

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

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

4a	(Code)	(Expenses \$ 222,857,260	including grants of \$ 0	(Revenue \$ 249,692,041)
See Additional Data				

4b	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
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4c	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
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4d	Other program services (Describe in Schedule O)	(Expenses \$	including grants of \$	(Revenue \$)
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4e	Total program service expenses ▶	222,857,260
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Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	No
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23 Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	No
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	No
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a Yes	
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 Yes	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a Yes	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b Yes	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38 Yes	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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	315	
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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	2,107	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	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	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for 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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
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?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		
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		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	22	
	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	Enter the number of voting members included in line 1a, above, who are independent	17	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed: MD

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records.
▶ JOANNE HAHEY CFO 219 SOUTH WASHINGTON ST EASTON, MD 21601 (410) 822-1000

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]

[illegible]

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 ► 85

Section B. Independent Contractors

(A)	(B)	(C)
Name and business address	Description of services	Compensation
Carefusion Solutions LLC, 25082 Network Place CHICAGO, IL 60673	Pharmacy Svcs	2,304,674
MD Emergency Medicine Network, 110 S Paca St 6th fl ste 200 BALTIMORE, MD 21201	Physician Svcs	1,405,833
Willow Construction LLC, 400 Maryland Avenue EASTON, MD 21601	Construction Svcs	1,326,152
MDICS Shore Health LLC, 7250 Parkway Drive HANOVER, MD 21076	Physician Svcs	1,271,733
ROI Eligibility Services Corp, PO Box 842278 BOSTON, MA 02284	Collection Recovery	1,216,435

Form 990 (2016)

Part VIII Statement of RevenueCheck 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	7,508,127				
	e Government grants (contributions)	1e	12,073				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	160,232				
	g Noncash contributions included in lines 1a-1f \$ _____						
	h Total. Add lines 1a-1f		7,680,432				
Program Service Revenue			Business Code				
	2a PATIENT SERVICE REVENUE		621500	249,692,041	241,927,050	7,764,991	
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
	g Total. Add lines 2a-2f		249,692,041				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			490,544		490,544	
	4 Income from investment of tax-exempt bond proceeds			0			
	5 Royalties			0			
	6a Gross rents	(i) Real	(ii) Personal				
		b Less rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss)			-1,390,105		-1,390,105	
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less cost or other basis and sales expenses					
		c Gain or (loss)					
	d Net gain or (loss)			5,549,961		5,549,961	
	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 SALES		722514	703,081		703,081		
b MEDICAL RECORDS		900099	74,210	74,210			
c OTHER OPERATING REVENUE		900099	693,735	1,095,698	-401,963		
d All other revenue			-165,851	-165,851			
e Total. Add lines 11a-11d			1,305,175				
12 Total revenue. See Instructions			263,328,048	242,931,107	7,764,991	4,951,518	

Part IX Statement of Functional Expenses

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

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.	0			
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	2,563,372	639,274	1,924,098	
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.	85,157,936	74,087,404	11,070,532	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	5,079,886	4,419,501	660,385	
9 Other employee benefits.	16,984,294	14,776,336	2,207,958	
10 Payroll taxes.	6,217,508	5,409,232	808,276	
11 Fees for services (non-employees):				
a Management.	0			
b Legal.	788,167		788,167	
c Accounting.	29,627		29,627	
d Lobbying.	13,405		13,405	
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	41,760,385	38,576,955	3,183,430	
12 Advertising and promotion.	45,709	39,767	5,942	
13 Office expenses.	1,775,294	1,544,506	230,788	
14 Information technology.	31,055	27,018	4,037	
15 Royalties.	0			
16 Occupancy.	3,963,067	3,447,868	515,199	
17 Travel.	189,110	164,526	24,584	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	171,557	149,255	22,302	
20 Interest.	3,900,878	3,393,764	507,114	
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	18,113,176	15,758,463	2,354,713	
23 Insurance.	689,400	470,912	218,488	
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 MEDICAL SUPPLIES	36,078,766	36,078,766		
b BAD DEBT	8,531,354	8,531,354		
c EXPENDITURES FOR FUND PURPOSES	7,280,868	7,280,868		
d REPAIRS & MAINTENANCE	4,629,593	4,027,746	601,847	
e All other expenses	4,636,491	4,033,745	602,746	
25 Total functional expenses. Add lines 1 through 24e.	248,630,898	222,857,260	25,773,638	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		14,618,669	1	8,955,406
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		12,830,539	4	22,472,630
	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		4,076,504	8	3,892,293
	9	Prepaid expenses and deferred charges		1,428,553	9	1,475,789
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D.	10a 323,438,956			
	b	Less: accumulated depreciation	10b 181,059,136	145,237,412	10c	142,379,820
	11	Investments—publicly traded securities		43,878,435	11	51,233,255
	12	Investments—other securities. See Part IV, line 11		48,434,000	12	57,320,000
	13	Investments—program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		122,927,241	15	127,596,425
16	Total assets. Add lines 1 through 15 (must equal line 34)		393,431,353	16	415,325,618	
Liabilities	17	Accounts payable and accrued expenses		32,677,811	17	32,646,453
	18	Grants payable		0	18	0
	19	Deferred revenue		3,035	19	763,046
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		9,217,063	23	7,812,239
	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.		98,441,466	25	116,608,324
	26	Total liabilities. Add lines 17 through 25		140,339,375	26	157,830,062
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		216,600,195	27	222,365,733
	28	Temporarily restricted net assets		22,282,700	28	20,708,487
	29	Permanently restricted net assets		14,209,083	29	14,421,336
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		253,091,978	33	257,495,556
34	Total liabilities and net assets/fund balances		393,431,353	34	415,325,618	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	263,328,048
2	Total expenses (must equal Part IX, column (A), line 25)	2	248,630,898
3	Revenue less expenses Subtract line 2 from line 1	3	14,697,150
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	253,091,978
5	Net unrealized gains (losses) on investments	5	5,419,205
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-15,712,777
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	257,495,556

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

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

Additional Data

Software ID:

Software Version:

EIN: 52-0610538

Name: SHORE HEALTH SYSTEM INC

Form 990 (2016)

Form 990, Part III, Line 4a:

SEE SCHEDULE O

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			
John Dillon Chairman	1 0 4 0	X		X				0	156,456	0
Richard Loeffler Vice Chairman	1 0 3 0	X		X				0	0	0
Marlene Feldman Secretary	1 0 3 0	X		X				0	0	0
John W Ashworth Director	1 0 46 5	X						0	1,114,477	27,816
Stuart Bounds PhD Director	1 0 3 0	X						0	0	0
Myra S Butler Director	1 0 4 0	X						0	0	0
Charles Capute Director	1 0 5 0	X						0	0	0
Robert A Chrencik Director	1 0 57 5	X						0	4,241,043	24,034
Art Cecil Director	1 0 3 0	X						0	0	0
Joseph J Ciotola MD Director	1 0 3 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			
Deborah Davis MD Director	1 0 3 0	X						0	0	0
Kathy Deoudes Director	1 0 3 0	X						0	0	0
Wayne L Gardner Sr Treasurer	1 0 5 0	X		X				0	0	0
J Wayne Howard Director	1 0 3 0	X						0	0	0
Michael Joyce MD Director	1 0 3 0	X						0	0	0
Keith McMahan Director	1 0 4 0	X						0	0	0
David Milligan Director	1 0 3 0	X						0	0	0
William Noll Director	1 0 4 0	X						0	0	0
Martha Russell Director	1 0 3 0	X						0	0	0
Thomas Stauch MD Director	1 0 3 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	Average hours per week (list any hours for related organizations below dotted line)	(B) 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			
Kenneth Kozel President/CEO	20 0 27 0	X		X				1,000,127	0	21,514
Geoff Oxnam Director	1 0 4 0	X						0	0	0
JoAnne R Hahey CFO/SVP Finance	20 0 27 0			X				402,487	0	62,746
Robert Frank COO	49 0 1 0				X			351,715	0	55,819
William E Huffner CMO	20 0 0 0				X			548,487	0	76,752
Patti K Willis VP External Relations	40 0 0 0					X		297,527	0	21,147
Susan Siford Director Pharmacy	40 0 0 0					X		179,585	0	10,444
Francis G Lee VP Philanthropy	40 0 0 0					X		214,381	0	34,246
John Sawyer Sr Medical Pharmacist	40 0 0 0					X		193,749	0	130
Adam Weinstein VP Allied Chemical	40 0 0 0					X		281,064	0	56,001

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			
Walter J Zajac FORMER VP Finance	0 0 0 0						X	169,769	0	0

SCHEDULE A (Form 990 or 990-EZ)	Public Charity Status and Public Support Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust. ▶ Attach to Form 990 or Form 990-EZ. ▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990 .	OMB No 1545-0047 2016 Open to Public Inspection
	Department of the Treasury Internal Revenue Service Name of the organization SHORE HEALTH SYSTEM INC	Employer identification number 52-0610538

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 12, 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture. See instructions. Enter the name, city, and state of the college or university _____
- 10 ☐ 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.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ 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 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- 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 1-10 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, 8, or 9 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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant.")						
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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Do not include gain or loss from the sale of capital assets (Explain in Part VI.))						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						
Section C. Computation of Public Support Percentage						
14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))					14	
15 Public support percentage for 2015 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐						
b 33 1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐						
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐						
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐						
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐						

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

(Complete only if you checked the box on line 10 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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2016. 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—2015. 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 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d 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? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	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)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>	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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>	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)? <i>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.</i>	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	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))? <i>If "Yes," provide detail in Part VI.</i>	9a	
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>	9b	
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>	9c	
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>	10a	
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>	10b	

Part IV Supporting Organizations (continued)

	Yes	No
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?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)		
a	☐ The organization satisfied the Activities Test. Complete line 2 below.	
b	☐ The organization is the parent of each of its supported organizations. Complete line 3 below.	
c	☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).	
2 Activities Test Answer (a) and (b) below.		
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	
2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	
2b		
3 Parent of Supported Organizations Answer (a) and (b) below.		
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	
3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	
3b		

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

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

Section A - Adjusted Net Income

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

Section B - Minimum Asset Amount

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

Section C - Distributable Amount

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

Part V

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2016			
a			
b			
c From 2013.			
d From 2014.			
e From 2015.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2016 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2017. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b Excess from 2013.			
c Excess from 2014.			
d Excess from 2015.			
e Excess from 2016.			

