touching our three primary counties Wicomico, Worcester and Somerset. However, there are examples where Peninsula Regional has participated with our neighbors in Delaware and Virginia on urgent community healthcare needs. Many of the social determinants of rural health in our three county areas spill over state lines creating similar issues in our neighboring states and allowing us to work together. Until now, most of PRMC's initiatives have been "reactive," activated by patients presenting in the emergency room or as inpatients. PRMC now seeks to deploy resources and embed care management functions within primary care practices to address some of the determinants (or root causes) of high utilization. By moving care back out into the community with PCPS (primary care providers) and care managers embedded within those PCPs, the right care will be delivered, reducing the need for inpatient hospital admissions and readmissions. Peninsula Regional has embarked on identifying and targeting "Super Utilizers" within our CBSA.</p>

Form and Line Reference	Explanation
Other Method used in determining eligibility for financial assistance	<p>, these residents will be identified, and targeted for population health management - Demographics (block groups, zip codes) - Race/Ethnicity - Age-Cohorts - Chronic Conditions The target population includes patients that have chronic conditions who have demonstrated to have been high utilizers at PRMC, or are identified as being at risk of high utilization based on his/her chronic conditions and patterns of care Current data indicates an "over reliance" by local residents on Peninsula Regionals emergency room for primary and chronic condition needs In response, PRMC has introduced interventions, care management programs, education, and follow-up with measurement and outcomes Based upon a current assessment there are approximately 1,330 residents that meet the criteria of "Super Utilizers" stratified by socio-demographics and chronic disease Peninsula Regional is targeting CBSA zip codes based upon social and economic determinants of health to include the uninsured, indigent population, residents who lack transportation, lack of education and availability of healthy foods Targeting this by cluster and block groups, we seek to impact the health by providing primary health services, education, access and more importantly by fostering relationships within the community we serve For example, our Wagner Wellness Van travels locally to block groups where there was an identified need for basic health services, in addition to providing health services and education to local ethnic churches and civic organizations PENINSULA REGIONAL MEDICAL CENTER FILES ANNUALLY A COMMUNITY BENEFIT REPORT WITH THE STATE OF MARYLAND THE REPORT IS FILED WITH THE HSCRC (HEALTH SERVICES COST REVIEW COMMISSION)</p>

Form and Line Reference	Explanation
Financial Assistance and Certain Other Community Benefits at Cost	<p>Schedule H, Part I, Line 7, Column (f) THE AMOUNT OF BAD DEBT EXPENSE EXCLUDED FROM THE DENOMINATOR IN THE COLUMN (F) PERCENTAGES IS \$11,448,645 LINE 7B COLUMN (C) &amp; (F)- MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE-SETTING SYSTEM THE COST METHODOLOGY FOR CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS IS THE COST-TO-CHARGE RATIO USED FOR THE CHARITY CARE PROGRAMS AND DIRECT COST METHOD FOR THE OTHER BENEFITS/PROGRAMS</p> <p>Community Building Activities Schedule H, Part II Peninsula Regional funds a variety of programs that work to promote the health and safety of our community These programs include activities in the areas of housing, economic development, community support, environmental improvements, coalition building, and workforce development The number of persons served by the community building activities were not tracked for all programs throughout the course of the year Methodology Used to estimate Bad Debt expense Schedule H, Part III, Lines 2 and 3 SEE RESPONSE BELOW TO LINE 4 REGARDING THE METHODOLOGY USED BY THE ORGANIZATION REGARDING BAD DEBT</p> <p>Bad Debt Footnote in the Audited Financial Statements Schedule H, Part III, Line 4 THE HOSPITAL, THROUGH ITS MEMBER COMPANIES, PROVIDES SERVICES TO PATIENTS IN THE EASTERN SHORE AREA OF MARYLAND, DELAWARE, AND VIRGINIA, THE MAJORITY OF WHOM ARE COVERED BY THIRD-PARTY HEALTH INSURANCE THE HOSPITAL BILLS THE INSURER DIRECTLY FOR SERVICES PROVIDED INSURANCE COVERAGE AND FINANCIAL INFORMATION IS OBTAINED FROM PATIENTS UPON ADMISSION WHEN AVAILABLE THE HOSPITAL'S POLICY IS TO PERFORM IN-HOUSE COLLECTION PROCEDURES FOR APPROXIMATELY 85 DAYS A DETERMINATION IS MADE AT THAT TIME AS TO WHICH ADDITIONAL COLLECTION EFFORTS TO PURSUE A PROVISION FOR UNCOLLECTIBLE ACCOUNTS IS RECORDED FOR AMOUNTS NOT YET WRITTEN OFF, WHICH ARE EXPECTED TO BECOME UNCOLLECTIBLE DISCOUNTS RANGING FROM 2% TO 6% OF CHARGES ARE GIVEN TO MEDICARE, MEDICAID, AND CERTAIN APPROVED COMMERCIAL HEALTH INSURANCE AND HEALTH MAINTENANCE ORGANIZATION PROGRAMS FOR REGULATED SERVICES DISCOUNTS IN VARYING PERCENTAGES ARE GIVEN FOR CERTAIN UNREGULATED SERVICES THESE MAJOR PAYORS ROUTINELY REVIEW PATIENT BILLINGS AND DENY PAYMENT FOR CERTAIN CHARGES AS MEDICALLY UNNECESSARY OR AS PERFORMED WITHOUT APPROPRIATE PREAUTHORIZATION DISCOUNTS AND DENIALS ARE RECORDED AS REDUCTIONS OF NET PATIENT SERVICE REVENUE REVENUE AND ACCOUNTS RECEIVABLE FROM THESE THIRD-PARTY PAYORS HAVE BEEN ADJUSTED TO REFLECT THE DIFFERENCE BETWEEN CHARGES AND THE ESTIMATED REIMBURSABLE AMOUNTS APPROXIMATELY 35% AND 38% OF ACCOUNTS RECEIVABLE WERE DUE FROM THE MEDICARE PROGRAM AS OF JUNE 30, 2016 AND 2015, RESPECTIVELY THE MEDICARE AND MEDICAID REIMBURSEMENT PROGRAMS REPRESENT A SUBSTANTIAL PORTION OF THE HOSPITAL'S REVENUES THE HOSPITAL'S OPERATIONS ARE SUBJECT TO NUMEROUS LAWS AND REGULATIONS OF FEDERAL, STATE, AND LOCAL GOVERNMENTS THESE LAWS AND REGULATIONS INCLUDE, BUT ARE NOT NECESSARILY LIMITED TO, MATTERS SUCH AS LICENSURE, ACCREDITATION, GOVERNMENT HEALTH CARE PROGRAM PARTICIPATION REQUIREMENTS, REIMBURSEMENT FOR PATIENT SERVICES AND MEDICARE, AND MEDICAID FRAUD AND ABUSE</p>

