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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 07-01-2018 , and ending 06-30-2019

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

Shore Health System Inc

Doing business as

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

219 South Washington Street

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

Easton, MD 21601

F Name and address of principal officer

KENNETH KOZEL

219 South Washington Street

Easton, MD 21601

D Employer identification number

52-0610538

E Telephone number

(410) 822-1000

G Gross receipts \$ 333,865,992

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) () ◀(insert no)

☐ 4947(a)(1) or

☐ 527

J Website: ▶ WWW UMMS ORG/SHORE

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other ▶

L Year of formation 1906

M State of legal domicile MD

Part I

Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities

SHORE HEALTH SYSTEM (SHS) IS A REGIONAL, NOT-FOR-PROFIT NETWORK OF INPATIENT AND OUTPATIENT SERVICES WITH FACILITIES IN TALBOT, DORCHESTER, CAROLINE, AND QUEEN ANNE'S COUNTIES

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

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

22

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

19

5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)

1,989

6 Total number of volunteers (estimate if necessary)

226

7a Total unrelated business revenue from Part VIII, column (C), line 12

86,983

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

0

Revenue

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

1,291,077

9 Program service revenue (Part VIII, line 2g)

256,100,131

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

8,255,468

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

2,940,678

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

268,587,354

Expenses

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

0

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

0

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

108,093,347

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

0

16b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

127,751,677

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

235,845,024

19 Revenue less expenses Subtract line 18 from line 12

32,742,330

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

416,494,387

21 Total liabilities (Part X, line 26)

140,993,113

22 Net assets or fund balances Subtract line 21 from line 20

275,501,274

Prior Year

Current Year

Beginning of Current Year

End of Year

Part II

Signature Block

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

Sign Here

Signature of officer

JOANNE HAHEY SVP FINANCE AND CFO

Type or print name and title

2020-07-01

Date

Paid Preparer Use Only

Print/Type preparer's name

Firm's name ▶ Ernst & Young US LLP

Firm's address ▶ 1101 New York Avenue NW

Washington, DC 20005

Preparer's signature

Firm's EIN ▶ 34-6565596

Phone no (202) 327-6000

Date

Check ☐ if self-employed

PTIN P01866796

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes

☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2018)

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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 \$ 215,269,823 including grants of \$ 71,375) (Revenue \$ 268,139,288)
	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 \$)

4e	Total program service expenses ▶ 215,269,823
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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	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21 Yes	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	No

Part IV Checklist of Required Schedules (continued)

		Yes	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>	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>		No
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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>		No
25b	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>		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>		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>		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)		
28a	a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		No
28b	b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
28c	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>	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		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>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		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>		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>		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>	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	Yes	
35b	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>	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>		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>		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	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		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		2a	1,989			
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?				3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O				3b	Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?				4a		No
b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)						
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?				5a		No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?				5b		No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?				5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?				6a		No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?				6b		
7 Organizations that may receive deductible contributions under section 170(c).						
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?				7a		No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?				7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?				7c	Yes	
d If "Yes," indicate the number of Forms 8282 filed during the year				7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?				7e		No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				7f		No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?				7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?				7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?						
				8		
9a Did the sponsoring organization make any taxable distributions under section 4966?				9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?				9b		
10 Section 501(c)(7) organizations. Enter						
a Initiation fees and capital contributions included on Part VIII, line 12				10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities				10b		
11 Section 501(c)(12) organizations. Enter						
a Gross income from members or shareholders				11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)				11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?						
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year				12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.						
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O				13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans				13b		
c Enter the amount of reserves on hand				13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?				14a		No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O				14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N				15		No
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O				16		No

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	1a 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	1b 19		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6 Did the organization have members or stockholders?	6	Yes	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
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-A 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

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

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

1

● List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

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

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

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

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

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

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

[illegible]

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

[illegible]

1b Sub-Total ▶															
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c Total from continuation sheets to Part VII, Section A				
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d Total (add lines 1b and 1c)	3,849,774	3,444,300	441,488
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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 ▶ 92

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

Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
SHORE-BAYY HOSPITALIST ASSOC 7651 WOODLAND DRIVE EASTON, MD 21601	PHYSICIAN SVCS	4,168,028
MD EMERGENCY MEDICINE NETWORK 110 S PACA ST 6TH FL STE 200 BALTIMORE, MD 21201	PHYSICIAN SVCS	3,712,899
Medical Staffing Network Inc PO Box 840292 Dallas, TX 75284	Healthcare services	1,906,267
TIDEWATER ANESTHESIA ASSOC PO BOX 824639 PHILADELPHIA, PA 19182	ANESTHESIA SVCS	1,744,578
Aramark Corporation 27310 Network Pl Chicago, IL 60673	Nutritional services	1,542,369

2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 33	
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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	5,219,145				
	e Government grants (contributions)	1e	134,827				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	199,480				
	g Noncash contributions included in lines 1a - 1f \$ _____						
	h Total. Add lines 1a-1f ▶		5,553,452				
Program Service Revenue			Business Code				
	2a PATIENT SERVICE REVENUE		621500	266,167,062	266,167,062	0	
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue			0	0	0	
	g Total. Add lines 2a-2f ▶		266,167,062				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			839,361	0	0	
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties ▶						
	6a Gross rents	(i) Real	(ii) Personal				
		3,009,525					
		b Less rental expenses	4,428,110				
		c Rental income or (loss)	-1,418,585	0			
	d Net rental income or (loss) ▶			-1,418,585	0	0	
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		55,443,493	0				
		b Less cost or other basis and sales expenses	53,010,381	154,279			
		c Gain or (loss)	2,433,112	-154,279			
	d Net gain or (loss) ▶			2,278,833	0	0	
	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 ▶						
	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 ▶						
	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 ▶							
Miscellaneous Revenue		Business Code					
11a CAFETERIA SALES	722514	717,229	0	0			
b JOINT VENTURE REVENUE	523000	256,853	169,870	86,983			
c MEDICAL RECORDS	900099	76,661	0	0			
d All other revenue		1,802,356	1,802,356	0			
e Total. Add lines 11a-11d ▶		2,853,099					
12 Total revenue. See Instructions ▶		276,273,222	268,139,288	86,983			

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.	71,375	71,375		
2 Grants and other assistance to domestic individuals. See Part IV, line 22.				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.				
4 Benefits paid to or for members.	0	0		
5 Compensation of current officers, directors, trustees, and key employees.	2,378,420	1,226,512	1,151,908	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7 Other salaries and wages.	83,967,709	73,051,907	10,915,802	0
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	2,782,833	2,421,065	361,768	0
9 Other employee benefits.	13,818,730	12,022,295	1,796,435	0
10 Payroll taxes.	6,094,841	5,302,512	792,329	0
11 Fees for services (non-employees):				
a Management.				
b Legal.	256,668	0	256,668	0
c Accounting.	2,050	0	2,050	0
d Lobbying.	12,599	0	12,599	0
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	44,542,038	41,423,192	3,118,846	0
12 Advertising and promotion.	144	125	19	0
13 Office expenses.	1,225,327	1,066,034	159,293	0
14 Information technology.	2,646	2,302	344	0
15 Royalties.				
16 Occupancy.	4,317,360	3,756,103	561,257	0
17 Travel.	104,297	90,738	13,559	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	1,103,065	959,667	143,398	0
20 Interest.	2,750,762	2,393,163	357,599	0
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	18,174,242	15,811,591	2,362,651	0
23 Insurance.	2,216,990	1,944,558	272,432	0
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	35,537,523	35,537,523	0	0
b BAD DEBT	8,956,896	8,956,896	0	0
c REPAIRS & MAINTENANCE	4,641,685	4,038,266	603,419	0
d RECRUITMENT	1,218,452	1,060,053	158,399	0
e All other expenses	4,462,293	4,133,946	328,347	0
25 Total functional expenses. Add lines 1 through 24e.	238,638,945	215,269,823	23,369,122	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	0	1	0
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	25,109,239	4	34,553,398
	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		6	0
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	3,810,205	8	3,345,728
	9 Prepaid expenses and deferred charges	1,428,250	9	1,744,136
	10a Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a 320,672,703		
	b Less: accumulated depreciation	10b 197,056,204	132,787,079	10c 123,616,499
	11 Investments—publicly traded securities	40,120,668	11	40,398,211
	12 Investments—other securities. See Part IV, line 11	62,047,000	12	62,261,000
	13 Investments—program-related. See Part IV, line 11	0	13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	151,191,946	15	169,665,324
16 Total assets. Add lines 1 through 15 (must equal line 34)	416,494,387	16	435,584,296	
Liabilities	17 Accounts payable and accrued expenses	26,867,260	17	26,797,745
	18 Grants payable		18	
	19 Deferred revenue	868,509	19	898,557
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	0
	23 Secured mortgages and notes payable to unrelated third parties	6,914,554	23	6,104,140
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D	106,342,790	25	112,993,339
	26 Total liabilities. Add lines 17 through 25	140,993,113	26	146,793,781
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	238,908,285	27	253,340,833
	28 Temporarily restricted net assets	22,014,257	28	20,785,225
	29 Permanently restricted net assets	14,578,732	29	14,664,457
	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	275,501,274	33	288,790,515	
34 Total liabilities and net assets/fund balances	416,494,387	34	435,584,296	

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	276,273,222
2	Total expenses (must equal Part IX, column (A), line 25)	2	238,638,945
3	Revenue less expenses Subtract line 2 from line 1	3	37,634,277
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	275,501,274
5	Net unrealized gains (losses) on investments	5	-895,512
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	-23,449,524
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	288,790,515

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?		
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: 18007697
Software Version: 2018v3.1
EIN: 52-0610538
Name: Shore Health System Inc

Form 990 (2018)

Form 990, Part III, Line 4a:

SHS IS A 184 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 SHS OFFERS FREE EDUCATION PROGRAMS AND SERVICES TO PROMOTE HEALTH AWARENESS IN THE COMMUNITY DURING FY 2019, SHS PROVIDED CARE FOR 9,185 INPATIENTS RESULTING IN 36,170 DAYS OF PATIENT CARE, TREATED 67,531 PATIENTS IN THE ER, AND PERFORMED 9,265 SURGERIES IN THE OR SHS' ANCILLARY SERVICE DEPARTMENTS REALIZED 403,782 OUTPATIENT ENCOUNTERS HOME HEALTH/HOSPICE SERVICES WERE PROVIDED TO 1,005 PATIENTS IN 18,618 NURSING VISITS SHS' 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, SHS PROVIDES CHARITY CARE TO PATIENTS UNABLE TO PAY, PROVIDING MORE THAN \$1.8 MILLION OF CHARITY CARE IN FY 2019

