

# PUBLIC INSPECTION COPY

EXTENDED TO NOVEMBER 15, 2019

Form **990**

## 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

2018

Department of the Treasury  
Internal Revenue Service

▶ 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.

Open to Public  
Inspection

<b>A</b> For the 2018 calendar year, or tax year beginning and ending																										
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>C</b> Name of organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.</td> <td><b>D</b> Employer identification number 20-1486678</td> </tr> <tr> <td colspan="2">Doing business as ADVENTIST HEALTHCARE REHABILITATION</td> <td rowspan="2"><b>E</b> Telephone number 301 315 3030</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address)</td> <td>Room/suite</td> </tr> <tr> <td>820 WEST DIAMOND AVE.</td> <td>600</td> <td rowspan="2"><b>G</b> Gross receipts \$ 51,025,498.</td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code GAITHERSBURG, MD 20878-1419</td> </tr> <tr> <td colspan="2"><b>F</b> Name and address of principal officer: TERRY FORDE SAME AS C ABOVE</td> <td><b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"><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</td> <td><b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)</td> </tr> <tr> <td colspan="2"><b>J</b> Website: WWW.ADVENTISTHEALTHCARE.COM</td> <td><b>H(c)</b> Group exemption number ▶</td> </tr> <tr> <td colspan="2"><b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</td> <td><b>L</b> Year of formation: 2004 <b>M</b> State of legal domicile: MD</td> </tr> </table>	<b>C</b> Name of organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.		<b>D</b> Employer identification number 20-1486678	Doing business as ADVENTIST HEALTHCARE REHABILITATION		<b>E</b> Telephone number 301 315 3030	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	820 WEST DIAMOND AVE.	600	<b>G</b> Gross receipts \$ 51,025,498.	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>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<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>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	<b>J</b> Website: WWW.ADVENTISTHEALTHCARE.COM		<b>H(c)</b> Group exemption number ▶	<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: 2004 <b>M</b> State of legal domicile: MD
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Part I Summary			
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO OPERATE A REHABILITATION HOSPITAL AND OUTPATIENT SERVICES TO SERVE THE COMMUNITY IN MARYLAND.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	5
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	2
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	84
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 38	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 147,978.	Current Year 117,989.
	9 Program service revenue (Part VIII, line 2g)	47,961,855.	49,450,628.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	371,625.	119,574.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-2,396.	-2,123.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	48,479,062.	49,686,068.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	2,500.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	31,131,318.	32,786,995.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 99,221.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	12,844,283.	13,336,213.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	43,975,601.	46,125,708.
19 Revenue less expenses. Subtract line 18 from line 12	4,503,461.	3,560,360.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 33,722,068.	End of Year 37,158,136.
	21 Total liabilities (Part X, line 26)	8,163,256.	8,828,250.
	22 Net assets or fund balances. Subtract line 21 from line 20	25,558,812.	28,329,886.

<b>Part II Signature Block</b>																
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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Signature of officer </td> <td style="width: 30%;">Date 11/11/2019</td> </tr> <tr> <td colspan="2">JAMES G. LEE, EXEC. VICE PRESIDENT &amp; CFO Type or print name and title</td> </tr> </table>	Signature of officer 	Date 11/11/2019	JAMES G. LEE, EXEC. VICE PRESIDENT & CFO Type or print name and title												
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<b>Paid Preparer Use Only</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Print/Type preparer's name</td> <td>Preparer's signature</td> <td>Date</td> <td>Check if self-employed <input type="checkbox"/></td> <td>PTIN</td> </tr> <tr> <td>Firm's name ▶</td> <td colspan="2">Firm's EIN ▶</td> <td colspan="2"></td> </tr> <tr> <td>Firm's address ▶</td> <td colspan="4">Phone no.</td> </tr> </table>	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN	Firm's name ▶	Firm's EIN ▶				Firm's address ▶	Phone no.			
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Firm's name ▶	Firm's EIN ▶															
Firm's address ▶	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

**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  No  
If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  
If "Yes," describe these changes on Schedule O.  Yes  No

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

**4a** (Code: ) (Expenses \$ 38,234,502. including grants of \$ 2,500. ) (Revenue \$ 49,450,628. )  
ADVENTIST HEALTHCARE REHABILITATION "ADVENTIST HEALTHCARE  
REHABILITATION" (LEGALLY KNOWN AS ADVENTIST REHABILITATION HOSPITAL OF  
MARYLAND, INC.), IS THE FIRST AND ONLY ACUTE REHABILITATION HOSPITAL IN  
MONTGOMERY COUNTY, MD, THAT OFFERS COMPREHENSIVE REHABILITATION  
PROGRAMS FOR TRAUMATIC BRAIN INJURIES, SPINAL CORD INJURIES, STROKES,  
AMPUTATION, ORTHOPEDIC INJURIES AND SURGERIES, SPORTS-RELATED INJURIES,  
WORK-RELATED INJURIES, CARDIOPULMONARY CONDITIONS, AND NEUROLOGICAL  
DISORDERS.  
  
WE BELIEVE THAT REHABILITATION IS ALL ABOUT HELPING OUR PATIENTS SET  
THEIR GOALS AND REACH THEM.  
CONTINUES ON SCHEDULE O.

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

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

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

**4e** Total program service expenses **38,234,502.**

**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 temporarily restricted endowments, permanent endowments, or 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)

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

**Note.** All Form 990 filers are required to complete Schedule O

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....		

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

		Yes	No
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	<b>2a</b> 0		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	<b>2b</b>	
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	<b>3b</b>	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	X
<b>b</b>	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	X
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>	X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	X
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	X
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state?	<b>13a</b>	
<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>	
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<b>15</b>	X
If "Yes," see instructions and file Form 4720, Schedule N.			
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	<b>16</b>	X
If "Yes," complete Form 4720, Schedule O.			

**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 in Schedule O. See instructions.

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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in 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, or 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 in 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?	X	
<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**

<b>17</b>	List the states with which a copy of this Form 990 is required to be filed	NONE
<b>18</b>	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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
<b>19</b>	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.	
<b>20</b>	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., NO. 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.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN J. KENNEY, PH.D., M.B.A TRUSTEE	1.00	X						0.	0.	0.
(2) JOHN SACKETT CHAIR; EVP&COO,AHC &PRESIDENT, SGMC	3.00 52.00	X						0.	851,182.	170,861.
(3) BRENT REITZ SECRETARY; PRESIDENT, ARHM	40.00 15.00	X		X				0.	462,300.	93,863.
(4) ERIK WANGSNESS PRESIDENT, WAH	2.00 48.00	X						0.	663,401.	129,091.
(5) RAVI PASSI, M.D. TRUSTEE	1.00	X						0.	0.	0.
(6) GEORGE ROBERT GRANGE AVP, REHAB SERVICES	40.00					X		185,068.	0.	33,456.
(7) GAIL PASARD SR. HR BUSINESS PARTNER	50.00					X		134,568.	0.	37,862.
(8) MARIA SAUNAR DIRECTOR, NURSING	40.00					X		149,544.	0.	33,993.
(9) VALERIE SUMMERLIN CHIEF NURSING OFFICER	40.00					X		231,825.	0.	29,827.
(10) ELIZABETH KOTROBA AVP, OPERATIONS	40.00					X		145,747.	0.	36,024.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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			
<b>1b Sub-total</b> .....							846,752.	1,976,883.	564,977.	
<b>c Total from continuation sheets to Part VII, Section A</b> .....							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b> .....							846,752.	1,976,883.	564,977.	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 29

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
SODEXO, INC. PO BOX 536922, ATLANTA, GA 30353-6922	DIETARY AND PLANT OPS	221,071.
QUEST DIAGNOSTICS 14225 NEWBROOK DR, CHANTILLY, VA 19176-1303	CLINICAL LAB SERVICES	155,774.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 3



