

# PUBLIC INSPECTION COPY

EXTENDED TO NOVEMBER 16, 2020

Form **990**  
(Rev. January 2020)  
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)

OMB No. 1545-0047

# 2019

Open to Public Inspection

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2019 calendar year, or tax year beginning **OCT 27, 2019** and ending **DEC 31, 2019**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC. Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 820 WEST DIAMOND AVE. 600 City or town, state or province, country, and ZIP or foreign postal code GAITHERSBURG, MD 20878-1419 <b>F</b> Name and address of principal officer: TERRY FORDE SAME AS C ABOVE	<b>D</b> Employer identification number 84-2670875 <b>E</b> Telephone number 301 315 3030 <b>G</b> Gross receipts \$ 8,527,174. <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶ 1071
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <a href="http://WWW.ADVENTISTHEALTHCARE.COM">WWW.ADVENTISTHEALTHCARE.COM</a>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
		<b>L</b> Year of formation: 2019
		<b>M</b> State of legal domicile: MD

### Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>HEALTH-CARE NETWORK: SERVICES SUCH AS ACUTE CARE, 24/7 EMERGENCY CARE, AND GENERAL SURGERY.</u> <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. <b>3</b> Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> 12 <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> 8 <b>5</b> Total number of individuals employed in calendar year 2019 (Part V, line 2a) ..... <b>5</b> 0 <b>6</b> Total number of volunteers (estimate if necessary) ..... <b>6</b> 14 <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> 0. <b>7b</b> Net unrelated business taxable income from Form 990-T, line 39 ..... <b>7b</b> 0.															
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) ..... <b>9</b> Program service revenue (Part VIII, line 2g) ..... <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Prior Year</th> <th style="width: 50%;">Current Year</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">100,518.</td> </tr> <tr> <td></td> <td style="text-align: right;">8,412,422.</td> </tr> <tr> <td></td> <td style="text-align: right;">0.</td> </tr> <tr> <td></td> <td style="text-align: right;">14,234.</td> </tr> <tr> <td></td> <td style="text-align: right;">8,527,174.</td> </tr> </tbody> </table>	Prior Year	Current Year		100,518.		8,412,422.		0.		14,234.		8,527,174.		
Prior Year	Current Year															
	100,518.															
	8,412,422.															
	0.															
	14,234.															
	8,527,174.															
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td></td> <td style="text-align: right;">0.</td> </tr> <tr> <td></td> <td style="text-align: right;">0.</td> </tr> <tr> <td></td> <td style="text-align: right;">4,902,100.</td> </tr> <tr> <td></td> <td style="text-align: right;">0.</td> </tr> <tr> <td></td> <td style="text-align: right;">3,221,975.</td> </tr> <tr> <td></td> <td style="text-align: right;">8,124,075.</td> </tr> <tr> <td></td> <td style="text-align: right;">403,099.</td> </tr> </tbody> </table>		0.		0.		4,902,100.		0.		3,221,975.		8,124,075.		403,099.
	0.															
	0.															
	4,902,100.															
	0.															
	3,221,975.															
	8,124,075.															
	403,099.															
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) ..... <b>21</b> Total liabilities (Part X, line 26) ..... <b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Beginning of Current Year</th> <th style="width: 50%;">End of Year</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">29,044,506.</td> </tr> <tr> <td></td> <td style="text-align: right;">21,585,996.</td> </tr> <tr> <td></td> <td style="text-align: right;">7,458,510.</td> </tr> </tbody> </table>	Beginning of Current Year	End of Year		29,044,506.		21,585,996.		7,458,510.						
Beginning of Current Year	End of Year															
	29,044,506.															
	21,585,996.															
	7,458,510.															

### 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.

<b>Sign Here</b>	Signature of officer <b>JAMES G. LEE, EXEC VICE PRESIDENT &amp; CFO</b> Type or print name and title	Date <u>11/11/2020</u>
<b>Paid Preparer Use Only</b>	Print/Type preparer's name Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN	Firm's name ▶ Firm's address ▶ Firm's EIN ▶ Phone no.

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: WE EXTEND GOD'S CARE THROUGH THE MINISTRY OF PHYSICAL, MENTAL AND SPIRITUAL HEALING.

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 [X] No

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 6,290,154. including grants of \$ ) (Revenue \$ 8,412,422. ) IN 2019, ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC., AN ACUTE CARE HOSPITAL, PROVIDED MEDICAL AND SURGICAL SERVICES TO THE COMMUNITY. IN ADDITION, THEY PROVIDED BENEFITS TO THE COMMUNITY THAT INCLUDED, CHARITY CARE, TEACHING PRECEPTOR OPPORTUNITIES, HEALTH SCREENINGS, COMMUNITY HEALTH EDUCATION, COMMUNITY SPONSORSHIP OPPORTUNITIES, AND COMMUNITY ENGAGEMENT ACTIVITIES.

THE HOSPITAL RECEIVED THE FOLLOWING HEALTH AWARDS:

WORKPLACE PARTNERSHIP FOR LIFE SILVER RECOGNITION FOR EFFORTS TO INCREASE ORGAN, EYE, AND TISSUE DONOR REGISTRATIONS IN MARYLAND; U.S. NEWS & WORLD REPORT RANKS 2019-20 HIGH PERFORMING HOSPITAL FOR HEART FAILURE IN MARYLAND; CONTINUES ON SCHEDULE O.

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

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

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

4e Total program service expenses 6,290,154.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors?</i> .....	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i> .....		X
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i> .....		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
<b>11</b> 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.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i> .....	X	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I</i> .....		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	X	
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38. Includes questions about grants, compensation, tax-exempt bonds, excess benefit transactions, and contributions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with 3 columns: Question, Yes, No. Rows 1a, 1b, 1c. Includes questions about Form 1096, Forms W-2G, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee reporting, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

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

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

**Section A. Governing Body and Management**

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

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

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

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed  NONE
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 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 on Schedule O)
- 19** Describe on 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   
 JAMES G. LEE, EXEC. VP & CFO - 301 315 3030  
 820 WEST DIAMOND AVE., SUITE 600, GAITHERSBURG, MD 20878-1419

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

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

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

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

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) TERRY FORDE CHAIR; PRESIDENT & CEO,AHC	4.00 58.00	X		X			0.	2,189,488.	243,245.	
(2) JOHN SACKETT VICE CHAIR; EVP/COO,AHC; PRES.,SGMC	5.00 57.00	X					0.	984,331.	69,288.	
(3) JAMES G. LEE EVP & CFO, AHC	4.00 58.00	X		X			0.	772,649.	166,044.	
(4) EUNMEE SHIM SECY.; PRES.,FWMC; SVP,AMB NETWK,AHC	20.00 35.00	X					0.	631,733.	110,834.	
(5) GINA BROWN BOARD MEMBER	1.00	X					0.	0.	0.	
(6) CHARLES DAY BOARD MEMBER	1.00	X					0.	0.	0.	
(7) PASTOR MARCUS HARRIS BOARD MEMBER	1.00	X					0.	0.	0.	
(8) MICHELLE HEREFORD BOARD MEMBER	1.00	X					0.	0.	0.	
(9) ALVIN KIBBLE BOARD MEMBER	1.00	X					0.	0.	0.	
(10) KIMBERLY ROBERTSON BOARD MEMBER	1.00	X					0.	0.	0.	
(11) SAMEER SHAMMAS BOARD MEMBER	1.00	X					0.	0.	0.	
(12) KENNETH FISHER BOARD MEMBER	1.00	X					0.	0.	0.	





**Part VIII Statement of Revenue**

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>	100,518.				
	<b>g</b> Noncash contributions included in lines 1a-1f .....	<b>1g</b>	\$				
	<b>h Total.</b> Add lines 1a-1f .....			100,518.			
<b>Program Service Revenue</b>	<b>2 a</b> PATIENT SERVICES	<b>Business Code</b>					
		622110	8,412,422.	8,412,422.			
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> .....						
	<b>e</b> .....						
	<b>f</b> All other program service revenue .....						
<b>g Total.</b> Add lines 2a-2f .....			8,412,422.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....						
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	<b>6a</b>	(i) Real				
			(ii) Personal	14,234.			
	<b>b</b> Less: rental expenses ...	<b>6b</b>	0.				
	<b>c</b> Rental income or (loss)	<b>6c</b>	14,234.				
	<b>d</b> Net rental income or (loss) .....			14,234.		14,234.	
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	<b>7a</b>	(i) Securities				
			(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses .....	<b>7b</b>					
<b>c</b> Gain or (loss) .....	<b>7c</b>						
<b>d</b> Net gain or (loss) .....							
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>8a</b>						
<b>b</b> Less: direct expenses .....	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events .....							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>9a</b>						
<b>b</b> Less: direct expenses .....	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>10a</b>						
<b>b</b> Less: cost of goods sold .....	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory .....							
<b>Miscellaneous Revenue</b>	<b>11 a</b> .....	<b>Business Code</b>					
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....						
<b>12 Total revenue.</b> See instructions .....			8,527,174.	8,412,422.	0.	14,234.	

**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  X

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				
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, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
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	4,070,934.	3,474,484.	596,450.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	129,051.	108,579.	20,472.	
9 Other employee benefits	403,428.	298,651.	104,777.	
10 Payroll taxes	298,687.	254,793.	43,894.	
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
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 Sch O.)	1,665,464.	1,335,867.	329,597.	
12 Advertising and promotion	19,928.	551.	19,377.	
13 Office expenses	24,974.		24,974.	
14 Information technology				
15 Royalties				
16 Occupancy	351,825.	105,626.	246,199.	
17 Travel	36,636.	32,560.	4,076.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	3,592.	2,838.	754.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	208,806.	22,962.	185,844.	
23 Insurance	133,133.	304.	132,829.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	697,971.	635,590.	62,381.	
b COLLECTION FEES/LICENSE	79,646.	17,349.	62,297.	
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	8,124,075.	6,290,154.	1,833,921.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

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

		(A) Beginning of year	(B) End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....		<b>2</b> 1,478,956.	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b> 46,000.	
	<b>4</b> Accounts receivable, net .....		<b>4</b> 5,246,936.	
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b> 1,450,231.	
	<b>9</b> Prepaid expenses and deferred charges .....		<b>9</b> 1,229,493.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 17,220,803.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 278,244.	0.	<b>10c</b> 16,942,559.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b> 475,000.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	0.	<b>15</b> 2,175,331.	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	0.	<b>16</b> 29,044,506.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....		<b>17</b> 10,485,503.	
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b> 7,418,015.	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> 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 .....	0.	<b>25</b> 3,682,478.	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	0.	<b>26</b> 21,585,996.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions .....		<b>27</b> 7,351,510.	
	<b>28</b> Net assets with donor restrictions .....		<b>28</b> 107,000.	
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>32</b> Total net assets or fund balances .....	0.	<b>32</b> 7,458,510.	
<b>33</b> Total liabilities and net assets/fund balances .....	0.	<b>33</b> 29,044,506.		

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	8,527,174.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	8,124,075.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	403,099.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	0.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	7,055,411.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	7,458,510.

**Part XII Financial Statements and Reporting**

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

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

Form **990** (2019)

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

Open to Public Inspection

**Name of the organization** ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.  
**Employer identification number** 84-2670875

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations .....
  - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

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

<b>14</b> Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2018 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2019.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2018.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2019.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2018.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

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

(Complete only if you checked the box on line 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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**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**

<b>15</b> Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2018 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2018 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2019.** 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 - 2018.** 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 in line 12 on 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
<b>1</b> 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>		
<b>2</b> 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>		
<b>3a</b> 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>		
<b>b</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>		
<b>c</b> 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>		
<b>4a</b> 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>		
<b>b</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>		
<b>c</b> 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>		
<b>5a</b> 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>		
<b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as 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>		
<b>8</b> 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>		
<b>9a</b> 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>		
<b>b</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>		
<b>c</b> 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>		
<b>10a</b> 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 10b below.</i>		
<b>b</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>		



**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> 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>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> 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?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

**Section E. Type III Functionally Integrated Supporting Organizations**

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

**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.

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

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

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

Schedule A (Form 990 or 990-EZ) 2019

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

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2019 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
<b>1</b> Distributable amount for 2019 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2019			
<b>a</b> From 2014			
<b>b</b> From 2015			
<b>c</b> From 2016			
<b>d</b> From 2017			
<b>e</b> From 2018			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2019 distributable amount			
<b>i</b> Carryover from 2014 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2019 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2019 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2015			
<b>b</b> Excess from 2016			
<b>c</b> Excess from 2017			
<b>d</b> Excess from 2018			
<b>e</b> Excess from 2019			

Schedule A (Form 990 or 990-EZ) 2019

**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.)

Multiple horizontal lines for supplemental information.

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Name of the organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number 84-2670875
---	--

Organization type (check one):

**Filers of:**

**Section:**

- Form 990 or 990-EZ  501(c)( 3 ) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- Form 990-PF  501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number  84-2670875
---	--

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
	<hr/> <hr/> <hr/> <hr/>	\$ 75,576.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	<b>Employer identification number</b>  84-2670875
---	---

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number  84-2670875
---	--

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	



**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](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**

**Open to Public Inspection**

**Name of the organization** ADVENTIST HEALTHCARE FORT WASHINGTON  
MEDICAL CENTER INC. **Employer identification number**  
84-2670875

**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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> 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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> 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 (for example, recreation or education)  Preservation of a 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 Tax 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 FASB 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 FASB 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 FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

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

Schedule D (Form 990) 2019

**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 make 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 program
  - 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:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 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 on 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					
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 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Term endowment  \_\_\_\_\_ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |  | Yes    | No |
|--|--------|----|
| (i) Unrelated organizations  | 3a(i)  |    |
| (ii) Related organizations   | 3a(ii) |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" 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		3,110,000.		3,110,000.
b Buildings		7,016,057.	44,715.	6,971,342.
c Leasehold improvements		2,211,932.	143,149.	2,068,783.
d Equipment		2,805,066.	85,431.	2,719,635.
e Other		2,077,748.	4,949.	2,072,799.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				16,942,559.

**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)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**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)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

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

(a) Description	(b) Book value
(1) MORTGAGE RESERVE FUND	1,659,265.
(2) FINANCING LEASE RIGHT-OF-USE ASSET	254,535.
(3) OPERATING LEASE RIGHT-OF-USE ASSET	198,798.
(4) SECURITY DEPOSIT & OTHER	62,733.
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	2,175,331.

**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	
(2) FINANCING LEASE OBLIGATIONS	267,422.
(3) OPERATING LEASE OBLIGATIONS	198,798.
(4) OTHER LONG TERM LIABILITIES	3,216,258.
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	3,682,478.

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 FASB 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.

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

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

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

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

**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.

PART X, LINE 2:

FIN 48 NOTES:

THE CORPORATION ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A

RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON

EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF THE TAX

UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD IS MET. MANAGEMENT

DETERMINED THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION

THRESHOLD IN 2019 OR 2018.

THE CORPORATION'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED

TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN OPERATING EXPENSES.

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

Multiple horizontal lines for supplemental information.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2019**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**  
▶ **Attach to Form 990.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

**Open to Public Inspection**

**Name of the organization** ADVENTIST HEALTHCARE FORT WASHINGTON  
MEDICAL CENTER INC.  
**Employer identification number** 84-2670875

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....	X	
<b>b</b> If "Yes," was it a written policy? .....	X	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> 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.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: .....	X	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: .....	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>600</u> %		
<b>c</b> 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.		
<b>4</b> 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"?	X	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? .....	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? .....		X
<b>c</b> 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? .....		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? .....	X	
<b>b</b> If "Yes," did the organization make it available to the public? .....	X	

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**

	(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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....			133,436.		133,436.	1.64%
<b>b</b> Medicaid (from Worksheet 3, column a) .....			604,568.	494,366.	110,202.	1.36%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs .....			738,004.	494,366.	243,638.	3.00%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			21,741.		21,741.	.27%
<b>f</b> Health professions education (from Worksheet 5) .....			24,106.		24,106.	.30%
<b>g</b> Subsidized health services (from Worksheet 6) .....			266,928.	38,304.	228,624.	2.81%
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....						
<b>j Total.</b> Other Benefits .....			312,775.	38,304.	274,471.	3.38%
<b>k Total.</b> Add lines 7d and 7j .....			1,050,779.	532,670.	518,109.	6.38%







**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)

Name of hospital facility or letter of facility reporting group AHC FORT WASHINGTON MEDICAL CENTER INC.

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
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? .....		X
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 .....	X	
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 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</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 .....	X	
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 .....	X	
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 .....	X	
7 Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE URL ON SECTION C</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> 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 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>SEE URL ON SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
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)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group AHC FORT WASHINGTON MEDICAL CENTER INC.

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
<b>a</b> <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>600</u> %		
<b>b</b> <input type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b> <input checked="" type="checkbox"/> Asset level		
<b>d</b> <input checked="" type="checkbox"/> Medical indigency		
<b>e</b> <input type="checkbox"/> Insurance status		
<b>f</b> <input type="checkbox"/> Underinsurance status		
<b>g</b> <input type="checkbox"/> Residency		
<b>h</b> <input type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	X	
<b>15</b> Explained the method for applying for financial assistance? .....	X	
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):		
<b>a</b> <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b> <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b> <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b> <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>16</b> Was widely publicized within the community served by the hospital facility? .....	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE URL ON SECTION C</u>		
<b>b</b> <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE URL ON SECTION C</u>		
<b>c</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE URL ON SECTION C</u>		
<b>d</b> <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b> <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b> <input checked="" type="checkbox"/> 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		
<b>h</b> <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b> <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b> <input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2019

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group AHC FORT WASHINGTON MEDICAL CENTER INC.

	Yes	No
<b>17</b> 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? .....	x	
<b>18</b> 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:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> 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		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
<b>19</b> 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? .....		x
If "Yes," check all actions in which the hospital facility or a third party engaged:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> 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		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b> 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):		
<b>a</b> <input checked="" type="checkbox"/> 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 (if not, describe in Section C)		
<b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>f</b> <input type="checkbox"/> None of these efforts were made		

**Policy Relating to Emergency Medical Care**

<b>21</b> 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? .....	x	
If "No," indicate why:		
<b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
<b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing		
<b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
<b>d</b> <input type="checkbox"/> Other (describe in Section C)		

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

**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

Name of hospital facility or letter of facility reporting group AHC FORT WASHINGTON MEDICAL CENTER INC.

		Yes	No
<b>22</b>	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.		
<b>a</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
<b>b</b>	<input type="checkbox"/> 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		
<b>c</b>	<input type="checkbox"/> 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		
<b>d</b>	<input checked="" type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
<b>23</b>	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? ..... If "Yes," explain in Section C.	23	X
<b>24</b>	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? ..... If "Yes," explain in Section C.	24	X

Schedule H (Form 990) 2019

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

AHC FORT WASHINGTON MEDICAL CENTER INC.:

PART V, SECTION B, LINE 5: IN 2015, THE PRINCE GEORGE'S COUNTY

GOVERNMENT AND MARYLAND-NATIONAL CAPITAL PARKS AND PLANNING COMMISSION

CONDUCTED A SPECIAL STUDY TO DEVELOP A PRIMARY HEALTHCARE STRATEGIC PLAN

IN PREPARATION FOR ENHANCING THE HEALTHCARE DELIVERY NETWORK. A KEY

RECOMMENDATION FROM THE PLAN WAS TO "BUILD COLLABORATION AMONG PRINCE

GEORGE'S COUNTY HOSPITALS" WHICH INCLUDED CONDUCTING A JOINT COMMUNITY

HEALTH NEEDS ASSESSMENT (CHNA) WITH THE PRINCE GEORGE'S COUNTY HEALTH

DEPARTMENT. FORT WASHINGTON MEDICAL CENTER INC., ALONG WITH THE OTHER

FOUR HOSPITALS LOCATED IN PRINCE GEORGE'S COUNTY, TEAMED UP WITH THE

PRINCE GEORGE'S COUNTY HEALTH DEPARTMENT TO CREATE A "CORE TEAM" TO

FACILITATE THE 2019 CHNA PROCESS. THE PROCESS WAS DEVELOPED TO 1)

MAXIMIZE COMMUNITY INPUT, 2) LEARN FROM THE COMMUNITY EXPERTS, 3) UTILIZE

EXISTING DATA, AND 4) TO ENSURE A COMPREHENSIVE COMMUNITY PRIORITIZATION.

THE PROCESS INCLUDED: 1) A COMMUNITY RESIDENT SURVEY IN BOTH ENGLISH AND

SPANISH, 2) AN ANALYSIS OF DEMOGRAPHICS AND POPULATION DESCRIPTIONS

THROUGH SOCIOECONOMIC INDICATORS AND COMPREHENSIVE HEALTH INDICATOR

PROFILE, 3) HOSPITAL SERVICE PROFILES OF RESIDENTS SERVICED BY THE CORE

TEAM, 4) A COMMUNITY-BASED ORGANIZATION SURVEY AND KEY INFORMANT

INTERVIEWS, AND 5) A COMMUNITY PRIORITIZATIONS PROCESS THAT INCLUDED 40

REPRESENTATIVES FROM ACROSS THE COUNTY WHO ARE IDENTIFIED BELOW.