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	10									
Chairman (Ended 04/19)	 210	X		X				0	156,375	0
Marlene Feldman	10									
Secretary	 30	X		X				0	0	0
Wayne L Gardner Sr	10									
Treasurer	 40	X		X				0	0	0
Kenneth D Kozel	400									
President and CEO, UMSRH	 70	X		X				716,703	0	25,703
Richard Loeffler	10									
Vice Chairman	 30	X		X				0	0	0
John W Ashworth III	10									
Director	 600	X						0	653,119	36,969
Myra Butler	10									
Director (Ended 07/18)	 40	X						0	0	0
Charles Capute	10									
Director	 40	X						0	0	0
Art Cecil III	10									
Director	 30	X						0	0	0
Robert A Chrencik	10									
Director (Ended 04/19)	 600	X						0	2,634,806	36,554

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			
Joseph J Crotola	10									
Director	30	X						0	0	0
Kathy Deoudes	10									
Director	30	X						0	0	0
J Wayne Howard	10									
Director	30	X						0	0	0
Ona Kareiva	10									
Director	30	X						0	0	0
Charles Macleod	10									
Director	30	X						0	0	0
Keith McMahan	10									
Director	40	X						0	0	0
David Milligan	10									
Director	30	X						0	0	0
Eugene Newmier	10									
Director	30	X						0	0	0
William B Noll	10									
Director	40	X						0	0	0
Geoff Oxnam	10									
Director	30	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			
Robert D Rauch Director	1 0 4 0	X						0	0	0
Stephen Satchell Director	1 0 3 0	X						0	0	0
Samuel Shoge Director	1 0 3 0	X						0	0	0
Thomas Stauch Director	1 0 3 0	X						0	0	0
Glenn L Wilson Director	1 0 3 0	X						0	0	0
Robert Frank COO	40 0 0			X				393,217	0	68,388
Joanne R Hahey SVP Finance and CFO	40 0 7 0			X				435,205	0	77,783
William E Huffner CMO	40 0 1 0				X			833,295	0	32,829
Ruth A Jones SVP & CNO	40 0 0				X			381,620	0	22,203
Kevin J Chapple Manager Allied Clinical	40 0 0					X		171,350	0	22,311

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			
Nichole L Hill Physicist	40 0 0					X		180,981	0	37,339
Francis G Lee VP Philanthropy	1 0 39 0					X		234,809	0	22,280
Patti K Willis VP External Relations	40 0 0					X		340,226	0	28,583
Brian A Leutner VP Clinical and Ambulatory Services	40 0 0					X		162,368	0	30,546

SCHEDULE A

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

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 **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						

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2018

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)
(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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)2014	(b)2015	(c)2016	(d)2017	(e)2018	(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 2018 (line 6, column (f) divided by line 11, column (f))	14
15	Public support percentage for 2017 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2018. 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—2017. 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—2018. 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—2017. 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2018. 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—2017. 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>		

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>		
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>		

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>		

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?		
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>		
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>		

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>		
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>		
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>		
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>		

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 (explain in Part VI). 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 2018 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-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2018			
a From 2013.			
b From 2014.			
c From 2015.			
d From 2016.			
e From 2017.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2018 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2018, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2018 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2019. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2014.			
b Excess from 2015.			
c Excess from 2016.			
d Excess from 2017.			
e Excess from 2018.			

Additional Data

Software ID: 18007697

Software Version: 2018v3.1

EIN: 52-0610538

Name: Shore Health System Inc

Schedule A (Form 990 or 990-EZ) 2018

Page **8**

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)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

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

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

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

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

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of the organization Shore Health System Inc	Employer identification number 52-0610538
---	--

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 (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (see instructions) ▶

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-
1				
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) 2015	(b) 2016	(c) 2017	(d) 2018	(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		12,599
j	Total. Add lines 1c through 1i			12,599
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
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	SHS 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 4.8% AND 22.73% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND AS SUCH, SHS HAS REPORTED THIS AMOUNT ON SCHEDULE C PART II-B AS LOBBYING ACTIVITIES.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	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

► \$

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 ▶

0 %

b

Permanent endowment ▶

100 %

c

Temporarily restricted endowment ▶

0 %

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		16,446,605		16,446,605
b Buildings		144,473,303	78,712,646	65,760,657
c Leasehold improvements		0	0	0
d Equipment		149,903,049	117,151,938	32,751,111
e Other		9,849,746	1,191,620	8,658,126
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				123,616,499

Schedule D (Form 990) 2018

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	62,261,000	F
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)	62,261,000	

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
See Additional Data Table	
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	169,665,324

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	
DUE TO AFFILIATES	70,674,644
OTHER LIABILITIES	18,923,813
MALPRACTICE	17,833,127
MALPRACTICE REINSURANCE	0
ADVANCES FROM 3RD PARTY PAYORS	5,561,755
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	112,993,339

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: 18007697
Software Version: 2018v3.1
EIN: 52-0610538
Name: Shore Health System Inc

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

(a) Description	(b) Book value
(1) ASSETS OF RELATED ORGANIZATION	79,326,288
(1) ASSETS WHOSE USE IS LIMITED	5,881,659
(2) MALPRACTICE REINSURANCE	27,748,123
(3) TERRAPIN REINSURANCE	8,764,399
(4) OTHER RECEIVABLES	4,188,451
(5) DUE FROM AFFILIATES	10,553,066
(6) Investment in subsidiaries	1,852,089
(7) Construction funds	25,987,000
(8) Investments held for collateral	4,091,333
(9) Escrow	1,272,916

Supplemental Information

Return Reference	Explanation
Schedule D, Part V, Line 4 Intended uses of endowment funds	MEMORIAL HOSPITAL FOUNDATION ENDOWMENT FUNDS ARE USED TO SUPPORT THE HEALTHCARE MISSION OF SHS INVESTMENT EARNINGS ON THE ENDOWMENT FUND ARE TRANSFERRED TO TEMPORARILY RESTRICTED AND UNRESTRICTED FUNDS IN SUPPORT OF THE ORGANIZATION'S TAX EXEMPT MISSION

Supplemental Information

Return Reference	Explanation
Schedule D, Part X, Line 2 FIN 48 (ASC 740) footnote	THE ORGANIZATION IS A SUBSIDIARY OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (THE CORPORATION) THE CORPORATION ADOPTED THE PROVISIONS OF ASC 740, ACCOUNTING FOR UNCERTAINTY IN THE INCOME TAXES (FIN 48) ON JULY 1, 2007 THE FOOTNOTE RELATED TO ASC 740 IN THE CORPORATION'S AUDITED FINANCIAL STATEMENTS IS AS FOLLOWS THE CORPORATION FOLLOWS A THRESHOLD OF MORE-LIKELY-THAN-NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN MANAGEMENT DOES NOT BELIEVE THAT THERE ARE ANY UNRECOGNIZED TAX LIABILITIES OR 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.
► Go to www.irs.gov/Form990EZ for instructions and the latest information.

OMB No 1545-0047

2018

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 %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b Yes	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	No
6a Did the organization prepare a community benefit report during the tax year?	6a Yes	
b If "Yes," did the organization make it available to the public?	6b Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,842,282	0	1,842,282	0 80 %
b Medicaid (from Worksheet 3, column a)					0	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0 %
d Total Financial Assistance and Means-Tested Government Programs	0	0	1,842,282	0	1,842,282	0 80 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			734,180	0	734,180	0 32 %
f Health professions education (from Worksheet 5)			1,292,322	0	1,292,322	0 56 %
g Subsidized health services (from Worksheet 6)			26,967,357	21,340	26,946,017	11 73 %
h Research (from Worksheet 7)					0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			239,480	0	239,480	0 10 %
j Total. Other Benefits	0	0	29,233,339	21,340	29,211,999	12 72 %
k Total. Add lines 7d and 7j	0	0	31,075,621	21,340	31,054,281	13 52 %

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					0	0 %
2 Economic development			13,756		13,756	0 01 %
3 Community support			3,799		3,799	0 %
4 Environmental improvements					0	0 %
5 Leadership development and training for community members					0	0 %
6 Coalition building			46,826		46,826	0 02 %
7 Community health improvement advocacy			9,688		9,688	0 %
8 Workforce development					0	0 %
9 Other			408		408	0 %
10 Total	0	0	74,477	0	74,477	0 03 %

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	6,084,088	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3	0	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME).	5	114,359,201
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	88,006,284
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	26,352,917
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)

A

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):** _____

		Yes	No
Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
a	☒ A definition of the community served by the hospital facility		
b	☒ Demographics of the community		
c	☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☒ How data was obtained		
e	☒ The significant health needs of the community		
f	☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☒ The process for consulting with persons representing the community's interests		
i	☒ 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>18</u>		
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	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>https://www.umms.org/shore/community/assessment-implementation-plan</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>18</u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes
a	If "Yes" (list url) <u>https://www.umms.org/shore/community/assessment-implementation-plan</u>		
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)**

A

Name of hospital facility or letter of facility reporting group _____

		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 <u>200.0</u> % and FPG family income limit for eligibility for discounted care of <u>300.0</u> %			
b ☒ Income level other than FPG (describe in Section C)			
c ☒ Asset level			
d ☒ Medical indigency			
e ☒ Insurance status			
f ☒ Underinsurance discount			
g ☐ Residency			
h ☐ Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	Yes	
15 Explained the method for applying for financial assistance? 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) <u>https://www.umms.org/shore/community</u>			
b ☒ The FAP application form was widely available on a website (list url) <u>https://www.umms.org/shore/community</u>			
c ☒ A plain language summary of the FAP was widely available on a website (list url) <u>https://www.umms.org/shore/community</u>			
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)			

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

A

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 nonpayment?	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)