Form and Line Reference	Explanation
Medicare Costing Methodology	Schedule H, Part III, Line 8 MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST TO CHARGE RATIO PENINSULA REGIONAL MEDICAL CENTER PROVIDES QUALITY MEDICAL SERVICES TO ALL PATIENTS REGARDLESS OF WHAT INSURANCE THEY HAVE APPROXIMATELY, 38% OF THE MEDICAL CENTER'S REVENUE IS ATTRIBUTABLE TO MEDICARE PATIENTS DURING THE YEAR ENDED JUNE 30, 2016 THERE WAS NOT A SHORTFALL REPORTED IN PART III, LINE 7 FOR THE YEAR ENDING JUNE 30, 2016

Form and Line Reference	Explanation
COLLECTION POLICY	Schedule H, Part III, Line 9b COLLECTION POLICIES ARE THE SAME FOR ALL PATIENTS IF A PATIENT NOTIFIES THE MEDICAL CENTER ABOUT THEIR INABILITY TO PAY, THE MEDICAL CENTER WILL SEND THEM THE CHARITY CARE AND FINANCIAL ASSISTANCE FORMS TO FILL OUT ONCE THE FORMS ARE COMPLETE AND RETURNED TO THE MEDICAL CENTER AND THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THEN THE PATIENT'S ACCOUNT WILL BE REMOVED FROM COLLECTIONS AND THE ACCOUNT WILL BE WRITTEN OFF PART V, LINE 13G PENINSULA REGIONAL MEDICAL CENTER PUBLISHES ANNUALLY AN ADVERTISEMENT IN THE LOCAL NEWSPAPER ANNOUNCING THE AVAILABILITY OF FREE OR REDUCED COST CARE

Form and Line Reference	Explanation
NEEDS ASSESSMENT - PROMOTION OF COMMUNITY HEALTH	<p>SCHEDULE H, PART VI, LINE 2 PENINSULA REGIONAL MEDICAL CENTER IN COOPERATION WITH THE WICOMICO, WORCESTER AND SOMERSET COUNTIES, HEALTH DEPARTMENTS, THE ATLANTIC GENERAL HOSPITAL AND THE EDWARD W MCCREADY MEMORIAL HOSPITAL, HAS BEEN CONDUCTING COMMUNITY HEALTH SURVEYS OF THE TRI-COUNTY AREA SINCE 1995 PENINSULA REGIONAL MEDICAL CENTER FUNCTIONS AS THE PRIMARY HOSPITAL FOR THE RURAL SOUTHERNMOST THREE COUNTIES OF THE EASTERN SHORE OF MARYLAND, WHICH INCLUDES SOMERSET, WICOMICO, AND WORCESTER COMMUNITY HEALTH NEEDS ARE WOVEN THROUGHOUT PENINSULA REGIONALS STRATEGIC PLAN AND ARE INTEGRAL TO EACH ONE OF THEIR STRATEGIC TENETS, WHICH ENCOMPASS THE FOLLOWING THEMES PATIENT-CENTERED CARE, POPULATION HEALTH MANAGEMENT, AND EXPANDING ACCESS THROUGH GROWTH OF AN AMBULATORY PRESENCE PENINSULA REGIONALS MISSION STATEMENT IS TO "IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE " IN JUNE 2016, PENINSULA REGIONAL MEDICAL CENTER (PRMC) PUBLISHED THEIR 2016 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) THIS CHNA REPORT WAS DEVELOPED TO PROVIDE AN OVERVIEW OF THE HEALTH NEEDS IN THE PRMC TRI-COUNTY SERVICE AREA, INCLUDING SOMERSET, WICOMICO, AND WORCESTER COUNTIES PRMC PARTNERED WITH HEALTHY COMMUNITIES INSTITUTE (HCI), A XEROX COMPANY, TO CONDUCT THE CHNA THE GOAL OF THIS REPORT WAS TO OFFER A MEANINGFUL UNDERSTANDING OF THE GREATEST HEALTH NEEDS ACROSS THE PRMC SERVICE AREA, AS WELL AS TO GUIDE PLANNING EFFORTS TO ADDRESS THOSE NEEDS SPECIAL ATTENTION WAS GIVEN TO IDENTIFY HEALTH DISPARITIES, NEEDS OF VULNERABLE POPULATIONS, UNMET HEALTH NEEDS OR GAPS IN SERVICES, AND INPUT FROM THE COMMUNITY THE CHNA FINDINGS WERE DRAWN FROM AN ANALYSIS OF AN EXTENSIVE SET OF SECONDARY DATA (OVER 100 INDICATORS FROM NATIONAL AND STATE DATA SOURCES) AND IN-DEPTH PRIMARY DATA FROM COMMUNITY HEALTH LEADERS (INCLUDING THE HEALTH OFFICERS FROM THE THREE HEALTH DEPARTMENTS) AND ORGANIZATIONS THAT SERVE THE COMMUNITY AT LARGE, AS WELL AS NON-HEALTH PROFESSIONALS AND COMMUNITY MEMBERS THE MAIN SOURCE FOR THE SECONDARY DATA, OR DATA THAT HAS BEEN PREVIOUSLY COLLECTED, WAS THE PENINSULA REGIONAL MEDICAL CENTER CREATING HEALTHY COMMUNITIES PLATFORM, A PUBLICLY AVAILABLE DATA PLATFORM THAT IS EMBEDDED ON THE MAIN PRMC WEBSITE ON JUNE 8, 2016, PRMCS COMMUNITY BENEFIT TEAM AND OTHER MEMBERS FROM VARIOUS DEPARTMENTS IN THE HOSPITAL CAME TOGETHER TO PRIORITIZE THE SIGNIFICANT HEALTH NEEDS IN A SESSION LED BY CONSULTANTS FROM HCI THE TEAM REVIEWED THE SIGNIFICANT HEALTH NEEDS USING THE FOLLOWING PRIORITIZATION CRITERIA - IMPORTANCE OF PROBLEM TO THE COMMUNITY - ALIGNMENT WITH 2017 MD SHIP OBJECTIVES - OPPORTUNITY FOR PARTNERSHIP - ADDRESSES DISPARITIES OF SUBGROUPS - EXISTING RESOURCES/PROGRAMS TO ADDRESS THE PROBLEM USING THE PRIORITIZATION MATRIX METHOD, THE FOLLOWING THREE TOPICS WERE IDENTIFIED AS PRIORITIES TO ADDRESS - DIABETES - EXERCISE, NUTRITION, AND WEIGHT - BEHAVIORAL HEALTH (FOCUSING ON THE TOPIC AREAS OF MENTAL HEALTH AND MENTAL DISORDERS AS WELL AS SUBSTANCE ABUSE) OTHER SIGNIFICANT HEALTH NEEDS NOT CHOSEN WERE ACCESS TO HEALTH SERVICES, CANCER, HEART DISEASE AND STROKE, AND PREVENTION AND SAFETY THESE NEEDS WERE NOT SELECTED BECAUSE THEY DID NOT MEET THE PRIORITIZATION CRITERIA AS STRONGLY AS THE SELECTED TOPICS PRMC HAS OTHER PROGRAMS IN THESE AREAS, BUT THEY ARE NOT THE FOCUS OF THIS REPORT OVER THE YEARS, THE COMMUNITY HEALTH NEEDS ASSESSMENT HAS ALSO DEVELOPED THE TRI-COUNTY DIABETES ALLIANCE, WHICH IS A COOPERATIVE VENTURE BETWEEN ALL THE PARTNERS AND COMMUNITY AGENCIES TO REDUCE THE INCIDENCES OF DIABETES IN THE TRI-COUNTY AREA OTHER OUTCOMES RESULTING FROM THE SURVEY FINDINGS INCLUDE SMOKING CESSATION PROGRAMS, OTHER EARLY DETECTION AND SCREENING PROGRAMS FOR HEART AND CANCER, AS WELL AS HEALTH PROMOTION AND EDUCATION WITH A FOCUS ON PREVENTION</p>