KLEINMAN, DDS, MSCD, DUSHANKA, UMD-PUBLIC HEALTH, DEPT. OF EPIDEMIOLOGY &

BIOSTATISTICS;

TERRY, MILLY, AFRICAN WOMEN'S CANCER AWARENESS ASSOCIATION;

GRANT, TERESA, PGC DEPARTMENT OF FAMILY SERVICES;

CARVANA, ANTHONY, COMMUNITY COUNSELING AND MENTORING SERVICES, INC.;

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

MCDONOUGH, MARY LOU, PGC DEPARTMENT OF CORRECTIONS;

HOWELL, MICHELLE, THE ARC;

SHIVER, SANDERS, PGC PUBLIC SCHOOLS;

HOBAN, EVELYN, PGC HEALTH DEPARTMENT;

HALL, PHD, MPH, CLARENCE, PACANET USA;

BELON-BUTLER, ELANA, PGC DEPARTMENT OF FAMILY SERVICES;

GOMEZ, MARIA, MARY'S CENTER;

LOBRANO, MD, MARCIA, COMMUNITY CLINIC, INC.;

MALLOY, COLENTHIA, GREATER BADEN MEDICAL CENTER;

MATTHEWS, SAUNDRA, COMMUNITY CLINIC, INC.;

DEMUS, LESLIE, HEART TO HAND;

SPANN, MONICA, PGC HEALTH DEPARTMENT HEALTH ENTERPRISE ZONE;

ALDOORY, PHD, LINDA, UNIVERSITY OF MARYLAND, DEPARTMENT OF COMMUNICATION;

WILSON, ALICIA, LA CLINICA DEL PUEBLO;

MOORE, MAJOR ELAINE, PGC POLICE DEPARTMENT;

COOPER, MD, CARNELL, DIMENSIONS HEALTHCARE SYSTEM/PRINCE GEORGE'S HOSPITAL

CENTER;

HALL, MD, TRUDY, LAUREL REGIONAL HOSPITAL CENTER;

JOHNSON-THREAT, MD, YVETTE, MEDSTAR SOUTHERN MARYLAND HOSPITAL CENTER;

MOORE, SHERRI, DOCTORS COMMUNITY HOSPITAL;

SMITH, MD, SHARNELL, FORT WASHINGTON MEDICAL CENTER/NEXUS;

SULLIVAN, TIFFANY, DIMENSIONS HEALTHCARE SYSTEM;

WATERS, MD, JD, FCLM, VICTOR, FORT WASHINGTON MEDICAL CENTER/NEXUS;

PROCTOR, NATALIE STANDINGONTHEROCK, WILD TURKEY CLAN, CEDARVILLE BAND OF

PISCATAWAY CONOY;

DODO, KODJO, PGC HEALTH DEPARTMENT, WIC PROGRAM;

HEWLETT, ELIZABETH, MARYLAND NATIONAL PARK AND PLANNING COMMISSION;

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

BRYANT, TRACY, UNITED HEALTHCARE COMMUNITY PLAN;

MOOREHEAD, CREIGHTON, NORVARTIS (FORMERLY WITH KAISER);

AMIN, MENA, THE COMMUNITY FOUNDATION, PRINCE GEORGE'S COUNTY;

BARRON, EREK, HOUSE OF DELEGATES;

OWUSU-ASCHEAW, POKUAA, FOR SENATOR JOANNE BENSON;

CREEKMUR, PAMELA B., PGC HEALTH DEPARTMENT;

HARRINGTON, DAVID, PGC CHAMBER OF COMMERCE;

CARTER, MD, PHD, ERNEST, PGC HEALTH DEPARTMENT;

BROWN, ERIC, PGC DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT;

WOOD, DENNIS, PGC FIRE/EMS DEPARTMENT;

BATES, RN, MS, KAREN, OFFICE OF SCHOOL HEALTH, PRINCE GEORGE'S COUNTY

PUBLIC SCHOOLS;

BROWN, GLORIA, PGC DEPARTMENT OF SOCIAL SERVICES;

BRUCE, GERALYN, PGC DEPT. PUBLIC WORKS & TRANSPORTATION;

SNOWDEN, CAROL LYNN, PGC DEPARTMENT OF FAMILY SERVICES.

AHC FORT WASHINGTON MEDICAL CENTER INC.:

PART V, SECTION B, LINE 6A: DOCTORS COMMUNITY HOSPITAL; LAUREL REGIONAL

HOSPITAL; MEDSTAR SOUTHERN MARYLAND HOSPITAL CENTER; AND PRINCE GEORGE'S

HOSPITAL CENTER.

AHC FORT WASHINGTON MEDICAL CENTER INC.:

PART V, SECTION B, LINE 6B: PRINCE GEORGE'S COUNTY HEALTH DEPARTMENT;

SOUTHERN MARYLAND REGIONAL COALITION FOR CARE TRANSITIONS;

PRINCE GEORGE'S COMMUNITY COLLEGE HEALTH BUSINESS SCHOOL;

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

FRIENDLY HIGH SCHOOL, BEHAVIORAL HEALTH;

RIVER JORDAN PROJECT, PRINCE GEORGE'S COUNTY DISTRICT 8 HEALTH;

COMMUNITY COALITION;

PRINCE GEORGE'S CHAMBER OF COMMERCE AND AMERICAN DIABETES ASSOCIATION.

AHC FORT WASHINGTON MEDICAL CENTER INC.:

PART V, SECTION B, LINE 7D: A HARD COPY OF THE CHNA IS ALSO AVAILABLE

UPON REQUEST FROM THE ADVENTIST HEALTHCARE SUPPORT CENTER (CORPORATE OFFICE) WHICH IS LOCATED AT:

820 WEST DIAMOND AVENUE 4TH FLOOR, GAITHERSBURG, MD 20878;

PART V, SECTION B, LINE 7A: THE CHNA REPORT IS FOUND ON THIS URL:

[HTTPS://WWW.FORTWASHINGTONMC.ORG/SERVICES/COMMUNITY-HEALTH/](https://www.fortwashingtonmc.org/services/community-health/)

PART V, SECTION B, LINE 10A: THE IMPLEMENTATION STRATEGY IS FOUND ON THIS

URL: [HTTPS://WWW.FORTWASHINGTONMC.ORG/SERVICES/COMMUNITY-HEALTH/](https://www.fortwashingtonmc.org/services/community-health/)

AHC FORT WASHINGTON MEDICAL CENTER INC.:

PART V, SECTION B, LINE 2: ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL

CENTER, INC., WITH EIN 84-2670875, SUCCEEDED FORT WASHINGTON MEDICAL

CENTER INC., WITH EIN 52-1682858, EFFECTIVE OCTOBER 27, 2019, THROUGH AN

ASSET PURCHASE AGREEMENT.

AHC FORT WASHINGTON MEDICAL CENTER INC.:



**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

PART V, SECTION B, LINE 11: THE HOSPITAL ALONE CANNOT ADDRESS ALL

COMMUNITY NEEDS DUE TO BUDGET CONSTRAINTS. HOWEVER, TO ENSURE THAT ALL

HEALTH NEEDS WERE MET, FWMC, ALONG WITH THE OTHER FOUR HOSPITALS IN PRINCE

GEORGE'S COUNTY AND THE PRINCE GEORGE'S COUNTY HEALTH DEPARTMENT,

IDENTIFIED AT LEAST ONE AND OFTEN MULTIPLE RESOURCES AVAILABLE TO MEET

EACH IDENTIFIED COMMUNITY HEALTH NEED. WHILE THE CORE TEAM LEAD THE DATA

GATHERING PROCESS OF THE CHNA, THERE WAS RECOGNITION THAT THERE MUST BE

SHARED OWNERSHIP OF THE COUNTY'S COMMUNITY'S HEALTH. FWMC IS DIRECTLY

ADDRESSING NEEDS RELATED TO DIABETES AND HEART DISEASE THROUGH DIABETIC

EDUCATION AND TRAINING CLASSES, AN EXERCISE AND FITNESS PROGRAM, AND

COMMUNITY OUTREACH SCREENING PROGRAMS. IN ADDITION, THE HOSPITAL ADDED

INPATIENT DIALYSIS AND LITHOTRIPSY SERVICES. FWMC PARTNERS WITH PG COUNTY

HEALTH DEPARTMENT AND GILEAD SCIENCES. INC., TO ADDRESS THE GROWING

CONCERN OF HIV AND HEPATITIS C IN THE COMMUNITY THROUGH FREE HIV AND

HEPATITIS C TESTING IN THE EMERGENCY ROOM DEPARTMENT. IN ORDER TO ASSURE

THAT THE COMMUNITY HAS ACCESS TO ALL IDENTIFIED NEEDS, THOSE SERVICES THAT

CANNOT BE DIRECTLY DONE BY FWMC ARE SERVICES THAT THE HOSPITAL HAS

DEVELOPED A LINK TO CARE TO ASSURE THAT THEY CAN REFER ANY PATIENT TO THE

SERVICES THAT ARE IDENTIFIED OR NEEDED.

AHC FORT WASHINGTON MEDICAL CENTER INC.:

PART V, SECTION B, LINE 16J: THE POLICY IS ALSO STRATEGICALLY POSTED AT

OUR PATIENT FINANCIAL SERVICES OFFICE.

PART V, SECTION B, LINE 16A:

[HTTPS://WWW.ADVENTISTHEALTHCARE.COM/PATIENTS/BILLING/FINANCIAL-ASSISTANCE/](https://www.adventisthealthcare.com/patients/billing/financial-assistance/)

PART V, SECTION B, LINE 16B: SAME URL AS LISTED ON LINE 16A

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

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

PART V, SECTION B, LINE 16C: SAME URL AS LISTED ON LINE 16A

Multiple horizontal lines for providing supplemental information.



**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.

PART I, LINE 3C:

IN CONSIDERATION FOR FINANCIAL ASSISTANCE TO OUR PATIENTS, ADVENTIST HEALTHCARE ALSO CONSIDERS CIRCUMSTANCES BEYOND INCOME. THE PATIENT'S CIRCUMSTANCES COULD INCLUDE THE NEEDS OF THE PATIENT AND/OR FAMILY AND OTHER FINANCIAL RESOURCES. IT IS OUR MISSION TO PROVIDE NECESSARY MEDICAL CARE TO THOSE WHO ARE UNABLE TO PAY FOR THAT CARE. IN GENERAL, ADVENTIST HEALTHCARE HAS 15 LEVELS OF FINANCIAL ASSISTANCE. THEY ARE AS FOLLOWS:

- ANNUAL INCOME <= 1.0X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.00X AND <= 1.25X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.25X AND <= 1.50X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.50X AND <= 1.75X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 1.75X AND <= 2.00X OF FPL, 0% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.00X AND <= 2.25X OF FPL, 10% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.25X AND <= 2.50X OF FPL, 20% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.50X AND <= 2.75X OF FPL, 30% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 2.75X AND <= 3.00X OF FPL, 40% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 3.00X AND <= 3.50X OF FPL, 50% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 3.50X AND <= 4.00X OF FPL, 60% PATIENT RESPONSIBILITY

**Part VI** Supplemental Information (Continuation)

- ANNUAL INCOME > 4.00X AND <= 4.50X OF FPL, 70% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 4.50X AND <= 5.00X OF FPL, 80% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 5.00X AND <= 5.50X OF FPL, 90% PATIENT RESPONSIBILITY
- ANNUAL INCOME > 5.50X AND <= 6.00X OF FPL, 95% PATIENT RESPONSIBILITY

PART I, LINE 7:

MARYLAND'S UNIQUE ALL PAYER SYSTEM INCLUDES A METHOD FOR INCLUDING UNCOMPENSATED CARE IN EACH PROVIDER'S RATES. FOR PURPOSES OF COMPLETING THIS FORM 990, THESE UNCOMPENSATED CARE ADJUSTMENTS TO OUR APPROVED RATE ORDER ARE NOT PRESENTED AS AN OFFSET TO THE LEVEL OF UNCOMPENSATED CARE WE PROVIDED.

SINCE THE HSCRC ASSESSES HOSPITALS TO SUBSIDIZE THE STATE'S MEDICAID BUDGET DEFICIT, THESE ASSESSMENTS (NET OF AMOUNTS BUILT IN RATES) ARE ALSO COUNTED TOWARD COMMUNITY BENEFITS.

FOR PURPOSES OF PREPARING SCHEDULE H OF FORM 990, ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER CALCULATED A COST TO CHARGE RATIO AS REFLECTED IN ITS 2019 AUDITED FINANCIAL STATEMENTS. THE COST TO CHARGE RATIO WAS USED TO REDUCE THE YEARLY CHARITY CARE PROVISION FROM CHARGE TO COST.

IN ADDITION, ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER ALSO CONSIDERED GOVERNMENT ASSESSMENTS THROUGH THE STATE'S HEALTH SERVICE COST REGULATORY AGENCY AND OTHER RELATED STATE GOVERNMENT AGENCIES.

PART III, LINE 2:

TO ESTIMATE THE COST OF BAD DEBT THAT WE HAVE REPORTED ON SCHEDULE H, WE

**Part VI** Supplemental Information (Continuation)

MULTIPLIED THE ORGANIZATION'S COST TO CHARGE RATIO (CCR) TIMES THE BAD

DEBT PROVISION THAT HAS BEEN REPORTED IN THE 2019 AUDITED FINANCIAL

STATEMENTS. THE ORGANIZATION'S CCR IS THE QUOTIENT THAT RESULTS WHEN

TOTAL OPERATING EXPENSE IS DIVIDED BY TOTAL CHARGES AS REFLECTED ON THE

ORGANIZATION'S AUDITED INCOME STATEMENT.

THE BAD DEBT EXPENSE THAT IS RECORDED IN THE GENERAL LEDGER REFLECTS THE

AMOUNT OF PROVISION MANAGEMENT DEEMS NECESSARY TO REPORT PATIENT ACCOUNTS

RECEIVABLE AT THEIR NET REALIZABLE VALUE. IN EVALUATING THE

COLLECTABILITY OF PATIENT ACCOUNTS RECEIVABLE, WE ANALYZE PAST HISTORY AND

TRENDS FOR EACH MAJOR PAYOR AND ESTIMATE THE APPROPRIATE ALLOWANCE FOR

DOUBTFUL COLLECTIONS.

PART III, LINE 4:

THE CORPORATION ASSESSES COLLECTABILITY ON PATIENT CONTRACTS PRIOR TO THE

RECOGNITION OF NET PATIENT SERVICE REVENUES. PATIENT ACCOUNTS RECEIVABLE

ARE REPORTED AT THEIR NET REALIZABLE VALUE. ACCOUNTS ARE WRITTEN OFF

THROUGH BAD DEBT EXPENSE WHEN THE CORPORATION HAS EXHAUSTED ALL COLLECTION

EFFORTS AND DETERMINES ACCOUNTS ARE IMPAIRED BASED ON CHANGES IN PATIENT

CREDIT WORTHINESS. PATIENT ACCOUNTS RECEIVABLE ALSO INCLUDES MANAGEMENT'S

ESTIMATE OF THE IMPACT OF CERTAIN UNDERCHARGES TO BE RECOUPED OR

OVERCHARGES TO BE PAID BACK FOR INPATIENT AND OUTPATIENT SERVICES IN

SUBSEQUENT YEARS RATES AS DISCUSSED EARLIER.

PART III, LINE 8:

ACUTE CARE HOSPITALS IN MARYLAND ARE EXEMPT FROM MEDICARE REIMBURSEMENT

METHODOLOGY AND ALL PAYORS (INCLUDING MEDICARE AND MEDICAID) PAY

HOSPITALS' CHARGES, WHICH ARE REGULATED BY THE STATE'S HEALTH SERVICES

**Part VI** Supplemental Information (Continuation)

COST REVIEW COMMISSION (HSCRC). SPECIFICALLY, MEDICARE IS AWARDED A DISCOUNT OF 7.7% OF CHARGES WITHOUT AN ADVANCE FUNDING DEPOSIT WITH PROVIDERS, AS WELL AS A 2% REDUCTION FOR SEQUESTRATION. THERE SHOULD BE NO SHORTFALL AND THEREFORE NOTHING TO COUNT TOWARD COMMUNITY BENEFIT.

PART III, LINE 9B:

> THAT ALL PATIENTS RECEIVE A NOTICE ON FINANCIAL ASSISTANCE AND A PHONE CALL, BY ADVENTIST HEALTHCARE'S STAFF AND OUTSOURCED VENDORS, MENTIONING THE OPPORTUNITY TO HAVE THEIR BILL REDUCED IF THE DEBTOR QUALIFIES FOR ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE.  
> WHEN A DEBTOR HAS AFFIRMED A DEBT AND HAS BEEN GIVEN AN OPPORTUNITY TO APPLY FOR ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE, AND HAS APPLIED FOR AND BEEN GRANTED ASSISTANCE THAT REDUCED THE OUTSTANDING BALANCE BUT LEAVING AN AMOUNT STILL OWED TO AN ADVENTIST HEALTHCARE FACILITY OR HAS NOT APPLIED FOR ASSISTANCE IN THE ALLOTTED TIME PERIOD:

1) FOR EXISTING ACCOUNTS, THE COLLECTION AGENCY WILL RECEIVE "DAILY" NOTIFICATION TO REDUCE THE OUTSTANDING BALANCE OF ANY DEBTOR WHO QUALIFIES FOR ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE. THE AGENCY WILL SEND A LETTER TO THE DEBTOR, ACKNOWLEDGING THE NEW BALANCE WITHIN 30 DAYS OF THE NOTICE TO ADJUST.

2) ONCE THE DEBTOR AFFIRMS THE DEBT, THE AGENCY WILL INFORM THE DEBTOR ABOUT ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE POLICY AND ASK IF THEY HAD RECEIVED INFORMATION ON HOW TO COMPLETE THE APPLICATION, OR THE CRITERIA FOR QUALIFICATION.

3) WHEN A DEBTOR EXPRESSES A DESIRE TO COMPLETE THE APPLICATION FOR FINANCIAL ASSISTANCE, THEY WILL BE REFERRED TO ADVENTIST HEALTHCARE'S FINANCIAL COUNSELOR (301)-203-3475. THE COLLECTION AGENCY WILL PLACE THE ACCOUNT ON "HOLD" FOR 60 DAYS UNTIL THE FINANCIAL ASSISTANCE APPLICATION

**Part VI** Supplemental Information (Continuation)

IS COMPLETE.

4) WHEN THE DEBTOR HAS COMPLETED THE APPLICATION FOR FINANCIAL ASSISTANCE AND BEEN APPROVED, THE AGENCY WILL RECEIVE IMMEDIATE NOTIFICATION FROM THE PATIENT FINANCIAL SERVICES DEPARTMENT. NOTIFICATION WILL INCLUDE THE AMOUNT OF DEBT REDUCTION THE DEBTOR QUALIFIED FOR. THE PATIENT FINANCIAL SERVICE LEADER WILL APPROVE THE ADJUSTMENT AND THE DEBTOR'S BALANCE WILL BE ADJUSTED ON ADVENTIST HEALTHCARE'S BOOKS.

PART VI, LINE 2:

FORT WASHINGTON MEDICAL CENTER (FWMC) PARTICIPATED AS A MEMBER OF A "CORE TEAM" COMPRISED OF 5 HOSPITALS IN PRINCE GEORGE'S COUNTY AND THE PRINCE GEORGE'S COUNTY HEALTH DEPARTMENT, TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN 2019. AS REQUIRED TO IDENTIFY THE NEEDS OF THOSE LIVING IN ITS PRIMARY AND SECONDARY SERVICE AREAS IN PRINCE GEORGE'S COUNTY, CHARLES COUNTY, AND WASHINGTON, D.C. THIS COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED TO IDENTIFY HEALTH NEEDS AND DEVELOP STRATEGIES TO IMPROVE HEALTH CONDITIONS IN THE SURROUNDING COMMUNITIES SERVICED BY THE HOSPITAL. IN ADDITION, WE ARE ACTIVELY INVOLVED WITH THE PRINCE GEORGE'S COUNTY HEALTHCARE ACTION COALITION (PGHAC) DEVELOPED BY THE MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO ASSIST IN MAKING MARYLAND HEALTHIER. PGHAC'S MISSION IS TO IMPROVE THE HEALTH OF THE RESIDENTS OF PRINCE GEORGE'S COUNTY BY INCREASING ACCESS TO CARE, PROMOTING COLLABORATION AMONG HEALTH CARE PROVIDERS AND KEY STAKEHOLDERS, AND INTEGRATING AND COORDINATING PATIENT CARE TO REDUCE DUPLICATION OF AND ENHANCE SEAMLESS HEALTH SERVICE DELIVERY. FWMC IS INVOLVED WITH THE "ACCESS TO CARE" WORK GROUP WITH A FOCUS ON ENSURING RESIDENTS RECEIVE NEEDED HEALTH CARE, PARTICULARLY LOW INCOME, UNINSURED/UNDERINSURED ADULTS AND CHILDREN. THE ORGANIZATION HAS BEEN INVOLVED FROM THE BEGINNING OF



**Part VI** Supplemental Information (Continuation)

THE INITIATIVE WORKING WITH PUBLIC HEALTH EXPERTS, AGENCIES, HOSPITAL  
PERSONNEL AND COMMUNITY ORGANIZATIONS TO LAY A FOUNDATION FOR ADDRESSING  
THIS ISSUE AND ESTABLISHING WAYS TO PROMOTE AND COMMUNICATE THE INITIATIVE  
AND MONITOR  
AND MEASURE ITS OVERALL EFFECTIVENESS.

PART VI, LINE 3:

PATIENT EDUCATION OF ELIGIBILITY:

ADVENTIST HEALTHCARE EDUCATES OUR PATIENTS AND COMMUNITY RESIDENTS ABOUT  
CHARITY CARE AND FINANCIAL ASSISTANCE IN MANY WAYS. THEY INCLUDE, BUT ARE  
NOT LIMITED TO, THE FOLLOWING: (1) ADVENTIST HEALTHCARE HAS FINANCIAL  
ASSISTANCE SIGNAGE IN ALL ITS FACILITIES, ON ALL PATIENT STATEMENTS AND ON  
OUR HOSPITALS' WEBSITES; (2) DURING PRE-REGISTRATION AND REGISTRATION,  
PATIENTS WHO ARE REGISTERED AS SELF-PAY, OR EXPRESS A FINANCIAL HARDSHIP,  
ARE INFORMED ABOUT THE HOSPITAL'S CHARITY CARE POLICY AND MAILED OR GIVEN  
A CHARITY APPLICATION. ADDITIONALLY, AN ADVENTIST HEALTHCARE PATIENT  
FINANCIAL ADVISOR WILL VISIT ADMITTED PATIENTS TO REVIEW FINANCIAL  
OPTIONS, INCLUDING AHC'S FINANCIAL ASSISTANCE PROGRAM; (3) WHEN GOING  
THROUGH THE MEDICAID ELIGIBILITY SCREENING, SELF-PAY PATIENTS ARE GIVEN A  
CHARITY APPLICATION DURING THAT PROCESS JUST IN CASE THE PATIENT DOES NOT  
QUALIFY FOR MEDICAID; (4) WHEN PATIENTS WITH A BALANCE RECEIVES A  
STATEMENT, THE PATIENT STATEMENT INCLUDES NOTIFICATION OF THE AVAILABILITY  
OF FINANCIAL ASSISTANCE AND THE CONTACT INFORMATION TO SPEAK WITH A  
REPRESENTATIVE OR OBTAIN A FINANCIAL ASSISTANCE PACKAGE; (5) WHEN PATIENTS  
WITH A BALANCE CONTACT THE COLLECTION DEPARTMENT AND EXPRESS FINANCIAL  
HARDSHIP, CUSTOMER SERVICE REPS AND SELF-PAY COLLECTORS WILL NOTIFY THE  
PATIENT OF THE AVAILABILITY OF ADVENTIST HEALTHCARE'S FINANCIAL ASSISTANCE  
AND MAIL A CHARITY APPLICATION TO THE PATIENT AND (6) RESIDENTS WHO

**Part VI** Supplemental Information (Continuation)

PARTICIPATE IN OUR COMMUNITY PROGRAMS, SUCH AS BREAST CANCER, MATERNITY,  
ETC., ARE INFORMED OF ADVENTIST HEALTHCARE'S CHARITY PROGRAM PRIOR TO  
RECEIVING SERVICES.