A

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
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
Schedule H, Part I, Line 3c CRITERIA FOR FREE OR DISCOUNTED CARE	SHS 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 IN ADDITION TO FPG, THE INCOME LEVELS DEFINED BY THE MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (MD DHMH) ARE USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE THE MD DHMH INCOME LEVELS ARE MORE GENEROUS THAN THE FPG INCOME LEVELS THE FAP ALSO USES A FINANCIAL HARDSHIP THRESHOLD WHEN DETERMINING ELIGIBILITY A PATIENT WITH MEDICAL DEBT EXCEEDING 25% OF FAMILY ANNUAL HOUSEHOLD INCOME MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 6b RELATED ORGANIZATION REPORT	THE ORGANIZATION ANNUALLY FILES A COMMUNITY BENEFIT REPORT AS REQUIRED BY THE MARYLAND HSCRC THE REPORT CAN BE FOUND AT HTTPS //HSCRC STATE MD US/PAGES/INIT_CB ASPX

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of Community Health	Based on qualitative and quantitative data collected and analyzed -specifically related to racial, ethnic and other demographic and geographic-related health disparities during the CHNA process, UM SRH's Implementation Plan is committed to the goals and strategies identified in the CHNA and to examining what evidence-based initiatives can improve the county's health. 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 five Departments of Health (Talbot, Caroline, Dorchester, Queen Anne's, Kent). It has three main components: accountability, local action and public engagement. SHIP includes 39 measures that provide a framework to improve the health of Maryland residents. Twenty-eight of the measures have been identified as critical racial/ethnic health disparities. Each measure has a data source and a target, and where possible, can be assessed at the county level. UM SRH's priorities are aligned with the Maryland State Health Improvement Process vision areas and those objectives outlined by the local health improvement coalition. Health Priorities FY2020-2022: The top five priorities: 1. Access to care 2. Preventable ER visits 3. Chronic Disease management 4. Mental health/substance abuse 5. Cancer. Several additional topic areas were identified by UM SRH: 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 Implementation 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: Health Priority #1: Access to Care, Health Priority #5: Cancer. How was the need identified? Identified through the CHNA process. Name of hospital initiative: Shore Regional Wellness for Women Outreach and Wellness for Women Screening. Describe the characteristics of the target population: Female population of five county area. Outreach= age 25+ (approximately 32,000). Screenings= age 40-65, uninsured/eligible = 2,800. Age-adjusted mortality rate from cancer (per 100,000 population) in Maryland is higher than the US cancer mortality rate. Cancer impacts people across all population groups, however wide racial disparities exist. Maryland 2017 Goal 147.4. Maryland rate 159.3. Caroline County 173.5. Dorchester County 195.2. Kent County 149.7. Queen Anne's County 160.4. Talbot County 143. Total number of people reached by the initiative: Wellness for Women Outreach 1,600. Lives touched: Screenings 144. Primary objective of initiative: Reduce overall cancer death rate. Age-adjusted mortality rate from cancer (per 100,000 population). Maryland is higher than the US cancer mortality rate. Cancer impacts people across all population groups, however wide racial disparities exist. Maryland 2017 Goal 147.4. Maryland rate 159.3. Caroline County 173.5. Dorchester County 195.2. Kent County 149.7. Queen Anne's County 160.4. Talbot County 143.8. Wellness for Women Outreach 1. Increase the number of women surviving breast cancer by diagnosing them at an earlier stage through education and promotion of preventative measures and early detection. 2. Diagnose African American and Hispanic women at earlier stages of breast cancer, equivalent to Caucasian women. 3. Educate Latina women in breast self-examination with the assistance of a translator. Screenings: 1. The program serves as a point of access into care for age and risk specific mammography screening, clinical breast exam, and genetic testing for breast cancer. 2. Offers no cost mammograms to eligible women: those under the age of 40 and over 65 who have no insurance and Latina women of all ages who will be screened annually thereafter. Those women needing further diagnostic tests or who need treatment for breast cancer are enrolled in the State of Maryland Diagnosis and Treatment Program through the case manager. Key collaborators in delivery: Participating Hospital Staff, Talbot, QA, Kent, Dorchester, Caroline Counties Health Departments for five Counties. Impact of hospital initiative: Reduce cancer mortality. Evaluation of outcomes: The stage at diagnosis as reported by the Tumor Registry for the Cancer Center indicates disparity for women in Caroline and Dorchester County. The outreach program increased the community's awareness of breast cancer prevention, detection and treatments. Outcome: The outreach program increased the community's awareness.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of Community Health	ness of breast cancer prevention, detection and treatments 1,600 lives touched (some even ts included both community and professional audiences) 52 Community events, Screening 144 -Talbot County # of Events=26, # of Breast Cancer Diagnoses=50, Caucasian=39, AA/other=9 /1 Caroline County # of Events=6, # of Breast Cancer Diagnoses=22, Caucasian=18, AA/other=4/2 Dorchester County # of Events=10, # of Breast Cancer Diagnoses=35, Caucasian=21 AA /other=12/1 Kent County # of Events=6, # of Breast Cancer Diagnoses=21, Caucasian=16, AA /other=5 Queen Anne's County # of Events=4, # of Breast Cancer Diagnoses=4, Caucasian=2, AA/other=1/1 Initiative 2 Identified Need Health Priority #4 Mental health/substance abuse How was the need identified Identified through the CHNA process Name of hospital initiative UM SRH partnership with Recovery for Shore (RFS) Program-promotes recovery through advocacy, education and support Total number of people within target population Maryland Adult Residents in Need of Treatment, by Region 5--Eastern Shore (N=260,715) 25,624 Source https://bha.health.maryland.gov/State%20Drug%20and%20Alcohol%20Abuse%20Council/Documents/SDAACWeb/FormulaWorkgroup/Reuter_Estimating%20Treatment%20Need.pdf *estimated less than one-quarter, are actually in treatment programs Total number of people reached by the initiative Support 15-20 community events raising awareness and providing support for those affected by substance abuse Primary objective of initiative Indicators suggest the quality of life for the target population of those in long-term recovery from alcohol or other drug addiction, improve as a result of the support and advocacy provided by RFS programs The primary objective of this initiative is to * * Raise the awareness about addiction and recovery * Reduce the stigma about addiction and mental disorders * Advocacy for those in recovery * Engage in community activities that celebrate recovery and wellness Key collaborators in delivery * Caroline Counseling Center * Caroline County Prevention Services * Chesapeake Treatment Services * Chesapeake Voyagers, Inc * Circuit Court of Talbot County, Problem Solving Court * Community Newspaper Project (Chestertown Spy and Talbot Spy) * Dorchester County Addictions Program * Dry-Dock Recovery and Wellness Center * Kent County Department of Health Addictions Services * Mid Shore Mental Health Systems, Inc * Queen Anne's County Department of Health - Addictions Treatment and Prevention Services * University of Maryland Shore Behavioral Health Outpatient Addictions * Talbot Association of Clergy and Laity * Talbot County Health Department Addictions Program (TCAP) and Prevention * Parole and Probation * Talbot Partnership for Alcohol and Other Drug Abuse Prevention * University of Maryland Shore Regional Health Warwick Manor Behavioral Health

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of Community Health	Impact of hospital initiative Reduction of utilization of emergency room services for ongoing treatment Evaluation of outcome Education and support groups well attended and attendees demonstrated increased knowledge post education Events and Programs Participation in 15-20 community events raising awareness and providing support to those affected by substance abuse, serving five counties of Mid-Shore, including * Out of the Darkness, Suicide Prevention * Advocacy for naloxone, legislative forums in Centreville and Cambridge * Address alcohol, binge drinking, drug/substance abuse through partnerships listed above * Sponsor peer support programs Initiative 3 Identified Need Health Health Priority #1, Access to Care, Health Priority #3, Chronic Disease management, Provide outreach for education opportunities to the community for chronic disease awareness and management How was the need identified Identified through the CHNA process Name of hospital initiative Diabetes, Stroke, Heart Education Programs Education Series Support Groups Radio Broadcasts Heart Wellness Newsletter and Presentations Stroke Education/Presentations Blood Pressure Screenings Total number of people within target population 5 county population (See below for prevalence of disease) Prevalence of Diabetes in this community is higher than average within Maryland Diagnosed Diabetes Among Adults Caroline County Prevalence=12 2,856 individuals Dorchester County Prevalence=14 7 3,893 individuals Kent County Prevalence=8 9 1,549 individuals Queen Anne's County Prevalence=9 4 3,603 individuals Talbot County Prevalence=9 5 3,434 individuals Maryland Prevalence=9 4 Source Prevalence data presented here include number of existing cases and rates per 100 overall and by age, sex, and level of education https://www.cdc.gov/diabetes/atlas/obesityrisk/24/atlas.htm Prevalence of Age-adjusted mortality rate from heart disease (per 100,000 population) Heart disease is the leading cause of death in Maryland accounting for 25% of all deaths Prevalence for Maryland= 169 4 2017 Goal= 166 3 Caroline County Prevalence=195 6 Dorchester County Prevalence=19 0 9 Kent County Prevalence=154 3 Queen Anne's County Prevalence=159 8 Talbot County Prevalence=143 0 In Maryland, 30% of all deaths were attributed to heart disease and stroke Heart disease and stroke can be prevented by control of high blood pressure The rate of emergency department visits due to hypertension (per 100,000 population) in Maryland= 252 2 2017 Goal=234 Caroline County Rate=257 8 Dorchester County Rate=465 4 Kent County Rate =334 7 Queen Anne's County Rate=187 8 Talbot County Prevalence=265 1 Total number of people reached by the initiative Total Community Benefit encounters or "touchpoints" in FY2019 was over 2,000 for Diabetes, Stroke, Heart Wellness related Education and Support Groups Primary objective of initiative Reduce incidence of diabetes, stroke, cardiovascular disease Improve management of diabetes and hypertension, lung and heart health, Support for population managing diabetes, stroke, cancer Provide educational material to promote a focus on personal health Single or multi-year plan Multi Year 2006-present Key collaborators in delivery Community Senior Centers UM Center for Diabetes and Endocrinology UM Center at Easton Primary Stroke Center Health Departments Impact of hospital initiative Raised/ improved the level of diabetes awareness, stroke, and heart wellness education and management in the community Evaluation of outcome Education and support groups well attended and attendees demonstrated increased knowledge post education Health Fairs and Education Events including Queen Anne's County Annual Senior Summit, May 2017, 300 attendees The following educational materials, information and free screenings on the topics were provided, including High blood pressure and heart disease Diabetes Cancer Stroke Hospice services and palliative care Obesity, exercise and nutrition Free Blood pressure screenings Homeports Health & Wellness Expo, presented strategies to promote health and well-being regardless of age 200 attendees The following educational materials, information and free screenings on the topics were provided, including High blood pressure and heart disease Diabetes Cancer Stroke Hospice services and palliative care obesity, exercise and nutrition Screenings Free Blood pressure screenings Balance and Fall Risk Testing Cardiac and Lung Health Risk Assessment Lung Function Test Depression and Anxiety Screening Diabetes Education Series "Ask the Dietitian" 30 Participants attended 1-hour session to increase their knowledge on managing their diabetes All participants made progress on developing strategies to improve nutritional health and healthy lifestyles Diabetes Support Group 8-10 patients attend monthly Diabetes support group at multiple locations throughout the five county region Attendees, their friends and family meet to discuss