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

SCHEDULE C (Form 990 or 990-EZ)	Political Campaign and Lobbying Activities For Organizations Exempt From Income Tax Under section 501(c) and section 527 ▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.	OMB No 1545-0047 2016 Open to Public Inspection
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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 SHORE HEALTH SYSTEM INC	Employer identification number 52-0610538
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000	\$1,000,000

g Grassroots nontaxable amount (enter 25% of line 1f)

h Subtract line 1g from line 1a If zero or less, enter -0-

i Subtract line 1f from line 1c If zero or less, enter -0-

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

☐ Yes ☐ No**4-Year Averaging Period Under section 501(h)**

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(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		13,405
j	Total. Add lines 1c through 1i			13,405
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).	2a	
a	Current year	2b	
b	Carryover from last year	2c	
c	Total	3	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
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?	5	
5	Taxable amount of lobbying and political expenditures (see instructions)		

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 1I THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE 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 46% AND 21 78% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND AS SUCH, THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C, PART II-B AS LOBBYING ACTIVITIES

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493131030618	
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.			OMB No 1545-0047 2016 Open to Public Inspection
Name of the organization SHORE HEALTH SYSTEM INC				Employer identification number 52-0610538	
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?				☐ Yes ☐ No
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?				☐ Yes ☐ No
Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.					
1	Purpose(s) of conservation easements held by the organization (check all that apply) ☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area ☐ Protection of natural habitat ☐ Preservation of a certified historic structure ☐ Preservation of open space				
2	Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year				
a	Total number of conservation easements	Held at the End of the Year			
b	Total acreage restricted by conservation easements	2a			
c	Number of conservation easements on a certified historic structure included in (a)	2b			
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2c			
		2d			
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►				
4	Number of states where property subject to conservation easement is located ►				
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?				☐ Yes ☐ No
6	Staff and volunteer hours devoted to monitoring, inspecting, 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)?				☐ Yes ☐ No
9	In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements				
Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" 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	► \$			
For Paperwork Reduction Act Notice, see the Instructions for Form 990.					
		Cat No 52283D		Schedule D (Form 990) 2016	

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" on Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	2,404,542	2,404,542	2,404,542	2,404,542	2,404,542
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	2,404,542	2,404,542	2,404,542	2,404,542	2,404,542

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

100 000 %

c

Temporarily restricted endowment

The percentages 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

b

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

	Yes	No
3a(i)		No
3a(ii)	Yes	
3b	Yes	

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' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		15,226,603		15,226,603
b Buildings		146,242,675	73,219,900	73,022,775
c Leasehold improvements				
d Equipment		158,027,580	104,089,107	53,938,473
e Other		3,942,098	3,750,129	191,969
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				142,379,820

Part VII

Investments—Other Securities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b.
See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b)Book value	(c)Method of valuation Cost or end-of-year market value
(1)Financial derivatives		
(2)Closely-held equity interests		
(3)Other _____		
(A) ALTERNATIVE INVESTMENTS	57,320,000	F
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	57,320,000	

Part VIII

Investments—Program Related. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c.
See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶		

Part IX

Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) ASSETS OF RELATED ORGANIZATION	78,557,925
(2) ASSETS WHOSE USE IS LIMITED	36,524,590
(3) MALPRACTICE REINSURANCE	6,004,794
(4) OTHER ASSETS	3,816,773
(5) OTHER RECEIVABLES	2,692,343
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	127,596,425

Part X

Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f.
See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes	0	
DUE TO AFFILIATES	86,318,080	
OTHER LIABILITIES	12,951,289	
MALPRACTICE	11,721,224	
ADVANCES FROM THIRD PARTY PAYORS	5,617,731	
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	116,608,324	

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

☒

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.

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

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

Supplemental Information

Return Reference	Explanation
INTENDED USES OF ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4 Memorial Hospital Foundation ENDOWMENT FUNDS ARE USED TO SUPPORT THE HEALTHCARE MISSION OF SHORE HEALTH SYSTEM INVESTMENT EARNINGS ON THE ENDOWMENT FUND ARE TRANSFERED TO TEMPORARILY RESTRICTED AND UNRESTRICTED FUNDS IN SUPPORT OF THE ORGANIZATION'S TAX EXEMPT MISSION

Supplemental Information

Return Reference	Explanation
LIABILITY FOR UNCERTAIN TAX POSITION (ASC 740)	SCHEDULE D, PART X, LINE 2 THE ORGANIZATION IS A SUBSIDIARY OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE CORPORATION) THE CORPORATION ADOPTED THE PROVISIONS OF ASC 740, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (FIN 48) ON JULY 1, 2007 THE FOOTNOTE RELATED TO ASC 740 IN THE CORPORATION'S AUDITED FINANCIAL STATEMENTS IS AS FOLLOWS THE CORPORATION FOLLOWS A THRESHOLD OF MORE-LIKELY-THAN-NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN MANAGEMENT DOES NOT BELIEVE THAT THERE ARE ANY UNRECOGNIZED TAX BENEFITS THAT SHOULD BE RECOGNIZED

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.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization

SHORE HEALTH SYSTEM INC

Employer identification number

52-0610538

Part I

Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b If "Yes," was it a written policy?	1b Yes	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year		
☒ Applied uniformly to all hospital facilities		
☐ Applied uniformly to most hospital facilities		
☐ Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care	3a Yes	
☐ 100% ☐ 150% ☒ 200% ☐ Other %		
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b Yes	
☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other 500 %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	No
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	
6a Did the organization prepare a community benefit report during the tax year?	6a Yes	
b If "Yes," did the organization make it available to the public?	6b Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,990,387		2,990,387	1 250 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			2,990,387		2,990,387	1 250 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			558,738	1,510	557,228	0 640 %
f Health professions education (from Worksheet 5)			1,533,961		1,533,961	0 640 %
g Subsidized health services (from Worksheet 6)			21,378,301		21,378,301	8 900 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			468,681		468,681	0 200 %
j Total. Other Benefits			23,939,681	1,510	23,938,171	10 380 %
k Total. Add lines 7d and 7j			26,930,068	1,510	26,928,558	11 630 %

Part II Community 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						
2 Economic development			10,997		10,997	
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			30,204		30,204	0 010 %
7 Community health improvement advocacy			664,164		664,164	0 280 %
8 Workforce development			22,984		22,984	0 010 %
9 Other						
10 Total			728,349		728,349	0 300 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
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	7,428,942	
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		
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	108,507,316
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	88,719,441
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	19,787,875
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	
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	

Part IV Management Companies and Joint Ventures

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

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

Part V Facility Information**Section A. Hospital Facilities**

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

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

2

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

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER—24 hours	ER—other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)
Reporting Group 1

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

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
a ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The significant health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☒ The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j ☐ Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6 a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	Yes
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	7	Yes
a ☒ Hospital facility's website (list url) <u>WWW.UMSHORERREGIONAL.ORG</u>		
b ☐ Other website (list url) _____		
c ☒ Made a paper copy available for public inspection without charge at the hospital facility		
d ☐ Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? If "Yes" (list url) <u>WWW.UMSHORERREGIONAL.ORG</u>	10	Yes
a		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c 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)

Reporting Group 1																																																																																								
Name of hospital facility or letter of facility reporting group																																																																																								
	<table><tr><td></td><td>Yes</td><td>No</td></tr><tr><td>Did the hospital facility have in place during the tax year a written financial assistance policy that</td><td></td><td></td></tr><tr><td>13 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</td><td>13 Yes</td><td></td></tr><tr><td>a ☒ 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 500 %</td><td></td><td></td></tr><tr><td>b ☒ Income level other than FPG (describe in Section C)</td><td></td><td></td></tr><tr><td>c ☒ Asset level</td><td></td><td></td></tr><tr><td>d ☒ Medical indigency</td><td></td><td></td></tr><tr><td>e ☒ Insurance status</td><td></td><td></td></tr><tr><td>f ☒ Underinsurance discount</td><td></td><td></td></tr><tr><td>g ☐ Residency</td><td></td><td></td></tr><tr><td>h ☒ Other (describe in Section C)</td><td></td><td></td></tr><tr><td>14 Explained the basis for calculating amounts charged to patients?</td><td>14 Yes</td><td></td></tr><tr><td>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)</td><td>15 Yes</td><td></td></tr><tr><td>a ☒ Described the information the hospital facility may require an individual to provide as part of his or her application</td><td></td><td></td></tr><tr><td>b ☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</td><td></td><td></td></tr><tr><td>c ☒ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process</td><td></td><td></td></tr><tr><td>d ☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</td><td></td><td></td></tr><tr><td>e ☐ Other (describe in Section C)</td><td></td><td></td></tr><tr><td>16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)</td><td>16 Yes</td><td></td></tr><tr><td>a ☒ The FAP was widely available on a website (list url) www.umshoreregional.org</td><td></td><td></td></tr><tr><td>b ☒ The FAP application form was widely available on a website (list url) www.umshoreregional.org</td><td></td><td></td></tr><tr><td>c ☒ A plain language summary of the FAP was widely available on a website (list url) www.umshoreregional.org</td><td></td><td></td></tr><tr><td>d ☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</td><td></td><td></td></tr><tr><td>e ☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</td><td></td><td></td></tr><tr><td>f ☒ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</td><td></td><td></td></tr><tr><td>g ☒ Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention</td><td></td><td></td></tr><tr><td>h ☒ Notified members of the community who are most likely to require financial assistance about availability of the FAP</td><td></td><td></td></tr><tr><td>i ☒ The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations</td><td></td><td></td></tr><tr><td>j ☐ Other (describe in Section C)</td><td></td><td></td></tr></table>		Yes	No	Did the hospital facility have in place during the tax year a written financial assistance policy that			13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13 Yes		a ☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 500 %			b ☒ Income level other than FPG (describe in Section C)			c ☒ Asset level			d ☒ Medical indigency			e ☒ Insurance status			f ☒ Underinsurance discount			g ☐ Residency			h ☒ Other (describe in Section C)			14 Explained the basis for calculating amounts charged to patients?	14 Yes		15 Explained the method for applying for financial assistance? 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 ☒ Described the information the hospital facility may require an individual to provide as part of his or her application			b ☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			c ☒ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			d ☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			e ☐ Other (describe in Section C)			16 Was widely publicized 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 ☒ The FAP was widely available on a website (list url) www.umshoreregional.org			b ☒ The FAP application form was widely available on a website (list url) www.umshoreregional.org			c ☒ A plain language summary of the FAP was widely available on a website (list url) www.umshoreregional.org			d ☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			e ☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			f ☒ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			g ☒ Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			h ☒ Notified members of the community who are most likely to require financial assistance about availability of the FAP			i ☒ The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			j ☐ Other (describe in Section C)		
	Yes	No																																																																																						
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j ☐ Other (describe in Section C)																																																																																								

Part V Facility Information (continued)**Billing and Collections**

Reporting Group 1

Name of hospital facility or letter of facility reporting group _____

		Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP d ☐ Actions that require a legal or judicial process e ☐ Other similar actions (describe in Section C) f ☒ None of these actions or other similar actions were permitted			
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?	19		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP d ☐ Actions that require a legal or judicial process e ☐ 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 ☒ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs b ☒ Made a reasonable effort to orally notify individuals about the FAP and FAP application process c ☐ Processed incomplete and complete FAP applications d ☒ Made presumptive eligibility determinations e ☒ Other (describe in Section C) f ☐ None of these efforts were made			

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	21	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions b ☐ The hospital facility's policy was not in writing c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d ☐ Other (describe in Section C)			

Part V Facility Information *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

Reporting Group 1

Name of hospital facility or letter of facility reporting group _____**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☒ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C

	Yes	No
22		
23		No
24		No

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, 16j, 18e, 19e, 20e, 21c, 21d, 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.