PART VI, LINE 4:

FORT WASHINGTON, OXON HILL AND TEMPLE HILLS COMPRISE FORT WASHINGTON  
MEDICAL CENTER'S COMMUNITY-BASED SERVICE AREA (CBSA) AND ARE LOCATED IN  
PRINCE GEORGE'S COUNTY. THE SUBURBAN CITIES ARE WITHIN A SHORT  
DISTANCE FROM THE WASHINGTON, D.C/MARYLAND LINE. FORT WASHINGTON  
ENCOMPASSES A 14-SQUARE MILE RADIUS. ACCORDING TO CLARITAS.COM, IT HAS A  
POPULATION OF 54,890 PEOPLE. THE RACIAL DYNAMIC OF FORT WASHINGTON IS  
PRIMARILY AFRICAN AMERICAN WITH 73.6% RESIDENTS; 10.49% WHITE RESIDENTS;  
6.4% ASIAN, AND THE REMAINDER OF OTHER RACES ARE, NATIVE HAWAIIAN,  
AMERICAN INDIAN, AND PACIFIC ISLANDER. THE MEDIAN FORT WASHINGTON  
HOUSEHOLD INCOME IS \$59,291 AND THE MEDIAN AGE OF THE FORT WASHINGTON  
RESIDENT IS 44 YEARS. SURROUNDING PORTIONS OF FORT WASHINGTON IS 9-SQUARE  
MILES OF LAND IN OXON HILL, MARYLAND. IT EXTENDS ALONG THE 210 NORTH  
CORRIDORS AND ALONG SOUTHERN AVENUE, WHICH SEPARATES IT FROM WASHINGTON,  
D.C. ACCORDING TO THE CLARITAS.COM, ITS POPULATION IS 30,187 RESIDENTS.  
THE RACIAL MAKE-UP OF OXON HILL IS 74.95% AFRICAN AMERICANS; 9.56% WHITE  
RESIDENTS AND 5.10% ASIAN RESIDENTS. THE MEDIAN OXON HILL HOUSEHOLD  
INCOME IS \$86,714 AND THE AVERAGE AGE OF THE OXON HILL RESIDENT IS 38  
YEARS. ANOTHER COMPONENT OF THE FWMC SERVICE AREA IS TEMPLE HILLS, WHICH  
IS 1.4 SQUARE MILES, AND IS WEST OF OXON HILL AND SOUTHEAST OF WASHINGTON,  
D.C. TEMPLE HILLS HAS A POPULATION OF 37,588 PEOPLE, AFRICAN AMERICAN  
COMPRISE THE MAJORITY OF THE POPULATION WITH 85.36% RESIDENTS, 6.48% WHITE  
RESIDENTS AND 6.80% HISPANIC RESIDENTS. THERE IS A SMALL POPULATION OF  
NATIVE HAWAIIAN, ASIANS, AMERICAN INDIAN AND PACIFIC ISLANDERS. NEARLY

**Part VI** Supplemental Information (Continuation)

16.8% OF THE POPULATION IS CONSIDERED BELOW THE POVERTY LINE. THE MEDIAN

TEMPLE HILLS HOUSEHOLD INCOME IS \$60,920 AND THE AVERAGE AGE OF THE TEMPLE

HILLS RESIDENT IS 31 YEARS.

PART VI, LINE 6:

AFFILIATED HEALTH CARE:

ADVENTIST HEALTHCARE, BASED IN GAITHERSBURG, MD., IS A FAITH-BASED,

NOT-FOR-PROFIT ORGANIZATION OF DEDICATED PROFESSIONALS WHO WORK TOGETHER

EACH DAY TO PROVIDE EXCELLENT WELLNESS, DISEASE MANAGEMENT AND HEALTH-CARE

SERVICES TO THE COMMUNITY. WE WERE FOUNDED UPON THE PRINCIPLE OF WELLNESS

MORE THAN 100 YEARS AGO AND TODAY PROVIDE INNOVATIVE CARE TO HEART-ATTACK

VICTIMS, CANCER PATIENTS, PREMATURE BABIES AND THE COMMUNITY AS A WHOLE.

OUR UNWAVERING FOCUS HAS ALWAYS BEEN ON THE HEALTH AND WELLNESS OF THE

COMMUNITIES WE SERVE. WE ARE ALREADY A STEP AHEAD AS HEALTH CARE REFORM IS

CHALLENGING HOSPITAL SYSTEMS NATIONWIDE TO IMPROVE THE HEALTH OF

POPULATIONS; OUR INTEGRATED, HEALTH-CARE DELIVERY NETWORK INCLUDES FOUR

NATIONALLY ACCREDITED, ACUTE-CARE AND SPECIALTY HOSPITALS, MENTAL HEALTH

SERVICES, HOME HEALTH AGENCIES AND URGENT CARE CENTERS, SERVING THE

WASHINGTON, D.C. METROPOLITAN AREA.

ADVENTIST HEALTHCARE INCLUDES: ADVENTIST HEALTHCARE SHADY GROVE MEDICAL

CENTER, ADVENTIST HEALTHCARE WHITE OAK MEDICAL CENTER, ADVENTIST

HEALTHCARE FORT WASHINGTON MEDICAL CENTER, ADVENTIST HEALTHCARE

REHABILITATION, ADVENTIST HEALTHCARE HOME CARE SERVICES, THE REGINALD S.

LOURIE CENTER FOR CHILDREN'S SOCIAL & EMOTIONAL WELLNESS, ADVENTIST

HEALTHCARE URGENT CARE CENTERS, AND OTHER HEALTH SERVICES. TOGETHER, WITH

**Part VI** Supplemental Information (Continuation)

OUR CENTER FOR HEALTH EQUITY AND WELLNESS, AND MORE THAN 2,000 AFFILIATED

PRIMARY AND SPECIALTY CARE PHYSICIANS, ADVENTIST HEALTHCARE ENCOMPASSES

MANY OF THE NECESSARY CARE DELIVERY COMPONENTS NEEDED TO DELIVER

POPULATION-BASED CARE ACROSS THE CONTINUUM.

OUR COMMITMENT TO THE COMMUNITY EXTENDS BEYOND OUR WALLS TO ENCOMPASS THE

MOST VULNERABLE AND UNDERSERVED. IN 2019, THERE WERE APPROXIMATELY 766,906

OVERALL ENCOUNTERS ACROSS ALL OF OUR FACILITIES AND PROGRAMS. WE ALSO

PROVIDED SIGNIFICANT CHARITY CARE AND COMMUNITY BENEFIT OF MORE THAN \$79.9

MILLION. AS ONE OF THE LARGEST EMPLOYERS IN THE STATE OF MARYLAND, WE ARE

GRATEFUL TO HAVE THE DEDICATED COMMITMENT OF 6,555 EMPLOYEES AND NUMEROUS

VOLUNTEERS PROVIDING OVER 99,000 HOURS OF TIME, THROUGHOUT ADVENTIST

HEALTHCARE WHO PROVIDE COMPASSIONATE, HIGH-QUALITY CARE EACH AND EVERY

DAY.

IN ADDITION TO PROVIDING CHARITY CARE AT OUR FACILITIES, ADVENTIST

HEALTHCARE IS INVOLVED IN NUMEROUS OUTREACH INITIATIVES DESIGNED TO

IMPROVE ACCESS TO HEALTH CARE FOR LOW-INCOME AND UNINSURED INDIVIDUALS, AS

WELL AS HISTORICALLY UNDER-SERVED COMMUNITIES INCLUDING MINORITIES AND

IMMIGRANTS. OUR GOAL IS EFFECTIVE PREVENTION, TREATMENT AND CARE PROGRAMS

FOR ALL INDIVIDUALS, REGARDLESS OF THEIR ECONOMIC, CULTURAL, LINGUISTIC OR

DEMOGRAPHIC CHARACTERISTICS.

VISIT [WWW.ADVENTISTHEALTHCARE.COM](http://WWW.ADVENTISTHEALTHCARE.COM) TO LEARN EVEN MORE ABOUT OUR SERVICES

AND OUR LONGSTANDING BELIEF THAT A HEALTHY LIFESTYLE IS THE BEST WAY TO

PREVENT DISEASE, AND THAT PREVENTION IS MUCH BETTER THAN A CURE.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

**Part VI** Supplemental Information (Continuation)

MD

Multiple horizontal lines for supplemental information.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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](http://www.irs.gov/Form990) for instructions and the latest information.**

Name of the organization **ADVENTIST HEALTHCARE FORT WASHINGTON  
MEDICAL CENTER INC.** Employer identification number **84-2670875**

**Part I Questions Regarding Compensation**

- 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.
- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |
- b** If any of the boxes on 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 .....
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....
- 3** Indicate which, if any, of the following the 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.
- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> 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? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.
- Only section 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? .....
- b** Any related organization? .....
- 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? .....
- b** Any related organization? .....
- 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 on lines 5 and 6? If "Yes," describe in Part III .....
- 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 .....
- 9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>	X	
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2019

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) TERRY FORDE CHAIR; PRESIDENT & CEO,AHC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	913,484.	334,272.	941,732.	207,889.	35,356.	2,432,733.	0.
(2) JOHN SACKETT VICE CHAIR; EVP/COO,AHC; PRES.,SGMC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	580,510.	171,882.	231,939.	25,000.	44,288.	1,053,619.	0.
(3) JAMES G. LEE EVP & CFO, AHC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	509,963.	160,415.	102,271.	138,955.	27,089.	938,693.	0.
(4) EUNMEE SHIM SECY.; PRES.,FWMC; SVP,AMB NETWK,AHC	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	374,302.	173,145.	84,286.	85,580.	25,254.	742,567.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**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.

PART I, LINE 3:

PAY PRACTICE: ADVENTIST HEALTHCARE UTILIZES A SINGLE EMPLOYER ID FOR ALL  
ITS AFFILIATED ENTITIES FOR EMPLOYMENT PURPOSES. AS SUCH, ACTUAL  
COMPENSATION AND BENEFITS ARE CHARGED TO THE RESPECTIVE ENTITIES AND THE  
RESULTING COMPENSATION AND BENEFITS ARE REPORTED ON EACH AFFILIATE IRS FORM  
990 AS IF PAID DIRECTLY BY SUCH AFFILIATE. AS APPLICABLE, THE SAME AND  
NON-ADDITIVE COMPENSATION AND EMPLOYMENT BENEFIT PLAN CONTRIBUTION AMOUNTS  
WERE ALSO DISCLOSED IN THE ADVENTIST HEALTHCARE INC. RELATED ENTITIES  
RETURNS.

INDEPENDENT GUIDELINES: WHEN SETTING COMPENSATION FOR THE OFFICERS,  
DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE HIGHEST COMPENSATED EMPLOYEES,  
ADVENTIST HEALTHCARE FULLY COMPLIES WITH THE PROCEDURAL SAFEGUARDS EMBODIED  
IN IRS REGULATIONS. COMPENSATION FOR ADVENTIST HEALTHCARE OFFICERS,  
DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE HIGHEST COMPENSATED EMPLOYEES  
IS ENTIRELY SET BY A COMMITTEE OF ADVENTIST HEALTHCARE BOARD OF TRUSTEES.  
IN SETTING COMPENSATION, THE GOVERNING BOARD COMMITTEE RELIES UPON MARKET  
COMPARABILITY DATA PROVIDED BY AN INDEPENDENT OUTSIDE COMPENSATION



**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.

CONSULTANT WHO PROVIDES A SUMMARY OF HEALTH CARE SALARIES AND BENEFITS FOR

COMPARABLE SIZED ORGANIZATIONS BOTH NATIONALLY AND IN THE

BALTIMORE-WASHINGTON REGION. TO FURTHER ENSURE REASONABLENESS, BOTH

COMPENSATION AND BENEFITS ARE TARGETED AT THE 50TH PERCENTILE (OR MEDIAN)

OF THE MARKET.

PART I, LINE 4B:

CERTAIN EMPLOYEES RECEIVED COMPENSATION FROM A DISTRIBUTION UNDER AN

EXECUTIVE RETENTION 457F PLAN, WHICH BECAME EFFECTIVE ON JANUARY 1, 2015.

PRE-TAX CONTRIBUTIONS ARE ACCUMULATED ANNUALLY AND ARE DISTRIBUTED ON

JANUARY 1ST OF THE 2ND YEAR, IF STILL EMPLOYED OR SOONER BASED ON CERTAIN

EXCEPTIONS. THERE IS TYPICALLY A 2-YEAR DEFERRAL PERIOD BEFORE PAYMENTS

ARE RELEASED. CONTRIBUTIONS ACCUMULATED IN 2017 WERE GENERALLY DISTRIBUTED

ON JANUARY 1, 2019 AND CONTRIBUTIONS ACCUMULATED IN 2018 WILL GENERALLY BE

DISTRIBUTED ON JANUARY 1, 2020. AMOUNTS LISTED UNDER PART II, COLUMN F

INCLUDE PAYOUT AMOUNTS WHICH WERE CONSIDERED DEFERRED COMPENSATION FROM THE

457F PLAN IN OUR PRIOR YEAR RETURNS AND THESE AMOUNTS ARE NOW BEING SHOWN

UNDER THE OTHER REPORTABLE INCOME, COLUMN B (III).

**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.

THE FOLLOWING EMPLOYEE RECEIVED AN EARLY LUMP-SUM CASH PAYMENT ON THEIR

457F PLAN DUE TO HAVING REACHED NORMAL RETIREMENT AGE.

JOHN SACKETT: \$103,703 - EARLY LUMP-SUM.

PART I, LINE 7:

THE ANNUAL INCENTIVE COMPENSATION INCLUDES PAYMENTS BASED ON SATISFACTION

OF PRE-DETERMINED PERFORMANCE TARGETS SUCH AS QUALITY/PATIENT SAFETY GOALS,

EMPLOYEE AND PATIENT ENGAGEMENT GOALS, ORGANIZATIONAL GROWTH, AND FINANCIAL

PERFORMANCE, AMONG OTHER THINGS. THE ANNUAL INCENTIVE COMPENSATION APPLIES

TO DIRECTORS AND ABOVE.

SUPPLEMENTAL INFORMATION:

OTHER REPORTABLE COMPENSATION INCLUDES DISTRIBUTION UNDER AN EXECUTIVE

RETENTION 457F PLAN, WHICH BECAME EFFECTIVE ON JANUARY 1, 2015.

PRE-TAX CONTRIBUTIONS ARE ACCUMULATED ANNUALLY AND ARE DISTRIBUTED ON

JANUARY 1ST OF THE 2ND YEAR, IF STILL EMPLOYED OR SOONER BASED ON

CERTAIN EXCEPTIONS. THERE IS TYPICALLY A 2-YEAR DEFERRAL PERIOD BEFORE

PAYMENTS ARE RELEASED. CONTRIBUTIONS ACCUMULATED IN 2017 WERE

**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.

GENERALLY DISTRIBUTED ON JANUARY 1, 2019 AND CONTRIBUTIONS ACCUMULATED

IN 2018 WILL GENERALLY BE DISTRIBUTED ON JANUARY 1, 2020. IN ADDITION,

OTHER REPORTABLE COMPENSATION INCLUDES RETENTION PAYMENTS AND LUMP-SUM

ADJUSTMENTS IN LIEU OF THE ACROSS-THE-BOARD INCREASE (FOR EMPLOYEES WHO

ARE AT OR REACH THE RANGE MAXIMUM FOR THEIR POSITION). OTHER

REPORTABLE COMPENSATION ALSO INCLUDES LONG-TERM DISABILITY COVERAGE,

CELL PHONE ALLOWANCES, CASH-OUT OF UNUSED PAID TIME OFF (PTO) HOURS

(ONLY FOR EMPLOYEES WHO LEAVE OUR ORGANIZATION), IMPUTED VALUE OF LIFE

INSURANCE BENEFITS, AND SEVERANCE, AS APPLICABLE. CERTAIN EXECUTIVES

CAN ALSO RECEIVE REPORTABLE COMPENSATION THROUGH A SUPPLEMENTAL

EXECUTIVE RETIREMENT PLAN (SERP), ONCE THEY HAVE VESTED IN THE PLAN.

NON-TAXABLE BENEFITS INCLUDES PRE-TAX PAYROLL DEDUCTIONS (SUCH AS

FLEXIBLE MEDICAL SPENDING, DEPENDENT CARE, AND EMPLOYEE HEALTH BENEFIT

PREMIUMS), AND THE EMPLOYER PORTION OF CERTAIN EMPLOYEE BENEFITS SUCH

AS HEALTH INSURANCE, DENTAL INSURANCE, VISION INSURANCE, AND LIFE

INSURANCE, ETC.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization	ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number	84-2670875
--------------------------	---	--------------------------------	------------

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

HEALTHGRADES FIVE-STAR COMMENDATION FOR ORTHOPEDIC TREATMENT;

HEALTHGRADES FIVE-STAR FOR APPENDIX SURGERIES.

IN ADDITION, IN OCTOBER 2019, ADVENTIST HEALTHCARE FORT WASHINGTON

MEDICAL CENTER BECAME PART OF THE ADVENTIST HEALTHCARE SYSTEM. GIVEN

THE CHANGES IN HEALTHCARE BOTH NATIONALLY AND IN MARYLAND, JOINING

ADVENTIST HEALTHCARE ALLOWS ADVENTIST HEALTHCARE FORT WASHINGTON

MEDICAL CENTER TO EXPAND ITS HIGH-QUALITY HEALTHCARE SERVICES IN PRINCE

GEORGE'S COUNTY AND OVERCOME THE CHALLENGES OF OPERATING AS A

STANDALONE COMMUNITY HOSPITAL.

ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER RECEIVED A GRANT

FROM GILEAD SCIENCES, INC. THE PROGRAM ADDRESSES THE HIV EPIDEMIC IN

PRINCE GEORGE'S COUNTY AND HELPS PREVENT DEVELOPING COMPLICATIONS SUCH

AS LIVER FAILURE, LIVER CANCER, AND CIRRHOSIS BROUGHT ON BY A HEPATITIS

C DIAGNOSIS. THE PROGRAM ALSO ALLOWS FWMC TO ADMINISTER 20,000 HIV AND

HEPATITIS C TESTS TO PATIENTS WHO COME THROUGH ITS EMERGENCY

DEPARTMENT. THE PROGRAM HAS LINKED NEARLY 300 OF PATIENTS TO

LIFE-SAVING CARE AFTER BEING DIAGNOSED IN 2019. THIS PROGRAM NOT ONLY

PROVIDES DIAGNOSTIC AWARENESS, BUT IT ALSO PROVIDES NAVIGATIONAL

SERVICES FOR FOLLOW UP AND CONTINUED CARE BASED ON THE TEST RESULTS.

PART V, LINE 1A, 2A, AND 2B

GENERAL EXPLANATION:

EMPLOYEES OF ANY OF THE ADVENTIST HEALTHCARE INC. AND AFFILIATED TAX

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

Schedule O (Form 990 or 990-EZ) (2019)

932211 09-06-19

Name of the organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number 84-2670875
---	--

EXEMPT ENTITIES IN THE STATE OF MARYLAND (INCLUDING ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.) ARE PAID THROUGH A COMMON PAYMASTER, ADVENTIST HEALTHCARE, INC. AND ARE REPORTED ON ITS FORM 941. SALARY AND BENEFIT EXPENSES REPORTED ON THEIR RESPECTIVE RETURNS ARE ACTUAL CHARGES RELATED TO THE EMPLOYEES WORKING ON THE SPECIFIC TAX EXEMPT ENTITY.

VENDOR PAYMENTS FOR ANY OF THE ADVENTIST HEALTHCARE, INC. AND RELATED ENTITIES IN THE STATE OF MARYLAND ARE MADE THROUGH A COMMON PAYMASTER, ADVENTIST HEALTHCARE, INC.

FORM 990, PART VI, SECTION A, LINE 1:  
THE GOVERNING BODY HAS DELEGATED BROAD AUTHORITY TO AN EXECUTIVE COMMITTEE DURING SUCH TIMES WHEREBY IT IS IMPRACTICABLE TO CONVENE THE FULL BOARD, AND WHEN IT IS NECESSARY TO CARRY OUT THE GOVERNANCE FUNCTIONS OF THE BOARD. THE EXECUTIVE COMMITTEE SHALL HAVE ALL THE POWERS OF THE BOARD IN THE MANAGEMENT AND DIRECTION OF THE AFFAIRS OF ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC., PROVIDED SUCH ACTIONS ARE NOT IN CONFLICT WITH GENERAL POLICIES ENACTED BY THE BOARD OF TRUSTEES. THE EXECUTIVE COMMITTEE SHALL BE CHAIRED BY THE CHAIR OF THE BOARD OF TRUSTEES, AND SHALL CONSIST OF THE BOARD OFFICERS, A PHYSICIAN BOARD MEMBER, THE CHAIR OF THE FINANCE COMMITTEE, AND ANOTHER BOARD MEMBER DESIGNATED BY THE CHAIR OF THE BOARD OF TRUSTEES. EXCEPT FOR EX-OFFICIO MEMBERS, ALL COMMITTEE MEMBERS SHALL BE APPOINTED BY THE CHAIR OF THE BOARD OF TRUSTEES AND SERVE FOR A TERM OF ONE YEAR AND/OR UNTIL THEIR SUCCESSORS ARE APPOINTED AND QUALIFIED.

FORM 990, PART VI, SECTION A, LINE 6:

Name of the organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number 84-2670875
---	--

ADVENTIST HEALTHCARE, INC. IS THE SOLE MEMBER OF ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.

FORM 990, PART VI, SECTION A, LINE 7A:

ADVENTIST HEALTHCARE, INC. CAN ELECT MEMBERS OF THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B:

DECISIONS SUBJECT TO APPROVAL.

SEE BY LAWS, ARTICLE II, SECTION 2: RESERVED AUTHORITY AND RESPONSIBILITY.

THE FOLLOWING ACTIONS SHALL BE RESERVED TO THE MEMBER:

- A. THE ADOPTION, ALTERING, AMENDING OR REPLACING OF THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE CORPORATION;
- B. THE LIQUIDATION, DISSOLUTION, WINDING UP, OR ABANDONMENT OF THE CORPORATION;
- C. APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS FROM NOMINEES SUBMITTED BY THE NOMINATING COMMITTEE (AS DEFINED HEREUNDER);
- D. REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS;
- E. APPOINTMENT AND REMOVAL OF THE PRESIDENT OF THE CORPORATION, IN CONSULTATION WITH THE BOARD OF DIRECTORS;
- F. THE PURCHASE, SALE OR DISPOSITION OF REAL PROPERTY OF THE CORPORATION;
- G. AUTHORIZATION AND APPROVAL OF THE ISSUANCE OF DEBT AND THE USE OF PROCEEDS OF SUCH DEBT FOR AND ON BEHALF OF THE CORPORATION;
- H. DEVELOPMENT OF CAPITAL INVESTMENT, CAPITAL ALLOCATION AND BORROWING POLICIES FOR THE CORPORATION;
- I. CEASING THE PROVISION OF HEALTH CARE SERVICES NECESSARY FOR OPERATION AS A LICENSED GENERAL ACUTE CARE FACILITY AT ANY SITE;
- J. ADOPTING THE HOSPITAL CORPORATION'S ANNUAL AND LONG-TERM CAPITAL AND

Name of the organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number 84-2670875
---	--

OPERATION BUDGETS;

K. MAKING ANY CHANGES IN ANY OF THE CORPORATION'S INSURANCE PROGRAM; AND

L. RECOMMENDING ANY UNBUDGETED CAPITAL EXPENDITURE OF THE HOSPITAL

CORPORATION'S CAPITAL BUDGET IN EXCESS OF \$50,000.