Form and Line Reference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	<p>SCHEDULE H, PART VI, LINE 3 PENINSULA REGIONAL MEDICAL CENTER MAKES AVAILABLE TO ALL PATIENTS THE HIGHEST QUALITY OF MEDICAL CARE POSSIBLE WITHIN THE RESOURCES AVAILABLE IF A PATIENT IS UNABLE TO PAY DUE TO FINANCIAL RESOURCES, ALL EFFORTS WILL BE MADE TO HELP THE PATIENT OBTAIN ASSISTANCE THROUGH APPROPRIATE AGENCIES, OR, IF HELP IS NOT AVAILABLE, TO PROVIDE CARE AT REDUCED OR ZERO COST ONE OF PENINSULA REGIONAL'S OVERALL GUIDING PRINCIPLES IS THAT CONCERN OVER A HOSPITAL BILL SHOULD NEVER PREVENT ANY INDIVIDUAL FROM RECEIVING EMERGENCY HEALTH SERVICES THE MEDICAL CENTER WILL COMMUNICATE THIS MESSAGE CLEARLY TO PROSPECTIVE PATIENTS AND TO LOCAL COMMUNITY SERVICE AGENCIES AND MAKE IT CLEAR THAT EMERGENCY SERVICES WILL BE PROVIDED WITHOUT REGARD TO ABILITY TO PAY THE MEDICAL CENTER WILL ENSURE THAT AN EMERGENCY ADMISSION OR TREATMENT IS NOT DELAYED OR DENIED PENDING DETERMINATION OF COVERAGE OR REQUIREMENT FOR PREPAYMENT OR DEPOSIT THE MEDICAL CENTER WILL POST ADEQUATE NOTICE OF THE AVAILABILITY OF MEDICAL SERVICES, AND THE GENERAL OBLIGATION OF THE HOSPITAL TO PROVIDE CHARITY CARE PENINSULA REGIONAL'S "FINANCIAL ASSISTANCE POLICY" INCLUDES THE REQUIRED LANGUAGE OF DETERMINATION OF PROBABLE ELIGIBILITY WITHIN TWO BUSINESS DAYS ON PAGE 2, THE "FINANCIAL ASSISTANCE POLICY" STATES THAT UPON RECEIPT OF THE FINANCIAL ASSISTANCE REQUEST, THE REPRESENTATIVE WILL REVIEW INCOME AND ALL DOCUMENTATION THE PATIENT MUST BE NOTIFIED WITHIN TWO BUSINESS DAYS OF THEIR PROBABLE ELIGIBILITY IN ACCORDANCE WITH SECTION 1, 2 AND 3, PENINSULA REGIONAL PROVIDES PUBLIC NOTICE AND INFORMATION REGARDING ITS CHARITY CARE POLICY IN DELMARVA'S LARGEST PAPER "THE DAILY TIMES", POSTED SIGNS IN THE ADMISSION, BUSINESS OFFICE EMERGENCY ROOM AND OTHER MAJOR SERVICE AREAS OF THE MEDICAL CENTER, ADDITIONALLY INDIVIDUAL NOTICE IS PROVIDED TO EACH PERSON WHO SEEKS SERVICES IN THE MEDICAL CENTER AT THE TIME OF PRE-ADMISSION OR ADMISSION ADDITIONALLY INDIVIDUAL NOTICE IS PROVIDED TO EACH PERSON WHO SEEKS SERVICES IN THE MEDICAL CENTER AT THE TIME OF PRE-ADMISSION OR ADMISSION</p>