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of Community Health	diabetes concerns, problems, and challenges Facilitator provides health education and accurate information Stroke Awareness and Warning Signs Education/ Presentations inform adults of signs and symptoms, risk factors, and prevention methods for stroke Two presentations offered with 35 attendees Blood Pressure Screenings- Free screenings offered at multiple locations every week - 275 referrals Radio Broadcasts - 200+ listeners for health show Maryland Health Matters- published 3x year, mailed to 77,300 households UM SRH operates under a unique regulatory system that caps hospital revenues and provides adjustments to allow for population health improvement investments Under Maryland's global budget revenue model, UM SRH reports on a regular basis how it is investing in efforts to improve population health UM SRH provides on-going services that are fundamental to addressing the identified community health needs that demonstrate the extent to which our commitment to serve our community is integrated into our care delivery model We have a strong focus on treating patients with chronic conditions UM Shore Regional Health works to coordinate care, ensure smooth transitions and promote disease self-management strategies at every step of a patient's journey - whether at home, in the community, or within our hospital We operate specialized clinics to enable access to routine outpatient care Our transitional care services help patients newly diagnosed or those that have had a recent hospitalization transition safely back to the community Transitional nurse navigators provide patients with disease education and self-management strategies, connect them to primary care providers and specialists, and help them overcome any barriers to making follow up appointments An urgent care center to address off hours visits and low acuity emergencies is also available Our coumadin clinic provides anticoagulation medication management, specifically managing and monitoring warfarin (Coumadin) therapy upon physician referral It also provides patients with ongoing monitoring of their anticoagulation therapy to ensure desired outcomes and decrease adverse events Additionally, our behavioral health clinic provides a community access point for those in need of outpatient mental health services Resources are embedded throughout the hospital and in the community so that every patient receives the same level of care coordination Care managers are embedded within our emergency department and hospital, and provide in-home visits as needed Community health workers reach out to patients who are identified as being high risk for readmission or in need of critical resources Close relationships are maintained with skilled nursing facilities and home health agencies so that transfers from the hospital to these facilities are smooth, and the highest quality of care is constantly delivered Strong relationships exist with local emergency medical service (EMS) providers through our mobile integrated health program, which delivers effective and efficient care to patients outside of the hospital Nurses and community health workers function outside traditional emergency response roles, with a focus on maintaining individuals' health at their homes while also providing convenient access to care in the community Additional care partners include primary care providers, specialists, local department of health, office on aging and other community based partners

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of Community Health	We are proud to serve our community and appreciate our partners who allow us to fulfill our mission. We will always do what is right for the patient, no matter where they are in their health journey, and will always strive to have our patients receive care in the community they reside. As a part of the University of Maryland Medical System (UMMS) we are shaping a new paradigm in care delivery that we believe should be the future standard of care.

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Schedule H, Part I, Line 7g Subsidized Health Services	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
Schedule H, Part I, Line 7 Bad Debt Expense excluded from financial assistance calculation	8956896

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 7 Costing Methodology used to calculate financial assistance	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
Schedule H, Part II Community Building Activities	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 Anne's, and Kent Counties). Because local action is essential to public health progress, UM Shore Regional Health works in partnership with public sector agencies, health care providers and community-based partners. In addition, a variety of clinical and non-clinical UM SRH associates serve on various coalition workgroups. The work of UM SRH and community-based partners continues on the identified priorities and objectives of 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. UM SRH maintains open communication with the Health Departments of Talbot, Caroline, Dorchester, Queen Anne's, 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
Schedule H, Part III, Line 2 Bad debt expense - methodology used to estimate amount	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 BECAUSE OF THIS SYSTEM, THE HOSPITAL IS UNABLE TO ESTIMATE HOW MUCH OF THE AMOUNT REPORTED IN LINE 2 IS ATTRIBUTED TO PATIENTS WHO WOULD APPLY UNDER THE FAP

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 4 Bad debt expense - financial statement footnote	THE CORPORATION RECORDS REVENUES AND ACCOUNTS RECEIVABLE FROM PATIENTS AND THIRD-PARTY PAYORS AT THEIR ESTIMATED NET REALIZABLE VALUE. REVENUE IS REDUCED FOR ANTICIPATED DISCOUNTS UNDER CONTRACTUAL ARRANGEMENTS AND FOR CHARITY CARE. AN ESTIMATED PROVISION FOR BAD DEBTS IS RECORDED IN THE PERIOD THE RELATED SERVICES ARE PROVIDED BASED UPON ANTICIPATED UNCOMPENSATED CARE, AND IS ADJUSTED AS ADDITIONAL INFORMATION BECOMES AVAILABLE. THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS. PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE MODIFICATIONS TO THE PROVISION FOR BAD DEBTS AND TO ESTABLISH AN ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES. AFTER COLLECTION OF AMOUNTS DUE FROM INSURERS, THE CORPORATION FOLLOWS INTERNAL GUIDELINES FOR PLACING CERTAIN PAST DUE BALANCES WITH COLLECTION AGENCIES. 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 THE THIRD-PARTY PAYOR HAS NOT YET PAID OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS OR WITH BALANCES REMAINING AFTER THE THIRD-PARTY COVERAGE HAD 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 AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 8 Community benefit & methodology for determining medicare costs	THE ORGANIZATION FILES ANNUALLY A COMMUNITY BENEFIT REPORT WITH THE STATE OF MARYLAND'S HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) THE HSCRC, WHICH OPERATES UNDER A MEDICARE WAIVER, DOES NOT CONSIDER MEDICARE SHORTFALL AS COMMUNITY BENEFIT THE COSTING METHODOLOGY USED BY THE ORGANIZATION IS A COST-TO-CHARGE RATIO

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 9b Collection practices for patients eligible for financial assistance	THE ORGANIZATION EXPECTS PAYMENT AT THE TIME THE SERVICE IS PROVIDED OUR POLICY IS TO COMPLY WITH ALL STATE AND FEDERAL LAW AND THIRD PARTY REGULATIONS AND TO PERFORM ALL CREDIT AND COLLECTION FUNCTIONS IN A DIGNIFIED AND RESPECTFUL MANNER EMERGENCY SERVICES WILL BE PROVIDED TO ALL PATIENTS REGARDLESS OF ABILITY TO PAY FINANCIAL ASSISTANCE IS AVAILABLE FOR PATIENTS BASED ON FINANCIAL NEED AS DEFINED IN THE FINANCIAL ASSISTANCE POLICY THE ORGANIZATION DOES NOT DISCRIMINATE ON THE BASIS OF AGE, RACE, CREED, SEX OR ABILITY TO PAY PATIENTS WHO ARE UNABLE TO PAY MAY REQUEST A FINANCIAL ASSISTANCE APPLICATION AT ANY TIME PRIOR TO SERVICE OR DURING THE BILLING AND COLLECTION PROCESS, EVEN IN EXCESS OF 240 DAYS FOLLOWING THE FIRST POST-DISCHARGE BILLING STATEMENT THE ORGANIZATION MAY REQUEST THE PATIENT TO APPLY FOR MEDICAL ASSISTANCE PRIOR TO APPLYING FOR FINANCIAL ASSISTANCE THE ACCOUNT WILL NOT BE FORWARDED FOR COLLECTION DURING THE MEDICAL ASSISTANCE APPLICATION PROCESS OR THE FINANCIAL ASSISTANCE APPLICATION PROCESS NO EXTRAORDINARY COLLECTION ACTIONS (ECAS) WILL OCCUR EARLIER THAN 120 DAYS FROM SUBMISSION OF FIRST BILL TO THE PATIENT AND WILL BE PRECEDED BY NOTICE 30 DAYS PRIOR TO COMMENCEMENT OF THE ACTION AVAILABILITY OF FINANCIAL ASSISTANCE WILL BE COMMUNICATED TO THE PATIENT AND A PRESUMPTIVE ELIGIBILITY REVIEW WILL OCCUR PRIOR TO ANY ACTION BEING TAKEN IF A PATIENT IS DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE AFTER AN ECA IS INITIATED, THE ORGANIZATION WILL TAKE REASONABLE MEASURES TO REVERSE THE ECAS AGAINST THE PATIENT ACCOUNT

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16a FAP website	A - THE MEMORIAL HOSPITAL AT EASTON Line 16a URL https //www umms org/shore/community,

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16b FAP Application website	A - THE MEMORIAL HOSPITAL AT EASTON Line 16b URL https //www umms org/shore/community,

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16c FAP plain language summary website	A - THE MEMORIAL HOSPITAL AT EASTON Line 16c URL https //www umms org/shore/community,