[illegible]

Part V **Facility Information** *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)How many non-hospital health care facilities did the organization operate during the tax year? **11**

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

Part VI Supplemental Information

Provide the following information

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Criteria for Free or Discounted Care	Schedule H, Part I, line 3c UNIVERSITY OF MARYLAND MEDICAL CENTER IS COMMITTED TO PROVIDING FINANCIAL ASSISTANCE TO PERSONS WHO HAVE HEALTH CARE NEEDS AND ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR A GOVERNMENT PROGRAM, OR OTHERWISE UNABLE TO PAY, FOR MEDICALLY NECESSARY CARE BASED ON THEIR INDIVIDUAL FINANCIAL SITUATION. IT IS THE POLICY OF THE UMMS ENTITIES TO PROVIDE FINANCIAL ASSISTANCE BASED ON INDIGENCE OR HIGH MEDICAL EXPENSES FOR PATIENTS WHO MEET SPECIFIED FINANCIAL CRITERIA AND REQUEST SUCH ASSISTANCE. THE FINANCIAL CLEARANCE PROGRAM POLICY IS A CLEAR, COMPREHENSIVE POLICY ESTABLISHED TO ASSESS THE NEEDS OF PARTICULAR PATIENTS THAT HAVE INDICATED A POSSIBLE FINANCIAL HARDSHIP IN OBTAINING AID WHEN IT IS BEYOND THEIR FINANCIAL ABILITY TO PAY FOR SERVICES RENDERED. Shore Regional Health MAKES EVERY EFFORT TO MAKE FINANCIAL ASSISTANCE INFORMATION AVAILABLE TO OUR PATIENTS INCLUDING, BUT NOT LIMITED TO: -SIGNAGE IN MAIN ADMITTING AREAS AND EMERGENCY ROOMS OF THE HOSPITAL -Shore Regional Health WEBSITE -PATIENT HANDBOOK DISTRIBUTED TO ALL PATIENTS -BROCHURES EXPLAINING FINANCIAL ASSISTANCE ARE MADE AVAILABLE IN ALL PATIENT CARE AREAS -PATIENT PLAIN LANGUAGE SHEETS - NEWLY REVISED IN JUNE 2016, THIS HANDOUT WAS REVISED AND IS AT THE 5TH GRADE READING LEVEL (AVAILABLE IN ENGLISH, SPANISH, FRENCH, & CHINESE BASED ON TOP LANGUAGES SPOKEN BY Shore Regional Health PATIENTS) -APPEARING IN PRINT MEDIA THROUGH LOCAL NEWSPAPERS

990 Schedule H, Supplemental Information

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

990 Schedule H, Supplemental Information

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

990 Schedule H, Supplemental Information

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

990 Schedule H, Supplemental Information

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Methodology Used by the Organization to Estimate Bad Debt Expense	Schedule H, Part III, lines 2 & 3 IN MARYLAND, THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) STARTED SETTING HOSPITAL RATES IN 1974 AT THAT TIME, THE HSCRC APPROVED RATES APPLIED ONLY TO COMMERCIAL INSURERS IN 1977, THE HSCRC NEGOTIATED A WAIVER FROM MEDICARE HOSPITAL PAYMENT RULES FOR MARYLAND HOSPITALS TO BRING THE FEDERAL MEDICARE PAYMENTS UNDER HSCRC CONTROL IN 2014, MARYLAND'S WAIVER WITH MEDICARE WAS RENEGOTIATED AND UPDATED TO REFLECT THE CURRENT HEALTHCARE ENVIRONMENT UNDER THIS NEW WAIVER, SEVERAL CRITERIA WERE ESTABLISHED TO MONITOR THE SUCCESS OF THE SYSTEM IN CONTROLLING HEALTHCARE COSTS AND THE CONTINUANCE OF THE WAIVER ITSELF 1 REVENUE GROWTH PER CAPITA 2 MEDICARE HOSPITAL REVENUE PER BENEFICIARY 3 MEDICARE ALL PROVIDER REVENUE GROWTH PER BENEFICIARY 4 MEDICARE READMISSION RATES 5 HOSPITAL ACQUIRED CONDITION RATE Bad Debt Expense Footnote on Audited Financial Statements Schedule H, Part III, Line 4 For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for bad debts, allowance for contractual adjustments, provision for bad debts, and contractual adjustments on accounts for which third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of the amounts due unlikely For receivables associated with self-pay patients or balances remaining after third-party coverage has already paid, the Corporation records a significant provision for bad debts in the period of service on the basis of its historical collections, which indicates that many patients ultimately do not pay the portion of their bill for which they are financially responsible The difference between the discounted rates and the amounts collected after all reasonable collection efforts have been exhausted is charged off against the allowance for Bad Debts

990 Schedule H, Supplemental Information

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Collection Practices	Schedule H, Part III, Line 9b IT IS THE POLICY OF SHORE HEALTH SYSTEM TO WORK WITH OUR PATIENTS TO IDENTIFY AVAILABLE RESOURCES TO PAY FOR THEIR CARE ALL PATIENTS PRESENTING AS SELF PAY AND REQUESTING CHARITY RELIEF FROM THEIR BILL WILL BE SCREENED AT ALL POINTS OF ENTRY, FOR POSSIBLE COVERAGE THROUGH STATE PROGRAMS AND A PROBABLE DETERMINATION FOR COVERAGE FOR EITHER MEDICAL ASSISTANCE OR FINANCIAL ASSISTANCE (CHARITY CARE) FROM THE HOSPITAL IS IMMEDIATELY GIVEN TO THE PATIENT THE PROCESS IS RESOURCE INTENSIVE AND TIME CONSUMING FOR PATIENTS AND THE HOSPITAL, HOWEVER, IF PATIENTS QUALIFY FOR ONE OF THESE PROGRAMS, THEN THEY WILL HAVE HEALTH BENEFITS THAT THEY WILL CARRY WITH THEM BEYOND THEIR CURRENT HOSPITAL BILLS, AND ALLOW THEM TO ACCESS PREVENTIVE CARE SERVICES AS WELL SHORE HEALTH SYSTEM WORKS WITH A BUSINESS PARTNER WHO WILL WORK WITH OUR PATIENTS TO ASSIST THEM WITH THE STATE ASSISTANCE PROGRAMS, WHICH IS FREE TO OUR PATIENTS IF A PATIENT DOES NOT QUALIFY FOR MEDICAID OR ANOTHER PROGRAM, SHORE HEALTH SYSTEM OFFERS OUR FINANCIAL ASSISTANCE PROGRAM SHORE HEALTH SYSTEM POSTS NOTICES OF OUR POLICY IN CONSPICUOUS PLACES THROUGHOUT THE HOSPITALS, HAS INFORMATION WITHIN OUR HOSPITAL BILLING BROCHURE, EDUCATES ALL NEW EMPLOYEES THOROUGHLY ON THE PROCESS DURING ORIENTATION, AND DOES A YEARLY RE-EDUCATION TO ALL EXISTING STAFF ALL STAFF HAVE COPIES OF THE FINANCIAL ASSISTANCE APPLICATION, BOTH IN ENGLISH AND SPANISH, TO SUPPLY TO PATIENTS WHO WE DEEM, AFTER SCREENING, TO HAVE A NEED FOR ASSISTANCE SHORE HEALTH SYSTEM HAS A DEDICATED FINANCIAL ASSISTANCE LIAISON TO WORK WITH OUR PATIENTS TO ASSIST THEM WITH THIS PROCESS AND EXPEDITE THE DECISION PROCESS Shore Regional Health (SRH) MAKES EVERY EFFORT TO MAKE FINANCIAL ASSISTANCE INFORMATION AVAILABLE TO OUR PATIENTS INCLUDING, BUT NOT LIMITED TO -SIGNAGE IN MAIN ADMITTING AREAS AND EMERGENCY ROOMS OF THE HOSPITAL -Shore Regional Health (SRH) WEBSITE -PATIENT HANDBOOK DISTRIBUTED TO ALL PATIENTS -BROCHURES EXPLAINING FINANCIAL ASSISTANCE ARE MADE AVAILABLE IN ALL PATIENT CARE AREAS -PATIENT PLAIN LANGUAGE SHEETS - NEWLY REVISED IN JUNE 2016, THIS HANDOUT WAS REVISED AND IS AT THE 5TH GRADE READING LEVEL (AVAILABLE IN ENGLISH, SPANISH, FRENCH & CHINESE BASED ON TOP LANGUAGES SPOKEN BY Shore regional health PATIENTS) -APPEARING IN PRINT MEDIA THROUGH LOCAL NEWSPAPERS

Form and Line Reference	Explanation
Community Health Care Needs Assessment	Schedule H, Part VI, line 2 UM Shore Regional Health (SRH) conducted a Community Health Needs Assessment (CHNA) for the five counties of Maryland's Mid-Shore: Talbot, Caroline, Queen Anne's, Dorchester, and Kent. The health needs of our community were identified through a process which included collecting and analyzing primary and secondary data. In particular, the CHNA includes primary data from Talbot, Caroline, Dorchester, Kent, Queen Anne's Health Departments and the community at large. Additionally, Shore Regional Health is a participating member of the Mid-Shore SHIP coalition, where we are partnering with other community stakeholders invested in improving the community's overall health. Members of the Mid-Shore SHIP coalition include community leaders, county government representatives, local non-profit organizations, local health providers, and members of the business community. Feedback from customers includes data collected from surveys, advisory groups and from our community outreach and education sessions. Secondary data resources referenced to identify community health needs include County Health Rankings (http://www.countyhealthrankings.org), Maryland Department of Health and Mental Hygiene's State Health Improvement Process (SHIP) (http://dhmh.maryland.gov/ship/), the Maryland ChartBook of Minority Health and Minority Health Disparities (http://dhmh.maryland.gov/mhhd/Documents/2ndResource_2009.pdf), Shore Regional Health participates on the University of Maryland Medical System (UMMS) Community Health Improvement Committee (to study demographics, assess community health disparities, inventory resources and establish community benefit goals for both UM Shore Regional Health and UMMS). UM Shore Regional Health consulted with community partners and organizations to discuss community needs related to health improvement and access to care. The following list of partner agencies meets on a quarterly basis as members of the Mid-Shore SHIP coalition: -Choptank Community Health Systems, Dr. Jonathan Moss, CMO -Caroline County Minority Outreach Technical Assistance, Janet Fountain, Program Manager -Talbot County Local Management Board, Donna Hacker, Executive Director -Partnership for Drug Free Dorchester, Sandy Wilson, Program Director -Caroline County Community Representative, Margaret Jopp, Family Nurse Practitioner -Eastern Shore Area Health Education Center, Jake Frego, Executive Director -Kent County Minority Outreach Technical Assistance, Dora Best, Program Coordinator -YMCA of the Chesapeake, Deanna Harrell, Executive Director -University of MD Extension, Sara Rich, Executive Director -Kent County Local Management Board, Hope Clark, Executive Director -Kent County Department of Juvenile Services, William Clark, Director -Coalition Against Tobacco Use, Carolyn Brooks, Member -Mt. Olive AME Church, Rev. Mary Walker -Mid-Shore Mental Health Systems, Holly Ireland, LCSW-C, Executive Director -Associated Black Churches, Ashyria Dotson, Program Director -Queen Anne County Housing and Family Services, Mike Clark, Executive Director -Queen Anne County Health Department, Joseph Crotola, MD -Dorchester County Health Department, Roger L. Harrell, Health Officer -Talbot County Health Department, Thomas McCarty, Health Officer -Caroline County Health Department, Dr. Leland Spencer, House Officer -UMC at Easton, Kathleen McGrath, Regional Director of Outreach -UMC at Chestertown, Cindy Bach, Director. Transitions in Care. Shore Regional Health hosted a series of community listening forums to gather community input for a regionalization study that explores the benefits of a regional approach to providing health care for Caroline, Dorchester, Kent, Queen Anne's and Talbot counties. In addition, Shore Health meets quarterly with members of the local health departments and community leaders, including: -Choptank Community Health System, Joseph Sheehan -Health Departments -Health Officers -Mid-Shore Mental Health Systems, Holly Ireland -Eastern Shore Hospital Center, Randy Bradford. In addition, the following agencies/organizations are referenced in gathering information and data: -Maryland Department of Health and Mental Hygiene -Maryland Department of Planning -Maryland Vital Statistics Administration -HealthStream, Inc. -County Health Rankings -Mid-Shore Comprehensive Economic Development Strategy CEDS. Our CHNA identified the following list of priorities for our community: 1. Cancer 2. Obesity 3. Access to Care 4. Behavioral Health 5. Diabetes. Maryland Health Care Commission (MHCC) Rural Health Study. During the 2016 Legislative Session, Senate Bill 707, Freestanding Medical Facilities- Certificate of Need, Rates and Definition (SB 707), passed into law and was signed by the Governor on May 10, 2016. The legislation established a workgroup on rural health care delivery to oversee a study of healthcare delivery in the Middle Shore region and to develop a plan for meeting the health care needs of the five counties -- Caroline