ALL MEMBERS HAVE RIGHTS TO VOTE.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM 990 WAS REVIEWED IN DETAIL PRIOR TO FILING. VARIOUS SECTIONS WERE

REVIEWED BY THE EXECUTIVE MANAGEMENT TEAM AND CERTAIN KEY SECTIONS BY THE

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS. AN OVERALL REVIEW WAS

CONDUCTED BY THE ORGANIZATION'S FINANCE DEPARTMENT WITH THE ORGANIZATION'S

OUTSIDE TAX ADVISORS.

PRIOR TO FILING, ALL MEMBERS OF THE BOARD ARE PROVIDED A COPY OF THIS FORM

990 THROUGH EMAIL, WITH A LINK TO THE COMPANY'S INTRANET WEBSITE.

FORM 990, PART VI, SECTION B, LINE 12C:

PURSUANT TO THE ORGANIZATION'S CONFLICT OF INTEREST POLICY, EACH FACILITY

BOARD MEMBER, OFFICER, DIRECTOR AND ANY EMPLOYEE IN A POSITION THAT

REQUIRES COORDINATION AND/OR NEGOTIATION WITH CONTRACTORS OR SUPPLIES, IS

REQUIRED ON AN ANNUAL BASIS TO DISCLOSE ANY BUSINESS OR FINANCIAL

RELATIONSHIP OUTSIDE OF THE ORGANIZATION.

AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, OR THE PERCEPTION OR

APPEARANCE OF A CONFLICT OF INTEREST, OCCURS WHEN A COVERED PERSON IS IN A

POSITION TO INFLUENCE A DECISION THAT MAY RESULT IN A PERSONAL GAIN FOR

THAT EMPLOYEE, A RELATIVE, OR OTHER PERSON LIVING IN THE SAME HOUSEHOLD, AS

A RESULT OF ADVENTIST HEALTHCARE'S BUSINESS ACTIVITIES. A RELATIVE IS

Name of the organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number 84-2670875
---	--

DEFINED AS ANY PERSON WHO IS RELATED BY BLOOD OR MARRIAGE, OR WHOSE  
 RELATIONSHIP WITH THE COVERED PERSON IS SIMILAR TO THAT OF PERSONS WHO ARE  
 RELATED BY BLOOD OR MARRIAGE.

NO "PRESUMPTION OF GUILT" IS CREATED BY THE MERE EXISTENCE OF A  
 RELATIONSHIP BETWEEN AN ADVENTIST HEALTHCARE EMPLOYEE AND AN OUTSIDE FIRM  
 OR BUSINESS ENDEAVOR, OR OTHER POTENTIAL CONFLICT OF INTEREST. HOWEVER, IF  
 A COVERED PERSON HAS ANY BUSINESS, FINANCIAL, OR OTHER RELATIONSHIP WITH  
 ANY ORGANIZATION WHEREBY THE EXISTENCE OF THAT RELATIONSHIP EITHER CREATES  
 A CONFLICT OF INTEREST OR IS PERCEIVED TO CREATE A CONFLICT OF INTEREST,  
 THE COVERED PERSON MUST DISCLOSE THIS RELATIONSHIP TO THE DESIGNATED SENIOR  
 MANAGER, OR GOVERNING BOARD, AS THE CASE MAY BE, AT THE LOCATION WHERE THE  
 EMPLOYEE IS ASSIGNED. THE SENIOR MANAGER WILL REVIEW THE RELATIONSHIP, MAKE  
 COMMENTS AND RECOMMENDATIONS, AND FORWARD ALL DOCUMENTATION TO THE  
 ORGANIZATIONAL INTEGRITY COMMITTEE FOR A FINAL DECISION.

COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IS MONITORED AND ENFORCED  
 BY THE HUMAN RESOURCES DEPARTMENT, CORPORATE INTEGRITY DEPARTMENT AND THE  
 LEGAL DEPARTMENT.

FORM 990, PART VI, SECTION C, LINE 19:  
 THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL  
 STATEMENTS, ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:  
 CONTRACT LABOR AND PHYSICIAN PROFESSIONAL FEES:

PROGRAM SERVICE EXPENSES	621,798.
MANAGEMENT AND GENERAL EXPENSES	13,800.



Name of the organization ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number 84-2670875
---	--

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 635,598.

CONSULTING AND PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES 714,069.

MANAGEMENT AND GENERAL EXPENSES 315,797.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 1,029,866.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 1,665,464.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE 9,891.

INTRANSFER OF NET ASSETS THROUGH BUSINESS COMBINATION 7,045,520.

TOTAL TO FORM 990, PART XI, LINE 9 7,055,411.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

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

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Name of the organization	ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.	Employer identification number	84-2670875
--------------------------	---	--------------------------------	------------

**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
FORT WASHINGTON AMBULATORY SERVICES, LLC - 81-4231152, 174 WATERFRONT STREET, SUITE 225, OXON HILL, MD 20745	AMBULATORY SERVICES	MARYLAND	0.	0.	ADVENTIST HEALTHCARE FORT WASHINGTON MEDICAL CENTER INC.

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
ADVENTIST HEALTHCARE, INC. - 52-1532556 820 W. DIAMOND AVE SUITE 600 GAITHERSBURG, MD 20878-1419	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	LINE 3	MID-ATLANTIC ADVENTIST HEALTHCARE		X
ADVENTIST HEALTHCARE URGENT CARE CENTERS, INC. - 46-1577511, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	CLINIC - EMERGENCY CARE	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X
ADVENTIST HOME HEALTH SERVICES, INC. - 52-0986808, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	HOME CARE SERVICES	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X
ADVENTIST PHYSICIAN SERVICES, INC - 20-4600646, 820 W. DIAMOND AVE SUITE 600, GAITHERSBURG, MD 20878-1419	PHYSICIAN SERVICES	MARYLAND	501(C)(3)	LINE 10	ADVENTIST HEALTHCARE, INC.		X

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

Schedule R (Form 990) 2019

SEE PART VII FOR CONTINUATIONS



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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SHADY GROVE MEDICAL BUILDING, LLC - 27-4599411, 1650 TYSONS BOULEVARD, STE 820, MCLEAN, VA 22102	MEDICAL OFFICE BUILDING	MD	N/A	RELATED				X	N/A		X	
NEXUS MONTGOMERY REGIONAL PARTNERSHIP, LLC - 81-5410250, 820 WEST DIAMOND AVE. SUITE 600, GAITHERSBURG, CORELIFE ADVENTIST, LLC - 84-1813204, 821 WEST BENFIELD ROAD, SUITE 5, SEVERNA PARK, MD 21146	HEALTHCARE & COMMUNITY SERVICE FOR IMPROVED HEALTH PROVIDES WELLNESS AND WEIGHT MANAGEMENT	MD	N/A	RELATED				X	N/A		X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
PREMIER MEDICAL NETWORK, INC. - 52-1952469 820 W. DIAMOND AVE SUITE 600 GAITHERSBURG, MD 20878-1419	JOINT PHYSICIAN CONT	MD	ADVENTIST HEALTHCARE, INC.	C CORP					X

**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.

	Yes	No
<b>1</b> 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?		
<b>a</b> Receipt of <b>(i)</b> interest, <b>(ii)</b> annuities, <b>(iii)</b> royalties, or <b>(iv)</b> rent from a controlled entity .....	<b>1a</b>	X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	<b>1b</b>	X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>1c</b>	X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>1d</b>	X
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>1e</b>	X
<b>f</b> Dividends from related organization(s) .....	<b>1f</b>	X
<b>g</b> Sale of assets to related organization(s) .....	<b>1g</b>	X
<b>h</b> Purchase of assets from related organization(s) .....	<b>1h</b>	X
<b>i</b> Exchange of assets with related organization(s) .....	<b>1i</b>	X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>1j</b>	X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	<b>1k</b>	X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....	<b>1l</b>	X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	<b>1m</b>	X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>1n</b>	X
<b>o</b> Sharing of paid employees with related organization(s) .....	<b>1o</b>	X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	<b>1p</b>	X
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	<b>1q</b>	X
<b>r</b> Other transfer of cash or property to related organization(s) .....	<b>1r</b>	X
<b>s</b> Other transfer of cash or property from related organization(s) .....	<b>1s</b>	X

**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)			
(2)			
(3)			
(4)			
(5)			
(6)			



**Part VII Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

**PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:**

NAME OF RELATED ORGANIZATION:

ADVENTIST HEALTHCARE, INC.

DIRECT CONTROLLING ENTITY: MID-ATLANTIC ADVENTIST HEALTHCARE CORPORATION

NAME OF RELATED ORGANIZATION:

ADVENTIST REHABILITATION, INC.

DIRECT CONTROLLING ENTITY: ADVENTIST REHABILITATION HOSPITAL OF MARYLAND,

INC.

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

REGINALD S. LOURIE CENTER FOR INFANTS AND YOUNG CHILDREN,

INC.

EIN: 52-1255870

820 W. DIAMOND AVE SUITE 600

GAITHERSBURG, MD 20878-1419

**PART III, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS PARTNERSHIP:**

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

NEXUS MONTGOMERY REGIONAL PARTNERSHIP, LLC

EIN: 81-5410250

820 WEST DIAMOND AVE. SUITE 600

GAITHERSBURG, MD 20878

# **Adventist HealthCare, Inc. and Controlled Entities**

Consolidated Financial Statements  
and Supplementary Information

December 31, 2019 and 2018



# Adventist HealthCare, Inc. and Controlled Entities

---

Table of Contents

December 31, 2019 and 2018

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	9
<b>Supplementary Information</b>	
Adventist HealthCare, Inc. and Controlled Entities:	
Consolidating Schedule, Balance Sheet	42
Consolidating Schedule, Statement of Operations	44
Adventist HealthCare, Inc. - Foundations:	
Combining Schedule, Balance Sheet	45
Combining Schedule, Statement of Operations and Changes in Net Assets	46

## **Independent Auditors' Report**

To the Board of Trustees of  
Adventist HealthCare, Inc. and Controlled Entities

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Adventist HealthCare, Inc. and Controlled Entities (collectively, the Corporation), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Adventist HealthCare, Inc. and Controlled Entities as of December 31, 2019 and 2018, and the results of their operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As discussed in Note 2 to the consolidated financial statements, in 2019, the Corporation adopted new accounting guidance related to the accounting for leases and the presentation of amounts generally described as restricted cash and restricted cash equivalents in the consolidated statement of cash flows. Our opinion is not modified with respect to these matters.

## **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the supplemental pro forma information for the acquisition of Fort Washington Medical Center for the years ended December 31, 2019 and 2018 on page 21 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basis consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and combining information presented on pages 42 to 46 is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Wilkes-Barre, Pennsylvania  
April 30, 2020

## Adventist HealthCare, Inc. and Controlled Entities

Consolidated Balance Sheets

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 25,807,370	\$ 41,673,365
Short-term investments	226,700,054	196,069,788
Assets whose use is limited	3,716,230	3,573,229
Patient accounts receivable	117,498,048	94,756,571
Other receivables	13,764,346	12,096,855
Inventories	12,418,380	8,611,875
Prepaid expenses and other current assets	8,074,200	8,337,954
Total current assets	407,978,628	365,119,637
<b>Property and Equipment, Net</b>	724,843,830	652,882,719
<b>Financing Lease Right-of-Use Asset</b>	2,965,826	-
<b>Operating Lease Right-of-Use Asset</b>	73,138,407	-
<b>Assets Whose Use is Limited</b>		
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks	40,290,848	139,004,400
Professional liability trust fund	13,948,336	11,128,261
Deferred compensation fund	1,537,921	1,300,086
<b>Cash and Cash Equivalents Restricted for Capital Acquisitions</b>	922,325	1,512,793
<b>Investments and Investments in Unconsolidated Subsidiaries</b>	22,555,200	17,057,997
<b>Land Held for Healthcare Development</b>	48,091,039	45,404,765
<b>Intangible Assets, Net</b>	7,918,711	8,127,689
<b>Deposits and Other Noncurrent Assets</b>	3,677,673	4,592,743
<b>Assets Held for Sale</b>	15,939,824	-
Total assets	<u>\$ 1,363,808,568</u>	<u>\$ 1,246,131,090</u>

See notes to consolidated financial statements

**Adventist HealthCare, Inc. and Controlled Entities**

Consolidated Balance Sheets

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 110,337,646	\$ 86,631,393
Accrued compensation and related items	45,674,609	37,155,567
Interest payable	9,916,230	9,775,665
Due to third party payors	19,589,154	19,981,019
Estimated self-insured professional liability	1,929,261	1,795,731
Current maturities of:		
Long-term obligations	14,070,657	9,151,220
Financing lease obligations	1,053,932	-
Operating lease obligations	13,242,576	-
	<u>215,814,065</u>	<u>164,490,595</u>
<b>Construction Payable</b>	10,894,297	33,038,715
<b>Long-Term Obligations, Net</b>		
Bonds payable	536,331,645	546,699,908
Notes payable	30,888,657	21,295,957
Capital lease obligations	-	10,096,187
<b>Financing Lease Obligations</b>	1,747,777	-
<b>Operating Lease Obligations</b>	60,968,875	-
<b>Derivative Financial Instrument</b>	236,291	503,251
<b>Other Liabilities</b>	13,552,593	10,257,050
<b>Estimated Self-Insured Professional Liability</b>	16,138,921	14,929,354
	<u>886,573,121</u>	<u>801,311,017</u>
<b>Net Assets</b>		
Net assets without donor restrictions	471,275,984	439,571,362
Net assets with donor restrictions	5,959,463	5,248,711
	<u>477,235,447</u>	<u>444,820,073</u>
	<u>\$ 1,363,808,568</u>	<u>\$ 1,246,131,090</u>

See notes to consolidated financial statements

**Adventist HealthCare, Inc. and Controlled Entities**Consolidated Statements of Operations  
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Net patient service revenue	\$ 821,575,609	\$ 779,303,420
Other revenues	40,928,213	41,246,589
Total revenues	<u>862,503,822</u>	<u>820,550,009</u>
<b>Expenses</b>		
Salaries and wages	384,439,065	366,176,376
Employee benefits	73,675,888	72,221,612
Contract labor	38,699,033	35,754,655
Medical supplies	107,737,246	104,580,658
General and administrative	127,423,342	122,362,912
Building and maintenance	44,000,964	41,344,766
Insurance	6,950,972	9,113,009
Interest	16,586,180	11,951,282
Depreciation and amortization	41,582,280	38,120,194
Loss on disposal of property and equipment	3,265,295	-
Total expenses	<u>844,360,265</u>	<u>801,625,464</u>
Income from operations	<u>18,143,557</u>	<u>18,924,545</u>
<b>Other Income (Expense)</b>		
Investment income	14,156,295	2,284,965
Other (loss) income	(1,510,714)	143,382
Inherent contribution on business combination	7,045,520	-
Total other income	<u>19,691,101</u>	<u>2,428,347</u>
Revenues in excess of expenses from continuing operations	37,834,658	21,352,892
Change in net unrealized gains and losses on investments in debt securities	8,144,221	(3,582,832)
Change in net unrealized gain on derivative financial instrument	700,697	700,697
Net assets released from restriction for purchase of property and equipment	1,777,624	2,656,339
Deferred compensation plan liability adjustment	(789,431)	1,609,635
Other net asset activity	(24,248)	(494,344)
Increase in net assets without donor restrictions from continuing operations	47,643,521	22,242,387
Loss from discontinued operations	<u>(14,841,272)</u>	<u>-</u>
Increase in net assets without donor restrictions	<u>\$ 32,802,249</u>	<u>\$ 22,242,387</u>

See notes to consolidated financial statements

**Adventist HealthCare, Inc. and Controlled Entities**Consolidated Statements of Changes in Net Assets  
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues in excess of expenses from continuing operations	\$ 37,834,658	\$ 21,352,892
Change in net unrealized gains and losses on investments in debt securities	8,144,221	(3,582,832)
Change in net unrealized gain on derivative financial instrument	700,697	700,697
Net assets released from restriction for purchase of property and equipment	1,777,624	2,656,339
Deferred compensation plan liability adjustment	(789,431)	1,609,635
Other net asset activity	(24,248)	(494,344)
	<hr/>	<hr/>
Increase in net assets without donor restrictions from continuing operations	47,643,521	22,242,387
Loss from discontinued operations	(14,841,272)	-
	<hr/>	<hr/>
Increase in net assets without donor restrictions	32,802,249	22,242,387
<b>Net Assets With Donor Restrictions</b>		
Restricted gifts and donations	6,174,849	4,077,505
Net assets released from restriction for purchase of property and equipment	(1,777,624)	(2,656,339)
Net assets released from restriction used for operations	(3,516,369)	(3,519,841)
Change in value of beneficial interest in trusts and charitable gift annuity obligation	(204,626)	(69,836)
Change in discount of pledges receivable and provision for doubtful pledges	25,622	(508,987)
Donor restricted investment income	8,900	37,584
	<hr/>	<hr/>
Increase (decrease) in net assets with donor restrictions	710,752	(2,639,914)
	<hr/>	<hr/>
Increase in net assets	33,513,001	19,602,473
<b>Net Assets, Beginning</b>	444,820,073	425,217,600
<b>Cumulative Effect of Change in Accounting Principle</b>	(1,097,627)	-
	<hr/>	<hr/>
<b>Net Assets, Ending</b>	<u>\$ 477,235,447</u>	<u>\$ 444,820,073</u>

See notes to consolidated financial statements

**Adventist HealthCare, Inc. and Controlled Entities**Consolidated Statements of Cash Flows  
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u> <u>(As Adjusted)</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 33,513,001	\$ 19,602,473
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	41,582,280	38,120,194
Operating lease right-of-use asset amortization	12,458,746	-
Amortization of deferred financing costs	228,770	212,496
Deferred compensation plan liability adjustment	789,431	(1,609,635)
Restricted contributions and grants	(4,767,614)	(1,151,766)
Earnings recognized from unconsolidated subsidiaries and affiliates	(2,197,709)	(1,943,590)
Amortization of physician income guarantees	98,362	26,348
Inherent contribution on business combination, net of cash received	(8,338,485)	-
Cumulative effect of change in accounting principle	1,097,627	-
Loss on disposal of property and equipment	14,670,635	-
Net realized and unrealized gains and losses on investments	(7,381,743)	3,128,140
Change in net unrealized gains and losses on investments in debt securities	(8,144,221)	3,582,832
Change in net unrealized gain on derivative financial instrument	(700,697)	(700,697)
Change in value of beneficial interest in trusts and charitable gift obligation	204,626	69,836
Change in discount on pledges receivable and provision for doubtful pledges	(25,622)	508,987
Changes in assets and liabilities:		
Patient accounts receivable	(20,225,577)	(1,546,625)
Other receivables	(405,066)	3,947,778
Inventories, prepaid expenses and other current assets	(1,915,020)	113,996
Accounts payable and accrued expenses	17,732,171	(186,791)
Accrued compensation and related items	7,242,684	(104,879)
Interest payable	140,565	28,371
Estimated self-insured professional liability	1,343,097	2,462,540
Due to third party payors	(971,611)	2,162,617
Operating lease obligations	(15,961,759)	-
Other noncurrent assets and liabilities	474,929	397,341
Net cash provided by operating activities	<u>60,541,800</u>	<u>67,119,966</u>

See notes to consolidated financial statements



**Adventist HealthCare, Inc. and Controlled Entities**Consolidated Statements of Cash Flows  
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u> (As Adjusted)
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	\$ (157,328,472)	\$ (159,276,923)
Increase in investments and investments in unconsolidated subsidiaries	(15,129,013)	(4,779,492)
Additions to land held for healthcare development	(2,686,274)	(2,309,960)
Proceeds from sale of land for healthcare development	-	4,565,265
Distributions from investments in unconsolidated subsidiaries	9,608,328	2,524,000
Purchase of investment in unconsolidated subsidiary	(3,781,111)	(1,182,000)
Cash received in the acquisition of Fort Washington	1,292,965	-
Decrease in trustee held funds and restricted cash	57,057,942	105,751,759
	<u>(110,965,635)</u>	<u>(54,707,351)</u>
Net cash used in investing activities		
<b>Cash Flows From Financing Activities</b>		
Payment of financing costs	(589,794)	-
Repayments on long-term obligations, net	(9,235,873)	(13,360,724)
Repayment of financing lease obligations	(1,088,539)	-
Proceeds from restricted contributions and grants	4,767,614	1,151,766
	<u>(6,146,592)</u>	<u>(12,208,958)</u>
Net cash used in financing activities		
Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(56,570,427)	203,657
<b>Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning</b>	<u>100,073,953</u>	<u>99,870,296</u>
<b>Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending</b>	<u>\$ 43,503,526</u>	<u>\$ 100,073,953</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	<u>\$ 18,918,874</u>	<u>\$ 12,464,520</u>
<b>Supplemental Disclosure of Noncash Investing and Financing Activities</b>		
Financing/capital lease obligation incurred for equipment	<u>\$ -</u>	<u>\$ 3,203,212</u>
Land contributed to investment in unconsolidated subsidiary	<u>\$ 8,627,000</u>	<u>\$ 1,153,672</u>
Construction payable for property and equipment	<u>\$ 10,894,297</u>	<u>\$ 33,038,715</u>
<b>Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 25,807,370	\$ 41,673,365
Cash and cash equivalents restricted for capital acquisitions	922,325	1,512,793
Cash and cash equivalents included in the current portion of assets whose use is limited	3,716,230	3,573,229
Cash and cash equivalents included in the noncurrent portion of assets whose use is limited	13,057,601	53,314,566
	<u>\$ 43,503,526</u>	<u>\$ 100,073,953</u>
Total cash, cash equivalents and restricted cash and cash equivalents		

See notes to consolidated financial statements

# Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

## 1. Nature of Operations and Summary of Significant Accounting Policies

### Nature of Operations

Adventist HealthCare, Inc. (AHC) is a nonstock membership corporation organized to effectuate coordinated administration of hospitals and other health care organizations through the provision of key management and administrative services. The mission of AHC is to extend God's care through the ministry of physical, mental and spiritual healing. AHC is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (IRC). AHC is not exempt from income taxes for unrelated business income. AHC's sole corporate member is Mid-Atlantic Adventist HealthCare, Inc. AHC is comprised of several operating divisions and controlled entities, as follows:

Shady Grove Medical Center (SGMC) is a 248-bed acute care hospital located in Rockville, Maryland. Effective August 1, 2018, Behavioral Health & Wellness Services (BH&WS) became a department of SGMC and as a result is reimbursed under SGMC's global budget revenue agreement. BH&WS is comprised of BH&WS - Rockville, a 117-bed psychiatric hospital.