Form and Line Reference	Explanation
Community Information	<p>SCHEDULE H, PART VI, LINE 4 PENINSULA REGIONAL IS LOCATED IN SALISBURY, MARYLAND THE HOSPITAL'S SERVICE AREA IS PREDOMINATELY RURAL AND COVERS 6 COUNTIES LOCATED IN THREE DIFFERENT STATES MARYLAND, DELAWARE AND VIRGINIA SOME OF THE UNIQUE HEALTHCARE CHARACTERISTICS OF THESE COUNTIES INCLUDE A HIGH PREVALENCE OF DIABETES WHICH IS APPROXIMATELY TWICE THAT OF THE STATE OF MARYLAND THERE IS A HIGHER INCIDENCE OF SKIN CANCER AND THE INCIDENCE RATE FOR HEART DISEASE IS STATISTICALLY SIGNIFICANTLY HIGHER THAN MARYLAND IN ADDITION, THE MEDIAN INCOME IS LOWER THAN THAT OF MARYLAND AND EDUCATIONAL ATTAINMENT LAGS BEHIND THE STATES AVERAGE THE MEDICAL CENTER'S PRIMARY SERVICE AREA IS COMPRISED OF THE MAJORITY OF ZIP CODES IN WICOMICO, WORCESTER, AND SOMERSET COUNTIES AS OF JUNE 30, 2016 THESE COUNTIES CONTRIBUTED APPROXIMATELY 78 PERCENT OF PENINSULA REGIONAL'S TOTAL DISCHARGES THE MEDICAL CENTER ALSO SERVICES DORCHESTER COUNTY, MARYLAND, THE SOUTHERN PORTION OF SUSSEX COUNTY, DELAWARE AND THE NORTHERN PORTION OF ACCOMACK COUNTY, VIRGINIA THESE COUNTIES COMPRISED AN ADDITIONAL 20 PERCENT OF THE MEDICAL CENTER'S TOTAL DISCHARGES DURING THE SAME TIME PERIOD PATIENTS DISCHARGED FROM THE FOLLOWING GEOGRAPHICAL AREAS AREA 2016 DISCHARGES % ----- WICOMICO 9,787 51 4% WORCESTER 3,040 16 0% SOMERSET 1,984 10 4% DORCHESTER, TALBOT, CAROLINE 674 3 5% DELAWARE 1,985 10 4% VIRGINIA 1,165 6 1% ALL OTHERS 395 2 1% ----- TOTAL 19,030 100 0% SOURCE PENINSULA REGIONAL MEDICAL CENTER, FINANCIAL AND STATISTICAL REPORT, JUNE 30, 2016 BETWEEN 2009 AND 2014, THE MEDICAL CENTER'S PRIMARY SERVICE AREA (WICOMICO, WORCESTER AND SOMERSET COUNTIES, MARYLAND) HAD AN ESTIMATED POPULATION OF 179,605 IN 2013 AND IS EXPECTED TO INCREASE TO 183,893 IN 2020, OR BY 2 4% IN THE MEDICAL CENTER'S SECONDARY SERVICE AREA (DORCHESTER COUNTY, MARYLAND, SUSSEX COUNTY, DELAWARE, AND ACCOMACK COUNTY, VIRGINIA) THE POPULATION WAS ESTIMATED AT 177,422 IN 2013, AND IS EXPECTED TO INCREASE TO 179,814 IN 2017</p>



Form and Line Reference	Explanation
PROMOTION OF COMMUNITY HEALTH	<p>SCHEDULE H, PART VI, LINE 5 PENINSULA REGIONAL MEDICAL CENTER IS COMMITTED TO THE HEALTH OF THE RURAL COMMUNITIES IT SERVES IN FY 2016, THE HOSPITAL'S CHARITY CARE WAS \$8,669,839, COMBINED CHARITY AND BAD DEBT FOR FY 2016 WAS \$20,118,484 AS PART OF PENINSULA REGIONAL'S ONGOING COMMITMENT AND MISSION STATEMENT 'TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE,' WE CONTINUE TO ASSESS THE HEALTH NEEDS OF THE COMMUNITY WE ATTEND TRI-COUNTY COMMUNITY HEALTH IMPROVEMENT (T-CHIP) PROCESS MEETINGS THESE MEETINGS ARE MADE UP OF WICOMICO, WORCESTER AND SOMERSET'S HEALTH DEPARTMENT, LOCAL HOSPITALS, LOCAL AND NATIONAL COMMUNITY HEALTH ORGANIZATIONS AND OTHER LOCAL HEALTHY LIFESTYLE PROGRAMS WE SYNERGIZE AS A GROUP WORKING TOWARD OUR IDENTIFIED SHIP (STATE HEALTH IMPROVEMENT PROCESS INITIATIVES) IN ADDITION TO SHARING WITH EACH OTHER OUR PROGRAM SUCCESSSES AND SOMETIMES FAILURES THE DIVERSITY OF THE PARTICIPANTS AND THE DYNAMICS OF THIS PARTICULAR GROUP ALLOW US TO KEEP A BETTER PULSE ON THE NEEDS OF THE COMMUNITY WITH CONTRIBUTES TO PLANNING AND FORMULATION OF TACTICS TO MEET LOCAL HEALTH OBJECTIVES PENINSULA REGIONAL CLINICIANS AND EXECUTIVES ATTEND VARIOUS PUBLIC MEETINGS AS REQUESTED BY EITHER ENTITY AS WE EXCHANGE COMMUNITY HEALTH IDEAS, DATA OR BRING RESOURCES TO BEAR THAT BOTH PARTIES CAN BENEFIT FROM AS MENTIONED EARLIER, IN JUNE 2016, PENINSULA REGIONAL MEDICAL CENTER PUBLISHED THEIR 2016 COMMUNITY HEALTH NEEDS ASSESSMENT THE CHNA WAS DEVELOPED AFTER CAREFUL REVIEW OF EXTENSIVE SECONDARY DATA, INPUT FROM KEY INFORMANTS INCLUDING THE HEALTH OFFICERS FROM WICOMICO, WORCESTER AND SOMMERSET COUNTIES ALSO, PENINSULA REGIONAL HAS KICKED OFF A "LIVE WELL" COMMUNITY CAMPAIGN THAT SPANS SEVERAL YEARS AND WILL ADDRESS AND PROMOTE HEALTH LIFESTYLE CHOICES WITH A NEW MONTHLY THEME A LIVE WELL DELMARVA WEBSITE WAS LAUNCHED THAT EMBODIES THE SPIRIT OF CARE/COACH/CONNECT, WHERE PRMC WILL CARE FOR YOU, COACH YOU TO WELLNESS AND CONNECT YOU WITH THE RIGHT PROVIDERS THE SITE PROVIDES INFORMATION ON HEALTHY LIFESTYLE CHOICES WITH LOCAL AND REGIONAL INFORMATION SUCH AS "FARM TO TABLE" IN-SEASON FRESH FRUITS AND VEGETABLES, INCLUDING NUTRITIONAL RECIPES THE IMPORTANCE OF EXERCISE AND NUTRITION IS A THEME THAT IS WOVEN THROUGHOUT, WITH LISTINGS OF FREE SCREENINGS AND EVENTS FOR THE COMMUNITY THAT INCLUDE FREE SKIN CANCER SCREENINGS, LIVE WELL HEALTH FEST EVENT, FREE HEART SCREENINGS, BABIES HEALTH STARTS, DRIVE-THRU FLU CLINIC, HEALTH TIPS AND CANCER SURVIVORSHIP CELEBRATIONS THE WEBSITE ALSO ADDRESSES REGIONAL HEALTH ISSUES NATIVE TO THE EASTERN SHORE TIPS AND CANCER SURVIVORSHIP CELEBRATIONS THE WEBSITE ALSO ADDRESSES REGIONAL HEALTH ISSUES NATIVE TO THE EASTERN SHORE</p>