Form and Line Reference	Explanation
Community Health Care Needs Assessment	e, Dorchester, Kent, Queen Annes and Talbot The purpose of the study was to assess the health care of the residents of the five-county study area and the capacities of the health system in the region, and propose options for enhancing health and health care delivery on the Mid-Shore The research team was asked to consider (1) the limited availability of health care providers and services, (2) the special needs of vulnerable populations, including the frail and elderly, racial and ethnic minorities, immigrants and patients with persistent behavioral illnesses, (3) barriers to access caused by transportation limitations, and (4) the economic impact of closures, partial closures or conversions of health care facilities The Summary Report provides highlights of findings from all components of the study and integrates them into key recommendations Methods and findings are detailed for review at http://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/rural_health/September%2025th%202017%20Meeting/lgsrpt_%20ExecutiveSummary_rpt_20170928.pdf The University of Maryland Medical System in partnership with UM Shore Regional Health as members of the Rural Health Care Delivery Workgroup produced a white paper, Commitment to Meeting the Health Care Needs of Our Vulnerable Rural Communities This paper explores concerns about the unique needs of rural hospitals and communities and can be accessed at http://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/rural_health/July%2025th%202017%20Meeting/LGS_RPT_Shore_White_Paper_rpt20170523.pdf

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
Description of Community Served	Schedule H, Part VI, line 4 Situated on Maryland's Eastern Shore, Shore Regional Health's three hospitals, University of Maryland Medical Center at Easton (UMC at Easton), University of Maryland Medical Center at Dorchester (UMC at Dorchester), University of Maryland Medical Center at Chestertown (UMC at Chestertown) are not for profit hospitals offering a complete range of inpatient and outpatient services to over 170,000 people throughout the Mid-Shore of Maryland. Shore Regional Health's service area is defined as the Maryland counties of Caroline, Dorchester, Talbot, Queen Annes and Kent. UMC at Easton is situated at the center of the mid-shore area and thus serves a large rural geographical area (all 5 counties of the mid-shore). UMC at Dorchester is located approximately 18 miles from Easton and primarily serves Dorchester County and portions of Caroline County. UMC at Chestertown located in Chestertown, in Kent County merged with Shore Regional Health in July 2013. UMC at Chestertown serves the residents of Kent County, portions of Queen Annes and Caroline Counties and the surrounding areas. The five counties of the Mid-Shore comprise 20% of the landmass of the State of Maryland and 2% of the population. The entire region has over 4,400 employers with nearly 45,000 workers. Only 50 of those employers employ 100 or more workers. Almost 85% of employers in this rural region are manufacturing firms, which require workers with high-level technology skills as well as low-skilled workers. (96% of adults have less than a 9th grade education and another 96% have an education at the 9th -12th grade level but do not have a high school diploma). The service industry is growing rapidly as the local population shifts to include more senior adults who retire to this beautiful area of the State. Although the seafood industry continues to be important to the region, it is fast becoming an endangered species. The economic condition varies significantly throughout the region, especially for Caroline, Dorchester, and Kent Counties. It should be noted that Talbot County appears to have a significantly higher median income than Caroline and Dorchester, however, a large percentage of the population has incomes in line with those of Caroline and Dorchester. The figures for Talbot are somewhat skewed due to large incomes of a few individual families and high net worth individuals. Shore Regional Health's service area has a higher percentage of population aged 65 and older as compared to Maryland overall. Talbot County has a 27.2% rate for this age group and Kent County has 25.3% of its residents age 65 years or older. These rates are 65% higher than Maryland's percentage, and higher than other rural areas in the state by almost a quarter. Today, more than two-thirds of all health care costs are for treating chronic illnesses. Among health care costs for older Americans, 95% are for chronic diseases. The cost of providing health care for one person aged 65 or older is three to five times higher than the cost for someone younger than 65. Source: http://www.cdc.gov/features/agingandhealth/state_of_aging_and_health_in_america_2013.pdf Hoffman C, Rice D, Sung HY. Persons with chronic conditions: their prevalence and costs. JAMA. 1996;276(18):1473-1479. While progress is being made, the Mid-Shore economy still faces a myriad of challenges that include limited access to affordable high speed broadband services, a shortage of affordable housing, an inadequate supply of skilled workers, low per capita income, and more layoffs in the manufacturing sector. (Source: Mid Shore Comprehensive Economic Development Strategy CEDS). County Health Rankings for the Mid-Shore counties also reveal the large disparities between counties for health outcomes in the service area. The Mid-Shore Region has 26,203 minority persons, representing 25.3% of the total population. In terms of healthcare, large disparities exist between Black or African Americans and Whites as reported by the Office of Minority Health and Health Disparities, DHMH. For emergency department (ED) visit rates for diabetes, asthma and hypertension, the Black or African American rates are typically 3- to 5 fold higher than White rates. Adults at a healthy weight is lower (worse) for Black or African Americans in all three counties where Black or African American data could be reported. Heart disease mortality Black or African American rates are variously higher or lower compared to White rates in individual counties. In Caroline, the Black or African American rate is lower than the White rates not because the Black or African American rate is particularly low, but because the White rate is unusually high. For cancer mortality, Black or African American rates exceed White rates in Dorchester, Kent, Queen Annes and Talbot. In Caroline, Black or African American rates are lower, again because of a rather high White rate. The Black or African American rates and White rates are below the State.

Form and Line Reference	Explanation
Description of Community Served	Health Improvement Process (SHIP) goals Source http //www dhmm maryland gov/ship http //dhmm maryland gov/mhhd/Documents/Maryland-Black-or-African-American-Data-Report-December-2013.pdf Overall, Queen Annes County ranks 5th, Talbot County ranks 7th, Dorchester ranks 23th, Caroline ranks 21rd, Kent ranks 18th (out of 24 counties including Baltimore City) in health outcomes that indicate the overall health of the county (Source http //www countyhealthrankings org/maryland/ 2017) UMC at Eatons Primary Service Area 21601, 21613, 21 629, 21632, 21655, 21639, 21643 UMC at Dorchesters Primary Service Area 21613, 21643, 216 31 UMC at Chestertowns Primary Service Area 21620,21661,21651,21678 Community Benefit Ser vice Area (CBSA) Target Population 170,000+ Talbot County Total Population 37,278 Male 47 4%, Female 52 6% White, Not Hispanic (NH) 83 3% Black, NH 13 0% Hispanic 6 6% Asian , NH 1 4% American Indian, NH 0 4% Median Age 43 3 Median Household Income \$58,228 Dor chester County Total Population 32,258 Male 47 5%, Female 52 5% White, Not Hispanic (NH) 67 4% Black, NH 28 7% Hispanic 5 3% Asian, NH 1 2% American Indian, NH 0 5% Median Age 40 7 Median Household Income \$47,093 Caroline County Total Population 32,850 Male 48 8%, Female 51 2% White, Not Hispanic (NH) 81 3% Black, NH 14 0% Hispanic 7 2% Asian , NH 1 1% American Indian, NH 0 3% Median Age 37 Median Household Income \$52,465 Queen Annes County Total Population 48,929 Male 49 7%, Female 50 3% White, Not Hispanic (NH) 89 7% Black, NH 6 6% Hispanic 3 6% Asian, NH 0 5% American Indian, NH 0 3% Median Age 38 8 Median Household Income \$85,963 Kent County Total Population 19,730 Male 47 9%, Female 52 1% White, Not Hispanic (NH) 81 3% Black, NH 15 3% Hispanic 4 5% Asian, NH 1 2% American Indian, NH 0 3% Median Age 45 6 Median Household Income \$58,145 (Source http //quickfacts census gov/) Percentage of households with incomes below the federal pov erty guidelines within the CBSA Talbot 10 4%, Dorchester 18 1%, Caroline 14 4%, Queen Ann es 7 2%, Kent 14 8% Source https //www census gov/quickfacts/fact/table/US Percentage of uninsured people by County within the CBSA Talbot 11%, Dorchester 10%, Caroline 13%, Queen n Annes 6%, Kent 9% Source http //www towncharts com/Maryland/Maryland-state-Healthcare-d ata.html Percentage of Medicaid recipients by County within the CBSA Talbot 11%, Dorchest er 19%, Caroline 18%, Queen Annes 9%, Kent 14% Source http //www towncharts com/Maryland/ Maryland-state-Healthcare-data.html Life Expectancy by County within the CBSA Talbot Coun ty All Races 80 8 White 81 6, Black 76 5 Dorchester County All Races 77 6, White 78 2, B lack 75 7 Caroline County All Races 76 1, White 76 3, Black 75 4 Queen Annes County All Races 79 6, White 79 7, Black 77 2 Kent County All Races 79 5, White 80 6, Black 74 5 (So urce http //dhmm maryland gov) Mortality Rates by County within the CBSA (Age adjusted ra tes per 100,000 population) Talbot County All Races 1228 9, White 1340 7, Black 1129 3 D orchester County All Races 1222 8, White 1418 0, Black 1005 8 Caroline County All Races 1009 9, White 1095 4, Black 971 1 Queen Annes County All Races 799 5, White 824 7, Black 883 9 Kent County All Races 1248 3, White 1303 9, Black 1373 4 (Source http //dhmm maryland gov/vsa/Documents/13annual.pdf) Access to healthy food, Population that is Food Insec ure Talbot County 10 5% Dorchester County 15 8% Caroline County 12 1% Queen Annes Coun ty 7 5% Kent County 11 5% (Source URL http //www mdfoodsystemmap org) Quality of Housi ng Home Ownership Rate Talbot County 68 6% Dorchester County 65 6% Caroline County 70 5% Queen Annes County 83 8% Kent County 71 9% Caroline County There is a lack of Section 8 Rental Assistance housing in Caroline County At the present time, only about one- thir d of the demand has been filled Total Housing units 13,482 Homeownership rate, 70 5% Medi an value of owner-occupied housing units