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2 Needs assessment	UM Shore Regional Health (SHS) conducted a Community Health Needs Assessment (CHNA) which was board approved on 5/22/2019, for the five counties of Maryland's Mid-Shore Talbot, Calvert, Queen Anne's, Dorchester, and Kent. UM SRH used primary and secondary sources of data as well as quantitative and qualitative data and consulted with numerous individuals and organizations during the CHNA, including community leaders, community partners, the University of Maryland Medical System Community Health Improvement Committee, the general public, local health experts, and the Health Officers representing the five counties of the Mid-Shore. 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) and Maryland Department of Health and Mental Hygiene's State Health Improvement Process (SHIP) (http://dhmh.maryland.gov/ship, and Maryland State Health Improvement Measures as Related to Activities in Rural Communities and Workforce Development (http://www.wmdruralhealth.org/wp-content/uploads). 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 Rural Health Collaborative: Executive Committee 1. April Sharp, Consumer 2. Beth Anne Langrell, Executive Director, For All Seasons, Inc. 3. Fredia Wadley, Health Officer, Talbot County Health Department 4. James Chamberlain, Maryland Primary Care Physicians 5. Joseph Ciotola, Health Officer, Queen Anne's County Health Department 6. Ken Koziel, President and CEO, UM Shore Regional Health 7. William Webb, Health Officer, Kent County Health Department 8. Roger Harrell, Health Officer, Dorchester County Health Department 9. Sara Rich, President and CEO, Choptank Community Health Systems 10. Scott LeRoy, Health Officer, Caroline County Health Department 11. Timothy Shanahan, Medical Director, UM Community Medical Group 12. Victoria Bayless, President and CEO, Anne Arundel Medical Center 13. Anna Sierra, Executive Director, Dorchester County Department of Emergency Services 14. Childlene Brooks, Manager, Talbot Senior Center 15. Dr. Derek Simmons, Director of Student Services, Caroline County Public Schools 16. Jim Bogden, Self-Employed Policy Consultant 17. Katelin Haley, Chief Medical Officer, Choptank Community Health Systems 18. Maria Maguire, Pediatrician, UM Shore Health System & Talbot County's Child Advocacy Center 19. Mary Bourbon, Nurse Practitioner, Whittier Center 20. Mary Thompson, Retired Director of Nursing, Queen Anne's County Health Department 21. Maura Manley, Self-Employed Tutoring Agency 22. Michael Clark, Director, Queen Anne's County Local Management Board 23. Santo Grande, President and CEO, Delmarva Community Services, Inc. 24. Sara Visintainer, Chief of Staff, Caroline County Commissioners 25. Shelly Neal-Edwards, Director, Kent County Department of Social Services 26. Sonia Solano Torres, Hispanic Outreach Coordinator, Chesapeake Multicultural Resource Center 27. Teresa Schaefer, Psychologist, Chester River Behavioral Health. 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 regularly with members of the local health departments and community leaders, including Choptank Community Health System, Sara Rich Health Department's Health Officers, Mid-Shore Mental Health Systems, Katie Dilley, 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 * County Health Rankings * Mid-Shore Comprehensive Economic Development Strategy. CEDS Our CHNA identified the following list of priorities for our community: Health Priorities FY2020-2022. The top five priorities: 1. Access to care 2. Preventable ER visits 3. Chronic Disease management 4. Mental health/substance abuse 5. Cancer. Overarching theme for addressing health priorities: 1. Reduce barriers to care 2. Improve care coordination 3. Focus on health outreach and education. Maryland Health Care Commission (MHCC) Rural Health Study. During the 2016 Legislative Session, Senate Bill 707: Freestanding Medical Facilities.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2 Needs assessment	cilities- 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, Dorchester, Kent, Queen Anne's 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/LGSRPT_Shore_White_Paper_rpt20170523.pdf.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3 Patient education of eligibility for assistance	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, after screening, have a need for assistance. UM Shore Regional Health has a dedicated Financial Assistance Liaison to work with our patients to assist them with this process and expedite the decision process. Shore Health notifies patients of the 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 patient information sheet is mailed to patients with all statements and/or handed to them if needed. * Shore Health prepares its Financial Assistance Policy (FAP) in a culturally sensitive manner, at a reading comprehension level appropriate to the CBSA's population, and in Spanish. * Shore Health posts its FAP and financial assistance contact information in admissions areas, emergency rooms, and other areas of our facilities in which eligible patients are likely to present, * Shore Health provides a copy of the FAP and financial assistance contact information to patients or their families as part of the intake process, * Shore Health provides a copy of the FAP and financial assistance contact information to patients with discharge materials. * A copy of Shore Health's FAP along with financial assistance contact information, is provided in patient bills, and/or * Shore Health discusses with patients or their families the availability of various government benefits, such as Medicaid or state programs, and assists patients with qualification for such programs, where applicable. * An abbreviated statement advising of Shore Health's financial assistance policy, including a phone number to call for more information, is run annually in the local newspaper (Star Democrat).

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4 Community information	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 Anne's and Kent. UMC at Easton is situated at the center of the mid-shore area and thus serves a large rural geographical area (all five 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 Anne's 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. 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 average percentages, 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 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. Overall, Queen Anne's County ranks 7th, Talbot County ranks 9th, Dorchester ranks 22nd, Caroline ranks 21st, Kent ranks 14th (out of 24 counties including Baltimore City) in health outcomes that indicate the overall health of the county (Source: http://www.countyhealthrankings.org/maryland/ 2019). Service Areas: UMC at Easton's Primary Service Area: 21601, 21613, 21629, 21632, 21655, 21639, 21643. UMC at Dorchester's Primary Service Area: 21613, 21643, 21631. UMC at Chestertown's Primary Service Area: 21620, 21661, 21651, 21678. Community Benefit Service 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. Dorchester 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 Anne's 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 income

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4 Community information	s below the federal poverty guidelines within the CBSA Talbot 10 4%, Dorchester 18 1%, Caroline 14 4%, Queen Anne's 7 2%, Kent 14 8% Source https://www.census.gov/quickfacts/fact/table/US Percentage of uninsured people by County within the CBSA Talbot 8%, Dorchester 8%, Caroline 12%, Queen Anne's 6%, Kent 8% Source http://www.towncharts.com/Maryland/Maryland-state-Healthcare-data.html Percentage of Medicaid recipients by County within the CBSA Talbot 12%, Dorchester 22%, Caroline 21%, Queen Anne's 6%, Kent 14% Source http://www.towncharts.com/Maryland/Maryland-state-Healthcare-data.html Life Expectancy by County within the CBSA Talbot County All Races 80 8 White 81 6, Black 76 5 Dorchester County All Races 77 6, White 78 2, Black 75 7 Caroline County All Races 76 1, White 76 3, Black 75 4 Queen Anne's County All Races 79 6, White 79 7, Black 77 2 Kent County All Races 79 5, White 80 6, Black 74 5 (Source http://dnhm.maryland.gov) Mortality Rates by County within the CBSA (Crude Death Rates by Race) Maryland All Races 838 5, White 1059 7, Black 807 Talbot County All Races 1257 8 White 1371 1, Black 1227 1 Dorchester County All Races 1257 1, White 1411 6, Black 1263 8 Caroline County All Races 1074 9, White 1126 2, Black 1309 6 Queen Anne's County All Races 905 5, White 921, Black 1317 Kent County All Races 1449 7, White 1465 1, Black 1894 5 (Source https://health.maryland.gov/vsa/Documents/Reports/s%20and%20Data/Annual%20Reports/2018annual_revised2.pdf) Access to healthy food, Population that is Food Insecure Talbot County 10 5% Dorchester County 15 8% Caroline County 12 1% Queen Anne's County 7 5% Kent County 11 5% (Source URL http://www.mdfoodsystemmap.org) Quality of Housing Home Ownership Rate Talbot County 68 6% Dorchester County 65 6% Caroline County 70 5% Queen Anne's County 83 8% Kent County 71 9% Source Mid Shore Comprehensive Economic Development Strategy CEDS Source http://www.midshore.org/reports/ Access to Transportation within the CBSA Transit services in the three county areas are provided under contract by Delmarva Community Transit Services include medical and senior citizen demand services and fixed route county and regional service While most of the region is served by the fixed routes, there are gaps in coverage in the less populated areas of the counties The regional system, Maryland Upper Shore Transit (MUST), provides low cost service for the general public from Kent Island to Ocean City with convenient free transfer points at key locations on the shore MUST is a coordinated effort of several Upper Shore agencies and governments to provide a regional transit system for Kent, Queen Anne's, Talbot, Caroline, and Dorchester Counties Transit services are provided by Queen Anne's County Ride (operated by the county) and Delmarva Community Transit (DCT), a private company under contract to the counties The system also includes Shore Transit, which provides scheduled routes on the lower shore The MTA and the Maryland Department of Human Resources have provided funding Overall management of the regional system is the responsibility of the Transportation Advisory Group (TAG) The County Commissioners of the five Upper Shore counties appoint the members of the TAG (Source Mid Shore Comprehensive Economic Development Strategy CEDS (revised March 2012) http://www.midshore.org/reports/) Annual Average CBSA Unemployment Rate Talbot 4 0%, Dorchester 5 2%, Caroline 4 2%, Queen Anne's 3 8%, Kent 4 3% (Source http://www.dlhr.state.md.us/) Access to Quality Health Care Hospitals UM Shore Regional Health Peninsula Regional Medical Center Anne Arundel Medical Center Federally Qualified Health Centers (FQHCs) Choptank Community Health (Source http://www.dnhm.state.md.us/gethealthcare/FQHC.pdf)

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6 Affiliated health care system	University of Maryland Medical System Corporation (UMMS) is a private, not-for-profit corporation providing comprehensive healthcare services through an integrated regional network of hospitals and related clinical enterprises. UMMS was created in 1984 when its founding hospital was privatized by the State of Maryland. Over its 30-year history, UMMS evolved into a multi-hospital system with academic, community and specialty service missions reaching primarily across Maryland. 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, UM Shore Regional Medical Center 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. UM 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 on Maryland's Mid-Eastern Shore.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 7 State filing of community benefit report	MD

Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 52-0610538
Name: Shore Health System Inc

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

Section A. Hospital Facilities (list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? 2		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER—24 hours	ER—other	Other (Describe)	Facility reporting group
1	THE MEMORIAL HOSPITAL AT EASTON 219 S WASHINGTON STREET EASTON, MD 21601 WWW UMMS ORG/SHORE 20-003	X	X					X			A
2	DORCHESTER GENERAL HOSPITAL 300 BYRN STREET CAMBRIDGE, MD 21613 WWW UMMS ORG/SHORE 09-002	X	X					X			A