Form and Line Reference	Explanation
AFFILIATED HEALTH CARE SYSTEM ROLES	SCHEDULE H, PART VI, LINE 6 PENINSULA REGIONAL MEDICAL CENTER IS PART OF THE PENINSULA REGIONAL HEALTH SYSTEM THE SYSTEM INCLUDES A FOUNDATION AND FOR- PROFIT ENTITIES WITH INTERESTS IN VARIOUS HEALTH CARE JOINT VENTURES IN ADDITION TO THE COMMUNITY BENEFITS PROVIDED BY THE MEDICAL CENTER, THE HEALTH SYSTEM EVALUATES THE NEEDS OF THE COMMUNITY AND WILL PARTICIPATE IN COMMUNITY BENEFIT PROGRAMS AS NEEDED

Form and Line Reference	Explanation
COMMUNITY BENEFIT REPORT STATE FILINGS	SCHEDULE H, PART VI, LINE 7 STATE(S) WITH WHICH THE ORGANIZATION FILES A COMMUNITY BENEFIT REPORT MARYLAND

**Schedule H (Form 990) 2015**

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 52-0591628

**Name:** Peninsula Regional Medical Center

### Form 990 Schedule H, Part V Section A. Hospital Facilities

#### Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)

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

1

Name, address, primary website address, and state license number

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Peninsula Regional Medical Center 100 E Carroll Street Salisbury, MD 21801 www.peninsula.org 210019	X	X				X			

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" on 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](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization  
Peninsula Regional Medical Center

Employer identification number  
52-0591628

Part I Questions Regarding Compensation

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax indemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
<b>b</b> If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b Yes	
<b>2</b> 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?	2 Yes	
<b>3</b> Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
<b>4</b> During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <b>a</b> Receive a severance payment or change-of-control payment?	4a Yes	
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b Yes	
<b>c</b> 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
<b>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b>		
<b>5</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <b>a</b> The organization?	5a	No
<b>b</b> Any related organization? If "Yes," on line 5a or 5b, describe in Part III	5b	No
<b>6</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <b>a</b> The organization?	6a Yes	
<b>b</b> Any related organization? If "Yes," on line 6a or 6b, describe in Part III	6b Yes	
<b>7</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7 Yes	
<b>8</b> Were any amounts reported on 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
<b>9</b> If "Yes" on 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 on 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 on 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
SEVERANCE PAYMENTS MADE	SCHEDULE J, PART I, LINE 4A MARY BETH D'AMICO \$224,813 DANIEL MULVANNY \$186,284 Supplemental non-qualified retirement plan Schedule J, Part I, Line 4b PRMC has a non-qualified supplemental retirement plan (under section 457 (f)) This plan was Approved by the compensation committee of the prmc board of directors to supplement the executive's retirement income The supplemental retirement plan was developed based on an independent consultant report on market-based practices for supplemental retirement plans The percentage of final average pay, the requirements for vesting, participants, and pay-out provisions were established, reviewed, and approved by the compensation committee The contributions to the supplemental non-qualified retirement plan are included in Schedule J, Part II, Column c or in Schedule J, Part II, Column b(III) as part of deferred compensation The following individuals participated in this supplemental non-qualified retirement plan Margaret Naleppa \$76,923 Lura Lunsford \$40,000 Bruce I Ritchie \$40,000 Steven Leonard \$40,000 James Todd, M D \$50,000 Kurt Wehberg, M D \$50,000 PRMC Provided \$34,500 in funding to Dr Naleppa's plan on 10/19/2015
CONTINGENT COMPENSATION	Schedule J, Part I, Line 6a & 6b OFFICERS AND KEY EMPLOYEES OF PENINSULA REGIONAL MEDICAL CENTER ARE PAID COMPENSATION DETERMINED BY A NUMBER OF VARIABLES INCLUDING BUT NOT LIMITED TO INDIVIDUAL GOALS AS WELL AS ORGANIZATION OPERATIONAL ACHIEVEMENTS IN SERVICE, QUALITY, SAFETY, EMPLOYEE SATISFACTION, AND COST THE FINAL DETERMINATION OF THE CONTINGENT COMPENSATION AMOUNT IS DETERMINED AND APPROVED BY THE BOARD AS PART OF THE OVERALL COMPENSATION REVIEW OF OFFICERS AND KEY EMPLOYEES DURING CALENDAR YEAR 2015, THE FOLLOWING BONUSES WERE PAID Margaret Naleppa \$207,644 Lura Lunsford \$123,903 Bruce I Ritchie \$92,988 Charles Silvia Jr, M D \$53,479 Andy Pierre, M D \$42,918 Jacek Malik, M D \$50,000 Walid El Ayass, M D \$178,184 Sara Scott \$20,368 Steven Leonard \$54,688 Karen Poisker \$26,913 Thomas DeMarco, M D \$32,769
NON FIXED PAYMENTS	SCHEDULE J, PART I, LINE 7 During calendar 2015, the following productivity bonuses were paid Walid El Ayass, M D \$75,000 James Todd, M D \$35,000 Andy Pierre, M D \$20,000 Jacek Malik, M D \$90,000 Kurt Wehberg, M D \$35,000