**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	
Contributions, Gifts, Grants and Other Similar Amounts	<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>	36,092.				
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	59,496.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	22,401.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total.</b> Add lines 1a-1f			117,989.			
Program Service Revenue	<b>2 a</b> OCCUPATIONAL/SPEECH/PH	<b>Business Code</b> 900099	49,450,628.	49,450,628.			
	<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			49,450,628.			
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		265,129.			265,129.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	(ii) Personal				
		<b>b</b> Less: rental expenses					
		<b>c</b> Rental income or (loss)					
		<b>d</b> Net rental income or (loss)					
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		1,189,632.					
		<b>b</b> Less: cost or other basis and sales expenses		1,335,187.			
		<b>c</b> Gain or (loss)		-145,555.			
	<b>d</b> Net gain or (loss)			-145,555.		-145,555.	
	<b>8 a</b> Gross income from fundraising events (not including \$ 36,092. of contributions reported on line 1c). See Part IV, line 18	<b>a</b>	540.				
		<b>b</b> Less: direct expenses	<b>b</b>	4,243.			
		<b>c</b> Net income or (loss) from fundraising events			-3,703.		-3,703.
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
	<b>b</b> Less: direct expenses	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>						
	<b>b</b> Less: cost of goods sold	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory						
Miscellaneous Revenue		<b>Business Code</b>					
<b>11 a</b> VENDING REVENUE	900099	1,580.			1,580.		
	<b>b</b>						
	<b>c</b>						
	<b>d</b> All other revenue						
	<b>e Total.</b> Add lines 11a-11d		1,580.				
<b>12 Total revenue.</b> See instructions			49,686,068.	49,450,628.	0.	117,451.	

**Part IX Statement of Functional Expenses**

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	2,500.	2,500.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
<b>7</b> Other salaries and wages .....	27,080,691.	25,607,050.	1,387,833.	85,808.
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) .....	846,549.	790,013.	56,536.	
<b>9</b> Other employee benefits .....	2,786,410.	2,513,532.	267,120.	5,758.
<b>10</b> Payroll taxes .....	2,073,345.	1,885,685.	180,938.	6,722.
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management .....	14,530.		14,530.	
<b>b</b> Legal .....	75,068.		75,068.	
<b>c</b> Accounting .....				
<b>d</b> Lobbying .....				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees .....	25,121.		25,121.	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	2,624,036.	2,059,656.	564,380.	
<b>12</b> Advertising and promotion .....	82,405.	28,716.	53,689.	
<b>13</b> Office expenses .....	1,844,794.	164,605.	1,680,189.	
<b>14</b> Information technology .....	2,686,390.	2,014,792.	671,598.	
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	1,723,202.	1,015,311.	707,891.	
<b>17</b> Travel .....	129,852.	107,690.	21,229.	933.
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
<b>19</b> Conferences, conventions, and meetings .....	91,994.	76,820.	15,174.	
<b>20</b> Interest .....				
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	1,031,608.	536,368.	495,240.	
<b>23</b> Insurance .....	115,848.		115,848.	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> COST ALLOC. FROM PARENT	1,417,193.		1,417,193.	
<b>b</b> MEDICAL SUPPLIES	1,395,130.	1,395,130.		
<b>c</b> COLLECTION FEES/LICENSE	78,985.	36,634.	42,351.	
<b>d</b> RECRUITING	57.		57.	
<b>e</b> All other expenses				
<b>25</b> Total functional expenses. Add lines 1 through 24e	46,125,708.	38,234,502.	7,791,985.	99,221.
<b>26</b> 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

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

				(A)		(B)	
				Beginning of year		End of year	
<b>Assets</b>	<b>1</b>	Cash - non-interest-bearing .....		249,652.	<b>1</b>	236,502.	
	<b>2</b>	Savings and temporary cash investments .....		16,893,683.	<b>2</b>	21,102,063.	
	<b>3</b>	Pledges and grants receivable, net .....		17,358.	<b>3</b>	7,473.	
	<b>4</b>	Accounts receivable, net .....		4,576,213.	<b>4</b>	4,078,848.	
	<b>5</b>	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....			<b>5</b>		
	<b>6</b>	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....			<b>6</b>		
	<b>7</b>	Notes and loans receivable, net .....		138,804.	<b>7</b>	139,270.	
	<b>8</b>	Inventories for sale or use .....		93,906.	<b>8</b>	93,906.	
	<b>9</b>	Prepaid expenses and deferred charges .....		120,342.	<b>9</b>	110,775.	
	<b>10a</b>	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b>	21,501,554.			
	<b>b</b>	Less: accumulated depreciation .....	<b>10b</b>	11,416,832.	10,299,586.	<b>10c</b>	10,084,722.
	<b>11</b>	Investments - publicly traded securities .....		444,028.	<b>11</b>	448,290.	
	<b>12</b>	Investments - other securities. See Part IV, line 11 .....			<b>12</b>		
	<b>13</b>	Investments - program-related. See Part IV, line 11 .....			<b>13</b>		
	<b>14</b>	Intangible assets .....		845,496.	<b>14</b>	813,287.	
	<b>15</b>	Other assets. See Part IV, line 11 .....		43,000.	<b>15</b>	43,000.	
<b>16</b>	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....		33,722,068.	<b>16</b>	37,158,136.		
<b>Liabilities</b>	<b>17</b>	Accounts payable and accrued expenses .....		3,815,402.	<b>17</b>	4,202,476.	
	<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 current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....			<b>22</b>		
	<b>23</b>	Secured mortgages and notes payable to unrelated third parties .....			<b>23</b>		
	<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 .....		4,347,854.	<b>25</b>	4,625,774.	
	<b>26</b>	<b>Total liabilities.</b> Add lines 17 through 25 .....		8,163,256.	<b>26</b>	8,828,250.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>						
	<b>27</b>	Unrestricted net assets .....		25,556,679.	<b>27</b>	28,299,221.	
	<b>28</b>	Temporarily restricted net assets .....		2,133.	<b>28</b>	30,665.	
	<b>29</b>	Permanently restricted net assets .....			<b>29</b>		
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>						
	<b>30</b>	Capital stock or trust principal, or current funds .....			<b>30</b>		
	<b>31</b>	Paid-in or capital surplus, or land, building, or equipment fund .....			<b>31</b>		
	<b>32</b>	Retained earnings, endowment, accumulated income, or other funds .....			<b>32</b>		
<b>33</b>	<b>Total net assets or fund balances</b> .....		25,558,812.	<b>33</b>	28,329,886.		
<b>34</b>	<b>Total liabilities and net assets/fund balances</b> .....		33,722,068.	<b>34</b>	37,158,136.		

**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>	49,686,068.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	46,125,708.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	3,560,360.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	25,558,812.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-174,375.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	-614,911.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	28,329,886.

**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?		X
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		
<b>b</b> Were the organization's financial statements audited by an independent accountant?	X	
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		
<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?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
<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 in Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2018)

**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

**2018**

Open to Public  
Inspection

**Name of the organization** ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. **Employer identification number** 20-1486678

**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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2017 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2018.</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 - 2017.</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 - 2018.</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 - 2017.</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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2017 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

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

**19a 33 1/3% support tests - 2018.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**b 33 1/3% support tests - 2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....

**Part IV Supporting Organizations**

(Complete only if you checked a box 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 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 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.		
<b>11a</b>		
<b>11b</b>		
<b>11c</b>		

**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.		
<b>1</b>		
<b>2</b>		

**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).		
<b>1</b>		

**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.		
<b>1</b>		
<b>2</b>		
<b>3</b>		

**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.		Yes	No
<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.			
<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.			
<b>2a</b>			
<b>2b</b>			
<b>3a</b>			
<b>3b</b>			

**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>		(A) Prior Year	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) 2018

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

Schedule A (Form 990 or 990-EZ) 2018

**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

**2018**

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
--	--

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 (entering "N/A" in column (b) instead of the contributor name and address), 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 REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number  20-1486678
--	--

**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
1	<hr/> <hr/> <hr/> <hr/>	\$ 59,498.	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 REHABILITATION HOSPITAL OF MARYLAND, INC.	<b>Employer identification number</b>  20-1486678
--	---

**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 REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
--	--

**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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
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

**2018**

**Open to Public Inspection**

**Name of the organization** ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. **Employer identification number** 20-1486678

**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 (e.g., 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 SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

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

▶ \$ \_\_\_\_\_

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

▶ \$ \_\_\_\_\_

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

Schedule D (Form 990) 2018

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

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

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	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 Temporarily restricted endowment  \_\_\_\_\_ %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	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				
b Buildings		13,261,140.	6,940,158.	6,320,982.
c Leasehold improvements		602,909.	215,331.	387,578.
d Equipment		5,910,557.	3,035,781.	2,874,776.
e Other		1,726,948.	1,225,562.	501,386.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				10,084,722.