Form and Line Reference	Explanation
Promoting the Health of the Community	Schedule H, Part VI, line 5 The analysis of local data indicated that diabetes, heart disease, cancer, behavioral health and access to care were all health improvement priorities for the Mid-Shore. After careful review of County health data, the Mid-Shore SHIP Coalition prioritized the potential health improvement areas and decided to focus the Coalitions efforts on three areas: (1) adolescent obesity, (2) adolescent tobacco use, and (3) diabetes related emergency department visits. The Coalition is committed to examining what evidence-based initiatives can improve the county's health in these three areas related to racial, ethnic and other demographic and geographic-related health disparities. Maryland's State Health Improvement Process (SHIP) provides a framework for continual progress toward a healthier Maryland. Maryland's State Health Improvement Process (SHIP) began with national, state and local data being reviewed and analyzed by the Maryland Department of Health and Mental Hygiene (DHMH) Office of Population Health as well as by the 5 Departments of Health (Talbot, Caroline, Dorchester, Queen Annes, Kent). It has three main components: accountability, local action and public engagement. SHIP includes 39 measures that provide a framework to improve the health of Maryland residents. Twenty-eight of the measures have been identified as critical racial/ethnic health disparities. Each measure has a data source and a target, and where possible, can be assessed at the county level. UM SRHs priorities are aligned with the Maryland State Health Improvement Process vision areas and those objectives outlined by the local health improvement coalition. UM SRHs Priorities: 1. Chronic Diseases (obesity, hypertension, diabetes, smoking) 2. Behavioral Health 3. Access to Care 4. Cancer 5. Outreach & Education (preventive care, screenings, health literacy). Several additional topic areas were identified by the CHNA Steering Committee including: safe housing, transportation, and substance abuse. The unmet needs not addressed by UM SRH will continue to be addressed by key governmental agencies and existing community-based organizations. While UM SRH will focus the majority of our efforts on the identified priorities outlined in the CHNA Action Plan, we will review the complete set of needs identified in the CHNA for future collaboration and work. These areas, while still important to the health of the community, will be met through other health care organizations with our assistance as available. Initiative 1 Identified Need: Chronic Disease Management. How was the need identified? Identified through the CHNA process. Hospital Initiative: UMSRH Population Health Management. Enhanced transitions in care. A. Shore Wellness Partner-Community Case Management & B. Follow-up Clinic. Both programs address high utilizing patients who are not connected to ongoing primary care. -Chronically ill patients with typical, long standing combinations of diabetes, CHF, COPD, and/or kidney disease who are prescribed between 5 and 15 medications. -Rural patients with long travel times to care providers and who often do not have access to information technology resources. http://dhmh.maryland.gov/ship/SitePages/Home. Primary Objective of Initiative: -Identify follow-up needs from community resources. -Reduce readmissions during the transitional period related to Chronic Disease Management. -Diabetes-related readmission/revisits. -Congestive Heart Failure-related readmissions/revisits. -Hypertension-related readmissions/revisits. -COPD-related readmissions/revisits. -Chronic Kidney Disease-related readmissions/revisits. -Provide assessment of dietary status and educational needs. -Provide assessment of safe medication use/educational needs/financial assistance needs. -Provide transitional case management services. Total number of people within target population: Patients with sub-acute mental illness, social isolation, and/or limited family support who need assistance in making healthcare decisions that provide the best care in the best venue. Residents of Talbot, Caroline, Dorchester, Kent have a higher rate than the HP 2020 goal rate of related emergency department visits for these chronic diseases. Target population: 7,000 people. Total Number of People Reached by the Initiative within the Target Population: A. Shore Wellness Partners: 1,384 home visits. B. Follow up Clinic: 3,919 patients (775 patients had more than one encounter). Key Collaborators in Delivery of the Initiative: -Physician practices (owned by hospital/health system). -Physician practices (not wholly or partially owned by the hospital). -Queen Anne County Mobile Integrated Community Health Program. -Upper Shore Aging, Inc. Maryland Access Point. -Maintaining Active Citizens, Inc. -Coastal Hospice & Palliative Care. -Compass Regional Hospice. -Talbot Hospice. -Talbot County Health Department/Adult Evaluation and Review Services. -Queen Anne County Health Department/Adult Evaluation and Review Services.

Form and Line Reference	Explanation
Promoting the Health of the Community	-Caroline County Health Department/ Adult Evaluation and Review Services -Dorchester County Health Department/ Adult Evaluation and Review services -Talbot County Senior Center -Caroline County Senior Center -Choptank Community Health-Federalburg/Denton -Choptank Community Health- Fasset Magee Branch -Shore Home Care, Inc -Shore Wellness Partners -Amedysis Home Health, Inc -Home Call Home Health -Bright Star Home Health -Hills Drug Store, Inc - Key Collaborator Organization -Integrace Bayleigh Chase -The Pines, Genesis -Briton Woods of Denton -Caroline Nursing Home -Mallard Bay -Chesapeake Woods -Autumn Lake -Shore Nursing & Rehab Impact of hospital initiative Community resources engaged as appropriate based on patient-specific needs Multiple health care referrals generated in order to provide the safest patient care Reduction in high utilization or population at high risk for readmission on Evaluation of outcome Shore Wellness Partners metrics 1,032 Nurse home visits 352 Social workers home visits Follow up Clinic Metrics # of patients 3,919 (775 patients had more than one encounter) # of referrals (direct referrals) 54 referrals to Upper Shore Aging (serving Talbot, Kent, Caroline), 24 referrals to Maintaining Active Citizens, Inc (serving Dorchester), 9 referrals to Queen Anne County Department of Aging 53 people to the Queen Anne County Mobile Integrated Community Health Program Continuation of Initiative Yes, However, SRH is developing a more robust and holistic transitions of care program that will provide systematic referrals and complex case management of high risk patients based on best practices Shore Wellness Partners social work program will continue to offer financial and social services to support the newly developed Transitions of Care Program Total Cost of Initiative \$ 377,942 (includes staff salary and supplies Does not include indirect overhead) Initiative 2 Identified Need Health Priority #2 Behavioral Health, Priority #3 Access to Care The rate of emergency department visits related to mental health disorders* (per 100,000 population) Mental health problems can place a heavy burden on the healthcare system, particularly when persons in crisis utilize emergency departments instead of other sources of care when available How was the need identified Identified through the CHNA process Name of hospital initiative Behavioral Health Bridge Clinic The Bridge Clinic serves patients discharged from the behavioral health inpatient unit who are unable to access psychiatric care from community due to shortage of psychiatric providers Total number of people within target population 600-700 patients discharged from SRH inpatient psychiatric care require specialized follow-up including case management, therapy, and support/education Total number of people reached by the initiative Persons Served 205 Primary objective of initiative Enhance service continuity between inpatient and community behavioral health care through better access to services and more innovations in the service delivery model Reduce recidivism of patients with mental health issues in both the ED and Psychiatric Inpatient Unit Single or multi-year plan Multi Year, Oct 2015-present Key collaborators in delivery Mid-Shore Behavioral Health System Eastern Shore Crisis Response Physician practices Local Health Depts Impact of hospital initiative The first full year of operation for the Bridge Clinic was successful in reducing readmission rates to the hospital's inpatient psychiatric unit 24-48 hour access was made available for urgent appointments Active case management including telephonic follow-up and weekly support groups were provided Evaluation of outcomes -962 follow-up interventions were provided to 205 patients Inpatient readmissions trended down for the 12 month period from July 2016 to June 2017 -First quarter of operation average readmission rate 12% compared to final quarter of FY17 average readmission rate 1%

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Affiliated Health Care SYstem Roles	Schedule H, Part VI, Line 6 AS PART OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS), Shore Regional Health UNDERSTANDS THAT HEALTH CARE GOES BEYOND THE WALLS OF THE HOSPITAL AND INTO THE COMMUNITY IT SERVES UMMS HOSPITALS ARE COMMITTED TO STRENGTHENING THEIR NEIGHBORING COMMUNITIES IN DOING SO, Shore Regional Health ASSESSES THE COMMUNITY'S HEALTH NEEDS, IDENTIFIES KEY PRIORITIES, AND RESPONDS WITH SERVICES, PROGRAMS AND INITIATIVES WHICH MAKE A POSITIVE, SUSTAINED IMPACT ON THE HEALTH OF THE COMMUNITY WITH REPRESENTATION FROM ALL UMMS HOSPITALS, THE MEDICAL SYSTEM'S COMMUNITY HEALTH IMPROVEMENT COUNCIL COORDINATES THE EFFECTIVE AND EFFICIENT UTILIZATION AND DEPLOYMENT OF RESOURCES FOR COMMUNITY-BASED ACTIVITIES AND EVALUATES HOW SERVICES AND ACTIVITIES MEET TARGETED COMMUNITY NEEDS WITHIN DEFINED GEOGRAPHIC AREAS Shore regional health IS COMMITTED TO HEALTH EDUCATION, ADVOCACY, COMMUNITY PARTNERSHIPS, AND ENGAGING PROGRAMS WHICH FOCUS ON HEALTH AND WELLNESS WITH THE GOAL OF ELIMINATING HEALTH CARE DISPARITIES IN OUR COMMUNITY

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

Additional Data

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

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

Section A. Hospital Facilities		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
(list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? 2											
Name, address, primary website address, and state license number											
1	THE MEMORIAL HOSPITAL AT EASTON 219 S WASHINGTON STREET EASTON, MD 21601 www.umshoreregional.org 20-003	X	X					X			1
2	Dorchester General Hospital 300 Byrn Street Cambridge, MD 21613 www.umshoreregional.org 09-002	X	X					X			1