Additional Data

Software ID:

Software Version:

EIN: 52-0591628

Name: Peninsula Regional Medical Center

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 on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1Margaret Naleppa President/CEO	(i)	712,976	207,644	15,455	153,909	13,855	1,103,839	0
	(ii)	0	0	0	0	-0	-0	0
1Lura Lunsford VP of Operations	(i)	392,302	123,903	1,218	79,550	13,855	610,828	0
	(ii)	0	0	0	0	-0	-0	0
2Bruce I RitchieCFO	(i)	428,416	92,988	1,218	95,218	22,256	640,096	0
	(ii)	0	0	0	0	-0	-0	0
3Charles Silvia Jr MD VP - Chief Medical Officer	(i)	387,405	53,479	1,218	40,332	23,834	506,268	0
	(ii)	0	0	0	0	-0	-0	0
4Sara Scott VP People & Organization Dev	(i)	196,531	20,368	1,218	33,252	20,306	271,675	0
	(ii)	0	0	0	0	-0	-0	0
5Steven Leonard VP Operation Optimization & In	(i)	249,096	54,688	1,218	60,257	25,886	391,145	0
	(ii)	0	0	0	0	-0	-0	0
6Karen Poisker VP Population Health	(i)	258,519	26,913	1,218	102,530	16,355	405,535	0
	(ii)	0	0	0	0	-0	-0	0
7Thomas DeMarco MD VP - PRMG	(i)	320,438	32,769	1,218	10,637	16,498	381,560	0
	(ii)	0	0	0	0	-0	-0	0
8Andy Pierre MDPhysician	(i)	643,839	62,918	26,218	23,717	15,719	772,411	0
	(ii)	0	0	0	0	-0	-0	0
9Jacek Malik MDPhysician	(i)	647,723	140,000	1,218	24,043	10,934	823,918	0
	(ii)	0	0	0	0	-0	-0	0
10Walid El Ayass MD Physician	(i)	791,745	253,184	31,824	11,386	13,048	1,101,187	0
	(ii)	0	0	0	0	-0	-0	0
11James Todd MDPhysician	(i)	704,549	35,000	8,141	74,334	17,592	839,616	0
	(ii)	0	0	0	0	-0	-0	0
12Kurt Wehberg MDPhysician	(i)	701,255	35,000	1,218	74,009	20,092	831,574	0
	(ii)	0	0	0	0	-0	-0	0
13Mary Beth D'Amico Fmr VP Patient Care Services	(i)	240,619	0	1,124	0	23,386	265,129	0
	(ii)	0	0	0	0	-0	-0	0
14Daniel Mulvanny Fmr VP General Counsel	(i)	186,284	0	0	0	13,855	200,139	0
	(ii)	0	0	0	0	-0	-0	0

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As Filed Data -

DLN: 93493129014917

Schedule K  
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Name of the organization

Peninsula Regional Medical Center

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

► Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Employer identification number

52-0591628

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A MARYLAND HEALTH & HIGHER EDUCATION FACILITIES	52-0936091	574217UF8	02-05-2015	122,212,727	Refer to part VI	X			X		X
B Maryland Health & Higher Education Facilities	52-0936091	574218UE1	02-05-2015	25,222,024	Refer to part VI	X			X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired . . . . .	525,000		250,000					
2	Amount of bonds legally defeased . . . . .	0		0					
3	Total proceeds of issue . . . . .	122,212,727		25,222,024					
4	Gross proceeds in reserve funds . . . . .	0		0					
5	Capitalized interest from proceeds . . . . .	0		0					
6	Proceeds in refunding escrows . . . . .	121,024,047		0					
7	Issuance costs from proceeds . . . . .	1,188,680		222,024					
8	Credit enhancement from proceeds . . . . .	0		0					
9	Working capital expenditures from proceeds . . . . .	0		0					
10	Capital expenditures from proceeds . . . . .	0		25,000,000					
11	Other spent proceeds . . . . .	0		0					
12	Other unspent proceeds . . . . .	0		0					
13	Year of substantial completion . . . . .								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue? . . . .		X		X				
15	Were the bonds issued as part of an advance refunding issue? . . . .	X			X				
16	Has the final allocation of proceeds been made? . . . . .	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	X		X					

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .	X		X					
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property? . . . . .	X		X					
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . .	0 900 %		0 900 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . .	0 440 %		0 440 %					
6	Total of lines 4 and 5 . . . . .	1 340 %		1 340 %					
7	Does the bond issue meet the private security or payment test? . . . .		X		X				
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .		X		X				
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . .		X		X				
2	If "No" to line 1, did the following apply? . . . .								
a	Rebate not due yet? . . . . .				X				
b	Exception to rebate? . . . . .	X							
c	No rebate due? . . . . .								
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
3	Is the bond issue a variable rate issue? . . . . .		X		X				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider . . . . .	0		0					
c	Term of hedge . . . . .								
d	Was the hedge superintegrated? . . . . .								
e	Was the hedge terminated? . . . . .								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider . . . . .	0		0					
c	Term of GIC . . . . .								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? . . . . .								
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148? . . . .	X		X					

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
Description of Purpose	Schedule K, Part I, Column F Proceeds of publicly-offered, fixed rate Series 2015 Bonds, together with funds held in an existing debt service reserve fund account and the existing principal and interest accounts, have been used to 1) advance refund all of Peninsula Regional Medical Center's ("PRMC") outstanding Series 2006 Bonds (Issued 2/09/06) for savings, 2) fund various capital expenditures (including equipment purchases) (the "Project"), and 3) pay all bond issuance expenses

Return Reference	Explanation
Schedule K, Part I, Line a (f)	Refunding of bonds issued on 02/09/2006

Return Reference	Explanation
Schedule K, Part II, Line 13	YEAR OF SUBSTANTIAL COMPLETION A - 2006 PROJECTS - 2009, 1993 PROJECTS - 199_ B - 2015 PROJECTS - 201_

Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons  
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  
**2015**  
Open to Public Inspection