**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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**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) DUE TO PARENT ORGANIZATION	4,625,774.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	4,625,774.

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

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

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

<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 2018 OR 2017.

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.



**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events NONE	(d) Total events (add col. (a) through col. (c))
		5K AMPUTEE WALK (event type)	(event type)	(total number)	
Revenue	<b>1</b> Gross receipts .....	36,632.			36,632.
	<b>2</b> Less: Contributions .....	36,092.			36,092.
	<b>3</b> Gross income (line 1 minus line 2) .....	540.			540.
Direct Expenses	<b>4</b> Cash prizes .....				
	<b>5</b> Noncash prizes .....	2,144.			2,144.
	<b>6</b> Rent/facility costs .....	583.			583.
	<b>7</b> Food and beverages .....	15.			15.
	<b>8</b> Entertainment .....				
	<b>9</b> Other direct expenses .....	1,501.			1,501.
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) .....				4,243.
<b>11</b> Net income summary. Subtract line 10 from line 3, column (d) .....				-3,703.	

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	<b>1</b> Gross revenue .....				
	<b>2</b> Cash prizes .....				
Direct Expenses	<b>3</b> Noncash prizes .....				
	<b>4</b> Rent/facility costs .....				
	<b>5</b> Other direct expenses .....				
Revenue	<b>6</b> Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) .....				
	<b>8</b> Net gaming income summary. Subtract line 7 from line 1, column (d) .....				

**9** Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_

**a** Is the organization licensed to conduct gaming activities in each of these states?  Yes  No

**b** If "No," explain: \_\_\_\_\_

**10a** Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year?  Yes  No

**b** If "Yes," explain: \_\_\_\_\_

- 11 Does the organization conduct gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity conducted in:
 

a The organization's facility	13a	%
b An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_  
 Gaming manager compensation ▶ \$ \_\_\_\_\_  
 Description of services provided ▶ \_\_\_\_\_  
 \_\_\_\_\_  
 Director/officer       Employee       Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

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**Part IV** Supplemental Information *(continued)*

Multiple horizontal lines for supplemental information.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2018**

Open to Public Inspection

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.

Name of the organization **ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.** Employer identification number **20-1486678**

**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? .....		X
<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) .....			172,566.		172,566.	.37%
<b>b</b> Medicaid (from Worksheet 3, column a) .....						
<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 .....			172,566.		172,566.	.37%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			1,487,112.	274,051.	1,213,061.	2.63%
<b>f</b> Health professions education (from Worksheet 5) .....			681,283.	1,161.	680,122.	1.47%
<b>g</b> Subsidized health services (from Worksheet 6) .....			384,729.		384,729.	.83%
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....			86,099.		86,099.	.19%
<b>j Total.</b> Other Benefits .....			2,639,223.	275,212.	2,364,011.	5.12%
<b>k Total.</b> Add lines 7d and 7j .....			2,811,789.	275,212.	2,536,577.	5.49%





**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 ADVENTIST REHABILITATION HOSPITAL OF MD

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>16</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>17</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 ADVENTIST REHABILITATION HOSPITAL OF MD

		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 type="checkbox"/> Asset level		
<b>d</b>	<input 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 URLS 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 URLS 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 URLS 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) 2018

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group ADVENTIST REHABILITATION HOSPITAL OF MD

	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 ADVENTIST REHABILITATION HOSPITAL OF MD

	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 checked="" 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 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? .....	<b>23</b>	X
If "Yes," explain in Section C.		
<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? .....	<b>24</b>	X
If "Yes," explain in Section C.		

Schedule H (Form 990) 2018



**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.

ADVENTIST REHABILITATION HOSPITAL OF MD:

PART V, SECTION B, LINE 5: THE FOLLOWING NARRATIVE IS BASED ON THE LAST

CONDUCTED CHNA IN 2016:

THROUGHOUT THE COMPLETION OF THE 2017-2019 COMMUNITY HEALTH NEEDS

ASSESSMENT, INPUT FROM THE COMMUNITY WAS SOLICITED FROM MULTIPLE SOURCES.

(1) HEALTHY MONTGOMERY: ADVENTIST HEALTHCARE, IN ADDITION TO THE OTHER

MONTGOMERY COUNTY HOSPITALS, COLLABORATES WITH HEALTHY MONTGOMERY, WHICH

SERVES AS THE LOCAL HEALTH IMPROVEMENT COALITION IN MONTGOMERY COUNTY.

HEALTHY MONTGOMERY WORKS TO BRING TOGETHER THE COUNTY GOVERNMENT, HOSPITAL

SYSTEMS, MINORITY HEALTH PROGRAMS, ADVOCACY GROUPS, ACADEMIC INSTITUTIONS,

AND OTHER COMMUNITY BASED STAKEHOLDERS TO ACHIEVE OPTIMAL HEALTH AND

WELL-BEING FOR ALL COUNTY RESIDENTS. THE GROUP WORKS TO SET A HEALTH

PRIORITY AGENDA AS WELL AS AN ACTION PLAN TO ADDRESS THE PRIORITIZED

NEEDS. IN DOING SO, THE GROUP HAS ESTABLISHED A CORE MEASURE SET FOR THE

TOP PRIORITY AREAS AS WELL AS A COMMUNITY HEALTH DASHBOARD FOR THE COUNTY.

THE DASHBOARD ENCOMPASSES INDICATORS THAT SPAN PHYSICAL AND MENTAL HEALTH,

HEALTH BEHAVIORS, AND SOCIAL DETERMINANTS.

ADVENTIST HEALTHCARE CONTRIBUTES ANNUALLY TO SUPPORT THE INFRASTRUCTURE OF

HEALTHY MONTGOMERY. IN ADDITION TO PROVIDING FINANCIAL SUPPORT,

REPRESENTATIVES FROM ADVENTIST HEALTHCARE PLAY AN ACTIVE ROLE THROUGH

REPRESENTATION ON MULTIPLE COMMITTEES AND PLANNING GROUPS INCLUDING THE

HEALTHY MONTGOMERY STEERING COMMITTEE WHICH SETS THE DIRECTION FOR THE

GROUP. REPRESENTATIVES FROM AHC HAVE ALSO PLAYED ROLES IN THE DATA PROJECT

SUBCOMMITTEE, BEHAVIORAL HEALTH WORK GROUP, AND COMMUNITY HEALTH NEEDS

ASSESSMENT COMMITTEE.

IN COMPLETING THIS COMMUNITY HEALTH NEEDS ASSESSMENT, REHAB UTILIZED THE

**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.

HEALTHY MONTGOMERY PRIORITY AREAS NOT ONLY AS A STARTING POINT FOR IDENTIFYING THE NEEDS IN THE COMMUNITY BUT ALSO AS A FACTOR FOR CONSIDERATION WHEN COMPLETING THE PRIORITIZATION PROCESS. THE HEALTHY MONTGOMERY COMMUNITY CONVERSATIONS, WHICH PROVIDED INPUT FROM MINORITY, UNDERSERVED AND HARD TO REACH POPULATIONS, WERE ALSO UTILIZED AS A SUPPLEMENT TO THE PRIMARY SURVEY DATA THAT WAS COLLECTED BY REHAB, AS DESCRIBED IN THE PREVIOUS SECTION.