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, 16j, 18e, 19e, 20e, 21c, 21d, 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	Narrative responses to all questions in Part V apply to all hospitals identified in Part V , Section A Schedule H, Part V, SEction B LINE 5 - SHORE REGIONAL HEALTH (SRH) CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR THE FIVE COUNTIES OF MARYLAND'S MID-SHORE TALBOT, CAROLINE, QUEEN ANNE'S, DORCHESTER, AND KENT THE COMMUNITY HEALTH NEEDS ASSESMEN T WAS COMPLETED ON MAY 12, 2015, ON WHICH DATE IT WAS APPROVED BY THE BOARD OF DIRECTORS A ND IMPLEMENTED THE HEALTH NEEDS OF OUR COMMUNITY WERE IDENTIFIED THROUGH A PROCESS WHICH INCLUDED COLLECTING AND ANALYZING PRIMARY AND SECONDARY DATA IN PARTICULAR, THE CHNA INCL UDES PRIMARY DATA FROM TALBOT, CAROLINE, DORCHESTER, KENT, QUEEN ANNE'S HEALTH DEPARTMENTS AND THE COMMUNITY AT LARGE ADDITIONALLY, SHORE REGIONAL HEALTH IS A PARTICIPATING MEMBER OF THE MID-SHORE SHIP COALITION, WHERE WE ARE PARTNERING WITH OTHER COMMUNITY STAKEHOLDER S INVESTED IN IMPROVING THE COMMUNITY'S OVERALL HEALTH MEMBERS OF THE MID-SHORE SHIP COAL ITION INCLUDE COMMUNITY LEADERS, COUNTY GOVERNMENT REPRESENTATIVES, LOCAL NON-PROFIT ORGAN IZATIONS, LOCAL HEALTH PROVIDERS, AND MEMBERS OF THE BUSINESS COMMUNITY FEEDBACK INCLUDES DATA COLLECTED FROM SURVEYS, ADVISORY GROUPS AND FROM OUR COMMUNITY OUTREACH AND EDUCATIO N SESSIONS SHORE REGIONAL HEALTH PARTICIPATES ON THE UNIVERSITY OF MARYLAND MEDICAL SYSTE M (UMMS) SYSTEM COMMUNITY HEALTH IMPROVEMENT COMMITTEE TO STUDY DEMOGRAPHICS, ASSESS COMMU NITY HEALTH DISPARITIES, INVENTORY RESOURCES AND ESTABLISH COMMUNITY BENEFIT GOALS FOR BOT H SHORE REGIONAL HEALTH SYSTEM AND UMMS SHORE REGIONAL HEALTH CONSULTED WITH COMMUNITY PA RTNERS AND ORGANIZATIONs TO DISCUSS COMMUNITY NEEDS RELATED TO HEALTH IMPROVEMENT AND ACCE SS TO CARE THE FOLLOWING LIST OF PARTNER AGENCIES MEETS ON A QUARTERLY BASIS AS MEMBERS O F THE MID-SHORE SHIP COALITION (BELOW IS MEMBERSHIP ROSTER, REPRESENTATIVE VARIES DEPENDIN G UPON TOPIC/AGENDA AND AVAILABILITY) - CHOPTANK COMMUNITY HEALTH SYSTEMS, DR JONATHAN M OSS, CMO - CAROLINE COUNTY MINORITY OUTREACH TECHNICAL ASSISTANCE, JANET FOUNTAIN, PROGRAM MANAGER - TALBOT COUNTY LOCAL MANAGEMENT BOARD DONNA HACKER, EXECUTIVE DIRECTOR - PARTNER SHIP FOR DRUG FREE DORCHESTER, DONALD HALL, PROGRAM DIRECTOR - CAROLINE COUNTY COMMUNITY R EPRESENTATIVE, MARGARET JOPP, FAMILY NURSE PRACTITIONER - EASTERN SHORE AREA HEALTH EDUCAT ION CENTER, JAKE FREGO, EXECUTIVE DIRECTOR - KENT COUNTY MINORITY OUTREACH TECHNICAL ASSIS TANCE, DORA BEST, PROGRAM COORDINATOR - YMCA OF THE CHESAPEAKE, DEANNA HARRELL, EXECUTIVE DIRECTOR - UNIVERSITY OF MD EXTENSION, ALY VALENTINE, EXECUTIVE DIRECTOR - KENT COUNTY LOC AL MANAGEMENT BOARD, HOPE CLARK, EXECUTIVE DIRECTOR - KENT COUNTY DEPARTMENT OF JUVENILE S ERVICES, WILLIAM CLARK, DIRECTOR - COALITION AGAINST TOBACCO USE, CAROLYN BROOKS, MEMBER - MT OLIVE AME CHURCH, REV MARY WALKER - MID- SHORE MENTAL HEALTH SYSTEMS, HOLLY IRELAND LCSW-C, EXECUTIVE DIRECTOR - ASSOCIATED BLACK CHARITIES, ASHYRIA DOTSON, PROGRAM DIRECTOR - QUEEN ANNE COUNTY HOUSING AN

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, 16j, 18e, 19e, 20e, 21c, 21d, 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	D FAMILY SERVICES, MIKE CLARK, EXECUTIVE DIRECTOR - QUEEN ANNE COUNTY HEALTH DEPARTMENT, JOSEPH CIOTOLA MD - DORCHESTER COUNTY HEALTH DEPARTMENT, ROGER L. HARRELL, HEALTH OFFICER - TALBOT COUNTY HEALTH DEPARTMENT, FREDIA WADLEY MD, HEALTH OFFICER - CAROLINE COUNTY HEALTH DEPARTMENT, DR. LELAND SPENCER, HOUSE OFFICER - SRH, KATHLEEN MCGRATH, REGIONAL DIRECTOR OF OUTREACH - SRH, WILLIAM ROTH, REGIONAL DIRECTOR - CARE TRANSITIONS SHORE REGIONAL HEALTH HOSTED A SERIES OF COMMUNITY LISTENING FORUMS IN CAROLINE, DORCHESTER, KENT, QUEEN ANNE'S AND TALBOT COUNTIES TO GATHER COMMUNITY INPUT. IN ADDITION, SHORE REGIONAL HEALTH MEETS QUARTERLY WITH MEMBERS OF THE LOCAL HEALTH DEPARTMENTS AND COMMUNITY LEADERS, INCLUDING - CHOPTANK COMMUNITY HEALTH SYSTEM JOSEPH SHEEHAN, CEO, JONATHAN MOSS, CMO HEALTH DEPARTMENTS HEALTH OFFICERS - LELAND SPENCER, MD - KENT COUNTY AND CAROLINE COUNTY - ROGER L. HARRELL, MHA, DORCHESTER COUNTY HEALTH DEPARTMENT - JOSEPH CIOTOLA MD -DHMH QUEEN ANNE'S COUNTY - FREDIA WADLEY MD, TALBOT COUNTY HEALTH DEPARTMENT - MID SHORE MENTAL HEALTH SYSTEMS, HOLLY IRELAND, EXECUTIVE DIRECTOR - EASTERN SHORE HOSPITAL CENTER - RANDY BRADFORD, CEO. IN ADDITION, THE FOLLOWING AGENCIES/ORGANIZATIONS ARE REFERENCED IN GATHERING INFORMATION AND DATA - MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE - MARYLAND DEPARTMENT OF PLANNING - MARYLAND VITAL STATISTICS ADMINISTRATION - HEALTHSTREAM, INC - COUNTY HEALTH RANKINGS - MID SHORE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY CEDS CHNA Conducted with Other Hospitals SCHEDULE H, PART V, LINE 6A SHORE REGIONAL HEALTH (SRH) CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR THE UM SRH NETWORK WHICH SERVES THE MID-SHORE REGION -UNIVERSITY OF MARYLAND SHORE MEDICAL CENTER AT CHESTERTOWN (SMC AT CHESTERTOWN), THE UNIVERSITY OF MARYLAND SHORE MEDICAL CENTER AT DORCHESTER (SMC AT DORCHESTER), AND THE UNIVERSITY OF MARYLAND SHORE MEDICAL CENTER AT EASTON (SMC AT EASTON) LINE 6B- SHORE REGIONAL HEALTH (SRH) COMMUNITY HEALTH NEEDS ASSESSMENT WAS NOT CONDUCTED WITH ONE OR MORE ORGANIZATIONS. LINE 11 - ALL PRIMARY HEALTH NEEDS ARE BEING ADDRESSED TO THE EXTENT THAT AVAILABLE RESOURCES AND CLINICAL EXPERTISE ALLOW. THE COMMUNITY BENEFITS PLAN IS ABLE TO ADEQUATELY ADDRESS HEART DISEASE, CANCER, DIABETES, HYPERTENSION, HIGH CHOLESTEROL, ISSUES ASSOCIATED WITH AGING POPULATION NUTRITION, WEIGHT MANAGEMENT/OBESITY IS ADDRESSED THROUGH EDUCATIONAL CLASSES AND/OR SEMINARS TOBACCO USE/SMOKING AND ALCOHOL/BINGE DRINKING/UNDERAGE DRINKING ARE BEING ADDRESSED BY OTHER COUNTY AGENCIES AND ORGANIZATIONS AND THROUGH PARTNERSHIPS, INCLUDING THE COUNTY HEALTH DEPARTMENTS. SHORE REGIONAL HEALTH HOSPITALS DO NOT POSSESS THE RESOURCES AND EXPERTISE REQUIRED FOR ENVIRONMENTAL HEALTH CONCERNS AND ISSUES. MENTAL HEALTH IS BEING ADDRESSED THROUGH THE MID-SHORE MENTAL HEALTH SYSTEMS, INC, WHICH IS A PRIVATE, NOT-FOR-PROFIT ORGANIZATION SERVING THE FIVE MID-SHORE COUNTIES CAROLINE DORCHESTER, KENT, QUEEN ANNE'S AND TALBOT'S.

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, 16j, 18e, 19e, 20e, 21c, 21d, 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	EVERAL ADDITIONAL TOPIC AREAS WERE IDENTIFIED BY THE COMMUNITY HEALTH PLANNING COUNCIL INC LUDING SAFE HOUSING, TRANSPORTATION, AND SUBSTANCE ABUSE THE UNMET NEEDS NOT ADDRESSED B Y UMC AT EATON, UMC AT DORCHESTER, UMC AT CHESTERTOWN WILL CONTINUE TO BE ADDRESSED BY KEY GOVERNMENTAL AGENCIES AND EXISTING COMMUNITY- BASED ORGANIZATIONS WHILE SHORE REGIONAL H EALTH HOSPITALS WILL FOCUS THE MAJORITY OF OUR EFFORTS ON THE IDENTIFIED PRIORITIES OUTLIN ED IN THE CHNA ACTION PLAN, WE WILL REVIEW THE COMPLETE SET OF NEEDS IDENTIFIED IN THE CHN A FOR FUTURE COLLABORATION AND WORK THESE AREAS, WHILE STILL IMPORTANT TO THE HEALTH OF T HE COMMUNITY, WILL BE MET THROUGH OTHER HEALTH CARE ORGANIZATIONS WITH OUR ASSISTANCE AS A VAILABLE LINE 13 - THE FINANCIAL ASSISTANCE POLICY EXPLAINS SEVERAL ELIGIBILITY CRITERIA, INCLUDING PARTICIPATION IN MEDICAID/MEDICARE PROGRAMS AS WELL AS ELIGIBILITY UNDER VARIOU S STATE REGULATIONS IN COMPLIANCE WITH THE NEW IRC SECTION 501(R) REGULATIONS UMMS HAS UP DATED THEIR FINANCIAL ASSISTANCE POLICY TO ENSURE ITS COMPLIANCE WITH IRS REGULATIONS Lin e 20e - In the case of an incomplete FAP application, patients are not automatically denie d A letter is mailed to the patient requesting the missing documentation, and FAP applica tions are approved once the missing documentation is provided LINE 22D - ALL PATIENTS ARE CHARGED STATE REGULATED RATES, REGARDLESS OF THEIR ABILITY TO PAY LINE 24 - THE STATE OF MARYLAND IS A UNIQUE STATE IN REGARD TO THE PROVISION OF HEALTH CARE SERVICES AND THEIR R ELATED CHARGES BY HOSPITALS ALL HOSPITAL CHARGES PROCESSED TO ALL PAYORS, INCLUDING GOVER NMENTAL PAYORS, ARE SET THROUGH MARYLAND'S HEALTH SERVICES COST COMMISSION ACCORDINGLY, A LL HOSPITAL CHARGES ARE NOT GROSS CHARGES AS DEFINED BY THE IRS UNDER INTERNAL REVENUE COD E SECTION 501(R)(5)(B)

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

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
Requard Cancer Center 509 Idlewild Avenue Easton, MD 21601	Oncology Services
Digestive Disease Center 5111 Idlewild Avenue Easton, MD 21601	Digestive Health
Diagnostic Center 10 Martin Court Easton, MD 21601	Diagnostic & Rehab
Shore Health System Surgery Center 6 Caulk Lane Easton, MD 21601	Ambulatory Surgery
Centreville Diagnostic Center 2540 Centerville Road Centreville, MD 21617	Diagnostic
Sunburst Center Route 50 Cambridge, MD 21613	Rehab Services
Integrative Medicine 607 Dutchmans Lane Easton, MD 21601	Alternative Medicine
Shoreworks Bryn Street Cambridge, MD 21658	Employer Health
Queen Anne Emergency Center 115 Shoreway Drive Queenstown, MD 21658	24-Hour ER
Denton Diagnostic Center 920 Market Street Denton, MD 21601	Diagnostic & Rehab
The Shore Medical Pavilion 125 Shoreway Drive Queenstown, MD 21658	Diagnostic & Rehab

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.