White Oak Medical Center (WOMC) is a 191-bed acute care hospital located in Silver Spring, Maryland. On August 25, 2019, the newly constructed WOMC opened.

Rehabilitation (Rehab) operates one inpatient hospital with two sites in Maryland, as well as two outpatient locations. Rehab - Rockville is a 55-bed rehabilitation facility and Rehab - Takoma Park is a 42-bed rehabilitation facility. The Rehab – Takoma Park facility is scheduled to relocate to WOMC in late 2020.

Adventist HealthCare Imaging (Imaging) operates seven clinical sites and provides inpatient and outpatient imaging services at SGMC and WOMC.

Clinical Integration Services (CIS) is comprised of Adventist Medical Group (AMG). AMG is a not-for-profit entity that provides primary care and specialty care physician professional health services to the communities it serves. AHC contracted with Medical Faculty Associates, Inc. (MFA) to employ the AMG employees, through a wholly owned affiliate of MFA, in exchange for certain economic support to facilitate the growth by MFA of the AMG physician practices. In December 2017, however, AHC terminated its contract with MFA as it relates to the primary care, psychiatry and endocrinology practices. The termination was effective July 2018, at which time AHC began operating the primary care, psychiatry and endocrinology practices. The remaining specialty care practices will continue to be operated by MFA, with the respective operating results recorded in SGMC and WOMC. CIS also includes the administration needed to facilitate the coordination of patient care across conditions, providers and settings.

The Other Health Services operating division is comprised of two entities. Lifework Strategies (LWS) provides employee assistance and employee wellness programs to client employees. LWS's mission is to help individuals live healthier, happier and more productive lives. Capital Choice Pathology Lab (CCPL) provides full pathology production services to client hospitals.

The Support Center is comprised of the Corporate Office (CO) and the AHC benefit business unit. The CO provides corporate and centralized shared service functions that benefit the entire AHC system. The AHC benefit business unit administers the self-insurance health benefit program including health insurance, dental and vision coverage for AHC and controlled entities.

## **Adventist HealthCare, Inc. and Controlled Entities**

---

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

In October 2019, Adventist HealthCare Fort Washington Medical Center, Inc., a subsidiary of AHC, acquired Fort Washington Medical Center (FWMC) (Note 3). FWMC is a 27-bed acute care hospital located in Fort Washington, Maryland.

The Lourie Center for Infants and Young Children (Lourie Center) is a not-for-profit organization that specializes in the diagnosis, treatment and prevention of developmental and emotional disorders in children from birth through ten years of age.

Adventist Home Care Services, Inc. (AHCS) is a nonstock membership corporation organized to provide home health services in Maryland and includes Adventist Home Assistance (AHA). AHA provides non-clinical assistance to homebound patients who cannot perform certain daily activities on their own.

Adventist HealthCare Urgent Care Center, Inc. (Urgent Care) is comprised of three urgent care centers located in Germantown, Laurel and Rockville, Maryland. These centers provide ambulatory services to patients without life threatening conditions, as well as occupational health screenings to the community.

One Health Quality Alliance (OHQA) is a physician-led clinically integrated network designed to deliver value to payors, employers and consumers through the highest quality care at a lower cost. Through this alliance, participating physicians gain access to resources to support the transition to value-based care, while maintaining their independence. Through this collaboration, OHQA aims to improve the health of patient populations and communities, while enhancing the patient experience and reducing the costs of health care. The OHQA currently has over 450 physician members, most of whom are on the medical staff of AHC, including primary care, orthopedics and other community and hospital based specialists.

The Foundations operating division is comprised of Washington Adventist Hospital Foundation, Inc., d/b/a White Oak Medical Center Foundation Inc. and Shady Grove Medical Center Foundation, Inc. (collectively, the Foundations). Each are separate nonstock corporations that operate for the furtherance of each named hospital's health care objectives primarily through the solicitation of contributions, gifts and bequests. The Foundations also exist to help fund new equipment purchases and capital improvement projects for their respective hospitals.

All of the operating divisions and controlled entities mentioned above are tax-exempt under Section 501(c)(3) of the IRC.

### **Principles of Consolidation**

The consolidated financial statements for 2019 and 2018 include the accounts of AHC, the controlling parent, SGMC, WOMC, Rehab, Imaging, CIS, LWS, CCPL, the Support Center, FWMC, the Lourie Center, AHCS, Urgent Care, OHQA, and the Foundations, which include their majority-owned subsidiaries and controlled affiliates (collectively, the Corporation). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements of the Corporation.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through April 30, 2020, the date the consolidated financial statements were issued.

During the first several months of 2020, the Coronavirus disease (COVID 19), an infectious disease caused by the SARS-CoV-2 virus, spread globally, resulting in a pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The Corporation's evaluation of the effects of these events is ongoing as of the date the accompanying consolidated financial statements were issued. COVID-19 may impact various parts of the Corporation's 2020 operations and financial performance including, but not limited to, additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, supply chain disruption, closure of certain facilities or service lines, or declines in revenue related to decreases in volumes of certain revenue streams. The extent of the impact is unknown and will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Numerous government programs at the federal, state and local levels are currently being developed to provide relief funds to healthcare providers on the front lines of the COVID-19 pandemic. In April 2020, the Centers for Medicare & Medicaid Services (CMS) delivered relief funds to healthcare providers through the Accelerated and Advance Payment Program. The advance and accelerated payments range from three to six months-worth of a providers Medicare reimbursement and represent a loan that providers must pay back via offsets to future claims. The offsets begin 120 days after disbursement of the accelerated/advance payments and require full repayment within 365 days (210 days for certain providers). The payments are available to all Medicare Part A providers, including hospitals, and all Medicare Part B suppliers, including doctors, non-physician practitioners and durable medical equipment suppliers. In April 2020, the Corporation received advanced payments of approximately \$141,100,000 under the Accelerated and Advance Payment Program.

In April 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which also provides relief funds to healthcare providers on the front lines of the COVID-19 pandemic. This funding is to be used to support healthcare-related expenses or lost revenue attributable to COVID-19 and to ensure uninsured Americans can get testing and treatment for COVID-19. In April 2020, approximately 30 percent of the relief funds were distributed based on the healthcare providers share of total Medicare FFS reimbursements in 2019. All healthcare providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for the relief funds. The Corporation is required to make certain certifications and has certain reporting requirements as a condition of receiving the funds. In addition, healthcare providers must agree not to seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider. In April 2020, the Corporation received approximately \$20,191,000 of relief funds under the CARES Act.

The Corporation intends to take the necessary steps to maximize relief under all possible federal, state and local government programs.

### Use of Estimates

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

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### Maryland Health Services Cost Review Commission

Certain hospital charges are subject to review and approval by the Maryland Health Services Cost Review Commission (HSCRC). The HSCRC has jurisdiction over hospital reimbursement in Maryland by agreement with the Centers for Medicare and Medicaid Services (CMS). This agreement is based on a waiver from the Medicare Prospective Payment System reimbursement principles granted under Section 1814(b) of the Social Security Act. Management has filed the required forms with the Commission and believes all entities that fall under the HSCRC's jurisdiction are in compliance with applicable requirements.

In January 2014, the Centers for Medicare and Medicaid Services approved a modernized waiver that grants Maryland (via the HSCRC) the authority to regulate hospital revenue within a rigorous per capita expenditure limit. Maryland's All Payer Model Agreement builds on decades of innovation and equity in healthcare payment and delivery - with an aim to enhance patient care, improve health outcomes and lower costs.

As a result of the waiver, the HSCRC introduced revenue arrangements, including the Global Budget Revenue (GBR) model. The GBR methodology encourages hospitals to focus on population health strategies by establishing a fixed annual revenue cap for each GBR hospital. The agreement establishes a fixed amount of charging authority (i.e. revenue) at the beginning of the rate year. It is evergreen in nature and covers both regulated inpatient and outpatient revenues. Annual revenue is calculated from a base year and is adjusted annually for inflation, infrastructure requirements, population changes, performance in quality-based programs and changes in levels of uncompensated care. Revenue may also be adjusted annually for market levels and shifts of services from one health system to another and from a regulated setting to an unregulated setting (or vice versa).

In 2014, AHC entered into GBR Agreements with the HSCRC for SGMC, WOMC and Shady Grove Germantown Emergency Center. FWMC entered into a GBR agreement with the HSCRC in 2014. The agreements set an initial fixed amount of revenue for each entity for the period July 1, 2013 through June 30, 2014 and is subsequently updated on an annual basis every July 1.

The HSCRC requires rate-regulated hospitals under its jurisdiction to calculate the amount of revenue lost or gained due to variances from approved rates. Revenue lost due to undercharges in rates is recouped through increases in prospective rates. Similarly, revenue gained due to overcharges in rates is paid back, wholly or in part, through reductions in prospective rates. The Corporation reported net overcharges of \$1,022,206 as of December 31, 2019 and net undercharges of \$1,289,841 as of December 31, 2018. These price variances reflect the variance between actual patient charges and the pro-rata share of approved rate orders. The net amounts are reported as a component of net patient service revenue and patient accounts receivable in the accompanying consolidated financial statements. Since the HSCRC's rate year extends from July 1 through June 30, these amounts will continue to fluctuate until the end of the rate year as actual patient charges deviate from the total approved charging authority. At the conclusion of the rate year, any over/under charges are amortized on the straight-line basis over the following rate year when the price variance adjustments are actually built into each entity's rate order.

Under Maryland law, charges of specialty hospitals such as Rehab are subject to review and approval by the HSCRC. HSCRC regulations also include a provision whereby a hospital may apply for an exemption from the requirements to charge for services in accordance with HSCRC regulations. Certain conditions regarding the percentage of revenue related to Medicare and Medicaid patients and total revenues must be met to receive the initial exemption and must be met each year thereafter. Reporting requirements as established by the HSCRC continue even if an exemption regarding charging for services is received. The Corporation's management believes Rehab met the conditions for exemption during 2019 and 2018.

## **Adventist HealthCare, Inc. and Controlled Entities**

---

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

BH&WS-Rockville is subject to HSCRC rate setting. For the period January 1, 2018 through July 31, 2018, BH&WS-Rockville did not enter into a Global Budget Revenue Agreement. Instead, BH&WS-Rockville continues to generate charging authority based on the volume of services it provides to patients. Unit rates are set for all payors, however Medicare and Medicaid are not required to reimburse at HSCRC rates. Services provided to Medicare beneficiaries are reimbursed under the Inpatient Psychiatric Facility Prospective Payment System. Services provided to Medicaid patients are cost-settled for outpatient services and reimbursed for inpatient services at a rate of 94 percent of charges (as set forth in the Code of Maryland Regulations 10.09.06.09). Effective August 1, 2018, BH&WS became a department of SGMC and is reimbursed under their Global Budget Revenue Agreement.

### **Cash and Cash Equivalents**

Cash and cash equivalents include investments in money market funds and certificates of deposit purchased with original maturities of less than 90 days, excluding assets whose use is limited. For purposes of the statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less.

### **Patient Accounts Receivable**

The Corporation assesses collectability on patient contracts prior to the recognition of net patient service revenues. Patient accounts receivable are reported at their net realizable value. Accounts are written off through bad debt expense when the Corporation has exhausted all collection efforts and determines accounts are impaired based on changes in patient credit worthiness. Patient accounts receivable also includes management's estimate of the impact of certain undercharges to be recouped or overcharges to be paid back for inpatient and outpatient services in subsequent years rates as discussed earlier.

### **Other Receivables**

Other receivables represent amounts due to the Corporation for charges other than providing health care services to patients and pledges from donors and are reported at their net realizable value. These services include, but are not limited to, fees from educational programs, rental of health care facility space, interest earned and management services provided to unconsolidated subsidiaries. Other receivables are written off when they are determined to be uncollectible based on management's assessment of individual accounts.

### **Assets Whose Use Is Limited**

Assets whose use is limited includes assets held by bond trustees under trust indentures, assets set aside as required by the Corporation's self-funded professional liability trust, assets set aside for deferred compensation agreements and those set aside in accordance with the United States Department of Housing and Urban Development (HUD) mortgage loan payable. Amounts available to meet current liabilities of the Corporation have been reclassified as current assets in the accompanying consolidated balance sheets.

## **Adventist HealthCare, Inc. and Controlled Entities**

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

---

### **Investments and Investment Risk**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Cash and cash equivalents and certificates of deposit are carried at cost which approximates fair value. Investments in joint ventures are accounted for using the equity or cost method of accounting depending on the Corporation's ownership interest. Investment income or loss (including realized and unrealized gains and losses on investments, write-downs of the cost basis of investments in debt securities due to an other-than-temporary decline in fair value, interest and dividends) is included in the determination of revenues in excess of expenses from continuing operations unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments in debt securities are excluded from the determination of revenues in excess of expenses from continuing operations unless the investments are trading securities. Donor-restricted investment income is reported as an increase in net assets with donor restrictions. Investments available for current operations have been classified as short-term investments in the accompanying consolidated balance sheets.

The Corporation's investments are comprised of a variety of financial instruments. The fair values reported in the consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term.

### **Inventories**

Inventories of drugs, medical supplies and surgical supplies are valued at the lower of cost or net realizable value. Cost is determined primarily by the weighted average cost method.

### **Property and Equipment**

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying consolidated statements of operations. As discussed in Note 2 to the consolidated financial statements, the Corporation adopted new accounting standards guidance related to the accounting for leases in 2019.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment losses are recognized in the consolidated statements of operations as a component of revenues in excess of expenses from continuing operations as they are determined. The Corporation reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, the Corporation calculates the estimated future net cash flows to be generated by the asset. If those future net cash flows are less than the carrying value of the asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the asset. There were no impairment losses reported in 2019 or 2018.

## **Adventist HealthCare, Inc. and Controlled Entities**

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### **Leases and Right-of-Use Assets**

Under Topic 842, the Corporation evaluates at contract inception whether a lease exists and recognizes a lease obligation and right-of-use (ROU) asset for all leases with a term greater than 12 months. Leases are classified as either financing or operating. All lease liabilities are measured as the present value of the future lease payments using a discount rate. The future lease payments used to measure the lease liability include fixed payments, as well as the exercise price of any options to purchase the underlying asset that have been deemed reasonably certain of being exercised, if applicable. Future lease payments for optional renewal periods that are not reasonably certain of being exercised are excluded from the measurement of the lease liability. For all leases, the ROU asset is initially derived from the measurement of the lease liability and adjusted for certain items, such as initial direct costs and lease incentives received. ROU assets are subject to long-lived impairment testing.

Amortization of financing lease ROU assets, which is recognized on a straight-line basis over the lesser of the lease term and the estimated useful life of the asset, is included within depreciation and amortization expense in the consolidated statements of operations. Interest expense associated with financing lease obligations is included within interest expense in the consolidated statements of operations. Operating lease expense is recognized on a straight-line basis over the lease term and is included within building and maintenance in the consolidated statements of operations. The lease term is determined based on the date the Corporation acquires control of the leased premises through the end of the lease term. Optional renewal periods are initially not included in the lease term unless they are deemed to be reasonably certain of being exercised at lease commencement.

### **Intangible Assets**

The Corporation's intangible assets primarily include costs in excess of net assets acquired related to certain business acquisitions. The Corporation is amortizing certain intangible assets over a period not to exceed 40 years. Amortization of these intangible assets was \$230,622 in 2019 and \$218,792 in 2018. Accumulated amortization of intangible assets was \$4,057,430 and \$3,826,808 as of December 31, 2019 and 2018, respectively.

Goodwill, which is included in intangible assets in the accompanying consolidated balance sheets, is reviewed annually for impairment or more frequently if events or circumstances indicate the carrying amount of the goodwill will not be recoverable.

### **Deferred Financing Costs**

Costs incurred in connection with the issuance of long-term obligations have been deferred and are being amortized over the term of the related obligation using the straight-line method. Deferred financing costs remaining as of December 31, 2019 and 2018 totaled \$5,212,539 and \$4,850,301, respectively, and are included in the consolidated balance sheets as a reduction of bonds payable.

Amortization expense was \$228,770 and \$212,496 in 2019 and 2018, respectively, and is included as a component of interest expense in the consolidated statements of operations. Accumulated amortization of deferred financing costs was \$3,303,088 and \$3,074,318 at December 31, 2019 and 2018, respectively, and is included as a component of bonds payable in the consolidated balance sheets.

### **Due to Third Party Payors**

The Corporation receives advances from third party payors to provide working capital for services rendered to the beneficiaries of such services. These advances are principally determined based on the timing differences between the provision of care and the anticipated payment date of the claim for service in accordance with HSCRC's rate regulations. These advances are subject to periodic adjustment.



## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Settlements with third party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on reimbursable costs, the terms of the payment agreement with the payor, correspondence with the payor and the Corporation's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information become available), or as years are settled or no longer subject to such audits, reviews and investigations. Adjustments arising from a change in the transaction price, were not significant in 2019 or 2018.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result, health care entities, may from time to time and in the ordinary course of business, receive requests for information and notices from government agencies regarding alleged noncompliance with those laws and regulations, some of which may result in settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. Management is not aware of any material incidents of noncompliance; however, there can be no assurance that regulatory authorities will not challenge the Corporation's compliance in the future.

### Derivative Financial Instruments

The Corporation has an interest rate swap agreement, which is considered a derivative financial instrument, to manage its interest rate exposure on certain long-term obligations (Note 13). The interest rate swap agreement is reported at fair value in the accompanying consolidated balance sheets. The interest rate swap agreement is not designated as a cash flow hedge. Changes in fair value are reported as a component of other nonoperating income (expense).

### Estimated Self-Insured Professional Liability

The provision for estimated self-insured professional liability includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including costs associated with litigating or settling claims. Anticipated insurance recoveries associated with reported claims are reported separately in the Corporation's consolidated balance sheets at net realizable value.

### Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** includes amounts available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

**Net Assets With Donor Restrictions** includes amounts subjected to donor imposed restrictions which are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Net assets were released from donor restriction by satisfying their restricted purposes in the amount of \$5,293,993 in 2019 and \$6,176,180 in 2018.

## **Adventist HealthCare, Inc. and Controlled Entities**

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Net assets with donor restrictions includes those whose use by the Corporation has been limited by donors to specific purposes in the amount of \$5,618,042 and \$4,907,290 as of December 31, 2019 and 2018, respectively. Net assets with donor restrictions that have been restricted by donors to investments to be held in perpetuity was \$341,421 as of December 31, 2019 and 2018.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the underlying conditions have been substantially met. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Restricted funds to be used for capital acquisitions have been reported as noncurrent assets in the accompanying consolidated balance sheets, while other restricted cash and investments are included with the cash and cash equivalents of net assets without donor restrictions.

### **Measure of Operations**

The consolidated statements of operations reflects all changes in net assets without donor restrictions, including changes from both operating and nonoperating activities. Operating revenues and expenses consist of those items that are an integral part of the Corporation's provision of healthcare and related supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

### **Revenues in Excess of Expenses from Continuing Operations**

The consolidated statements of operations include the determination of revenues in excess of expenses from continuing operations. Revenues in excess of expenses from continuing operations is the Corporation's performance indicator. Changes in net assets without donor restriction which are excluded from the determination of revenues in excess of expenses from continuing operations, consistent with industry practice, include the change in net unrealized gains and losses on investments in debt securities, the effective portion of the net unrealized gain on derivative financial instruments, the deferred compensation plan liability adjustment, contributions of long-lived assets (including contributions which by donor restriction were to be used for the purpose of acquiring such long-lived assets), other net asset without donor restriction activity, and the loss from discontinued operations.

### **Net Patient Service Revenue**

Net patient service revenues are recognized at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing patient care. These amounts are due from patients, third party payors (including commercial and governmental programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Corporation bills the patients and third party payors after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenues for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected (or actual) charges, ultimately adjusted in accordance with the charging authority awarded at the beginning of every year by the HSCRC. The Corporation believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospitals receiving services over multiple days. The Corporation measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time are generally recognized when goods or services are provided and the Corporation does not believe it is required to provide additional services to the patient. Generally, performance obligations satisfied at a point in time relate to patients receiving outpatient services in a single day. The Corporation measures the performance obligation from the commencement of the outpatient service, to the point when it is no longer required to provide services to that patient, which is generally the completion of the outpatient service.

All of the Corporation's performance obligations generally relate to contracts with a duration of less than one year, therefore the Corporation has elected to apply the optional exemptions provided in FASB ASC 606-10-50-14(a) and as a result is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Corporation determines the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third party payors, financial assistance provided to uninsured or underinsured patients in accordance with the Corporation's policies, and/or implicit price concessions provided to uninsured or underinsured patients. The Corporation determines its estimates of contractual adjustments based on contractual agreements, its financial assistance policies and historical experience. The Corporation determines its estimates of implicit price concessions based on its historical collection experience with a respective class of patient. Certain amounts categorized as implicit price concessions under ASC 606 were previously categorized as provision for doubtful accounts. The Corporation pursues collection of amounts defined as implicit price concessions.

The Corporation has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third party payors for the effects of a significant financing component due to the Corporation's expectation that the period between the time the service is provided to a patient and the time that the patient or a third party payor pays for that service will be one year or less.

### Income Taxes

The Corporation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2019 or 2018.

The Corporation's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Such patients are identified based on financial information obtained from the patient (or their guarantor) and subsequent analysis which includes the patient's ability to pay for services rendered. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as a component of net patient service revenue or patient accounts receivable.

The Corporation maintains records to identify and monitor the level of charity care it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. The level of charity care provided by the Corporation amounted to approximately \$13,819,000 in 2019 and \$8,958,000 in 2018.

### Advertising Costs

The Corporation expenses advertising costs as they are incurred.

## 2. Adoption of Accounting Standards

### Financial Instruments

During 2019, the Corporation prospectively adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The provisions of ASU No. 2016-01 require marketable equity securities to be reported at fair value with changes in fair value recognized within the performance indicator, establishes a qualitative factor in evaluating impairment on equity investments without readily determinable fair values, and eliminates the requirement to disclose the fair value on financial instruments measured at amortized cost. The Corporation has adjusted the presentation of the consolidated financial statements accordingly.