(2) DIRECT INPUT FROM THE COMMUNITY: FROM JUNE-NOVEMBER OF 2015, A 19-ITEM SURVEY WAS ADMINISTERED IN THE COMMUNITY TO GARNER INPUT ON THE NEEDS, STRENGTHS, AND RESOURCES IN THE COMMUNITY. THE SURVEY CONSISTED OF THREE PARTS INCLUDING HEALTH STATUS AND ACCESS TO CARE, COMMUNITY HEALTH NEEDS AND STRENGTHS, AND DEMOGRAPHICS. A TOTAL OF 1,185 RESPONSES WERE RECEIVED AND ANALYZED. THE HEALTHY MONTGOMERY COMMUNITY CONVERSATIONS, WHICH PROVIDED INPUT FROM MINORITY, UNDERSERVED AND HARD TO REACH POPULATIONS, WERE ALSO UTILIZED AS A SUPPLEMENT TO THE PRIMARY SURVEY DATA THAT WAS COLLECTED BY REHAB. THE COMMUNITY CONVERSATIONS CONSISTED OF 15

FOCUS GROUPS:

YOUTH; SENIORS; PEOPLE WITH DISABILITIES; HOMELESS MEN; HOMELESS WOMEN; LATINO COMMUNITY (TOOK PLACE IN SPANISH); KOREAN COMMUNITY (TOOK PLACE IN KOREAN); CHINESE COMMUNITY (TOOK PLACE IN MANDARIN); VIETNAMESE COMMUNITY (TOOK PLACE IN VIETNAMESE); ASIAN AMERICAN HEALTH INITIATIVE; AFRICAN AMERICAN HEALTH PROGRAM, AFRICAN ADVISORY GROUP, AND CARIBBEAN ADVISORY; FAITH COMMUNITY; GENERAL PUBLIC: EAST COUNTY; GENERAL PUBLIC: SOUTH COUNTY; GENERAL PUBLIC: UP COUNTY.

A DETAILED OVERVIEW OF THE METHODS USED TO CONDUCT THE SURVEY AND COMPLETE

THE PRIMARY DATA ANALYSIS IS DESCRIBED ABOVE AND THE RESULTS OF THE

**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.

ANALYSIS CAN BE FOUND IN THE CHNA IN SECTION IV, PART A: PRIMARY DATA

FINDINGS.

3) CENTER FOR HEALTH EQUITY AND WELLNESS ADVISORY BOARD:

THE CENTER FOR HEALTH EQUITY AND WELLNESS ADVISORY BOARD IS COMPRISED OF

STAKEHOLDERS WHO REPRESENT AND ARE ABLE TO SPEAK TO THE NEEDS OF THE

COMMUNITY INCLUDING MINORITY AND UNDERSERVED POPULATIONS. THE BOARD WAS

CONVENED TO HELP GUIDE EFFORTS TO REDUCE AND ELIMINATE HEALTH DISPARITIES,

IDENTIFY COMMUNITY NEEDS, AND TO HELP ASSESS AND DIRECT OUR RESPONSE TO

THOSE NEEDS.

THE BOARD WAS CONSULTED AT MULTIPLE POINTS THROUGHOUT THE COMPLETION OF

THE COMMUNITY HEALTH NEEDS ASSESSMENT: > APRIL 2015: A DRAFT OF THE

COMMUNITY SURVEY WAS SENT TO THE BOARD FOR INPUT. > MAY 2015: A PROGRESS

UPDATE ON THE 2014-2016 IMPLEMENTATION STRATEGY WAS PROVIDED TO THE BOARD

AT WHICH TIME THEY WERE ABLE TO PROVIDE INPUT ON THE STRATEGIES

IMPLEMENTED AND RECOMMENDATIONS FOR FUTURE DIRECTIONS. > OCTOBER 2015: A

TIMELINE AND FRAMEWORK FOR THE 2017-2019 COMMUNITY HEALTH NEEDS ASSESSMENT

WAS PRESENTED FOR INPUT. > MAY 2016: A DETAILED PRESENTATION WAS

DELIVERED OUTLINING THE INITIAL FINDINGS FROM THE PRIMARY DATA ANALYSIS AS

WELL AS THE METHODOLOGY FOR THE OVERALL COMMUNITY HEALTH NEEDS ASSESSMENT

REPORT. THE BOARD PROVIDED INPUT ON THE HEALTH NEEDS AND BARRIERS THEY

VIEWED AS MOST SIGNIFICANT FOR THE MINORITY AND UNDERSERVED POPULATIONS IN

THE COMMUNITY.

THE MEMBERS OF THE 2015-2017 CENTER FOR HEALTH EQUITY AND WELLNESS

ADVISORY BOARD REPRESENT A DIVERSE GROUP OF STAKEHOLDERS AND POPULATIONS

IN THE COMMUNITY AND PROVIDE A WEALTH OF EXPERTISE IN THE HEALTH AND

WELLNESS FIELD. ADVISORY BOARD MEMBERS INCLUDE:

> CAROL GARVEY, MD, PRINCIPAL, GARVEY AND ASSOCIATES;

**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.

- > CAROLE WORKING, PRINCIPAL, QUINCE ORCHARD HIGH SCHOOL;
- > CHRISTOPHER KING, PHD, DIRECTOR, EXPERIENTIAL LEARNING, GEORGETOWN UNIVERSITY;
- > DANIEL COCHRAN, CFO, SHADY GROVE MEDICAL CENTER;
- > HANNAH MACK, LEARNING AND INNOVATION MANAGER, COOK ROSS;
- > JO CIMINO, DIRECTOR, CASE MANAGEMENT, ADVENTIST HEALTHCARE;
- > JOAN VINCENT, CHIEF NURSING OFFICER, SHADY GROVE MEDICAL CENTER;
- > KATHERINE BARMER, DIRECTOR, POPULATION HEALTH MANAGEMENT, ADVENTIST HEALTHCARE;
- > KEVIN SMOTHERS, MD, CHIEF MEDICAL OFFICER, SHADY GROVE MEDICAL CENTER;
- > LESLIE GRAHAM, PRESIDENT AND CEO, PRIMARY CARE COALITION;
- > LOIS WESSEL, CFNP, ASSOCIATION OF CLINICIANS FOR THE UNDERSERVED;
- > MARK RULLE, EDD, PRESIDENT, MARYLAND HEALTHCARE EDUCATION INSTITUTE, MARYLAND HOSPITAL ASSOCIATION;
- > OLIVIA CARTER-POKRAS, PHD, PROFESSOR, UNIVERSITY OF MARYLAND SCHOOL OF PUBLIC HEALTH;
- > PERRY CHAN, MS, PROGRAM MANAGER, ASIAN AMERICAN HEALTH INITIATIVE;
- > SONIA MORA, MPH, PROGRAM MANAGER, LATINO HEALTH INITIATIVE;
- > STEPHEN B. THOMAS, PHD, DIRECTOR, MARYLAND CENTER FOR HEALTH EQUITY;
- > SUSAN GLOVER, SR. VP QUALITY, ADVENTIST HEALTHCARE;
- > UMA AHLUWALIA, DIRECTOR, MONTGOMERY COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES;
- > HEATHER ROSS, MHS, PROGRAM MANAGER, AFRICAN AMERICAN HEALTH PROGRAM.

ADVENTIST REHABILITATION HOSPITAL OF MD:

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

**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.

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 CAN BE FOUND ON EITHER ONE OF

THESE URLS:

[HTTP://WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/3951/2017-CHNA-PHR.PDF](http://WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/3951/2017-CHNA-PHR.PDF)

, OR,

[HTTP://WWW.ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT](http://WWW.ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT)

/#OTHER-ENTITIES

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

URL: [WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/4201/2017-CHNA-PHR-](http://WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/4201/2017-CHNA-PHR-IMPLEMENTATIONSTRATEGY.PDF)

[IMPLEMENTATIONSTRATEGY.PDF](http://WWW.ADVENTISTHEALTHCARE.COM/APP/FILES/PUBLIC/4201/2017-CHNA-PHR-IMPLEMENTATIONSTRATEGY.PDF)

ADVENTIST REHABILITATION HOSPITAL OF MD:

PART V, SECTION B, LINE 11: BASED ON THE CHNA COMPLETED IN 2016, AN

IMPLEMENTATION STRATEGY WAS ADOPTED FOCUSING ON CONCUSSION CARE.

ADVENTIST HEALTHCARE REHABILITATION HAS IMPLEMENTED AN INITIATIVE TO

INCREASE AWARENESS OF, AND EDUCATION AROUND, CONCUSSION FOR STUDENT

ATHLETES.