OMB No 1545-0047

2015

Open to Public Inspection

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

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment?	Yes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 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: a The organization?		No
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III.		No
6 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: a The organization?		No
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III.		No
7 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.	Yes	
8 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.		No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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
See Additional Data	

Additional Data

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

Part III, Supplemental Information

Return Reference	Explanation
HEALTH OR SOCIAL CLUB DUES OR INITIATION FEES	SCHEDULE J, PART I, LINE 1A UMMS EXECUTIVES RECEIVE A BENEFIT PACKAGE WHICH MAY BE USED TOWARDS HEALTH CLUB DUES OR OTHER HEALTH MAINTENANCE PROGRAMS SUCH BENEFITS ARE CAPPED AT \$7,000, \$5,000 OR \$3,000 DEPENDING ON JOB TITLE AS DESCRIBED IN THE PROGRAM DOCUMENTS

Part III, Supplemental Information

Return Reference	Explanation
SEVERANCE PAYMENTS	SCHEDULE J PART I, LINE 4A DURING THE FISCAL YEAR-ENDED JUNE 30, 2017, CERTAIN OFFICERS AND KEY EMPLOYEES HAVE RECEIVED SEVERANCE PAYMENTS THESE AMOUNTS ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B (III), OTHER REPORTABLE COMPENSATION THE INDIVIDUALS AND AMOUNTS ARE LISTED BELOW WALTER ZAJAC \$142,688

Part III, Supplemental Information

Return Reference	Explanation
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B DURING THE FISCAL YEAR ENDED JUNE 30, 2017, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THE INDIVIDUALS LISTED BELOW HAVE NOT VESTED IN THE PLAN THEREFORE, THE ACCRUED CONTRIBUTION TO THE PLAN FOR THE FISCAL YEAR IS REPORTED ON SCHEDULE J, PART II, COLUMN C, RETIREMENT AND OTHER DEFERRED COMPENSATION JOANNE HAHEY WILLIAM E HUFFNER ROBERT FRANK FRANCIS G LEE DURING THE FISCAL YEAR ENDED JUNE 30, 2017, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THE INDIVIDUALS LISTED BELOW HAVE VESTED IN THE PLAN IN A PRIOR YEAR THEREFORE, THE CONTRIBUTIONS TO THE PLAN FOR THE FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION PATTI WILLIS JOHN ASHWORTH ROBERT CHRENCIK DURING THE FISCAL YEAR ENDED JUNE 30, 2017, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THE INDIVIDUAL LISTED BELOW HAS VESTED IN THE PLAN IN THE REPORTING TAX YEAR, THEREFORE THE FULL VALUE OF THE PLAN, INCLUDING ANY CONTRIBUTIONS TO THE PLAN FOR THE CURRENT FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION PRIOR YEAR CONTRIBUTIONS TO THE PLAN WERE PREVIOUSLY REPORTED ON FORM 990 AND ARE INDICATED ON SCHEDULE J, PART II, COLUMN (F) KENNETH KOZEL \$313,772

Part III, Supplemental Information

Return Reference	Explanation
NON-FIXED PAYMENTS	SCHEDULE J, PART I, LINE 7 BONUSES PAID ARE BASED ON A NUMBER OF VARIABLES INCLUDING BUT NOT LIMITED TO INDIVIDUAL GOAL ACHIEVEMENTS AS WELL AS ORGANIZATION OPERATION ACHIEVEMENTS THE FINAL DETERMINATION OF THE BONUS AMOUNT IS DETERMINED AND APPROVED BY THE BOARD AS PART OF THE OVERALL COMPENSATION REVIEW OF THE OFFICERS AND KEY EMPLOYEES

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				
1John DillonChairman	(i)	0	0	0	0	0	0	0
	(ii)	0	0	156,456	0	- 0	- 156,456	0
1John W AshworthDirector	(i)	0	0	0	0	0	0	0
	(ii)	602,349	390,000	122,128	10,600	- 17,216	- 1,142,293	0
2Robert A ChrencikDirector	(i)	0	0	0	0	0	0	0
	(ii)	1,265,687	1,105,294	1,870,062	10,600	- 13,434	- 4,265,077	0
3Kenneth Kozel President/CEO	(i)	408,593	184,748	406,786	10,600	10,914	1,021,641	313,772
	(ii)	0	0	0	0	- 0	- 0	0
4JoAnne R Hahey CFO/SVP Finance	(i)	276,549	105,703	20,235	45,694	17,052	465,233	0
	(ii)	0	0	0	0	- 0	- 0	0
5Robert FrankCOO	(i)	250,093	97,767	3,855	41,177	14,642	407,534	0
	(ii)	0	0	0	0	- 0	- 0	0
6William E HuffnerCMO	(i)	375,122	169,695	3,670	60,941	15,811	625,239	0
	(ii)	0	0	0	0	- 0	- 0	0
7Patti K Willis VP External Relations	(i)	196,782	73,784	26,961	8,059	13,088	318,674	0
	(ii)	0	0	0	0	- 0	- 0	0
8Susan Siford Director Pharmacy	(i)	158,151	21,203	231	0	10,444	190,029	0
	(ii)	0	0	0	0	- 0	- 0	0
9Francis G Lee VP Philanthropy	(i)	158,062	52,120	4,199	21,158	13,088	248,627	0
	(ii)	0	0	0	0	- 0	- 0	0
10John Sawyer Sr Medical Pharmacist	(i)	193,027	0	722	0	130	193,879	0
	(ii)	0	0	0	0	- 0	- 0	0
11Adam Weinstein VP Allied Chemical	(i)	229,305	51,535	224	31,488	24,513	337,065	0
	(ii)	0	0	0	0	- 0	- 0	0
12Walter J Zajac FORMER VP Finance	(i)	0	0	169,769	0	0	169,769	0
	(ii)	0	0	0	0	- 0	- 0	0

Schedule L

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
SHORE HEALTH SYSTEM INC

Employer identification number
52-0610538

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				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) Best Care Ambulance	See Part V	422,507	See Part V		No

Part V Supplemental Information

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

Return Reference	Explanation
WAYNE GARDNER	Wayne Gardner is a director of SHS, and is President of Best Care Ambulance. Best Care Ambulance provides services to SHS at fair market value.

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue ServiceName of the organization
SHORE HEALTH SYSTEM INC**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2016**Open to Public
Inspection****Employer identification number**

52-0610538

990 Schedule O, Supplemental Information

Return Reference	Explanation
Mission Statement	FORM 990, PART III, LINE 1 OUR MISSION IS TO CREATE HEALTHIER COMMUNITIES TOGETHER, AND PROVIDE OUR VISION TO BE THE REGION'S LEADER IN PATIENT CENTERED HEALTH CARE OUR GOAL IS TO PROVIDE QUALITY HEALTH CARE SERVICES THAT ARE COMPREHENSIVE, ACCESSIBLE, AND CONVENIENT AND THAT ADDRESS THE NEEDS OF OUR PATIENTS, THEIR FAMILIES AND OUR WIDER COMMUNITIES

990 Schedule O, Supplemental Information

Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A SHORE HEALTH SYSTEM, INC IS A 176 LICENSED BED COMMUNITY HOSPITAL PROVIDING A FULL RANGE OF INPATIENT AND OUTPATIENT CLINICAL SERVICES TO THE MARYLAND MID-SHORE AREA, INCLUDING GENERAL HOSPITAL, EMERGENCY, AND SPECIALIZED SERVICES AS WELL AS OUTPATIENT CENTERS FOR PRIMARY CARE, DIAGNOSTICS, TREATMENT, EDUCATION, AND REHABILITATION THE SYSTEM OFFERS FREE EDUCATION PROGRAMS AND SERVICES TO PROMOTE HEALTH AWARENESS IN THE COMMUNITY DURING FY 2017, THE SYSTEM PROVIDED CARE FOR 11,240 INPATIENTS RESULTING IN 46,263 DAYS OF PATIENT CARE, TREATED 68,389 PATIENTS IN THE ER, AND PERFORMED 9,584 SURGERIES IN THE OR THE SYSTEM'S ANCILLARY SERVICE DEPARTMENTS REALIZED 447,941 OUTPATIENT ENCOUNTERS HOME HEALTH/HOSPICE SERVICES WERE PROVIDED TO 1,151 PATIENTS IN 22,024 NURSING VISITS THE SYSTEM'S MISSION STATEMENT IS "TO EXCEL IN QUALITY CARE AND PATIENT SATISFACTION" ITS STRATEGIC PRINCIPLE IS "EXCEPTIONAL CARE, EVERY DAY", AND ITS VALUES STATEMENT IS "EVERY INTERACTION WITH ANOTHER IS AN OPPORTUNITY TO CARE" AS A PART OF ITS MISSION, THE SYSTEM PROVIDES CHARITY CARE TO PATIENTS UNABLE TO PAY, PROVIDING \$3 0 MILLION OF CHARITY CARE IN FY 2017

990 Schedule O, Supplemental Information

Return Reference	Explanation
MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINE 6, 7A, AND 7B The University of Maryland Medical System Corporation (UMMS) is the sole member of University of Maryland Shore Regional Health, Inc. Shore Health System is a member of Shore Regional Health, Inc. (SRH). UMMS and SRH may elect one or more Board members of the governing body and all decisions of the governing body must be approved by UMMS and SRH.