### Restricted Cash

In 2019, the Corporation retrospectively adopted the FASB ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this update require that a consolidated statement of cash flows explain the change during the period in total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The decrease in trustee held funds and restricted cash was decreased \$754,824 and cash and cash equivalents, beginning was increased \$58,400,588 on the consolidated statements of cash flows for the year ended December 31, 2018 as a result of this change in accounting principle.

### Lease Accounting

Effective January 1, 2019, the Corporation adopted the FASB's ASU No. 2016-02, *Leases (as amended) (Topic 842)*. ASC 842 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASC 842, a lessee is required to recognize a right-of-use asset and lease liability, initially measured at the present value of the remaining lease payments, in the consolidated balance sheets. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Corporation's leasing activities.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

The Corporation elected the option to apply the transition requirements at the effective date of January 1, 2019, which allows the effects of initially applying ASU No. 2016-02 (as amended) to be recognized as a cumulative effect adjustment to net assets without donor restrictions in the period of adoption. Consequently, the consolidated financial statements and disclosures required under ASC 842 have not been updated as of and for year ending December 31, 2018. The Corporation also elected the package of practical expedients, which permits the Corporation to not reassess prior conclusions about lease identification, classification and initial direct costs. In addition, the Corporation elected the short-term lease recognition exemption for all leases that qualify under Topic 842.

The adoption of ASU No. 2016-02 (as amended) had a material effect on the Corporation's consolidated financial statements. The most significant effects relate to the recognition of new right-of-use assets and lease liabilities on its consolidated balance sheets for operating leases and providing significant new disclosures about leasing activities. Upon adoption, the Corporation recognized operating lease obligations of \$86,694,778 based on the present value of the remaining minimum rental payments as determined in accordance with Topic 842 for leases that had historically been accounted for as operating leases under Topic 840. The Corporation recognized the corresponding right-of-use assets of approximately \$85,597,151 based on the operating lease liabilities. The resulting net impact of \$1,097,627 associated with this change in accounting was recognized as a reduction to net assets without donor restrictions as of January 1, 2019.

### Goodwill

During January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment*. ASU No. 2017-04 simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. ASU No. 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Corporation does not believe that the adoption of ASU No. 2017-04 will have a material effect on its consolidated financial statements.

### 3. Business Combination

On October 27, 2019, AHC and Adventist Healthcare Fort Washington Medical Center, Inc. entered into an asset purchase agreement (the Purchase Agreement) with Fort Washington Medical Center, Inc., Fort Washington Ambulatory Services, LLC, Nexus Health, Inc. (owner of Fort Washington Medical Center, Inc. and Fort Washington Ambulatory Services, LLC) and Carolyn Boone Lewis Health Care Center (former subsidiary of Nexus Health, Inc.) (collectively, Fort Washington). In accordance with the terms of the Purchase Agreement, substantially all assets and liabilities of Fort Washington were acquired in exchange for no consideration. The contractual amounts of accounts receivable approximate fair value due to their short-term nature.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

In accordance with the authoritative guidance, the assets and liabilities of Fort Washington were recorded at fair market value as of the date of acquisition as follows:

<b>Assets Acquired</b>	
Cash and cash equivalents	\$ 1,292,965
Accounts receivable	2,515,900
Trustee held funds	1,659,265
Property and equipment	17,273,239
Other assets	2,201,189
Inventories	1,299,245
	<hr/>
Total assets acquired	26,241,803
<b>Liabilities Assumed</b>	
Accounts payable and accrued expenses	7,160,047
Other liabilities	5,072,362
Long-term obligations	6,856,874
	<hr/>
Total liabilities assumed	19,089,283
	<hr/>
<b>Net Assets Assumed</b>	\$ 7,152,520
	<hr/>
<b>Inherent Contribution Without Donor Restrictions</b>	\$ 7,045,520
	<hr/>
<b>Inherent Contribution With Donor Restrictions</b>	\$ 107,000
	<hr/>

The following table summarizes the operating results of Fort Washington for the years ended December 31 (unaudited):

	<u>2019</u>	<u>2018</u>
Revenues	\$ 46,075,099	\$ 45,830,699
Expenses	46,038,904	44,440,761
	<hr/>	<hr/>
Income from operations	36,195	1,389,938
Inherent contribution on business combination	7,045,520	-
	<hr/>	<hr/>
Revenues in excess of expenses from continuing operations	\$ 7,081,715	\$ 1,389,938
	<hr/>	<hr/>

The following table summarizes the operating results of Fort Washington for the period October 27, 2019 through December 31, 2019:

Revenues	\$ 8,420,176
Expenses	8,124,077
	<hr/>
Income from operations	296,099
Inherent contribution on business combination	7,045,520
	<hr/>
Revenues in excess of expenses from continuing operations	\$ 7,341,619
	<hr/>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### 4. Discontinued Operations and Assets Held for Sale

In July 2019, AHC entered into an agreement to sell the Takoma Park campus to an unrelated third party for \$12,000,000. The opportunities for growth and expansion at the Takoma Park campus were limited, and the Corporation wanted to expand access to care throughout the Washington DC region, leading to the decision to sell the campus. The closing will take place on the later of July 31, 2020 or the date that the rehabilitation hospital located on the Takoma Park campus relocates to WOMC.

The current operations on the Takoma Park Campus consist of a walk -in clinic, which began in August 2019, are included in the loss from discontinued operations in the accompanying consolidated statements of operations.

As a result of entering into the sale agreement, a significant amount of property and equipment (other than real estate) was disposed of and a loss of approximately \$11,576,000 was recognized in 2019 and included in the loss from discontinued operations in the accompanying consolidated statements of operations.

Assets held for sale in the accompanying consolidated balance sheets is comprised of land and improvements of \$330,152 and building and improvements of \$15,609,672 at December 31, 2019 that will be sold as part of the agreement. No gain or loss on sale has been recognized in 2019.

The following amounts related to discontinued operations are included in the loss from discontinued operations in the accompanying consolidated statements of operations in 2019:

Total revenues	\$	308,312
Total expenses, including loss on disposal of approximately \$11,576,000		<u>(15,149,584)</u>
Loss on discontinued operations	\$	<u>(14,841,272)</u>

### 5. Net Patient Service Revenues

The Corporation routinely obtains assignments of (or is otherwise entitled to receive) patient benefits receivable under their health insurance programs, plans or policies (i.e. third party payors). Third party payors include both government payors, which include Medicare, Medicaid and Management Care Organizations and commercial insurance carriers. Agreements with third party payors typically provide for payments at amounts less than established charges. A summary of payment arrangements with third party payors, by service type, is as follows:

- Global budget revenue - SGMC, WOMC and FWMC have entered into agreements by which the third party payors pay a percentage of approved HSCRC charges. A reduced percentage can be obtained if the payor advances a certain amount of working capital.
- Rehabilitation services - Rehab has entered into agreements by which the third party payors pay at a contract rate per day or visit.
- Physician practice services - AMG has entered into agreements by which the third party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

- Imaging services - Imaging has entered into agreements by which the third party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.
- Home health services - AHCS has entered into agreements by which the third party payors pay negotiated rates on a per visit basis.

Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation also provides services to uninsured patients, and offers those uninsured or underinsured patients financial assistance, by either policy or law, from standard charges. The Corporation estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charges by any contractual adjustment, financial assistance and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenues in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay. Therefore, the Corporation has determined it has provided implicit price concessions to uninsured patients and other patient balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Corporation expects to collect based on its collection history with those patients.

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Tables providing details of these factors are presented below.

Net patient service revenues disaggregated by service type for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Global budget revenue	\$ 673,535,497	\$ 636,611,309
Rehabilitation services	51,093,067	46,385,493
Physician practice services	29,281,063	30,529,693
Imaging services	29,653,620	29,948,092
Home health services	29,741,785	28,779,161
Other health services	<u>8,270,577</u>	<u>7,049,672</u>
Total	<u>\$ 821,575,609</u>	<u>\$ 779,303,420</u>

Net patient service revenues disaggregated by payor for the years ended December 31, 2019 and 2018 are as follows:

	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Third Party Payors</u>	<u>Self-Pay and Other</u>	<u>Total</u>
December 31, 2019	<u>\$ 312,084,164</u>	<u>\$ 85,808,181</u>	<u>\$ 391,026,645</u>	<u>\$ 32,656,619</u>	<u>\$ 821,575,609</u>
December 31, 2018	<u>\$ 292,876,720</u>	<u>\$ 85,066,955</u>	<u>\$ 368,341,417</u>	<u>\$ 33,018,328</u>	<u>\$ 779,303,420</u>



## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### 6. Investments

#### Short-Term Investments

The Corporation's short-term investments at December 31, 2019 and 2018 are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 17,760,607	\$ 4,671,466
Corporate bonds	66,538,726	70,694,426
Asset backed securities	49,013,159	58,864,628
U.S. government securities, U.S. treasury notes	61,879,184	36,563,482
Mutual funds:		
Equity, balanced	19,696,954	16,628,693
Equity, growth	11,811,424	8,647,093
Total	<u>\$ 226,700,054</u>	<u>\$ 196,069,788</u>

#### Assets Whose Use is Limited

The composition of assets whose use is limited at December 31, 2019 and 2018 is set forth in the following tables:

	<u>2019</u>	<u>2018</u>
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks:		
Cash and cash equivalents	\$ 14,586,051	\$ 55,754,102
U.S. government securities:		
U.S. treasury notes	26,293,806	82,672,276
U.S. government agency notes	1,197,960	2,355,520
Total	42,077,817	140,781,898
Less funds held for current liabilities	<u>1,786,969</u>	<u>1,777,498</u>
Noncurrent portion of assets held under trust indentures and capital lease purchase financing facilities	<u>\$ 40,290,848</u>	<u>\$ 139,004,400</u>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Professional liability trust fund:		
Cash and cash equivalents	\$ 2,187,780	\$ 1,133,693
Mutual funds:		
Equity, large value	4,189,348	3,618,514
Equity, growth	1,745,440	1,179,972
Fixed income, intermediate	3,820,847	3,907,005
Fixed income, multi-sector	1,957,923	921,591
Fixed income, short-term	1,976,259	2,163,217
	<u>15,877,597</u>	<u>12,923,992</u>
Total	15,877,597	12,923,992
Less funds held for current liabilities	<u>1,929,261</u>	<u>1,795,731</u>
Noncurrent portion of professional liability trust fund	<u>\$ 13,948,336</u>	<u>\$ 11,128,261</u>
Deferred compensation fund:		
Mutual funds:		
Equity, growth	\$ 299,960	\$ 203,128
Equity, large value	276,730	226,707
Equity, midcap value	111,786	111,635
Equity, other	423,336	313,022
Fixed income, intermediate	426,109	445,594
	<u>\$ 1,537,921</u>	<u>\$ 1,300,086</u>

The indenture requirements of certain tax-exempt financings provide for the establishment and maintenance of various accounts with a trustee (Note 12). These arrangements require the trustee to control the payment of interest and the ultimate repayment of respective debt to bondholders.

The composition of trustee held and escrow funds at December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Debt service reserve funds	\$ 28,803,898	\$ 28,401,140
Principal and interest funds	9,179,467	17,902,335
Project fund	2,435,187	94,478,423
Mortgage reserve funds	1,659,265	-
	<u>\$ 42,077,817</u>	<u>\$ 140,781,898</u>
Total	\$ 42,077,817	\$ 140,781,898

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Investment income and gains and losses for investments, assets whose use is limited and cash and cash equivalents without donor restrictions are comprised of the following in 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Investment income:		
Interest and dividends, net	\$ 5,821,027	\$ 5,292,594
Interest on trustee held funds	953,525	120,511
Net realized and unrealized gains and losses on investments	<u>7,381,743</u>	<u>(3,128,140)</u>
Total	<u>\$ 14,156,295</u>	<u>\$ 2,284,965</u>
Other changes in net assets without donor restriction,		
Change in net unrealized gains and losses on investments in debt securities	<u>\$ 8,144,221</u>	<u>\$ (3,582,832)</u>

### 7. Fair Value Measurements and Financial Instruments

The Corporation measures its short-term investments, assets whose use is limited, investments, beneficial interest in trusts and derivative financial instrument at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Corporation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

The fair value of the Corporation's financial instruments was measured using the following inputs at December 31:

	2019			
Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
<b>Reported at Fair Value</b>				
<b>Assets:</b>				
Mutual funds:				
Fixed income, intermediate	\$ 4,246,956	\$ 4,246,956	\$ -	\$ -
Fixed income, multi-sector	1,957,923	1,957,923	-	-
Fixed income, short-term	1,976,259	1,976,259	-	-
Equity, growth	13,856,824	13,856,824	-	-
Equity, large value	4,466,078	4,466,078	-	-
Equity, balanced	19,696,954	19,696,954	-	-
Equity, midcap value	111,786	111,786	-	-
Equity, other	423,336	423,336	-	-
U.S. government securities:				
U.S. treasury notes	88,172,990	-	88,172,990	-
U.S. government agency notes	1,197,960	-	1,197,960	-
Asset backed securities	49,013,159	-	49,013,159	-
Corporate bonds	66,538,726	-	66,538,726	-
Beneficial interest in trusts	566,205	-	-	566,205
Total assets measured at fair value	252,225,156	<u>\$ 46,736,116</u>	<u>\$ 204,922,835</u>	<u>\$ 566,205</u>
Cash and cash equivalents	35,449,101			
Total	<u>\$ 287,674,257</u>			
<b>Liabilities,</b>				
Derivative financial instrument	\$ 236,291	\$ -	\$ 236,291	\$ -

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

	2018			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Reported at Fair Value</b>				
Assets:				
Mutual funds:				
Fixed income, intermediate	\$ 4,352,599	\$ 4,352,599	\$ -	\$ -
Fixed income, multi-sector	921,591	921,591	-	-
Fixed income, short-term	2,163,217	2,163,217	-	-
Equity, growth	10,030,193	10,030,193	-	-
Equity, large value	3,845,221	3,845,221	-	-
Equity, balanced	16,628,693	16,628,693	-	-
Equity, midcap value	111,635	111,635	-	-
Equity, other	313,022	313,022	-	-
U.S. government securities:				
U.S. treasury notes	119,235,758	-	119,235,758	-
U.S. government agency notes	2,355,520	-	2,355,520	-
Asset backed securities	58,864,628	-	58,864,628	-
Corporate bonds	70,694,426	-	70,694,426	-
Beneficial interest in trusts	977,231	-	-	977,231
	<u>290,493,734</u>	<u>\$ 38,366,171</u>	<u>\$ 251,150,332</u>	<u>\$ 977,231</u>
Total assets measured at fair value				
Cash and cash equivalents	<u>62,449,848</u>			
Total	<u>\$ 352,943,582</u>			
Liabilities,				
Derivative financial instrument	<u>\$ 503,251</u>	<u>\$ -</u>	<u>\$ 503,251</u>	<u>\$ -</u>

The following table presents the fair value measurements for beneficial interest in trusts that have unobservable inputs at December 31, 2019 and 2018:

Balance, December 31, 2017	\$ 1,052,891
Distributions	(5,824)
Decrease in value, included in changes in net assets with donor restrictions	<u>(69,836)</u>
Balance, December 31, 2018	977,231
Distributions	(206,400)
Decrease in value, included in changes in net assets with donor restrictions	<u>(204,626)</u>
Balance, December 31, 2019	<u>\$ 566,205</u>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

The following represents a reconciliation of the assets reported at fair value included in the fair value table within the accompanying consolidated balance sheets at December 31:

	<u>2019</u>	<u>2018</u>
Short-term investments (Note 6)	\$ 226,700,054	\$ 196,069,788
Assets whose use is limited (Note 6):		
Current portion	3,716,230	3,573,229
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks	40,290,848	139,004,400
Professional liability trust fund	13,948,336	11,128,261
Deferred compensation fund	1,537,921	1,300,086
Investments held by foundations (Note 9)	914,663	890,587
Beneficial interest in trusts, included in deposits and other noncurrent assets	566,205	977,231
	<u>\$ 287,674,257</u>	<u>\$ 352,943,582</u>

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at December 31, 2019 and 2018.

Mutual funds: Valued based on quoted market prices.

U.S. government securities, asset backed securities, and corporate bonds: Valued based on estimated quoted market prices of similar securities.

Beneficial interest in trusts: Beneficial interest in trusts are valued based on the fair value of the trusts underlying assets which represents a proxy for discounted present value of future cash flows. Beneficial interest in trusts are included in deposits and other noncurrent assets in the accompanying consolidated balance sheets.

The Corporation measures its derivative financial instrument at fair value based on proprietary models of an independent third party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instrument and considers the credit risk of the Corporation and counterparty. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instrument and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Corporation would pay to terminate the agreement.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### 8. Property and Equipment, Accumulated Depreciation and Amortization

Property and equipment and accumulated depreciation and amortization at December 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Land and improvements	\$ 35,832,732	\$ 31,408,104
Buildings and improvements	704,920,261	469,717,964
Office furniture and equipment	205,545,207	201,151,320
Computer software and hardware	131,686,833	137,906,569
Equipment under capital leases	-	27,952,929
	<u>1,077,985,033</u>	<u>868,136,886</u>
Total		
Less accumulated depreciation and amortization	<u>(367,926,785)</u>	<u>(512,122,004)</u>
Total	710,058,248	356,014,882
Construction in progress	<u>14,785,582</u>	<u>296,867,837</u>
	<u>\$ 724,843,830</u>	<u>\$ 652,882,719</u>

Interest incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During 2019 and 2018, the Corporation incurred interest expense, including amortization expense related to deferred financing costs, of approximately \$17,533,000 and \$12,679,000, respectively, of which approximately \$763,000 was capitalized in 2019 and \$727,400 was capitalized in 2018.

Depreciation expense, including amortization of equipment under capital leases, was approximately \$38,264,000 in 2018. Accumulated amortization of equipment under capital lease as of December 31, 2018 was approximately \$21,515,000. As discussed in Note 2 to the consolidated financial statements, the Corporation adopted new accounting standards guidance related to the accounting for leases in 2019. See Note 14 for further information on the Corporation's financing and operating right-of-use assets and lease obligations.

Construction in progress as of December 31, 2019 consists primarily of major renovation and expansion projects of clinical facilities. Purchase commitments related to these and other miscellaneous projects were approximately \$15,418,000 at December 31, 2019. The cost of these projects is expected to be funded through operations, as well as transfers from the Corporation's related foundations.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### 9. Investments and Investments in Unconsolidated Subsidiaries

The Corporation's investments and investments in unconsolidated subsidiaries include the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Investment in healthcare entities	\$ 19,673,109	\$ 6,417,119
Investment in Premier	2,047,709	9,831,206
Investments held by foundations	834,382	809,672
Total	<u>\$ 22,555,200</u>	<u>\$ 17,057,997</u>

#### Investment in Healthcare Entities

The Corporation recognized earnings of \$431,407 and \$521,675 during 2019 and 2018, respectively, related to its ownership interest in the healthcare entities accounted for under the equity method. A brief description of these investments is presented below:

Chesapeake Potomac Regional Cancer Center (CPRCC) - CPRCC provides outpatient radiation oncology services to patients in Maryland. The Corporation has a 20 percent ownership interest in CPRCC.

Doctors Regional Cancer Center (DRCC) - DRCC provides outpatient radiation oncology services to patients in Bowie and Lanham, Maryland. The Corporation has a 20 percent ownership interest in DRCC.

Shady Grove Medical Building, LLC (SGMB) - SGMB was organized for the purpose of developing and constructing a cancer care center on the campus of SGMC. The Corporation has a 50 percent ownership interest in SGMB.

White-Oak AHF-1 Manager, LLC (White-Oak) - White-Oak was organized for the purpose of developing and constructing a medical office building on the White Oak campus of WOMC. The Corporation has a 50 percent ownership in White-Oak.

The Corporation has invested \$259,100 in Advanced Health Collaborative, LLC for a 25 percent ownership interest. This organization was formed to share ideas and explore opportunities to enhance quality of healthcare in the state of Maryland.

The Corporation has invested \$3,884,672 in Advanced Health Collaborative II, LLC (AHC II) for a 25 percent interest. AHC II was formed to hold a 24 percent interest in Maryland Health Advantage, LLC which is a Medicare preferred provider network providing health services to its members.

The Corporation has invested \$450,000 in CoreLife Adventist, LLC (CoreLife) for a 50 percent interest. CoreLife was formed to provide weight loss services.

FWMC has invested \$475,000 in Fort Washington Urgent Care, Now, LLC. The purpose of Fort Washington Urgent Care, Now, LLC is to provide urgent and primary care and other health services to the community served by FWMC.



## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Summarized financial information related to these entities is presented below:

	<u>2019</u>	<u>2018</u>
Net revenue	\$ 20,939,803	\$ 18,786,903
Revenues in excess of expenses	1,844,746	1,919,276
Total assets	84,299,897	49,884,592
Total liabilities	44,571,905	24,630,109

### Investment in Premier

The Corporation is a partner in Premier, Inc. (Premier), a health care system group purchasing organization. In 2013, the Corporation recorded its Premier investment under the cost method of accounting. In October 2013, Premier converted from a privately held company to a public company through the issuance of an Initial Public Offering. At the time of conversion, the Corporation was issued 493,810 Class B common units of which 78,946 units were sold.

The remaining 414,864 Class B common units held by the Corporation are exchangeable for Class A common stock over a 7-year quarterly vesting period. The Corporation recognized a gain of \$1,824,832 and \$1,421,915 during 2019 and 2018, respectively, based on the market value of the units available for exchange. In addition, the Corporation recognized earnings of \$871,757 and \$669,776 during 2019 and 2018, respectively, related to distributions. The Corporation sold 296,330 shares in 2019, resulting in a gain on sale of \$1,855,686. Both the gains and the distributions are included in other revenues in the accompanying consolidated statements of operations.

### Investments Held by Foundations

The Foundations also hold marketable debt and equity securities for funds not required to be expended in less than 90 days. These marketable securities are subject to credit and market risks.

## 10. Land Held for Healthcare Development

From 2002 through 2011, the Corporation acquired various parcels of land in Clarksburg, Maryland totaling approximately 200 acres. Several parcels of the land are fully owned by the Corporation, and the remainder is owned by Cabin Branch Commons, LLC (Cabin Branch), of which the Corporation owns 45 percent.