ADVENTIST HEALTHCARE REHABILITATION HAS PARTNERED WITH MONTGOMERY COUNTY

PUBLIC SCHOOLS TO PROVIDE BASELINE CONCUSSION TESTING AND ATHLETIC

TRAINERS IN 13 OF 25 HIGH SCHOOLS. BASELINE TESTING IS A PRE-SEASON EXAM

CONDUCTED BY TRAINED PROFESSIONALS TO ASSESS AN ATHLETE'S COGNITIVE

FUNCTIONS INCLUDING LEARNING AND MEMORY SKILLS, ABILITY TO CONCENTRATE AND

**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.

PROBLEM-SOLVING SKILLS. IN THE EVENT THAT THE ATHLETE SUFFERS A  
 CONCUSSION, THE RESULTS FROM THESE TESTS CAN BE USED IN COMPARISON WITH  
 SIMILAR POST-INJURY TESTS. ADVENTIST HEALTHCARE REHABILITATION USES IMPACT  
 (IMMEDIATE POST-CONCUSSION ASSESSMENT COGNITIVE TEST), A WEB-BASED,  
 COMPUTERIZED TOOL USED TO MEASURE MEMORY, PROCESSING SPEED, REACTION TIME,  
 ATTENTION SPAN AND PROBLEM-SOLVING SKILLS. IN ADDITION TO THE BASELINE  
 TESTING, ADVENTIST HEALTHCARE REHABILITATION HAS IMPLEMENTED AN ATHLETIC  
 TRAINER PROGRAM AT EACH OF THE 13 SCHOOLS. THIS HAS INCLUDED TRAINING AND  
 PLACING AN ATHLETIC TRAINER IN EACH OF THE SCHOOLS TO ASSIST WITH  
 CONCUSSION AWARENESS AND EDUCATION AS WELL AS TIMELY ON-SITE INJURY  
 PREVENTION AND MANAGEMENT. SPECIFIC PROGRAM ACTIVITIES INCLUDE:

- > EDUCATION SESSIONS FOR STUDENTS TO INCREASE KNOWLEDGE AND AWARENESS OF  
 CONCUSSION SYMPTOMS, ACUTE TREATMENTS, IMPORTANCE OF RECOVERY, AND EFFECTS  
 ON EVERY DAY ACTIVITIES BEYOND SPORTS;
- > IMPLEMENTING IMPACT BASELINE TESTING FOR STUDENT ATHLETES IN 13  
 MONTGOMERY COUNTY HIGH SCHOOLS (WITH EACH STUDENT BASELINE TESTED EVERY 2  
 YEARS);
- > MAINTAINING AND MAKING AVAILABLE BASELINE TEST RESULTS TO STUDENTS,  
 PARENTS, AND STUDENTS' HEALTH CARE PROVIDERS AT NO COST;
- > PROVIDING RETESTS FOLLOWING A CONCUSSION AT NO COST;
- > PROVIDING FOLLOW-UP TESTING AND ANALYSIS FOR STUDENTS AS NEEDED AT A  
 REASONABLE RATE;
- > TRAINING AND PLACING FULL-TIME ATHLETIC TRAINERS IN 13 MONTGOMERY COUNTY  
 HIGH SCHOOLS;
- > TRAINERS ATTEND ALL 'HOME' ATHLETIC EVENTS AS WELL AS 'AWAY' VARSITY  
 FOOTBALL GAMES;

**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.

> TRAINERS PERFORM FUNCTIONS WITHIN THE SIX DOMAINS OF ATHLETIC TRAINERS

AS ESTABLISHED BY THE NATIONAL ATHLETIC TRAINERS ASSOCIATION: PREVENTION;

CLINICAL EVALUATION AND DIAGNOSIS; IMMEDIATE CARE; TREATMENT,

REHABILITATION, AND RECONDITIONING; ORGANIZATION AND ADMINISTRATION; AND

PROFESSIONAL RESPONSIBILITIES.;

> IN ADDITION, TRAINERS ASSIST IN IMPLEMENTING SCHOOL AND SYSTEM WIDE

RESPONSIBILITIES RELATED TO THE HEALTH AND SAFETY OF STUDENT ATHLETES.;

> PROVIDING AMERICAN HEART ASSOCIATION CPR/AED RECERTIFICATION FOR

ATHLETIC STAFF AT 13 MONTGOMERY COUNTY HIGH SCHOOLS.

OTHER AREAS OF NEED ADDRESSED BY ADVENTIST HEALTHCARE REHABILITATION

WHILE ADVENTIST HEALTHCARE REHABILITATION HAS IDENTIFIED CONCUSSION CARE

AND PREVENTION AS ITS PRIORITY AREA FOR THIS IMPLEMENTATION STRATEGY

PERIOD, THE HOSPITAL WILL CONTINUE TO ADDRESS OTHER AREAS OF NEED THROUGH

EXISTING COMMUNITY HEALTH OUTREACH PROGRAMS, EDUCATION, AND FINANCIAL

CONTRIBUTIONS.

> TRAUMATIC BRAIN INJURY: IN ADDITION TO THE ACTIVITIES DESCRIBED IN THE

IMPLEMENTATION STRATEGY ABOVE, ADVENTIST HEALTHCARE REHABILITATION

PROVIDES ADDITIONAL SUPPORT IN THE COMMUNITY AROUND TRAUMATIC BRAIN

INJURY.; BRAIN INJURY SUPPORT GROUP: FOR THOSE WITH BOTH TRAUMATIC AND

NON-TRAUMATIC BRAIN INJURIES, THIS GROUP PROVIDES SUPPORT AND EDUCATION AS

WELL AS GUIDANCE AROUND AVAILABLE COMMUNITY RESOURCES. PARTICIPANTS ARE

ENCOURAGED TO BRING FAMILY AND FRIENDS.; GRUPO DE APOYO PARA PERSONAS CON

UNA LESIN CEREBRAL: IN ADDITION TO THE ENGLISH LANGUAGE BRAIN INJURY

SUPPORT GROUP, AN ADDITIONAL GROUP IS OFFERED IN SPANISH.

> TRAUMATIC BRAIN INJURY, STROKE, & NEUROLOGY: ADVENTIST HEALTHCARE

REHABILITATION ALSO OFFERS PROGRAMS TO SUPPORT INDIVIDUALS WITH COGNITIVE

**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.

AND SPEECH-LANGUAGE NEEDS.; COGNITIVE GAME NIGHT: LED BY A

SPEECH-LANGUAGE PATHOLOGIST, GAME NIGHTS PROVIDE A FUN ENVIRONMENT FOR

COGNITIVE STIMULATING GAMES. EDUCATION AND DISCUSSION ARE ALSO PROVIDED

AROUND COGNITIVE STRATEGIES AS WELL AS METHODS FOR CONTINUING COGNITIVE

REHABILITATION AT HOME.; COMMUNITY APHASIA GROUP: LED BY A

SPEECH-LANGUAGE PATHOLOGIST, THIS GROUP PROVIDES OPPORTUNITIES FOR

INDIVIDUALS TO WORK ON SUCCESSFUL COMMUNICATION AND SOCIAL INTERACTION IN

A SUPPORTIVE, POSITIVE, AND SMALL GROUP SETTING.

> AMPUTEE: AMPUTEE SUPPORT GROUP: THIS GROUP FOCUSES ON THE EMOTIONS AND

CHALLENGES OF LIVING LIFE AS AN AMPUTEE. IT IS THE GROUP'S FOCUS TO BE

POSITIVE, CREATIVE AND RESOURCEFUL IN EXAMINING AN AMPUTEE'S EXPERIENCES.

MANY TOPICS ARE DISCUSSED INCLUDING PROSTHETIC DEVELOPMENT, THERAPEUTIC

DEVICES AND TRAINING AS WELL AS EMOTIONAL COUNSELING AND SUPPORT.