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3E	FACILITY NAME REPORTING GROUP A THE SIGNIFICANT HEALTH NEEDS ARE A PRIORITIZED DESCRIPTION OF THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY AND IDENTIFIED THROUGH THE CHNA

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 1	Facility A, 1 - REPORTING GROUP A UM Shore Regional Health (SHS) conducted a Community Health Needs Assessment (CHNA) which was board approved on 5/22/2019, for the five counties of Maryland's Mid-Shore Talbot, Caroline, Queen Anne's, Dorchester, and Kent UM SRH used primary and secondary sources of data as well as quantitative and qualitative data and consulted with numerous individuals and organizations during the CHNA, including community leaders, community partners, the University of Maryland Medical System Community Health Improvement Committee, the general public, local health experts, and the Health Officers representing the five counties of the Mid-Shore 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) and Maryland Department of Health and Mental Hygiene's State Health Improvement Process (SHIP) (http://dhmh.maryland.gov/ship , and Maryland State Health Improvement Measures as Related to Activities in Rural Communities and Workforce Development (http://www.mdruralhealth.org/wp-content/uploads) 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 UM MS 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 Rural Health Collaborative Executive Committee 1 April Sharp, Consumer 2 Beth Anne Langrell, Executive Director, For All Seasons, Inc 3 Fredia Wadley, Health Officer, Talbot County Health Department 4 James Chamberlain, Maryland Primary Care Physicians 5 Joseph Ciotola, Health Officer, Queen Anne's County Health Department 6 Ken Kozel, President and CEO, UM Shore Regional Health 7 William Webb, Health Officer, Kent County Health Department 8 Roger Harrell, Health Officer, Dorchester County Health Department 9 Sara Rich, President and CEO, Choptank Community Health Systems 10 Scott LeRoy, Health Officer, Caroline County Health Department 11 Timothy Shanahan, Medical Director, UM Community Medical Group 12 Victoria Bayless, President and CEO, Anne Arundel Medical Center 13 Anna Sierra, Executive Director, Dorchester County Department of Emergency Services 14 Childlene Brooks, Manager, Talbot Senior Center 15 Dr Derek Simmons, Director of Student Services, Caroline County Public Schools 16 Jim Bogden, SelfEmployed Policy Consultant 17 Katelin Haley, Chief Medical Officer, Choptank Community Health Systems 18 Maria Maguire, Pediatrician, UM Shore Health System & Talbot County's Child Advocacy

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 1	Ctr 19 Mary Bourbon, Nurse Practitioner, Whitsitt Center 20 Mary Thompson, Retired Dir ector of Nursing, Queen Anne's County Health Department 21 Maura Manley, SelfEmployed Tut oring Agency 22 Michael Clark, Director, Queen Anne's County Local Management Board 23 S anto Grande, President and CEO, Delmarva Community Services, Inc 24 Sara Visintainer, Ch ief of Staff, Caroline County Commissioners 25 Shelly NealEdwards, Director, Kent County Department of Social Services 26 Sonia Solano Torres, Hispanic Outreach Coordinator, Ches apeake Multicultural Resource Ctr 27 Teresa Schaefer, Psychologist, Chester River Behavi oral Health 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 appro ach to providing health care for Caroline, Dorchester, Kent, Queen Anne's and Talbot count ies In addition, Shore Health meets regularly with members of the local health department s and community leaders, including Choptank Community Health System Sara Rich Health Depa rtments Health Officers Mid Shore Mental Health Systems Katie Dille Eastern Shore Hospita l Center Randy Bradford In addition, the following agencies/organizations are referenced i n gathering information and data * Maryland Department of Health and Mental Hygiene * Mar yland Department of Planning * Maryland Vital Statistics Administration * County Health Ra nkings * Mid Shore Comprehensive Economic Development Strategy CEDS Our CHNA identified th e following list of priorities for our community Health Priorities FY2020-2022 The top fi ve priorities 1 Access to care 2 Preventable ER visits 3 Chronic Disease management 4 Mental health/substance abuse 5 Cancer Overarching theme for addressing health prioritie s 1 Reduce barriers to care 2 Improve care coordination 3 Focus on health outreach and education Maryland Health Care Commission (MHCC) Rural Health Study During the 2016 Legis lative Session, Senate Bill 707 Freestanding Medical Facilities-Certificate of Need, Rate s 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 he alth care needs of the five counties -- Caroline, Dorchester, Kent, Queen Anne's and Talbo t The purpose of the study was to assess the health care of the residents of the five-cou nty 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 aske d 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 ethn ic minorities, immigrants and patients with persistent behavioral illnesses, (3) barriers to access caused by transporta

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 1	tion 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, <i>Commitment to Meeting the Health Care Needs of Our Vulnerable Rural Communities</i>. 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/LGSRPT_Shore_White_Paper_rpt20170523.pdf.

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6a Facility A, 1	Facility A, 1 - REPORTING GROUP A SHS CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR THE UMSRH 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)

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	Facility A, 1 - REPORTING GROUP A 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 UMSRH 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 SEVERAL ADDITIONAL TOPIC AREAS WERE IDENTIFIED BY THE COMMUNITY HEALTH PLANNING COUNCIL INCLUDING SAFE HOUSING, TRANSPORTATION, AND SUBSTANCE ABUSE THE UNMET NEEDS NOT ADDRESSED BY UMC AT EATON, UMC AT DORCHESTER, NOR UMC AT CHESTERTOWN WILL CONTINUE TO BE ADDRESSED BY KEY GOVERNMENTAL AGENCIES AND EXISTING COMMUNITY- BASED ORGANIZATIONS WHILE UMSRH HOSPITALS 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

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 13 Facility A, 1	Facility A, 1 - REPORTING GROUP A THE FINANCIAL ASSISTANCE POLICY EXPLAINS SEVERAL ELIGIBILITY CRITERIA, INCLUDING PARTICIPATION IN MEDICAID/MEDICARE PROGRAMS AS WELL AS ELIGIBILITY UNDER VARIOUS STATE REGULATIONS IN ADDITION TO FPG, THE INCOME LEVELS DEFINED BY THE MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (MD DHMH) ARE USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE THE MD DHMH INCOME LEVELS ARE MORE GENEROUS THAN THE FPG INCOME LEVELS

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)
1 REQUARD CANCER CENTER 509 IDLEWILD AVENUE EASTON, MD 21601	ONCOLOGY SERVICES
1 DIGESTIVE DISEASE CENTER 5111 IDLEWILD AVENUE EASTON, MD 21601	DIGESTIVE HEALTH
2 DIAGNOSTIC CENTER 10 MARTIN COURT EASTON, MD 21601	DIAGNOSTIC & REHAB
3 SHORE HEALTH SYSTEM SURGERY CENTER 6 CAULK LANE EASTON, MD 21601	AMBULATORY SURGERY
4 CENTREVILLE DIAGNOSTIC CENTER 2540 CENTERVILLE ROAD CENTREVILLE, MD 21617	DIAGNOSTIC
5 SUNBURST CENTER ROUTE 50 CAMBRIDGE, MD 21613	REHAB SERVICES
6 INTEGRATIVE MEDICINE 607 DUTCHMANS LANE EASTON, MD 21601	ALTERNATIVE MEDICINE
7 SHOREWORKS BRYN STREET CAMBRIDGE, MD 21658	EMPLOYER HEALTH
8 QUEEN ANNE EMERGENCY CENTER 115 SHOREWAY DRIVE QUEENSTOWN, MD 21658	24-HOUR ER
9 DENTON DIAGNOSTIC CENTER 920 MARKET STREET DENTON, MD 21601	DIAGNOSTIC & REHAB
10 THE SHORE MEDICAL PAVILION 125 SHOREWAY DRIVE QUEENSTOWN, MD 21658	DIAGNOSTIC & REHAB

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I
(Form 990)

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

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

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 General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) Queen Anne's County Department of Health 206 N Commerce St Centreville, MD 216171049	52-6055783		50,000				Mobile Integrated Community Health program

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 0

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Return Reference	Explanation
Schedule I, Part I, Line 2 Procedures for monitoring use of grant funds	Shore Health System works in close connection with the County Health Departments to ensure grants are used in support of common goals

Schedule J (Form 990)	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. ▶ Go to www.irs.gov/Form990 for instructions and the latest information.	OMB No 1545-0047
		2018
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	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	☐ Housing allowance or residence for personal use		
☐ Travel for companions	☐ Payments for business use of personal residence		
☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
☐ Discretionary spending account	☐ 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.		1b	
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?		2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
☒ Compensation committee	☐ Written employment contract		
☒ Independent compensation consultant	☒ Compensation survey or study		
☐ Form 990 of other organizations	☒ 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?		4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?		4b	Yes
c Participate in, or receive payment from, an equity-based compensation arrangement?		4c	No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
Only 501(c)(3), 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?		5a	No
b Any related organization?		5b	No
If "Yes," on line 5a or 5b, describe in Part III.			
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?		6a	No
b Any related organization?		6b	No
If "Yes," on line 6a or 6b, describe in Part III.			
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.		7	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.		8	No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		9	

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.