Name of the organization  
Peninsula Regional Medical Center

Employer identification number  
52-0591628

Part I Excess Benefit Transactions (section 501(c)(3), 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?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$

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

Part II Loans to and/or From Interested Persons.  
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	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) David Kerrigan MD	Trustee	105,071	Medical Staff Fees		No
(2) David Kerrigan MD	Trustee	219,050	Medical Director Fees		No
(3) David Rommel	Trustee	609,662	Electrical/Mechanical service		No
(4) Vel Natsan MD	Director	37,750	Real Estate Rental		No

**Part V Supplemental Information**

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

Return Reference	Explanation
DESCRIPTION OF TRANSACTIONS WITH INTERESTED PERSONS	Schedule L, Part IV Each of the above-named trustees are owners of businesses which provide services to PRMC The services provided were approved by independent members of the governing body and are charged at fair market value rates



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](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public  
Inspection

Name of the organization Peninsula Regional Medical Center	Employer identification number 52-0591628
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Return Reference	Explanation
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>Form 990, Part III, Line 4 Peninsula Regional Medical Center is a not-for-profit 501(c)(3) non-stock corporation founded in 1897 to serve the health care needs of the community. The Hospital's primary purpose is to provide the highest primary, secondary, and selected tertiary health care services to residents of and visitors to the Mid-Delmarva Peninsula in a competent, compassionate, and cost-effective manner designed to elicit a high degree of customer satisfaction. The Hospital's mission is to improve the health of the communities we serve by providing quality medical care regardless of race, creed, sex, national origin, handicap, or age. If a patient is unable to pay due to financial resources, efforts will be taken to assure care at an affordable cost, or obtained assistance through appropriate agencies on the patient's behalf. Emergency services care will be provided to everyone regardless of ability to pay. Peninsula Regional Medical Center served over 19,000 inpatients and provided more than 580,000 outpatient services during fiscal 2016. Food service provided more than 460,000 meals to patients and employees. Although reimbursement for services rendered is critical to the operation and stability of Peninsula Regional Medical Center, it is recognized that not all individuals possess the ability to pay for essential medical services. The Hospital, in keeping with the commitment to serve all members of the community, during fiscal 2016 provided -Charity and other allowances totaling \$40,433,943 -Discounts to third party payors including government programs such as -Medicare and Medicaid \$54,403,215 -Write-off of uncollectible accounts \$11,448,645 -The total unreimbursed value of providing care to these patients is \$106,285,803. Also provided are many wellness programs, community education and free programs offered throughout the year based upon activities and services that Peninsula Regional Medical Center believes will serve a bona fide community health need. Some of the programs are as follows -A variety of brochures are displayed in all hospital waiting areas to educate members of the community regarding programs and services -Participation in health fairs during FY 2016 in order to foster health education in the community -Being called upon to speak before community organizations on a variety of healthcare topics. We provide childbirth preparation classes, exercise classes for prenatal and postpartum women and CPR classes -We provide assistance to educators through our work with student nurses, radiology, respiratory and laboratory technicians. During FY 2016, Peninsula Regional Medical Center volunteers contributed over 30,500 hours toward the common purpose of servicing the health care of the community. During FY 2016, Peninsula Regional Medical Center performed over 600 community outreach activities. Specific examples of education and outreach programs, support groups, community health screenings, and fitness and wellness activities supported by Peninsula Regional Medical Center are as follows: Community Educational and Outreach Programs - Labor &amp; Delivery Tours (exclusive of Childbirth Class Tours) - CPR - Childbirth Preparation Classes - Refresher Course - Childbirth - Infant Care Classes - Grandparent Classes - Safe Sitter Program - Women's Health Education Support Groups - Diabetes Support Groups - Head and Neck Cancer Support Group - Caregiver Support Group Events - Community Screenings - Height/Weight, Blood Pressure - Skin Cancer Screenings - Oral, Head and Neck Cancer Screenings - Hearing Screenings - Flu Clinic - Educational Exhibits to promote Healthy Lifestyles Benefits - United Way - Healthfest - March of Dimes Fitness/Exercise Programming - Cardiac Rehabilitation - Indoor Cycling and Weights Business Relationships. Form 990, Part VI, Line 2 Margaret Naleppa, Martin Neat, Ryan McLaughlin, Herbert Geary III, and Monty Saylor are members of the board of directors of Peninsula Health Ventures, a wholly-owned taxable subsidiary of Peninsula Regional Health System. Bruce I. Ritchie, PRIMC's CFO, also serves as Secretary/Treasurer of Peninsula Health Ventures.</p>

Return Reference	Explanation
MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINE 6 Peninsula Regional Health System is the sole corporate member of the medical center

Return Reference	Explanation
MEMBERS OR STOCKHOLDERS WHO MAY ELECT	Form 990, Part VI, Line 7A Member's ability to elect members of the governing body in its capacity as the sole corporate member of the medical center, Peninsula Regional Health System has the ability to elect members of the medical center's governing body

Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL	FORM 990, PART VI, LINE 7B Decisions subject to approval by members as the sole corporate member, Peninsula Regional Health System has the ability to approve major expenditures and long term borrowings of the medical center

Return Reference	Explanation
FORM 990 REVIEW PROCESS	Form 990, Part VI, Line 11b Oversight of the completion of the organization's Form 990 has been delegated to the Chief Financial Officer of Peninsula Regional Medical Center by the President of the organization once the Form 990 and all schedules have been prepared by the organization's independent tax services provider, they are reviewed by the President prior to filing THE RETURN IS presented to the Board of trustees by the organization's independent tax advisors from Grant Thornton LLP and approved for submission