IN ADDITION TO THE ACTION ITEMS LISTED ABOVE, ADVENTIST HEALTHCARE

REHABILITATION AS A PART OF ADVENTIST HEALTHCARE IS COMMITTED TO PROVIDING

FINANCIAL SUPPORT TO IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITY

THROUGH THE COMMUNITY PARTNERSHIP FUND. THE ADVENTIST HEALTHCARE COMMUNITY

PARTNERSHIP FUND PROVIDES FUNDING FOR 501(C)(3) NON-PROFIT ORGANIZATIONS

WHOSE ACTIVITIES ALIGN WITH OUR MISSION AND THE FOLLOWING FUNDING

OBJECTIVES:

> HEALTH AND WELLNESS: SUPPORT COMMUNITY HEALTH SERVICES, EDUCATION, AND

PREVENTION AND WELLNESS PROGRAMS;

> PARTNERSHIPS: LEVERAGE PARTNERSHIPS TO ADDRESS SOCIOECONOMIC

DISADVANTAGES THAT AFFECT HEALTH;

> CAPACITY BUILDING: IMPROVE COMMUNITY HEALTH THROUGH COLLABORATIVE



**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.

PARTNERSHIPS, ECONOMIC AND WORKFORCE DEVELOPMENT, AND ADVOCACY.

WHEN REVIEWING APPLICATIONS, THE PRIORITIES FOR THE COMMUNITY PARTNERSHIP

FUND INCLUDE:

> ACTIVITIES THAT ADDRESS A PRIORITY AREA OF NEED IDENTIFIED IN OUR

HOSPITALS' COMMUNITY HEALTH NEEDS ASSESSMENTS;

> ACTIVITIES THAT TARGET POPULATIONS IN ADVENTIST HEALTHCARE'S SERVICE

AREA THAT ARE SOCIALLY AND ECONOMICALLY DISADVANTAGED OR MEDICALLY

UNDERSERVED;

> ACTIVITIES THAT ALIGN WITH ADVENTIST HEALTHCARE'S COMMUNITY-BASED

MISSION;

> ACTIVITIES THAT HAVE A MEASURABLE IMPACT ON THE COMMUNITY BEING SERVED.

AREAS OF NEED NOT DIRECTLY ADDRESSED BY ADVENTIST HEALTHCARE

REHABILITATION AND THE RATIONALE:

ADVENTIST HEALTHCARE REHABILITATION DOES NOT DIRECTLY ADDRESS THE AREAS OF

NEED INCLUDED BELOW THROUGH ONGOING EDUCATION OR PROGRAMMING. HOWEVER,

THESE AREAS MAY BE ADDRESSED THROUGH THE ADVENTIST HEALTHCARE COMMUNITY

PARTNERSHIP FUND WHICH AIMS TO PROVIDE FUNDING FOR COMMUNITY ORGANIZATIONS

WORKING TO ADDRESS NEEDS IDENTIFIED IN OUR COMMUNITY HEALTH NEEDS

ASSESSMENT.

> SPINAL CORD INJURY, LYMPHEDEMA, AND ORTHOPEDICS: ADVENTIST HEALTHCARE

REHABILITATION DOES NOT CURRENTLY PROVIDE ONGOING COMMUNITY OUTREACH OR

PROGRAMS SPECIFIC TO SPINAL CORD INJURY, LYMPHEDEMA, AND ORTHOPEDICS DUE

TO LIMITED RESOURCES, AND A FOCUS ON AREAS THAT WERE IDENTIFIED AS HIGHER

**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.

PRIORITY DURING THE CHNA PRIORITIZATION PROCESS.;

> CARDIOVASCULAR HEALTH, CANCER, OBESITY, AND DIABETES: ADVENTIST

HEALTHCARE REHABILITATION DOES NOT CURRENTLY PROVIDE ONGOING COMMUNITY

OUTREACH OR PROGRAMS SPECIFIC TO CHRONIC DISEASE DUE TO LIMITED RESOURCES,

AND A FOCUS ON AREAS THAT WERE IDENTIFIED AS HIGHER PRIORITY DURING THE

CHNA PRIORITIZATION PROCESS. CHRONIC DISEASE IS BEING ADDRESSED BY OTHER

ORGANIZATIONS IN THE COMMUNITY INCLUDING WASHINGTON ADVENTIST HOSPITAL AND

SHADY GROVE MEDICAL CENTER, BOTH OF WHICH ARE PART OF THE ADVENTIST

HEALTHCARE SYSTEM.;

> SOCIAL DETERMINANTS OF HEALTH (HOUSING, FOOD ACCESS, EDUCATION):

ADVENTIST HEALTHCARE REHABILITATION DOES NOT CURRENTLY PROVIDE ONGOING

COMMUNITY OUTREACH OR PROGRAMS SPECIFIC TO HOUSING, FOOD ACCESS, AND

EDUCATION DUE TO LIMITED RESOURCES, AND A FOCUS ON AREAS THAT WERE

IDENTIFIED AS HIGHER PRIORITY DURING THE CHNA PRIORITIZATION PROCESS.

FOR ADDITIONAL DETAILS INCLUDING THE CHNA FINDINGS, GOALS, AND RELEVANT

LOCALLY AVAILABLE RESOURCES PLEASE SEE ADVENTIST HEALTHCARE

REHABILITATION'S CHNA AND IMPLEMENTATION STRATEGY WHICH CAN BE FOUND HERE:

[HTTP://WWW.ADVENTISTHEALTHCARE.COM/ABOUT/COMMUNITY/HEALTH-NEEDS-ASSESSMENT](http://www.adventisthealthcare.com/about/community/health-needs-assessment)

ADVENTIST REHABILITATION HOSPITAL OF MD:

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 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 FOLLOW:

- 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:

FOR PURPOSES OF PREPARING SCHEDULE H OF FORM 990, ADVENTIST REHABILITATION HOSPITAL OF MARYLAND CALCULATED A COST TO CHARGE RATIO AS REFLECTED IN ITS 2018 AUDITED FINANCIAL STATEMENTS. THE COST TO CHARGE RATIO WAS USED TO REDUCE THE YEARLY CHARITY CARE PROVISION FROM CHARGE TO COST.

PART I, LINE 7G:

SUBSIDIZED HEALTH SERVICES INCLUDED PAYMENTS FOR NON-EMPLOYED BUT HOSPITAL-BASED PHYSICIANS, NON-RESIDENT HOSPITAL STAFF, HOSPITALISTS, EMERGENCY ON-CALL, OFF-CAMPUS EMERGENCY CENTER, AND WOMEN'S AND CHILDREN'S SERVICES SUBSIDIES.

PART II, COMMUNITY BUILDING ACTIVITIES:

ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.'S COMMUNITY BUILDING ACTIVITIES WERE DONE JOINTLY AT THE CORPORATE LEVEL WITH ADVENTIST HEALTHCARE, INC. TO CENTRALIZE THE ACTIVITIES PERFORMED AS A SYSTEM. ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. PLAYED AN INTEGRAL ROLE AND CONTRIBUTED TO SEVERAL OUTREACH PROGRAMS AS PART OF ITS MISSION. ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. AND ADVENTIST HEALTHCARE'S MISSION IS "WE EXTEND GOD'S CARE THROUGH THE MINISTRY OF PHYSICAL, MENTAL AND SPIRITUAL HEALING." ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. AND ADVENTIST HEALTHCARE GO BEYOND TRADITIONAL HOSPITAL CARE TO OFFER EXPERTISE AND RESOURCES THAT HELP STRENGTHEN THE COMMUNITY'S

**Part VI** Supplemental Information (Continuation)

INFRASTRUCTURE IN A WAY THAT PROMOTES HEALTH AND WELL-BEING.

IN 2018, A MAJORITY OF ADVENTIST HEALTHCARE'S COMMUNITY BUILDING

ACTIVITIES CONSISTED OF: POPULATION HEALTH INITIATIVES AND ASSISTING

PHYSICIANS IN ESTABLISHING ELECTRONIC MEDICAL RECORDS (EMR) SYSTEMS;

ADVOCATING ON COMMUNITY HEALTH IMPROVEMENTS THROUGH OUR GOVERNMENT

RELATIONS AND PUBLIC POLICY DEPARTMENT; PERFORMING DISASTER PREPAREDNESS

ACTIVITIES; CREATING HEALTH PARTNERSHIPS WITHIN THE COMMUNITY THROUGH OUR

DIVISION OF THE CENTER FOR HEALTH EQUITY & WELLNESS DEPARTMENT; AND

ESTABLISHING ADDITIONAL COMMUNITY PARTNERSHIPS.