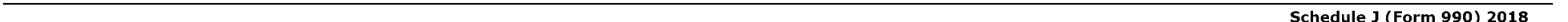
See Additional Data Table**Schedule J (Form 990) 2018**

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
Schedule J, Part I, Line 4b Supplemental nonqualified retirement plan	DURING THE FISCAL YEAR- ENDED JUNE 30, 2019, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE 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. ROBERT FRANK JOANNE R. HAHEY DURING THE FISCAL YEAR ENDED JUNE 30, 2019, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE 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). RUTH A. JONES, \$68,639 WILLIAM E. HUFFNER, \$296,808 DURING THE FISCAL YEAR-ENDED JUNE 30, 2019, 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. KENNETH D. KOZEL FRANCIS G. LEE PATTI K. WILLIS JOHN W. ASHWORTH III ROBERT A. CHRENCIK

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



Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 52-0610538
Name: Shore Health System Inc

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
John Dillon	(i)	0	0	0	0	0	0	0
Chairman (Ended 04/19)	(ii)	156,375	0	0	0	0	156,375	0
Kenneth D Kozel	(i)	437,380	204,347	74,976	11,000	14,703	742,406	0
President and CEO, UMSRH	(ii)	0	0	0	0	0	0	0
John W Ashworth III	(i)	0	0	0	0	0	0	0
Director	(ii)	422,013	160,212	70,894	11,000	25,969	690,088	0
Robert A Chrencik	(i)	0	0	0	0	0	0	0
Director (Ended 04/19)	(ii)	1,355,350	995,365	284,091	11,000	25,554	2,671,360	0
Robert Frank	(i)	278,046	111,054	4,117	45,681	22,707	461,605	0
COO	(ii)	0	0	0	0	0	0	0
Joanne R Hahey	(i)	291,121	122,446	21,638	47,979	29,804	512,988	0
SVP Finance and CFO	(ii)	0	0	0	0	0	0	0
William E Huffner	(i)	382,488	148,243	302,564	11,000	21,829	866,124	255,930
CMO	(ii)	0	0	0	0	0	0	0
Ruth A Jones	(i)	220,408	86,541	74,671	8,956	13,247	403,823	48,462
SVP & CNO	(ii)	0	0	0	0	0	0	0
Kevin J Chapple	(i)	155,645	15,573	132	6,363	15,948	193,661	0
Manager Allied Clinical	(ii)	0	0	0	0	0	0	0
Nichole L Hill	(i)	180,847	0	134	6,331	31,008	218,320	0
Physicist	(ii)	0	0	0	0	0	0	0
Francis G Lee	(i)	175,879	34,953	23,977	7,252	15,028	257,089	0
VP Philanthropy	(ii)	0	0	0	0	0	0	0
Patti K Willis	(i)	219,865	87,365	32,996	8,981	19,602	368,809	0
VP External Relations	(ii)	0	0	0	0	0	0	0
Brian A Leutner	(i)	138,538	23,661	169	5,755	24,791	192,914	0
VP Clinical and Ambulatory Services	(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.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

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 INC	Wayne Gardner is a director of the filing organization, and an owner of Best Care Ambulance	423,238	Best Care Ambulance was paid fees, at or below fair market value, for ambulance transportation services		No
(2) Gary Jones	Gary Jones is a family member of Ruth Jones, a key employee of the filing organization	137,094	Gary Jones was paid reasonable compensation as an employee of the filing organization		No

Part V Supplemental Information

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

Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

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.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury

Name of the organization

Shore Health System Inc

Employer identification number

52-0610538

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IV, Line 24a TAX EXEMPT BONDS	PURSUANT TO A MASTER LOAN AGREEMENT DATED DECEMBER 1, 2017 (THE "MASTER LOAN AGREEMENT"), AS AMENDED, UMMS 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, ROI, UM MIDTOWN, UM BALTIMORE WASHINGTON, SHORE HEALTH (UM MEMORIAL AND UM DORCHESTER), UM CHESTER RIVER, UM CHARLES REGIONAL, UM ST JOSEPH, UM UPPER CHESAPEAKE, UM HARFORD MEMORIAL, UM LAUREL, UM PRINCE GEORGE'S, BOWIE HEALTH CENTER (BOWIE), AND THE UMMS FOUNDATION 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 \$1,680,179,000 OF OUTSTANDING AUTHORITY BONDS ON JUNE 30, 2019 ALL OF THE BONDS WERE ISSUED IN THE NAME OF UMMS AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 6 Classes of members or stockholders	UMMS IS THE SOLE MEMBER OF UNIVERSITY OF MARYLAND SHORE REGIONAL HEALTH, INC (UMSRH) UMSRH IS THE SOLE MEMBER OF SHS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7a Members or stockholders electing members of governing body	UMMS AND UMSRH MAY ELECT ONE OR MORE BOARD MEMBERS OF THE GOVERNING BODY OF SHS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7b Decisions requiring approval by members or stockholders	ALL DECISIONS OF THE GOVERNING BODY OF SHS MUST BE APPROVED BY UMMS AND UMSRH

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 11b Review of form 990 by governing body	The University of Maryland Medical System ("UMMS") prepares the IRS Form 990 for UMMS and its affiliates. Information needed to complete the return is gathered by accounting personnel in the Finance Shared Services department under the supervision of the UMMS Tax Director. Draft returns are prepared using IRS-approved tax software. Once a draft return is prepared, it undergoes multiple levels of review both internally by UMMS tax & finance personnel, and externally by Ernst & Young LLP. Following any necessary changes to the return, a final draft is reviewed by each affiliate's vice president of finance and/or CFO. Prior to filing the IRS Form 990, the organization's board chairman, treasurer, governance committee, finance committee or other member(s) of the board with similar authority will review the IRS Form 990. All board members are provided with a copy of the final IRS Form 990 before filing.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 12c Conflict of interest policy	The filing organization follows the University of Maryland Medical System (UMMS) Conflicts of Interest Policy, which requires that all Covered Persons 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. Covered Persons means any member of the organization's Board of Directors, a member of a committee of the Board, an officer, or an employee of organization (including subsidiaries) at the VP level or above. The organization (or its sole member) is responsible for administering and enforcing the Conflicts of Interest Policy (Policy). The Governance Committee (or other Board committee having similar authority) reviews any and all conflicts, shall report annually to the full Board on the administration, infractions, and enforcement of the Policy and shall report at the earliest opportunity all matters of concern to the full Board in executive session while interested parties are recused. The organization or its sole member's Compliance Officer is the responsible administrative authority to assist the Board in administering and enforcing the Conflicts of Interest Policy and bringing concerns to the oversight committee. A questionnaire which discloses potential conflicts of interest is distributed annually to Covered Persons. The Chief Compliance Officer of the University of Maryland Medical System Corporation (UMMS) distributes and collects the responses for UMMS and other affiliates, and may be called for consult when potential conflicts are disclosed. If the oversight Committee determines that a Conflict of Interest exists, the Committee shall notify the Covered Person and the organization's Board Chair, and further will notify the full Board at its next meeting. Furthermore, in the event the Committee determines that an actual or perceived Conflict of Interest exists, the Committee shall decide how to address the Conflict of Interest. If the Committee determines that a Conflict of Interest exists but that the organization may enter into the subject transaction or arrangement, the interested Covered Person shall be recused from all deliberations and decisions concerning said transaction or arrangement, any arrangements with that entity, and compensation or benefits for officers, directors, and trustees. Furthermore, the Chair of the Board and the Chairs of the oversight Committee and the Audit and Compliance Committee shall not have any Business Transactions with UMMS, nor shall their Family Members. If the oversight Committee determines that a Covered Person has used their position to accrue Excess Benefits or to knowingly assist others in accruing Excess Benefits in any way at the expense of the organization, the Committee shall recommend to the Executive Committee appropriate corrective action to be taken.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15a Process to establish compensation of top management official	SHS DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER P REScribed IN THE IRS REGULATIONS EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMM ITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTE REST THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATIO N PACKAGES OF SIMILARLY SITUATED EXECUTIVES THE COMMITTEE CAREFULLY REVIEWS THAT DATA, TH E EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKIN G PROCESS THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND A DOPTED AT THE NEXT-FOLLOWING MEETING THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HA S 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 PRESIDE NT LEVEL AND UP

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15b Process to establish compensation of other employees	SHS DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER P REScribed IN THE IRS REGULATIONS EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMM ITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTE REST THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATIO N PACKAGES OF SIMILARLY SITUATED EXECUTIVES THE COMMITTEE CAREFULLY REVIEWS THAT DATA, TH E EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKIN G PROCESS THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND A DOPTED AT THE NEXT-FOLLOWING MEETING THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HA S 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 PRESIDE NT LEVEL AND UP

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 19 Required documents available to the public	THE ORGANIZATION'S GOVERNING DOCUMENTS ARE MADE PUBLICLY AVAILABLE THROUGH THE STATE OF MASSACHUSETTS VIA THE SECRETARY OF STATE'S OFFICE THE CONFLICT OF INTEREST POLICY IS GENERALLY AVAILABLE ON THE ORGANIZATION'S OR AFFILIATE'S WEBSITE FINANCIAL STATEMENTS ARE MADE PUBLICLY AVAILABLE ON A QUARTERLY BASIS THROUGH FILINGS ON THE ELECTRONIC MUNICIPAL MARKET ACCESS ("EMMA") SYSTEM

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VII, Section A HOURS ON RELATED ENTITIES	UMMS IS A MULTI-ENTITY HEALTH CARE SYSTEM THAT INCLUDES 13 ACUTE CARE HOSPITALS, 1 ACUTE C ARE HOSPITAL OWNED IN A JOINT VENTURE ARRANGEMENT AND VARIOUS SUPPORTING ENTITIES A NUMBE R OF INDIVIDUALS PROVIDE SERVICES TO VARIOUS ENTITIES WITHIN THE SYSTEM IN GENERAL, THE O FFICERS AND KEY EMPLOYEES OF UMMS AVERAGE IN EXCESS OF 40 HOURS PER WEEK SERVING THE DIFFE RENT ENTITIES THAT COMPRISE UMMS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VIII, Line 11d Other Miscellaneous Revenue	Other revenue - Total Revenue 1218982, Related or Exempt Function Revenue 1218982, Unrel ated Business Revenue 0, Revenue Excluded from Tax Under Sections 512, 513, or 514 0, Or tho Rehab/PT - Total Revenue 583374, Related or Exempt Function Revenue 583374, Unrelate d Business Revenue 0, Revenue Excluded from Tax Under Sections 512, 513, or 514 0,

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IX, Line 11g Other Fees	SHARED SERVICES - Total Expense 15772156, Program Service Expense 13721776, Management and General Expenses 2050380, Fundraising Expenses 0, PHYSICIAN SERVICES - Total Expense 13879609, Program Service Expense 13879609, Management and General Expenses 0, Fundraising Expenses 0, CONTRACT SERVICES - Total Expense 5260943, Program Service Expense 4721271, Management and General Expenses 539672, Fundraising Expenses 0, TEMPORARY LABOR - Total Expense 5537942, Program Service Expense 5537942, Management and General Expenses 0, Fundraising Expenses 0, CONSULTING - Total Expense 2219793, Program Service Expense 1931220, Management and General Expenses 288573, Fundraising Expenses 0, OTHER SERVICES - Total Expense 1871595, Program Service Expense 1631374, Management and General Expenses 240221, Fundraising Expenses 0,

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, Line 9 Other changes in net assets or fund balances	EQUITY TRANSFER UMMS AFFILIATES - -14950280, CAPITAL CONTRIBUTIONS - -3234284, BENEFICIAL INTEREST IN FOUNDATIONS - -4896763, MALPRACTICE ADJUSTMENT - 564263, VACATION TRANSFER - 55713, SWAP ADJUSTMENT - -840708, Net assets released from restriction - -147465,

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493183014070

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.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047

2018

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.