In May 2013, the Corporation and Cabin Branch entered into a purchase and sale agreement with an unrelated third party to sell 48.8 acres of the land located in Clarksburg. In June 2015, the Corporation and Cabin Branch closed on the sale of the land at a purchase price of \$28,250,000. The Corporation's portion of the proceeds was \$25,101,980. As of December 31, 2015, the Corporation received \$13,225,064 of their portion of the purchase price, with the additional proceeds being held in escrow to be received upon the completion of certain infrastructure improvements to the property, for which the Corporation and Cabin Branch are collectively responsible. Those infrastructure improvements were completed during 2017, and the Corporation received the remaining proceeds from the escrow as reimbursement for the infrastructure improvements made to the property.

In April 2017, the Corporation entered into a purchase and sale agreement with an unrelated third party to sell 1.6 acres of the land located in Clarksburg. The Corporation closed on the sale of the land in April 2017 at a purchase price of \$1,330,000 and the proceeds were received in April 2017.

In April 2017, the Corporation entered into a purchase and sale agreement with an unrelated third party to sell 9.95 acres of the land located in Clarksburg at a purchase price of \$7,250,792. The Corporation's share of \$4,565,265 was received in November and December of 2018.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

The total proceeds received related to the parcels of land sold by the Corporation through December 31, 2019 was \$30,997,245. No gain or loss was recognized on the sale of the parcels of land as of December 31, 2019 and 2018. Total remaining land held for healthcare development in Clarksburg as of December 31, 2019 and 2018, was \$48,091,039 and \$45,404,765, respectively.

### 11. Short-Term Financing

The Corporation has a \$3,000,000 unsecured line of credit with a commercial bank, with interest at LIBOR plus 1.50 percent (3.2 percent at December 31, 2019). There were no borrowings outstanding under this line of credit as of December 31, 2019 or 2018. In January 2020, the line of credit was increased to \$10,000,000.

### 12. Long-Term Obligations

Long-term obligations as of December 31, 2019 and 2018 are comprised of the following:

	<u>2019</u>	<u>2018</u>
Fixed rate revenue bonds	\$ 520,240,447	\$ 523,782,204
Variable rate revenue bonds	21,165,000	21,985,000
Note payable	21,295,957	22,089,282
Mortgage loan payable	6,838,270	-
Other long-term liabilities	<u>7,181,371</u>	<u>14,092,321</u>
Total obligations	576,721,045	581,948,807
Plus bond premium	9,782,453	10,144,766
Less:		
Current maturities	(14,070,657)	(9,151,220)
Deferred financing costs	<u>(5,212,539)</u>	<u>(4,850,301)</u>
Noncurrent portion of long-term obligations, net	<u>\$ 567,220,302</u>	<u>\$ 578,092,052</u>

#### Fixed Rate Revenue Bonds

Fixed rate revenue bonds consist of the Maryland Health and Higher Educational Facilities Authority Refunding Revenue Bonds. Fixed rate revenue bonds consist of the following at December 31:

	<u>Par Amounts</u>	<u>Interest Rates</u>	<u>2019</u>	<u>2018</u>
Adventist Healthcare, Inc.:				
Series 2011A	\$ 57,205,000	5-6.25%	\$ 57,205,000	\$ 57,205,000
Series 2013	15,623,500	3.21%	6,750,447	8,342,204
Series 2014A	24,280,000	3.56%	21,315,000	22,090,000
Series 2016A	269,750,000	5.00%	269,750,000	269,750,000
Series 2016B	126,395,000	3.72%	126,395,000	126,395,000
Series 2017	40,000,000	2.77%	<u>38,825,000</u>	<u>40,000,000</u>
Total			<u>\$ 520,240,447</u>	<u>\$ 523,782,204</u>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

The above bond issues are subject to trust indentures which impose various covenants on SGMC, WOMC, Rehab, Imaging, CIS, Other Health Services and the Support Center (collectively, the Obligated Group) which include restrictions on the transfer or disposition of property, the incurrence of additional liabilities and the achievement of certain pre-established financial indicators. Management believes it has complied with these required financial covenants for the years ended December 31, 2019 and 2018. Debt service reserve funds are required on the Series 2011A, Series 2016A and Series 2017 bonds.

### Variable Rate Revenue Bonds

The variable rate revenue bonds consist of the Maryland Health and Higher Educational Facilities Authority Revenue Refunding Bonds, Series 2014B, Adventist HealthCare, Inc. which had an outstanding balance of \$21,165,000 and \$21,985,000 as of December 31, 2019 and 2018, respectively. The Series 2014B Bonds bear interest at a variable rate of one month LIBOR plus 2.3 percent (4.0 percent at December 31, 2019). The Series 2014B bonds are subject to an Amended and Restated Master Trust Indenture that imposes various covenants on the Obligated Group which include restrictions on the transfer or disposition of property, the incurrence of additional liabilities, and the achievement of certain pre-established financial indicators. Management believes it has complied with these required financial covenants for the years ended December 31, 2019 and 2018.

The bonds subject to the Amended and Restated Master Trust Indenture are secured by the unrestricted revenues of the Obligated Group as well as a mortgage interest in the facilities of SGMC, WOMC, and Rehab.

### Note Payable

In December 2014, the corporation entered into a taxable term note for \$25,000,000 with a commercial bank, which is secured by a Master Note issued under the Amended and Restated Master Trust Indenture dated as of February 1, 2003. The note bears interest at one month LIBOR plus 2.45 percent (4.1 percent as of December 31, 2019). The amortization on the note extends to December 18, 2034, however, the note matures on December 18, 2024. As of December 31, 2019 and 2018, the outstanding balance was \$21,295,957 and \$22,089,282, respectively.

### Mortgage Loan Payable

On December 23, 2004, FWMC entered into an \$11,055,000 taxable mortgage loan insured by HUD through its Federal Housing Administration (FHA). The loan provided for the satisfaction of FWMC's previous bond obligation and for construction, new equipment and financing costs.

During the year ended December 31, 2013, the loan was refinanced through the same lender to lower the interest from 6.125 percent to 3.95 percent per annum payable in monthly installments. The term of the loan was not changed and the last payment is due in 2030.

As of December 31, 2019, the outstanding balance on the loan was \$6,838,270 and payable in \$63,098 monthly installments including interest at 3.95 percent. The loan is subject to restrictive covenants, including restrictions on additional long-term borrowings and prepayment of the outstanding obligation. In accordance with the terms of the Regulatory Agreement with HUD, FWMC is required to meet certain financial covenants in order to distribute assets to affiliates or incur additional indebtedness. Under the terms of the HUD-insured mortgage loan, FWMC is required to maintain certain deposits with a trustee. Such deposits are included in assets whose use is limited. The loan is secured by the FWMC premises and all the assets and cash flows contained therein.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### Other Long-Term Liabilities

This category consists of several capital lease obligations on various types of medical and IT equipment and other long-term obligations. The financed equipment serves as security on these leases. Interest rates on these other long-term liabilities range from 2.70 percent - 3.40 percent.

Scheduled principal repayments of long-term obligations, excluding financing and operating lease obligations at December 31, 2019 are as follows:

Years ending December 31:	
2020	\$ 14,070,657
2021	13,760,601
2022	14,257,932
2023	13,664,023
2024	13,476,022
Thereafter	<u>507,491,810</u>
Total	<u>\$ 576,721,045</u>

### 13. Derivative Financial Instrument

The Corporation has an interest rate swap agreement, which is considered a derivative financial instrument. The agreement is for a notional amount of \$18,780,000 and requires the Corporation to pay a fixed interest rate of 3.457 percent while receiving variable interest rates based upon 67 percent of LIBOR, maturing January 2021. The agreement was entered into in order to manage interest rate exposure. The principal objective of the swap agreement is to minimize the risks associated with financing activities by reducing the impact of changes in interest rates on its debt portfolio. The notional amount of the swap agreement is used to measure the interest to be paid or received and does not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable, if any, which may be generated as a result of the swap agreement. The interest rate swap agreement is reported at fair value in the consolidated balance sheets. At December 31, 2019 and 2018, the fair value of the Corporation's derivative financial instrument was \$236,291 and \$503,251, respectively.

During 2016, the Corporation terminated one of its interest rate swap agreements with a notional amount of \$78,000,000 that was designated as a cash flow hedge with the counterparty for \$16,875,000. The Corporation borrowed the termination fee, which was included as a component of the proceeds for the 2016B bonds. No gain or loss was recognized on the termination of the swap. As of December 31, 2019 and 2018, \$10,923,435 and \$11,606,149, respectively, remained in net assets without donor restriction and is being amortized over the remaining term of the hedge, or through January 2035.

The net cash paid or received under the swap agreement is recognized as either an adjustment to interest expense or other income. The net cash paid under the interest rate swap agreement was \$368,462 in 2019 and \$582,142 in 2018. The remaining amounts for 2019 and 2018 are reported as a component of other income (expense) in the accompanying consolidated statements of operations, which is related to the swap agreement that does not qualify for hedge accounting.

The fair value of the interest rate swap agreement is estimated to be the amount the Corporation would receive or pay to terminate the swap agreements at the reporting date and was based on information supplied by an independent third party valuation agent (Note 7). Additionally, the fair value reflects a credit risk adjustment required under accounting principles generally accepted in the United States of America. Gains or losses resulting from the interest rate swap agreement are entirely recognized as a component of revenues in excess of expenses from continuing operations. The impact on the consolidated statements of operations were gains of \$266,960 in 2019 and \$642,052 in 2018.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

On October 3, 2008, the counterparty for the Corporation's fixed pay swap maturing in January 2035, Lehman Brothers, Inc., commenced proceedings under Chapter 11 of the Bankruptcy Code. This action triggered an Event of Default under the ISDA Master Agreement in effect with said party and gave the Corporation the right to terminate the transaction.

On October 16, 2008, the Corporation terminated this agreement and concurrently entered into an agreement with a new counterparty that assumed all existing terms and conditions of the original agreement. The termination of the original swap agreement resulted in a loss of \$472,023 which is included in net assets without donor restriction in the consolidated balance sheets. This loss is being amortized over the remaining term of the designated period of the hedge, or through January 2035. As of December 31, 2019 and 2018, accumulated amortization of \$219,615 and \$201,632, respectively, is included in other changes in net assets without donor restriction and interest expense in the consolidated statements of operations and changes in net assets.

### 14. Leases

The Corporation leases office space and equipment used in operations. For many of these leases, the Corporation is responsible for paying property taxes, insurance, as well as maintenance and repair costs. The Corporation's real estate leases generally have initial lease terms of 3 to 20 years or more and typically include one or more options to renew, with renewal terms that generally extend the lease term for an additional five to ten years or more. The Corporation assesses renewal options using a "reasonably certain" threshold, which is understood to be a high threshold, and therefore the majority of its leases' terms do not include renewal periods for accounting purposes. For leases where the Corporation is reasonably certain to exercise its renewal option, the option periods are included within the lease term and, therefore, the measurement of the right-of-use asset and lease liability. The payment structure of the Corporation's leases generally include annual escalation clauses that are either fixed or variable in nature, some of which are dependent upon published indices. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and expenses for these leases are recognized on a straight-line basis over the lease term as an operating expense.

Certain leases include an option to purchase the leased assets. The Corporation assesses the likelihood of exercising the purchase option using a "reasonably certain" threshold, which is understood to be a high threshold and, therefore, purchase options are generally accounted for when a compelling economic reason to exercise the option exists. Certain leases include an option to terminate the lease, the terms and condition of which vary by contract. These options allow the parties to the contract to terminate their obligations typically in return for an agreed upon financial consideration amount. The Corporation's lease agreements do not contain material residual value guarantees.

The Corporation makes certain assumption and judgements in determining the discount rate, as most leases do not provide an implicit rate. The Corporation uses a risk-free discount rate based on information available at the commencement date in determining the present value of lease payments. In order to apply discount rate, a portfolio approach was utilized to group assets based on similar lease terms in a manner whereby the Corporation reasonably expects that the application does not differ materially from application to individual leases.

Subsequent to the lease commencement date, the Corporation reassesses lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term, or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements  
December 31, 2019 and 2018

Future minimum payments under operating lease obligations as of December 31, 2019 were as follows:

Years ending December 31:	
2020	\$ 16,161,098
2021	15,133,534
2022	14,183,765
2023	13,091,393
2024	8,033,413
Thereafter	<u>17,229,976</u>
Total	83,833,179
Lease amount representing interest	<u>9,621,728</u>
Total operating lease obligations	74,211,451
Less current portion	<u>13,242,576</u>
Long-term obligation	<u>\$ 60,968,875</u>

Future minimum payments under financing lease obligations as of December 31, 2019 were as follows:

Years ending December 31:	
2020	\$ 1,124,746
2021	850,712
2022	745,208
2023	230,745
2024	<u>31,357</u>
Total	2,982,768
Less amount representing interest	<u>181,059</u>
Total financing lease obligations	2,801,709
Less current portion	<u>1,053,932</u>
Total	<u>\$ 1,747,777</u>

Total lease costs are comprised of the following in 2019:

Financing lease cost:	
Amortization of right-of-use asset	\$ 1,126,052
Interest on lease obligations	103,857
Operating lease cost	<u>17,034,804</u>
Total lease cost	<u>\$ 18,264,713</u>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Other supplemental information as of and for the year ended December 31, 2019 is as follows:

Weighted-average remaining lease term:	
Financing lease obligations	3.03 years
Operating lease obligations	6.12 years
Weighted-average discount rate:	
Financing lease obligations	3.19%
Operating lease obligations	4.44%

Certain lease agreements contain a number of restrictive covenants that, among other things, and subject to certain exemptions, impose operating and financial restrictions on the Corporation. These leases also require the Corporation to meet financial covenants, including a liquidity ratio and maximum net leverage ratio.

### 15. Retirement, Health Plan and Life Insurance

#### Defined Contribution Retirement Plan

The Corporation sponsors a 401(a) defined contribution retirement plan, which covers substantially all full-time employees. After twelve months of full-time or regular part-time employment of at least 1,000 base hours, the Corporation will contribute a total of 2 percent of eligible employees' compensation, plus a matching employer contribution equal to 50 percent of employee contributions (to the 403(b) plan) up to 6 percent of base salary. The Corporation also has a 403(b) retirement savings plan for employees. Employee contributions are made to the 403(b) retirement savings plan. Retirement plan expense was \$11,087,036 in 2019 and \$10,101,533 in 2018.

#### Supplemental Executive Retirement Plan

The Corporation also has a Supplemental Executive Retirement Plan (SERP) that became effective in 2015 and covers a group of key executives. SERP expense was \$201,322 in 2019 and \$236,635 in 2018. In addition, a SERP liability adjustment was recorded for \$789,431 in 2019 and \$(1,609,635) in 2018, which was recognized in net assets without donor restriction in the consolidated statements of changes in net assets. At December 31, 2019 and 2018, the Corporation's liability for the SERP was \$2,619,727 and \$2,418,405, respectively, which is included in other liabilities in the consolidated balance sheets.

#### Executive Retention 457(F) Plan

Effective January 1, 2015, the Corporation established the Executive Retention 457(F) Plan (the 457(F) Plan). The 457(F) Plan is a tax-deferred plan offered to key executives, whereby annual employer contributions are made to the Plan. Plan participants become vested in the contributions and receive plan payments in the second calendar year after the contribution is made, if the participant is still employed. The final contribution will be made to the Plan for the year in which the plan participant becomes 62. The 457(F) plan expense was \$2,198,352 in 2019 and \$1,305,693 in 2018. The Corporation's liability for the 457(F) plan at December 31, 2019 and 2018 was \$2,468,554 and \$2,549,173, respectively, which is included in other liabilities in the consolidated balance sheets.

#### Salary Deferral (457(b)) Plan

Employees who contribute the maximum allowable amount to the 403(b) retirement plan have an opportunity to contribute additional funds on a tax-deferred basis to a 457(b) retirement plan up to the maximum tax-sheltered opportunity. There are no employer contributions to this plan.

## **Adventist HealthCare, Inc. and Controlled Entities**

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### **Health Plan**

The Corporation maintains a self-insurance employee program for its health insurance coverage. The Corporation accrues the estimated costs of incurred and reported and incurred but not reported claims, after consideration of its stop-loss insurance coverage, based upon data provided by the third party administrator of the program and historical claims experience.

### **Life Insurance**

Full-time and part-time employees are insured, through a third party carrier, for an amount equal to one times their base salary at time of enrollment up to \$450,000 for full-time employees and \$10,000 for part-time employees. In addition, if death is caused by accident, the employee is insured for an additional benefit equal to the amount of their life insurance.

## **16. Commitments and Contingencies**

### **Litigation and Claims**

The Corporation is subject to asserted and unasserted claims (in addition to litigation) encountered in the ordinary course of business. In the opinion of management and after consultation with legal counsel, the Corporation has established adequate reserves related to all known matters. The outcome of any potential investigative, regulatory or prosecutorial activity that may occur in the future cannot be predicted with certainty. However, any associated potential future losses resulting from such activity could have a material adverse effect on the Corporation's future financial position, results of operations and liquidity.

### **Insurance**

The Corporation's primary coverage for professional liability is provided through a self-funded insurance retention trust (the Trust) established on January 1, 1993. The Trust is funded based on actuarial estimates and provides coverage of \$4,000,000 per occurrence with no annual aggregate limitation. The Trust also provides general liability coverage up to \$1,000,000 per occurrence and \$3,000,000 in the aggregate. The Corporation also carries umbrella excess liability insurance on a claims made basis with a commercial carrier, with limits of \$20,000,000 per occurrence and in aggregate.

It is the Corporation's policy to accrue for the ultimate cost of uninsured asserted and unasserted malpractice claims, if any, when incidents occur. Based on a review of the Corporation's prior experience and incidents occurring through December 31, 2019, management determined that the fully-funded professional liability reserve reported at December 31, 2019 and 2018 is adequate in light of the program's excess umbrella policy currently in force and historical claims experience. The estimated professional liability for both asserted and unasserted claims was \$18,068,182 and \$16,725,085 at December 31, 2019 and 2018, respectively. The discount rate used in determining these liabilities was 2.5 percent at both December 31, 2019 and 2018.

The Corporation is self-insured for unemployment and workers' compensation benefits. The liability for unemployment and worker's compensation claims payable is an estimate based on the Corporation's past experience and is included in the accompanying consolidated balance sheets. It is reasonably possible that the estimates used could change materially in the near term.



## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

### Remediation

Certain buildings, which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe fashion prior to demolition and renovation of these buildings. At this time, the Corporation has no plans to demolish or renovate these buildings and, as such, cannot reasonably estimate the fair value of the liability for such asbestos removal.

### 17. Business and Credit Concentrations

The Corporation grants credit to patients, substantially all of whom are local residents. The Corporation generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits receivable under their health insurance programs, plans or policies.

At December 31, 2019 and 2018, concentrations of gross receivables from third party payors and others are as follows:

	<u>2019</u>	<u>2018</u>
Medicare	21 %	22 %
Medicaid	13	12
Other third party payors	46	41
Self-pay and others	<u>20</u>	<u>25</u>
	<u>100 %</u>	<u>100 %</u>

The Corporation maintains its cash and cash equivalents with several financial institutions. Cash and cash equivalents on deposit with any one financial institution are insured up to \$250,000.

### 18. Liquidity and Availability

The Corporation's financial assets available for general expenditure within one year of the consolidated balance sheet date, consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 25,807,370	\$ 41,673,365
Short-term investments	226,700,054	196,069,788
Patient accounts receivable, net	117,498,048	94,756,571
Other receivables, net	13,764,346	12,096,855
Assets whose use is limited, Professional liability trust fund	<u>13,948,336</u>	<u>11,128,261</u>
Total	<u>\$ 397,718,154</u>	<u>\$ 355,724,840</u>

The Corporation has designated certain assets as available for settling professional liability claims however these assets could be used for general expenditure if necessary and therefore have been included in the information above.

As part of the Corporation's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Corporation invests excess cash in short-term investments.

## Adventist HealthCare, Inc. and Controlled Entities

### Notes to Consolidated Financial Statements

December 31, 2019 and 2018

#### 19. Functional Expenses

A summary of the Corporation's operating expenses by function for the year ended December 31, 2019 is as follows:

	Hospital Acute and Ambulatory Services	Home Care Services	Other Health Care Services	Other, Including General and Administrative	Fundraising	Total
Salaries and wages	\$ 237,701,341	\$ 19,811,693	\$ 88,846,505	\$ 38,079,526	\$ -	\$ 384,439,065
Employee benefits and payroll taxes	46,478,154	3,414,470	15,608,146	8,175,118	-	73,675,888
Contract labor	35,780,089	479,361	2,167,499	272,084	-	38,699,033
Medical supplies	101,992,687	406,656	5,369,499	(31,596)	-	107,737,246
General and administrative	56,215,257	1,136,904	21,347,473	46,741,649	1,982,059	127,423,342
Building and maintenance	29,982,952	688,095	11,153,982	2,175,935	-	44,000,964
Insurance	4,777,573	117,608	2,007,774	48,017	-	6,950,972
Interest	13,355,155	-	535,784	2,695,241	-	16,586,180
Depreciation and amortization	26,247,404	321,948	4,108,322	10,904,606	-	41,582,280
Loss on disposal of property and equipment	-	-	-	3,265,295	-	3,265,295
Total	<u>\$ 552,530,612</u>	<u>\$ 26,376,735</u>	<u>\$ 151,144,984</u>	<u>\$ 112,325,875</u>	<u>\$ 1,982,059</u>	<u>\$ 844,360,265</u>

In 2019, the Corporation also incurred other health care services expenses of \$15,149,584 related to the Takoma Park campus that were included in the loss from discontinued operations in the consolidated statements of operations. These expenses were comprised of the loss on disposal of \$11,575,977, building and maintenance of \$1,173,959, interest of \$1,860,402 and miscellaneous other operating expenses related to the operations of the walk-in clinic.