POPULATION HEALTH INITIATIVES & THE AMBULATORY CARE EMR SUPPORT (ACES)

PROGRAM:

1) CLINICALLY INTEGRATED NETWORK:

ADVENTIST HEALTHCARE MANAGES THE ONE HEALTH QUALITY ALLIANCE, LLC (OHQA)

PARTNERSHIP 100%, A CLINICALLY INTEGRATED NETWORK DESIGNED TO HELP

PROVIDERS ENHANCE THE QUALITY OF HEALTHCARE AND LOWER TOTAL COSTS FOR THE

WASHINGTON, D.C. REGION. OHQA, MANAGED BY ADVENTIST HEALTHCARE, IS AN

INNOVATIVE HEALTHCARE DELIVERY NETWORK IN WHICH PARTICIPATING PRACTICES

AND THEIR PATIENTS BENEFIT FROM THE VALUE CREATED BY THE ALLIANCE.

2) PRIMARY CARE:

ADVENTIST HEALTHCARE, INC. CONTRACTS WITH MEDICAL FACULTY ASSOCIATES, INC.

(MFA) TO EMPLOY CERTAIN PHYSICIANS WHO SUPPORT THE CONTINUUM OF HEALTH

SERVICES OFFERED BY ADVENTIST HEALTHCARE. THE MFA IS THE LARGEST

MULTI-SPECIALTY PHYSICIAN PRACTICE IN THE WASHINGTON, D.C. AREA. THE MFA

IS A NON-PROFIT ORGANIZATION INDEPENDENT OF THE GEORGE WASHINGTON

UNIVERSITY AND GW HOSPITAL. IT HAS MORE THAN 800 DOCTORS IN 51 MEDICAL

SPECIALTIES. THROUGH THIS CONTRACTUAL RELATIONSHIP, MFA EMPLOYS ABOUT 50

**Part VI** Supplemental Information (Continuation)

COMMUNITY PHYSICIANS IN A VARIETY OF MEDICAL AND SURGICAL SPECIALTIES TO  
SERVE ADVENTIST HEALTHCARE'S COMMUNITIES IN MONTGOMERY, FREDERICK, AND  
PRINCE GEORGE'S COUNTIES IN MARYLAND. MFA PROVIDES ADMINISTRATIVE,  
FINANCIAL MANAGEMENT, TECHNICAL AND BUSINESS SUPPORT SERVICES THAT ARE  
ESSENTIAL FOR PHYSICIANS TO PROVIDE QUALITY CARE AND OPERATE SUCCESSFUL  
PRACTICES.

3) AMBULATORY CARE EMR SUPPORT (ACES) PROGRAM:

ADVOCATING FOR COMMUNITY HEALTH IMPROVEMENTS IS A CORE STRATEGY IN  
ACHIEVING ADVENTIST HEALTHCARE'S MISSION. A PROGRAM THAT ADVENTIST  
HEALTHCARE OFFERS, WHICH IS AT THE CORE OF ADVOCATING FOR COMMUNITY HEALTH  
IMPROVEMENTS, IS AMBULATORY CARE EMR SUPPORT (ACES). THE ACES PROGRAM  
ASSISTS COMMUNITY PHYSICIANS WITH THE ACQUISITION AND IMPLEMENTATION OF  
ELECTRONIC MEDICAL RECORDS (EMRS). EMRS ENHANCE PATIENT CARE AND MAKES  
PRACTICES MORE EFFICIENT.

GOVERNMENT RELATIONS AND PUBLIC POLICY DEPARTMENT INITIATIVES:

IN 2018, ADVENTIST HEALTHCARE PARTNERED WITH NUMEROUS COMMUNITY  
ORGANIZATIONS TO PROMOTE HEALTH EQUITY IN THE COMMUNITIES WE SERVE AND TO  
ADDRESS SOCIAL DETERMINANTS OF HEALTH. BASED ON THE RESULTS OF OUR  
COMMUNITY HEALTH NEEDS ASSESSMENT WE HAVE FOCUSED OUR EFFORTS TO ADDRESS  
THE MOST PREVALENT HEALTH NEEDS WITHIN OUR REGION. WE HAVE CONTINUED OUR  
SUPPORT FOR MANA FOOD CENTER AS THEY WORK TO EXPAND THEIR ABILITY TO BRING  
HEALTHY FOOD TO COMMUNITIES IN NEED. ENSURING RESIDENTS HAVE ACCESS TO  
HEALTHY FOOD WILL HELP THEM LEAD HEALTHIER LIVES AND REDUCE OCCURRENCES OF  
DIABETES IN OUR COMMUNITY.

IN 2018, ADVENTIST HEALTHCARE LED AN EFFORT TO ADDRESS A WORKFORCE  
SHORTAGE WITHIN CARDIAC CATHETERIZATION LABS ACROSS THE STATE. WE WORKED  
WITH HOSPITALS, PHYSICIANS, AND THE STATE BOARD OF PHYSICIANS TO RECOGNIZE



**Part VI** Supplemental Information (Continuation)

A NEW MEDICAL PROFESSIONAL THAT CAN SUPPORT OPERATIONS WITHIN THIS CRITICAL SERVICE LINE. THROUGH OUR PARTNERSHIP WITH THE MARYLAND HOSPITAL ASSOCIATION, WE SUPPORTED EFFORTS TO EXPAND ACCESS TO CARE BY EXPANDING ACCESS TO QUALITY AFFORDABLE HEALTHCARE. WE WORK CLOSELY WITH LOCAL CHAMBERS OF COMMERCE TO SUPPORT ECONOMIC AND COMMUNITY DEVELOPMENT PROJECTS ACROSS MONTGOMERY COUNTY.

DISASTER PREPAREDNESS ACTIVITIES: ADVENTIST HEALTHCARE HAS TAKEN MANY MEASURES TO ENSURE OUR COMMUNITY HOSPITALS ARE READY AND PREPARED FOR EMERGENCY SITUATIONS, SUCH AS A MEDICAL SURGE IN PATIENTS, ACTIVE SHOOTER/ARMED INTRUDER SCENARIOS AND UNFORESEEN DISASTERS. THE SAFETY AND EMERGENCY MANAGEMENT TEAM OF EMPLOYEES SPENDS A LARGE PART OF THEIR TIME ON EMERGENCY MANAGEMENT. THIS INCLUDES MONTHLY MEETINGS WITH ALL ADVENTIST HEALTHCARE HOSPITALS AS WELL AS OTHER HOSPITALS AND RELATED AGENCIES IN THE COUNTY AND LARGER REGION, SUCH AS MONTGOMERY COUNTY HEALTH DEPARTMENT AND THE MARYLAND INSTITUTE FOR EMERGENCY MEDICINE SERVICE SYSTEMS (MIEMSS). THESE REGULAR MEETINGS OCCUR ON A COUNTY LEVEL THROUGH THE MOCEP GROUP, AND ON A LARGER REGIONAL LEVEL THROUGH MIEMSS REGION V. OUR TEAM PERFORMS TWO FULL SCALE EXERCISES EVERY YEAR TO TEST OUR EMERGENCY MANAGEMENT PROGRAMS, WHICH INVOLVES THE SIMULATION OF AN EMERGENCY OR DISASTER TO WHICH WE AND THE REST OF THE REGION MUST BE READY TO RESPOND TOGETHER. ADVENTIST HEALTHCARE ALSO HAS AN ENVIRONMENT OF CARE COMMITTEE, WHICH MEETS MONTHLY AT EACH OF OUR HOSPITALS. TIME IS ALLOCATED TO DISCUSS EMERGENCY MANAGEMENT MATTERS AT THESE MEETINGS.

**Part VI** Supplemental Information (Continuation)

HEALTH PARTNERSHIPS WITHIN THE COMMUNITY:

ADVENTIST HEALTHCARE AIMS TO IMPROVE THE HEALTH OF COMMUNITIES IT SERVES.