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) 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	

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)		No
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)		No
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)		No
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses	Yes	
q Reimbursement paid by related organization(s) for expenses		No
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	5,093,390	book
(2) Dorchester General Hospital Foundation	C	125,755	book

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

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation

Additional Data

Software ID: 18007697
Software Version: 2018v3.1
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
301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1756326	HEALTHCARE	MD	501(c)(3)	Type I	BWHS		No
301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1830243	HEALTHCARE	MD	501(c)(3)	Type I	UMBWMS		No
301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-0689917	HEALTHCARE	MD	501(c)(3)	3	UMBWMS		No
301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1830242	HEALTHCARE	MD	501(c)(3)	Type I	UMMSC		No
301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1318404	REAL ESTATE	MD	501(c)(2)		NCC		No
301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1591355	REAL ESTATE	MD	501(c)(2)		UMBWMS		No
100 BROWN STREET CHESTERTOWN, MD 21620 52-1338861	FUNDRAISING	MD	501(c)(3)	8	UMSRH		No
100 BROWN STREET CHESTERTOWN, MD 21620 52-2046500	HEALTHCARE	MD	501(c)(3)	Type I	UMMSC		No
100 BROWN STREET CHESTERTOWN, MD 21620 52-0679694	HEALTHCARE	MD	501(c)(3)	3	UMSRH		No
200 MORGNEC ROAD CHESTERTOWN, MD 21620 52-6070333	HEALTHCARE	MD	501(c)(3)	10	UMSRH		No
827 LINDEN AVENUE BALTIMORE, MD 21201 52-1566211	HEALTHCARE	MD	501(c)(3)	Type II	UMMTH		No
827 LINDEN AVENUE BALTIMORE, MD 21201 52-1175337	HEALTHCARE	MD	501(c)(3)	Type II	UMMSC		No
827 LINDEN AVENUE BALTIMORE, MD 21201 52-0591667	HEALTHCARE	MD	501(c)(3)	3	UMMTH		No
219 SOUTH WASHINGTON STREET EASTON, MD 21601 52-1510269	HEALTHCARE	MD	501(c)(3)	10	SHS	Yes	
219 SOUTH WASHINGTON STREET EASTON, MD 21601 52-1282080	FUNDRAISING	MD	501(c)(3)	Type I	SHS	Yes	
22 SOUTH GREENE STREET BALTIMORE, MD 21201 52-1874111	HEALTHCARE	MD	501(c)(3)	3	UMSRH		No
2200 KERNAN DRIVE BALTIMORE, MD 21207 52-0591639	HEALTHCARE	MD	501(c)(3)	3	UMMSC		No
22 SOUTH GREENE STREET BALTIMORE, MD 21201 52-2238893	FUNDRAISING	MD	501(c)(3)	Type I	UMMSC		No
22 SOUTH GREENE STREET BALTIMORE, MD 21201 52-1362793	HEALTHCARE	MD	501(c)(3)	3	NA		No
PO BOX 1070 LA PLATA, MD 20646 52-2155576	HEALTHCARE	MD	501(c)(3)	Type III-FI	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?
						YesNo
PO BOX 1070 LA PLATA, MD 20646 52-0445374	HEALTHCARE	MD	501(c)(3)	3	UMCRH	No
PO BOX 1070 LA PLATA, MD 20646 52-1414564	FUNDRAISING	MD	501(c)(3)	Type I	UMCRH	No
7601 OSLER DRIVE TOWSON, MD 21204 52-1681044	FUNDRAISING	MD	501(c)(3)	Type I	UMSJHS	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-0591484	HEALTHCARE	MD	501(c)(3)	3	UMUCHS	No
7601 OSLER DRIVE TOWSON, MD 21204 46-2097818	HEALTHCARE	MD	501(c)(3)	3	UMMSC	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1398513	HEALTHCARE	MD	501(c)(3)	Type III-O	UMMSC	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1398507	FUNDRAISING	MD	501(c)(3)	Type I	UMUCHS	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1253920	HEALTHCARE	MD	501(c)(3)	3	UMUCHS	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1501734	HEALTHCARE	MD	501(c)(3)	10	UMUCHS	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1907237	REAL ESTATE	MD	501(c)(2)		UMUCHS	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 26-0737028	HOSPICE	MD	501(c)(3)	10	UMUCHS	No
520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1229742	HOME CARE	MD	501(c)(3)	Type II	UMUCHS	No
3001 HOSPITAL DRIVE CHEVERLY, MD 20785 52-1289729	HEALTHCARE	MD	501(c)(3)	3	UMMSC	No
3001 HOSPITAL DRIVE CHEVERLY, MD 20785 52-1902711	HEALTHCARE	MD	501(c)(3)	Type I	UMCAPRH	No
250 W PRATT ST STE 2400 BALTIMORE, MD 21201 82-3596114	HEALTHCARE	MD	501(c)(3)	Type III-FI	UMMSC	No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ARUNDEL PHYSICIANS ASSOCIATES 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-2000762	HEALTHCARE	MD	APA INC					No			No	
(1) BALTIMORE WASHINGTON IMAGING 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 20-0806027	HEALTHCARE	MD	UMBWMS					No			No	
(2) UNIVERSITYCARE LLC 22 SOUTH GREENE STREET BALTIMORE, MD 21201 52-1914892	HEALTHCARE	MD	UMMSC					No			No	
(3) O'DEA MEDICAL ARTS LIMITED PAR 7601 OSLER DRIVE TOWSON, MD 21204 52-1682964	RENTAL	MD	SJMC PROP					No			No	
(4) ADVANCED IMAGING AT ST JOSEPH 7601 OSLER DRIVE TOWSON, MD 21204 52-1958002	HEALTHCARE	MD	UMSJMC					No			No	
(5) UNIVERSITY OF MARYLAND CHARLES PO BOX 1070 LAPLATA, MD 20646 30-0956382	HEALTHCARE	MD	UMCRCP					No			No	
(6) BALTIMORE ASC VENTURES LLC 7620 YORK ROAD TOWSON, MD 21204 82-4133899	HEALTHCARE	DE	UMSJMC					No			No	
(7) UCHSUMMS Real Estate Trust 520 Upper Chesapeake Drive Bel Air, MD 21014 27-6803540	Holding Co	MD	UMMSC					No			No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) ARUNDEL PHYSICIANS ASSOCIATES INC 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1992649	HEALTHCARE	MD	NA	C Corporation					No
(1) BALTIMORE WASHINGTON HEALTH ENTERPRISES 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1936656	HEALTHCARE	MD	NA	C Corporation					No
(2) BW PROFESSIONAL SERVICES INC 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061 52-1655640	HEALTHCARE	MD	NA	C Corporation					No
(3) NA EXECUTIVE BUILDING CONDO ASSN INC 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	REAL ESTATE	MD	NA	C Corporation					No
(4) UM CHARLES REGIONAL CARE PARTNERS PO BOX 1070 LA PLATA, MD 20646 52-2176314	HEALTHCARE	MD	NA	C Corporation					No
(5) UNIVERSITY MIDTOWN PROF CENTER 827 LINDEN AVENUE BALTIMORE, MD 21201 52-1891126	REAL ESTATE	MD	NA	C Corporation					No
(6) UNIVERSITY OF MARYLAND HEALTH ADVANTAGE 22 SOUTH GREENE STREET BALTIMORE, MD 21201 46-1411902	INSURANCE	MD	NA	C Corporation					No
(7) UNIVERSITY OF MARYLAND HEALTH PARTNERS 22 SOUTH GREENE STREET BALTIMORE, MD 21201 45-2815803	INSURANCE	MD	NA	C Corporation					No
(8) UNIVERSITY OF MARYLAND MEDICAL SYSTEM HE 22 SOUTH GREENE STREET BALTIMORE, MD 21201 45-2815722	INSURANCE	MD	NA	C Corporation					No
(9) UPPER CHESAPEAKE HEALTH VENTURES INC 520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-2031264	HEALTHCARE	MD	NA	C Corporation					No
(10) UPPER CHESAPEAKE MEDICAL CENTER LAND CON 520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 77-0674478	REAL ESTATE	MD	NA	C Corporation					No
(11) UPPER CHESAPEAKE MEDICAL OFFICE BUILDING 520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 52-1946829	REAL ESTATE	MD	NA	C Corporation					No
(12) SHORE ORTHOPEDICS INC 219 S WASHINGTON STREET EASTON, MD 21601 37-1817262	HEALTHCARE	MD	Yes	C Corporation	8,796,925	1,743,493	100 %	Yes	
(13) MADISON MANOR INC 5801 42ND AVE HYATTSVILLE, MD 20781 52-1269059	HEALTHCARE	MD	NA	C Corporation					No
(14) AFFILIATED ENTERPRISES INC 3001 HOSPITAL DRIVE CHEVERLY, MD 20785 52-1542144	HEALTHCARE	MD	NA	C Corporation					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) DIMENSIONS ASSURANCE LTD PO BOX 1363 GENESIS BLDG GRAND CAYMAN CJ 98-0348082	INSURANCE	CJ	NA	C Corporation					No
(1) RIVERSIDE HEALTH OF DELAWARE INC 1966 GREENSPRING DRIVE STE 600 TIMONIUM, MD 21093 46-3205820	HEALTHCARE	DE	NA	C Corporation					No
(2) RIVERSIDE HEALTH OF DC INC 1966 GREENSPRING DRIVE STE 600 TIMONIUM, MD 21093 46-1411713	HEALTHCARE	DC	NA	C Corporation					No
(3) UPPER CHESAPEAKE INSURANCE COMPANY LTD 520 UPPER CHESAPEAKE DR BEL AIR, MD 21014 98-0468438	INSURANCE	CJ	NA	C Corporation					No