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 9 UMCMG EQUITY TRANSFER \$ (20,210,518) CAPITAL CONTRIBUTIONS \$ (2,674,683) MHF BENEFICIAL INTEREST \$ (808,723) NA'S RELEASED PURCHASE PPE \$ 7,692,109 Dorchester Fnd EQUITY INTEREST \$ 289,038 ----- TOTAL \$ (15,712,777) =====

990 Schedule O, Supplemental Information

Return Reference	Explanation
TAX EXEMPT BONDS	PART IV, LINE 24A PURSUANT TO A MASTER LOAN AGREEMENT DATED JUNE 20, 1991 (THE "MASTER LOAN AGREEMENT"), AS AMENDED, THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE "CORPORATION") AND SEVERAL OF ITS SUBSIDIARIES HAVE ISSUED DEBT THROUGH THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AS SECURITY FOR THE PERFORMANCE OF THE BOND OBLIGATION UNDER THE MASTER LOAN AGREEMENT, THE AUTHORITY MAINTAINS A SECURITY INTEREST IN THE REVENUE OF THE OBLIGORS. THE MASTER LOAN AGREEMENT CONTAINS CERTAIN RESTRICTIVE COVENANTS. THESE COVENANTS REQUIRE THAT RATES AND CHARGES BE SET AT CERTAIN LEVELS, LIMIT INCURRENCE OF ADDITIONAL DEBT, REQUIRE COMPLIANCE WITH CERTAIN OPERATING RATIOS AND RESTRICT THE DISPOSITION OF ASSETS. THE OBLIGATED GROUP UNDER THE MASTER LOAN AGREEMENT INCLUDES THE CORPORATION, THE JAMES LAWRENCE KERNAN HOSPITAL, INC., MARYLAND GENERAL HOSPITAL, INC., BALTIMORE WASHINGTON MEDICAL CENTER, INC., SHORE HEALTH SYSTEM, INC., CHESTER RIVER HOSPITAL CENTER, INC., CIVISTA MEDICAL CENTER, INC., UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL CENTER, LLC, UPPER CHESAPEAKE MEDICAL CENTER, INC., HARFORD MEMORIAL HOSPITAL, INC. AND THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM FOUNDATION, INC. EACH MEMBER OF THE OBLIGATED GROUP IS JOINTLY AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE OBLIGATIONS UNDER THE MASTER LOAN AGREEMENT OF THE CORPORATION'S \$1,585,136,000 OF OUTSTANDING AUTHORITY BONDS ON JUNE 30, 2017. ALL OF THE BONDS WERE ISSUED IN THE NAME OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION SHARED SERVICES TOTAL FEES 16737772

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PHYSICIAN SERVICES TOTAL FEES 11137238

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION CONTRACT SERVICES TOTAL FEES 5582407

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION TEMPORARY LABOR TOTAL FEES 4912721

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION OTHER SERVICES TOTAL FEES 3390247

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
SHORE HEALTH SYSTEM INC

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

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

OMB No 1545-0047

2016

Open to Public Inspection

Employer identification number

52-0610538

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.

See Additional Data Table

(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

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) Arundel Physicians Associates LLC 301 Hospital Drive Glen Burnie, MD 20161 52-2000762	Healthcare	MD	apa inc									
(2) Baltimore Washington Imaging LLC 301 Hospital Drive Glen Burnie, MD 20161 20-0806027	Healthcare	MD	umbwms									
(3) Universitycare LLC 22 South Greene Street Baltimore, MD 21201 52-1914892	Healthcare	MD	ummsc									
(4) O'Dea Medical Arts Limited Partnership 7601 Osler Drive Towson, MD 21204 52-1682964	Rental	MD	sjmc prop									
(5) Advanced Imaging at St Joseph Medical C 7601 Osler Drive Towson, MD 21204 52-1958002	Healthcare	MD	umsjmc									
(6) UM Charles Regional Imaging PO Box 1070 LaPlata, MD 20646 30-0956382	Healthcare	MD	umcrp									

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.

See Additional Data Table

(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

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?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		No
b Gift, grant, or capital contribution to related organization(s)		No
c Gift, grant, or capital contribution from related organization(s)	Yes	
d Loans or loan guarantees to or for related organization(s)		No
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		No
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)		No
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	Yes	
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses		No
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)	Yes	
s Other transfer of cash or property from related organization(s)		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Memorial Hospital Foundation	C	7,487,311	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)

Additional Data

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) 301 Hospital Drive Glen Burnie, MD 21061 52-1756326	Healthcare	MD	501(c)(3)	12A	UMBWMS		No
(1) 301 Hospital Drive Glen Burnie, MD 21061 52-1830243	Healthcare	MD	501(c)(3)	12A	UMBWMS		No
(2) 301 Hospital Drive Glen Burnie, MD 21061 52-0689917	Healthcare	MD	501(c)(3)	3	UMBWMS		No
(3) 301 Hospital Drive Glen Burnie, MD 21061 52-1830242	Healthcare	MD	501(c)(3)	12A	UMMSC		No
(4) 301 Hospital Drive Glen Burnie, MD 21061 52-1813656	Fundraising	MD	501(c)(3)	12C	bwmc		No
(5) 301 Hospital Drive Glen Burnie, MD 21061 52-1318404	Real Estate	MD	501(c)(2)		NCC		No
(6) 301 Hospital Drive Glen Burnie, MD 21061 52-1591355	Real Estate	MD	501(c)(2)		UMBWMS		No
(7) 100 Brown Street Chestertown, MD 21620 52-1338861	Fundraising	MD	501(c)(3)	8	UMSRH		No
(8) 100 Brown Street Chestertown, MD 21620 52-2046500	Healthcare	MD	501(c)(3)	12A	UMMSC		No
(9) 100 Brown Street Chestertown, MD 21620 52-0679694	Healthcare	MD	501(c)(3)	3	UMSRH		No
(10) 200 Morgnec Road Chestertown, MD 21620 52-6070333	Healthcare	MD	501(c)(3)	10	UMSRH		No
(11) 827 Linden Avenue Baltimore, MD 21201 52-1566211	Healthcare	MD	501(c)(3)	12B	UMMTH		No
(12) 827 Linden Avenue Baltimore, MD 21201 52-1175337	Healthcare	MD	501(c)(3)	12B	UMMSC		No
(13) 827 Linden Avenue Baltimore, MD 21201 52-0591667	Healthcare	MD	501(c)(3)	3	UMMTH		No
(14) 219 South Washington Street Easton, MD 21601 52-1510269	Healthcare	MD	501(c)(3)	10	SHS	Yes	
(15) 219 South Washington Street Easton, MD 21601 52-1703242	Fundraising	MD	501(c)(3)	12	umsrh		No
(16) 219 South Washington Street Easton, MD 21601 52-1282080	Fundraising	MD	501(c)(3)	12A	SHS	Yes	
(17) 22 South Greene Street Baltimore, MD 21201 52-1874111	Healthcare	MD	501(c)(3)	3	UMMSC		No
(18) 2200 Kernan Drive Baltimore, MD 21207 23-7360743	Fundraising	MD	501(c)(3)	12B	jlkh		No
(19) 2200 Kernan Drive Baltimore, MD 21207 52-0591639	Healthcare	MD	501(c)(3)	3	UMMSC		No

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) 22 South Greene Street Baltimore, MD 21201 52-2238893	Fundraising	MD	501(c)(3)	12A	UMMSC		No
(1) 22 South Greene Street Baltimore, MD 21201 52-1362793	Healthcare	MD	501(c)(3)	3	na		No
(2) PO Box 1070 La Plata, MD 20646 52-2155576	Healthcare	MD	501(c)(3)	12C	UMMSC		No
(3) PO Box 1070 La Plata, MD 20646 52-0445374	Healthcare	MD	501(c)(3)	3	UMCRH		No
(4) PO Box 1070 La Plata, MD 20646 52-1414564	Fundraising	MD	501(c)(3)	12A	UMCRH		No
(5) PO Box 1070 La Plata, MD 20646 52-1131193	Fundraising	MD	501(c)(3)	12A	UMCRH		No
(6) 7601 Osler Drive Towson, MD 21204 52-1681044	Fundraising	MD	501(c)(3)	12A	umsjhs		No
(7) 7601 Osler Drive Towson, MD 21204 46-2097818	Healthcare	MD	501(c)(3)	3	UMMSC		No
(8) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-0591484	Healthcare	MD	501(c)(3)	3	UMUCHS		No
(9) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-0882914	Fundraising	MD	501(c)(3)	12A	UMUCHS		No
(10) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1398513	Healthcare	MD	501(c)(3)	12C, III-FI	ummsc		No
(11) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1398507	Fundraising	MD	501(c)(3)	12A	UMUCHS		No
(12) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1253920	Healthcare	MD	501(c)(3)	3	UMUCHS		No
(13) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1501734	Healthcare	MD	501(c)(3)	10	UMUCHS		No
(14) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1907237	Real Estate	MD	501(c)(2)		UMUCHS		No
(15) 520 Upper Chesapeake Dr Bel Air, MD 21014 26-0737028	Hospice	MD	501(c)(3)	7	UMUCHS		No
(16) 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1229742	Home Care	MD	501(c)(3)	10	UMUCHS		No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust									
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Arundel Physicians Associates Inc 301 Hospital Drive Glen Burnie, MD 21061 52-1992649	Healthcare	MD	bwhe	C Corp					No
(1) Baltimore Washington Health Enterprises 301 Hospital Drive Glen Burnie, MD 21061 52-1936656	Healthcare	MD	umbwms	C Corp					No
(2) BW Professional Services Inc 301 Hospital Drive Glen Burnie, MD 21061 52-1655640	Healthcare	MD	umbwms	C Corp					No
(3) um Charles Regional Care Partners PO Box 1070 La Plata, MD 20646 52-2176314	Healthcare	MD	umcrh	C Corp					No
(4) University Midtown Prof Center A Condo 827 Linden Avenue Baltimore, MD 21201 52-1891126	Real Estate	MD	ummh	C Corp					No
(5) NA Executive Building Condo Assn Inc 301 Hospital Drive Glen Burnie, MD 21061	Real Estate	MD	nadc	C Corp					No
(6) Terrapin Insurance Company PO Box 1109 GRAND CAYMAN KY1-1102 CJ 98-0129232	Insurance	CJ	umms	C Corp					No
(7) MD Medicine Comp Insurance Program 22 South Greene Street Baltimore, MD 21201 52-6315433	Insurance	MD	NA	Trust					No
(8) Upper Chesapeake Insurance Company 520 Upper Chesapeake Dr Bel Air, MD 21014 98-0468438	Insurance	CJ	umuchs	ltd					No
(9) Upper Chesapeake Health Ventures Inc 520 Upper Chesapeake Dr Bel Air, MD 21014 52-2031264	Healthcare	MD	umuchs	C Corp					No
(10) Upper Chesapeake Medical Center Land Con 520 Upper Chesapeake Dr Bel Air, MD 21014 77-0674478	Real Estate	MD	uc med crt	C Corp					No
(11) Upper Chesapeake Medical Office Building 520 Upper Chesapeake Dr Bel Air, MD 21014 52-1946829	Real Estate	MD	uc health vent	C Corp					No
(12) University of Maryland Health Advantage 22 South Greene Street Baltimore, MD 21201 46-1411902	Insurance	MD	ummshp	C Corp					No
(13) University of Maryland Health Partners 22 South Greene Street Baltimore, MD 21201 45-2815803	Insurance	MD	ummshp	C Corp					No
(14) University of Maryland Medical System He 22 South Greene Street Baltimore, MD 21201 45-2815722	Insurance	MD	um hlth vent	C Corp					No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust									
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(16) Shore Orthopedics Inc 219 S Washington Street Easton, MD 21601 37-1817260	Healthcare	MD	SHS	C Corp	7,759,000	1,599,000	100.000 %	Yes	