Return Reference	Explanation
Conflict of Interest Policy Monitoring & Enforcement	Form 990, Part VI, Line 12c THE BOARD OF TRUSTEES ARE REQUIRED TO DISCLOSE ANNUALLY , IN WRITING, ANY AND ALL INTEREST WHICH THEY OR ANY IMMEDIATE MEMBER OF THEIR FAMILY MAY HAVE IN ANY BUSINESS ENTITY WHICH HAS OR SEEKS A CONTRACTUAL OR COMPETITIVE RELATIONSHIP WITH THE ORGANIZATION THE BOARD HAS THE AUTHORITY TO DETERMINE IF A VIOLATION HAS OCCURED AND WHETHER ANY INTEREST WHICH SHOULD BE DISCLOSED SHOULD DISQUALIFY A DIRECTOR FROM PARTICIPATING IN ANY SPECIFIC BOARD DISCUSSION OR BOARD MEMBERSHIP ALL DISCLOSURES ARE REVIEWED BY THE ORGANIZATION'S CHIEF COMPLIANCE OFFICER ANY CONFLICTS ARE PRESENTED TO THE BOARD IF A PERSON IS CONFLICTED, THEY WILL RECUSE THEMSELVES FROM ALL DISCUSSIONS AND DELIBERATIONS TO WHICH THEY WOULD APPEAR TO BE CONFLICTED

Return Reference	Explanation
Process for Determining Compensation	Form 990, Part VI, Line 15a & 15b THE ORGANIZATION USES A COMPENSATION COMMITTEE TO DETERMINE THE COMPENSATION OF THE CEO/EXECUTIVE DIRECTOR AND OTHER KEY EMPLOYEES THE CEO OF THE ORGANIZATION HAS A WRITTEN EMPLOYMENT CONTRACT THE COMPENSATION COMMITTEE USES AN INDEPENDENT CONSULTANT, COMPENSATION SURVEYS AND OTHER ORGANIZATION'S FORM 990 IN THE DETERMINATION PROCESS THE MEMBERS OF THE COMPENSATION COMMITTEE ARE INDEPENDENT AND RELY ON THIS COMPARABILITY DATA WHEN THEY DISCUSS AND DETERMINE THE INDIVIDUAL'S COMPENSATION CONTEMPORANEOUS MINUTES OF SUCH DISCUSSIONS ARE KEPT AND MAINTAINED IN THE ORGANIZATION'S FILES

Return Reference	Explanation
How Documents are Made Available to the Public	Form 990, Part VI, Line 19 The organization's governing documents, conflict of interest policy and financial statements are available to the public upon request to the public information office of Peninsula Regional Medical Center at 100 East Carroll Street, Salisbury, MD 21801



Return Reference	Explanation
Other Changes in Net Assets	Form 990, Part XI, Line 9 Pension Adjustment - FAS 158 \$(16,514,259) Partnership Income - Tax Adjustment \$(502,722) Contribution from Foundation \$(270,791) Other Contributions \$(250,000) Change in Net Assets Endow ment \$1,278,255 ---- ----- Total \$ (16,259,517)

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION TECHNICAL PROFESSIONAL FEES TOTAL FEES 8070933

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION REFERENCE LAB WORK TOTAL FEES 1990286

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION MEDICAL STAFF ADMINISTRATION TOTAL FEES 75000

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION CONTRACTED SERVICES TOTAL FEES 24181675

Return Reference	Explanation
FORM 990 PART IX LINE 11 G	DESCRIPTION LICENSES AND TAXES TOTAL FEES 526536

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION COLLECTION FEES TOTAL FEES 859433

Return Reference	Explanation
FORM 990 PART IX LINE 11 G	DESCRIPTION TEMPORARY LABOR TOTAL FEES 6467001



Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PEST CONTROL TOTAL FEES 45116

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION TRASH PICKUP TOTAL FEES 296027

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION RECRUITMENT EXPENSE TOTAL FEES 276379

Return Reference	Explanation
FORM 990 PART IX LINE 11 G	DESCRIPTION EMPLOYEE MOVING EXPENSE TOTAL FEES 31946

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PHYSICIAN CONTRACTED SERVICES TOTAL FEES 9291428

SCHEDULE R  
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ 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](http://www.irs.gov/form990).

Name of the organization Peninsula Regional Medical Center	Employer identification number 52-0591628
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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
(1)Peninsula Regional Medical Center Fdn 100 East Carroll Street  Salisbury, MD 21801 52-1851935	Fundraising	MD	501(c)(3)	11 TYPE I	PRHS		No
(2)Peninsula Regional Health System (PRHS) 100 East Carroll Street  Salisbury, MD 21801 52-2132761	Parent	MD	501(c)(3)	11-II	NA		No
(3)Peninsula General Hospital INS Trust 100 East Carroll Street  Salisbury, MD 21801 52-6321234	Insurance	MD	501(c)(3)	11 TYPE III	PRHS		No

**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	
(1) Delmarva Surg Ctr  641 S Salisbury Salisbury, MD 21801 52-2251436	Healthcare	MD	NA	N/A								

**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
Peninsula Health Ventures (1)(PHV)  100 East Carroll Street Salisbury, MD 21801 52-2250012	P'SHIP INV	MD	NA	C Corp					
(2)PRLTC Inc  100 East Carroll Street Salisbury, MD 21801 52-2190588	LT Care	MD	NA	C Corp					
Delmarva Peninsula (3)Insurance Company  PO Box 1159 KY1-1102 Grand Cayman CJ 98-1110617	Insurance	CJ	PRMC	C Corp	0	21,366,150	100 000 %	Yes	

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

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

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

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

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

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

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

**e** Loans or loan guarantees by related organization(s) . . . . .

**f** Dividends from related organization(s) . . . . .

**g** Sale of assets to related organization(s) . . . . .

**h** Purchase of assets from related organization(s) . . . . .

**i** Exchange of assets with related organization(s) . . . . .

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

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

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

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

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

**o** Sharing of paid employees with related organization(s) . . . . .

**p** Reimbursement paid to related organization(s) for expenses . . . . .

**q** Reimbursement paid by related organization(s) for expenses . . . . .

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

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

	Yes	No
<b>1a</b>		No
<b>1b</b>	Yes	
<b>1c</b>		No
<b>1d</b>		No
<b>1e</b>		No
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>		No
<b>1k</b>		No
<b>1l</b>	Yes	
<b>1m</b>	Yes	
<b>1n</b>	Yes	
<b>1o</b>	Yes	
<b>1p</b>		No
<b>1q</b>	Yes	
<b>1r</b>	Yes	
<b>1s</b>	Yes	

<b>2</b> If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds			
(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)DELMARVA PENINSULA INSURANCE COMPANY	R	2,503,417	FMV



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

[illegible]

**Part VII**   **Supplemental Information**

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

Return Reference	Explanation
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