A summary of the Corporation's operating expenses by function for the year ended December 31, 2018 is as follows:

	Hospital Acute and Ambulatory Services	Home Care Services	Other Health Care Services	Other, Including General and Administrative	Fundraising	Total
Salaries and wages	\$ 220,718,693	\$ 18,731,190	\$ 88,625,657	\$ 38,100,836	\$ -	\$ 366,176,376
Employee benefits and payroll taxes	47,966,466	3,553,383	13,110,485	7,591,278	-	72,221,612
Contract labor	32,343,445	245,199	2,963,787	202,224	-	35,754,655
Medical supplies	98,202,724	458,492	5,875,860	43,582	-	104,580,658
General and administrative	55,707,950	1,215,423	17,182,465	48,146,794	110,280	122,362,912
Building and maintenance	30,686,995	704,542	7,821,497	2,131,732	-	41,344,766
Insurance	4,741,326	105,956	1,861,698	2,404,029	-	9,113,009
Interest	8,724,197	-	530,114	2,696,971	-	11,951,282
Depreciation and amortization	22,503,068	314,415	4,087,192	11,215,519	-	38,120,194
Total	<u>\$ 521,594,864</u>	<u>\$ 25,328,600</u>	<u>\$ 142,058,755</u>	<u>\$ 112,532,965</u>	<u>\$ 110,280</u>	<u>\$ 801,625,464</u>

**Adventist HealthCare, Inc. and Controlled Entities**

Consolidating Schedule, Balance Sheet  
December 31, 2019

	Shady Grove Medical Center	White Oak Medical Center	Rehabilitation	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	Fort Washington Medical Center	Lourie Center	Adventist Home Care Services	Urgent Care Centers	One Health Quality Alliance	Adventist HealthCare, Inc. Foundations	Eliminating Entries	Consolidated Adventist HealthCare, Inc.
<b>Assets</b>																	
<b>Current Assets</b>																	
Cash and cash equivalents	\$ 213,113,631	\$ (113,924,577)	\$ 23,994,274	\$ (23,719,381)	\$ (36,213,052)	\$ (1,023,315)	\$ (33,841,725)	\$ -	\$ 28,385,855	\$ 1,478,359	\$ 373,750	\$ 9,311,478	\$ (14,085,019)	\$ (3,278,261)	\$ 3,621,208	\$ -	\$ 25,807,370
Short-term investments	-	-	-	-	-	-	226,700,054	-	226,700,054	-	-	-	-	-	-	-	226,700,054
Assets whose use is limited	-	-	-	-	-	-	3,716,230	-	3,716,230	-	-	-	-	-	-	-	3,716,230
Patient accounts receivable	56,963,630	40,524,481	5,839,124	2,554,761	838,474	(15,305)	150	-	106,705,315	5,246,936	-	4,965,569	580,228	-	-	-	117,498,048
Other receivables	2,887,460	3,382,019	68,345	1,071,529	173,389	546,234	4,335,747	(782,297)	11,682,426	(959,034)	2,329,485	19,406	-	-	692,063	-	13,764,346
Inventories	5,024,652	5,708,507	95,929	-	-	138,909	-	-	10,967,997	1,450,231	-	152	-	-	-	-	12,418,380
Prepaid expenses and other current assets	867,991	569,290	111,820	122,538	137,032	61,056	5,287,534	-	7,157,261	774,424	42,915	49,710	49,890	-	-	-	8,074,200
Total current assets	278,857,364	(63,740,280)	30,109,492	(19,970,553)	(35,064,157)	(292,421)	206,197,990	(782,297)	395,315,138	7,990,916	2,746,150	14,346,315	(13,454,901)	(3,278,261)	4,313,271	-	407,978,628
<b>Property and Equipment, Net</b>	180,743,158	426,431,717	9,290,726	6,722,931	2,011,625	153,335	74,058,769	-	699,412,261	16,942,558	1,324,794	1,064,185	6,100,032	-	-	-	724,843,830
<b>Financing Lease Right-of-Use Asset</b>	-	-	-	2,711,291	-	-	-	-	2,711,291	254,535	-	-	-	-	-	-	2,965,826
<b>Operating Lease Right-of-Use Asset</b>	38,502,293	3,962,433	785,412	5,081,361	2,563,571	705,809	9,029,531	-	60,630,410	198,798	2,268,005	2,199,183	7,842,011	-	-	-	73,138,407
<b>Assets Whose Use is Limited</b>																	
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks	1,362,948	33,432,715	456,266	-	-	-	3,379,654	-	38,631,583	1,659,265	-	-	-	-	-	-	40,290,848
Professional liability trust fund	-	-	-	-	-	-	13,948,336	-	13,948,336	-	-	-	-	-	-	-	13,948,336
Deferred compensation fund	-	-	-	-	-	-	1,537,921	-	1,537,921	-	-	-	-	-	-	-	1,537,921
<b>Cash and Cash Equivalents Restricted for Capital Acquisitions</b>	333,897	-	112,854	-	-	-	-	-	446,751	598	365,923	-	-	-	109,053	-	922,325
<b>Investments and Investments in Unconsolidated Subsidiaries</b>	(1,942,436)	12,769,669	-	-	-	-	17,867,204	-	28,694,437	475,000	-	-	-	-	834,382	(7,448,619)	22,555,200
<b>Land Held for Healthcare Development</b>	-	-	-	-	-	-	48,091,039	-	48,091,039	-	-	-	-	-	-	-	48,091,039
<b>Intangible Assets, Net</b>	1,547,663	-	781,077	5,435,091	-	11,204	-	-	7,775,035	-	-	143,676	-	-	-	-	7,918,711
<b>Deposits and Other Noncurrent Assets</b>	1,291,161	31,351	43,000	51,351	21,371	32,754	416,891	-	1,887,879	44,097	5,054	30,828	200,582	-	1,509,233	-	3,677,673
<b>Assets Held for Sale</b>	-	-	-	-	-	15,939,824	-	-	15,939,824	-	-	-	-	-	-	-	15,939,824
Total assets	\$ 500,696,048	\$ 412,887,605	\$ 41,578,827	\$ 31,472	\$ (30,467,590)	\$ 16,550,505	\$ 374,527,335	\$ (782,297)	\$ 1,315,021,905	\$ 27,565,767	\$ 6,709,926	\$ 17,784,187	\$ 687,724	\$ (3,278,261)	\$ 6,765,939	\$ (7,448,619)	\$ 1,363,808,568

**Adventist HealthCare, Inc. and Controlled Entities**

 Consolidating Schedule, Balance Sheet  
 December 31, 2019

	Shady Grove Medical Center	White Oak Medical Center	Rehabilitation	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	Fort Washington Medical Center	Lourie Center	Adventist Home Care Services	Urgent Care Centers	One Health Quality Alliance	Adventist HealthCare, Inc. Foundations	Eliminating Entries	Consolidated Adventist HealthCare, Inc.
<b>Liabilities and Net Assets</b>																	
<b>Current Liabilities</b>																	
Accounts payable and accrued expenses	\$ 37,047,302	\$ 27,374,311	\$ 2,202,028	\$ 1,353,322	\$ 1,463,814	\$ 1,105,357	\$ 30,029,204	\$ -	\$ 100,575,338	\$ 7,093,724	\$ 572,604	\$ 1,377,738	\$ 470,821	\$ 212,713	\$ 34,708	\$ -	110,337,646
Accrued compensation and related items	16,032,365	9,618,707	3,089,449	226,519	723,109	257,413	11,254,762	(782,297)	40,420,027	2,100,781	767,217	2,003,217	383,367	-	-	-	45,674,609
Interest payable	-	-	-	-	-	-	9,648,902	-	9,648,902	267,328	-	-	-	-	-	-	9,916,230
Due to third party payors	11,383,135	8,024,033	(465,307)	-	-	-	67,547	-	19,009,408	579,746	-	-	-	-	-	-	19,589,154
Estimated self-insured professional liability	-	-	-	-	-	-	1,929,261	-	1,929,261	-	-	-	-	-	-	-	1,929,261
Current maturities of:																	
Long-term obligations	4,835,201	6,299,663	-	-	-	-	2,252,990	-	13,387,854	499,670	-	-	183,133	-	-	-	14,070,657
Financing lease obligations	-	-	-	996,874	-	-	-	-	996,874	57,058	-	-	-	-	-	-	1,053,932
Operating lease obligations	6,899,728	799,049	298,105	1,475,879	486,033	200,009	1,386,194	-	11,544,997	105,478	620,101	417,594	554,406	-	-	-	13,242,576
Total current liabilities	76,197,731	52,115,763	5,124,275	4,052,594	2,672,956	1,562,779	56,568,860	(782,297)	197,512,661	10,703,785	1,959,922	3,798,549	1,591,727	212,713	34,708	-	215,814,065
<b>Construction Payable</b>	2,421,408	8,104,689	3,620	13,750	-	-	350,830	-	10,894,297	-	-	-	-	-	-	-	10,894,297
<b>Long-Term Obligations, Net</b>																	
Bonds payable	125,177,952	369,180,227	4,299,099	-	-	-	37,687,813	-	536,345,091	-	-	-	(13,446)	-	-	-	536,331,645
Notes payable	1,497,700	703,997	-	-	-	-	18,651,916	-	20,853,613	5,883,532	-	-	4,151,512	-	-	-	30,888,657
<b>Financing lease obligations</b>	-	-	-	1,537,415	-	-	-	-	1,537,415	210,362	-	-	-	-	-	-	1,747,777
<b>Operating lease obligations</b>	32,192,898	3,216,970	491,983	3,676,838	2,116,351	516,461	7,808,544	-	50,020,045	93,320	1,670,477	1,817,611	7,367,422	-	-	-	60,968,875
<b>Derivative Financial Instrument</b>	-	-	-	-	-	-	236,291	-	236,291	-	-	-	-	-	-	-	236,291
<b>Other Liabilities</b>	1,605,154	-	-	-	464,689	-	8,218,894	-	10,288,737	3,216,258	-	-	-	-	47,598	-	13,552,593
<b>Estimated Self-Insured Professional Liability</b>	-	-	-	-	-	-	16,138,921	-	16,138,921	-	-	-	-	-	-	-	16,138,921
Total liabilities	239,092,843	433,321,646	9,918,977	9,280,597	5,253,996	2,079,240	145,662,069	(782,297)	843,827,071	20,107,257	3,630,399	5,616,160	13,097,215	212,713	82,306	-	886,573,121
<b>Net Assets (Deficit)</b>																	
Net assets (deficit) without donor restrictions	261,786,691	(21,243,431)	31,386,196	(9,274,125)	(35,721,586)	14,471,265	228,222,993	-	469,628,003	7,351,510	2,666,176	12,168,027	(12,409,491)	(3,490,974)	2,704,352	(7,341,619)	471,275,984
Net assets (deficit) with donor restrictions	(183,486)	809,390	273,654	25,000	-	-	642,273	-	1,566,831	107,000	413,351	-	-	-	3,979,281	(107,000)	5,959,463
Total net assets (deficit)	261,603,205	(20,434,041)	31,659,850	(9,249,125)	(35,721,586)	14,471,265	228,865,266	-	471,194,834	7,458,510	3,079,527	12,168,027	(12,409,491)	(3,490,974)	6,683,633	(7,448,619)	477,235,447
Total liabilities and net assets (deficit)	\$ 500,696,048	\$ 412,887,605	\$ 41,578,827	\$ 31,472	\$ (30,467,590)	\$ 16,550,505	\$ 374,527,335	\$ (782,297)	\$ 1,315,021,905	\$ 27,565,767	\$ 6,709,926	\$ 17,784,187	\$ 687,724	\$ (3,278,261)	\$ 6,765,939	\$ (7,448,619)	\$ 1,363,808,568

**Adventist Healthcare, Inc. and Controlled Entities**

 Consolidating Schedule, Statement of Operations  
 Year Ended December 31, 2019

	Shady Grove Medical Center	White Oak Medical Center	Rehabilitation	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	Fort Washington Medical Center	Lourie Center	Adventist Home Care Services	Urgent Care Centers	One Health Quality Alliance	Adventist HealthCare, Inc. Foundations	Eliminating Entries	Consolidated Adventist HealthCare, Inc.
<b>Revenues</b>																	
Net patient service revenue	\$ 418,126,760	\$ 266,594,362	\$ 53,718,379	\$ 29,653,620	\$ 8,645,083	\$ -	\$ -	\$ (62,038)	\$ 776,676,166	\$ 8,514,690	\$ 801,425	\$ 29,741,785	\$ 6,535,352	\$ -	\$ -	\$ (693,809)	\$ 821,575,609
Other revenues	11,740,940	4,670,930	610,188	1,811,592	867,448	6,773,596	7,736,877	(9,439,612)	24,771,959	87,846	16,216,023	258,521	80	157,548	2,055,876	(2,619,640)	40,928,213
Total revenues	429,867,700	271,265,292	54,328,567	31,465,212	9,512,531	6,773,596	7,736,877	(9,501,650)	801,448,125	8,602,536	17,017,448	30,000,306	6,535,432	157,548	2,055,876	(3,313,449)	862,503,822
<b>Expenses</b>																	
Salaries and wages	152,430,057	100,783,017	29,956,596	16,172,790	8,011,835	2,829,676	38,079,526	(310,681)	347,952,816	4,070,934	8,726,097	19,811,693	3,871,526	5,999	-	-	384,439,065
Employee benefits	30,113,310	18,601,084	5,564,034	2,921,792	1,209,595	515,328	8,175,118	(48,025)	67,052,236	831,168	1,740,098	3,414,470	634,614	3,302	-	-	73,675,888
Contract labor	22,859,819	14,425,581	903,894	(1,712,712)	100,000	626,834	272,084	(71,100)	37,404,400	635,598	249,333	479,361	135,433	100,307	-	(305,399)	38,699,033
Medical supplies	55,997,110	45,770,940	1,846,157	1,495,224	426,710	743,573	(31,596)	(42,796)	106,205,322	697,972	117,289	406,656	310,007	-	-	-	107,737,246
General and administrative	37,326,733	27,910,464	3,503,927	4,255,890	1,914,893	1,374,937	49,494,413	(6,164,536)	119,616,721	1,356,322	4,145,495	1,136,904	1,218,247	656,518	1,982,059	(2,688,924)	127,423,342
Building and maintenance	25,407,813	7,955,502	1,873,442	4,027,383	1,955,535	1,701,847	2,175,935	(4,269,405)	40,828,052	315,099	999,554	688,095	1,192,891	300	-	(23,027)	44,000,964
Insurance	3,251,156	2,171,984	311,358	428,688	398,762	5,366	48,017	-	6,615,331	133,133	10,633	117,608	74,267	-	-	-	6,950,972
Interest	6,241,238	7,056,513	189,569	125,479	-	1,860,402	2,695,241	(1,860,402)	16,308,040	57,404	-	-	220,736	-	-	-	16,586,180
Depreciation and amortization	16,411,917	9,749,295	1,047,674	2,280,351	64,532	59,624	10,904,606	-	40,517,999	208,807	171,341	321,948	362,185	-	-	-	41,582,280
Loss (gain) on disposal of property and equipment	-	-	-	-	-	-	11,575,977	3,265,295	(11,575,977)	-	-	-	-	-	-	-	3,265,295
IT depreciation	6,346,694	2,985,655	464,189	85,777	-	27,534	(9,985,325)	-	(75,476)	-	-	75,476	-	-	-	-	-
IT services	21,497,051	11,673,974	2,111,537	1,179,465	119,613	135,074	(37,412,027)	-	(695,313)	-	-	695,313	-	-	-	-	-
Shared services	19,213,206	10,681,284	1,634,724	492,538	756,952	73,496	(33,626,500)	-	(774,300)	-	310,355	410,472	53,473	-	-	-	-
Management fees	9,940,544	5,716,347	1,417,193	494,121	492,538	145,592	(19,571,019)	-	(1,364,684)	-	338,708	875,479	150,497	-	-	-	-
Total expenses	407,036,648	265,481,640	50,824,294	32,246,786	15,450,965	21,675,260	14,483,768	(24,342,922)	782,856,439	8,306,437	16,808,903	28,433,475	8,223,876	766,426	1,982,059	(3,017,350)	844,360,265
Income (loss) from operations	22,831,052	5,783,652	3,504,273	(781,574)	(5,938,434)	(14,901,664)	(6,746,891)	14,841,272	18,591,686	296,099	208,545	1,566,831	(1,688,444)	(608,878)	73,817	(296,099)	18,143,557
<b>Other income (Expense)</b>																	
Investment income	6,527,427	844,601	615,581	-	-	44,644	5,889,110	-	13,921,363	-	11,847	223,085	-	-	-	-	14,156,295
Other income (expense)	(237,480)	(180,058)	(8,665)	19,615	560	-	(1,102,030)	-	(1,508,058)	-	(272)	(2,384)	-	-	-	-	(1,510,714)
Inherent contribution on business combination	-	-	-	-	-	-	7,045,520	-	7,045,520	7,045,520	-	-	-	-	-	(7,045,520)	7,045,520
Total other income (expense)	6,289,947	664,543	606,916	19,615	560	44,644	11,832,600	-	19,458,825	7,045,520	11,575	220,701	-	-	-	(7,045,520)	19,691,101
Revenues in excess of (less than) expenses from continuing operations	29,120,999	6,448,195	4,111,189	(761,959)	(5,937,874)	(14,857,020)	5,085,709	14,841,272	38,050,511	7,341,619	220,120	1,787,532	(1,688,444)	(608,878)	73,817	(7,341,619)	37,834,658
Change in net unrealized gains and losses on investments in debt securities	3,375,542	621,438	314,694	-	-	21,361	3,689,557	-	8,022,592	-	1,485	109,906	-	-	10,238	-	8,144,221
Change in net unrealized gain on derivative financial instrument	-	-	-	-	-	-	700,697	-	700,697	-	-	-	-	-	-	-	700,697
Transfers from (to) subsidiaries	(40,578)	(16,396,175)	-	(1,041,352)	2	29,541,589	(12,063,487)	-	(1)	-	2	(1)	-	-	-	-	-
Net assets released from restriction for purchase of property and equipment	106,859	1,670,807	-	-	-	-	(42)	-	1,777,624	-	-	-	-	-	-	-	1,777,624
Deferred compensation plan liability adjustment	-	-	-	-	-	-	(789,431)	-	(789,431)	-	-	-	-	-	-	-	(789,431)
Other net asset activity	-	-	-	-	-	(2,174,643)	2,150,395	-	(24,248)	-	-	-	-	-	-	-	(24,248)
Increase (decrease) in net assets (deficit) without donor restrictions from continuing operations	32,562,822	(7,655,735)	4,425,883	(1,803,311)	(5,937,872)	12,531,287	(1,226,602)	14,841,272	47,737,744	7,341,619	221,607	1,897,437	(1,688,444)	(608,878)	84,055	(7,341,619)	47,643,521
Loss from discontinued operations	-	-	-	-	-	-	-	(14,841,272)	(14,841,272)	-	-	-	-	-	-	-	(14,841,272)
Increase (decrease) in net assets (deficit) without donor restrictions	\$ 32,562,822	\$ (7,655,735)	\$ 4,425,883	\$ (1,803,311)	\$ (5,937,872)	\$ 12,531,287	\$ (1,226,602)	\$ -	\$ 32,896,472	\$ 7,341,619	\$ 221,607	\$ 1,897,437	\$ (1,688,444)	\$ (608,878)	\$ 84,055	\$ (7,341,619)	\$ 32,802,249

## Adventist HealthCare, Inc. - Foundations

Combining Schedule, Balance Sheet  
December 31, 2019

	<u>Shady Grove Medical Center Foundation, Inc.</u>	<u>White Oak Medical Center Foundation, Inc.</u>	<u>Eliminating Entries</u>	<u>Combined Adventist HealthCare, Inc. Foundations</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 3,093,500	\$ 527,708	\$ -	\$ 3,621,208
Current portion of pledges receivable, less allowance for doubtful pledges	241,315	450,748	-	692,063
Total current assets	3,334,815	978,456	-	4,313,271
<b>Cash and Cash Equivalents Restricted for Capital Acquisitions</b>	-	109,053	-	109,053
<b>Investments</b>	834,382	-	-	834,382
<b>Beneficial Interest in Trusts</b>	180,282	428,036	-	608,318
<b>Noncurrent Portion of Pledges Receivable</b>	147,054	753,861	-	900,915
Total assets	<u>\$ 4,496,533</u>	<u>\$ 2,269,406</u>	<u>\$ -</u>	<u>\$ 6,765,939</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 34,708	\$ -	\$ -	\$ 34,708
<b>Liability to Charitable Gift Annuitants</b>	47,598	-	-	47,598
Total liabilities	82,306	-	-	82,306
<b>Net Assets</b>				
Net assets without donor restrictions	2,555,227	149,125	-	2,704,352
Net assets with donor restrictions	1,859,000	2,120,281	-	3,979,281
Total net assets	4,414,227	2,269,406	-	6,683,633
Total liabilities and net assets	<u>\$ 4,496,533</u>	<u>\$ 2,269,406</u>	<u>\$ -</u>	<u>\$ 6,765,939</u>

## Adventist HealthCare, Inc. - Foundations

Combining Schedule, Statement of Operations and Changes in Net Assets  
Year Ended December 31, 2019

	Shady Grove Medical Center Foundation, Inc.	White Oak Medical Center Foundation, Inc.	Eliminating Entries	Combined Adventist HealthCare, Inc. Foundations
<b>Changes in Net Assets Without Donor Restrictions</b>				
<b>Revenues, Gains, and Other Support</b>				
Contributions, net	\$ 326,611	\$ 177,708	\$ -	\$ 504,319
Net assets released from restrictions	63,861	1,487,696	-	1,551,557
Total revenues, gains, and other support	<u>390,472</u>	<u>1,665,404</u>	<u>-</u>	<u>2,055,876</u>
<b>Expenses</b>				
General and administrative expenses	42,955	45,013	-	87,968
In-kind gifts expended	17,678	6,625	-	24,303
Total expenses before transfers to the hospitals	<u>60,633</u>	<u>51,638</u>	<u>-</u>	<u>112,271</u>
Transfers to the hospitals	<u>188,189</u>	<u>1,681,599</u>	<u>-</u>	<u>1,869,788</u>
Total expenses	<u>248,822</u>	<u>1,733,237</u>	<u>-</u>	<u>1,982,059</u>
Revenues in excess of (less than) expenses	141,650	(67,833)	-	73,817
Change in net unrealized gains and losses on investments in debt securities	<u>10,238</u>	<u>-</u>	<u>-</u>	<u>10,238</u>
Increase (decrease) in net assets without donor restrictions	151,888	(67,833)	-	84,055
Net assets without donor restrictions, beginning	<u>2,403,339</u>	<u>216,958</u>	<u>-</u>	<u>2,620,297</u>
Net assets without donor restrictions, ending	<u>\$ 2,555,227</u>	<u>\$ 149,125</u>	<u>\$ -</u>	<u>\$ 2,704,352</u>
<b>Changes in Net Assets With Donor Restrictions</b>				
Contributions, net	\$ 962,695	\$ 847,849	\$ -	1,810,544
Net assets released from restrictions	(63,861)	(1,487,696)	-	(1,551,557)
Change in value of beneficial interest in trusts	-	11,949	-	11,949
Change in discount of pledges receivable and provision for doubtful pledges	3,698	21,924	-	25,622
Investment income (loss) and change in unrealized gains and losses on investments	<u>14,572</u>	<u>(5,672)</u>	<u>-</u>	<u>8,900</u>
Increase (decrease) in net assets with donor restrictions	917,104	(611,646)	-	305,458
Net assets with donor restrictions, beginning	<u>941,896</u>	<u>2,731,927</u>	<u>-</u>	<u>3,673,823</u>
Net assets with donor restrictions, ending	<u>\$ 1,859,000</u>	<u>\$ 2,120,281</u>	<u>\$ -</u>	<u>\$ 3,979,281</u>