IT DOES THIS BY RAISING AWARENESS OF COMMUNITY HEALTH NEEDS AND LOCAL

DISPARITIES, IMPROVING ACCESS TO CULTURALLY APPROPRIATE CARE AND PROVIDING

COMMUNITY WELLNESS OUTREACH AND EDUCATION. A TEAM OF HEALTH EDUCATORS,

CLINICAL CARE COORDINATORS, NURSES, PATIENT NAVIGATORS, PUBLIC HEALTH

RESEARCHERS AND INTERNS WORK TOGETHER TO ENSURE THE DELIVERY OF

POPULATION-BASED CARE AND PROMOTE HEALTH EQUITY IN THE COMMUNITIES WE

SERVE.

ADVENTIST HEALTHCARE WORKS TO ADDRESS NOT JUST THE PHYSICAL AND MENTAL

HEALTH NEEDS OF OUR PATIENTS AND COMMUNITY MEMBERS, BUT TO ADDRESS

WHOLE-PERSON HEALTH. TO DO THIS, WE DEVELOP PARTNERSHIPS AND COLLABORATE

WITH KEY STAKEHOLDERS IN THE COMMUNITY. THROUGH COLLABORATION, WE CAN

EXPAND OUR EXPERTISE AND RESOURCES AND THEREFORE HAVE A LARGER COLLECTIVE

IMPACT ON THE HEALTH AND WELL-BEING OF OUR COMMUNITY. A SAMPLING OF OUR

PARTNERSHIPS IS DESCRIBED BELOW:

1) FAITH COMMUNITY NURSE NETWORK (FCN):

ADVENTIST HEALTHCARE, THROUGH OUR FAITH COMMUNITIES HEALTH NETWORK, SERVES

THE LOCAL COMMUNITIES OF FAITH BY "PROVIDING GUIDANCE AND EXPERTISE,

EMPOWERING THEM TO BECOME PLACES OF HEALTH AND HEALING, RESULTING IN

IMPROVED WHOLE PERSON HEALTH" (MISSION). OUR VISION SPEAKS TO THE

PARTNERSHIP WITH COMMUNITIES OF FAITH, WE PROMOTE HEALTH THROUGH FAITH

LEADERS, AND TOGETHER WE CAN HELP ACHIEVE A "THRIVING CULTURE

DEMONSTRATING PHYSICAL, MENTAL AND SPIRITUAL HEALING." LASTLY, OUR

COMMITMENT IS TO HELP OUR COMMUNITIES OF FAITH TO DEVELOP STRONG HEALTH

MINISTRIES TO REACH THE MEMBERS AND SURROUNDING COMMUNITIES. THIS IS

**Part VI** Supplemental Information (Continuation)

ACCOMPLISHED THROUGH THE ON-GOING TRAINING OF THE FAITH COMMUNITY NURSES,  
HEALTH MINISTERS, HEALTH TEAMS AND ADMINISTRATORS, SUPPLYING  
EVIDENCE-BASED EDUCATION AND TOOLS NECESSARY TO ASSESS THE NEEDS, OUTLINE  
LIFESTYLE STRATEGIES, IMPLEMENT HEALTH PROGRAMMING (BASED ON ASSESSMENT  
RESULTS), IDENTIFICATION AND MANAGEMENT OF DISEASE RISK FACTORS TO LOWER  
RISKS, ON-GOING MEASUREMENT AND EVALUATION OF HEALTH OUTCOMES, THEREBY  
INCREASING THE POTENTIAL FOR OPTIMAL HEALTH AND WHOLENESS.

LOCAL CHURCHES CAN BRING A HOLISTIC PERSPECTIVE TO AN UNDERSTANDING OF  
HEALTH AS BEING IN HARMONY WITH ONESELF, ONE'S GOD, OTHERS AND THE  
ENVIRONMENT. THE CHURCH IS A KNOWN AND TRUSTED PLACE WHERE PEOPLE FEEL  
COMFORTABLE IN THEIR MOST VULNERABLE HOUR. IT IS A NATURAL "REFERENCE  
POINT." IT IS NOT A NEW IDEA FOR CHURCHES TO DEVELOP AND IMPLEMENT HEALTH  
PROGRAMS. AT ADVENTIST HEALTHCARE, WE BELIEVE THIS TO BE A NATURAL,  
SYMBIOTIC PARTNERSHIP.

2) HEALTHY MONTGOMERY:

HEALTHY MONTGOMERY IS THE LOCAL HEALTH IMPROVEMENT COALITION FOR  
MONTGOMERY COUNTY, MARYLAND. ADVENTIST HEALTHCARE PARTNERS WITH AND  
SUPPORTS HEALTHY MONTGOMERY BOTH STRATEGICALLY AND FINANCIALLY.  
REPRESENTATIVES FROM ADVENTIST HEALTHCARE SIT ON THE HEALTHY MONTGOMERY  
STEERING COMMITTEE, THE HEALTH IN ALL POLICY WORKGROUP, AND THE HOSPITAL  
WORKGROUP, AMONG OTHERS. ADVENTIST HEALTHCARE ALSO CONTRIBUTES \$50,000  
ANNUALLY TO SUPPORT THE INFRASTRUCTURE OF HEALTHY MONTGOMERY.

PART III, LINE 2:

TO ESTIMATE THE COST OF BAD DEBT THAT WE HAVE REPORTED ON SCHEDULE H, WE  
MULTIPLIED THE ORGANIZATION'S COST TO CHARGE RATIO (CCR) TIMES THE BAD  
DEBT PROVISION THAT HAS BEEN REPORTED IN THE 2018 AUDITED FINANCIAL

**Part VI** Supplemental Information (Continuation)

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 II, COMMUNITY BUILDING ACTIVITIES, CONTINUED:

HEALTHY MONTGOMERY, IN PARTNERSHIP WITH COMMUNITY STAKEHOLDERS SUCH AS  
LOCAL POLICY MAKERS, HOSPITALS, ADVOCACY GROUPS AND ACADEMIC  
INSTITUTIONS, AMONG OTHERS, REVIEWS THE NEEDS AND RESOURCES IN THE  
COUNTY AND WORKS TO SET PRIORITIES FOR IMPROVING HEALTH AND WELL-BEING.  
THE OVERALL GOALS OF HEALTHY MONTGOMERY ARE TO IMPROVE ACCESS TO HEALTH  
AND SOCIAL SERVICES, ACHIEVE HEALTH EQUITY FOR ALL RESIDENTS, AND  
ENHANCE THE PHYSICAL AND SOCIAL ENVIRONMENT TO SUPPORT OPTIMAL HEALTH  
AND WELL-BEING. AMONG ITS MANY ACCOMPLISHMENTS, HEALTHY MONTGOMERY HAS  
BEEN ABLE TO PROVIDE LOCAL LEVEL DATA THAT IS STRATIFIED BY SEX, AGE,  
RACE, AND ETHNICITY. BY MAKING THIS DATA MORE EASILY AVAILABLE,  
COMMUNITY STAKEHOLDERS, ADVENTIST HEALTHCARE INCLUDED, ARE BETTER ABLE  
TO IDENTIFY NEEDS IN THE COMMUNITY THAT MAY HAVE OTHERWISE BEEN MASKED  
BY LESS GRANULAR DATA. THIS ALLOWS FOR MORE STRATEGIC AND TARGETED  
HEALTH PREVENTION AND PROMOTION PROGRAMMING TO BE DEVELOPED.

3) NEXUS MONTGOMERY:

NEXUS MONTGOMERY IS A PARTNERSHIP OF FOUR HEALTH SYSTEMS IN MONTGOMERY

**Part VI** Supplemental Information (Continuation)

COUNTY, MARYLAND, INCLUDING ADVENTIST HEALTHCARE. THE PARTNERSHIP IS  
FOCUSED ON IMPROVING THE WELL-BEING OF PATIENTS AND COMMUNITY MEMBERS  
AND REDUCING POTENTIAL AVOIDABLE UTILIZATION (PAU)'S AND TOTAL COST OF  
CARE. EXAMPLES OF STRATEGIES AND PROGRAMS THAT THE PARTNERSHIP HAS  
WORKED ON INCLUDE: WELLNESS AND INDEPENDENCE FOR SENIORS AT HOME  
(WISH), HOSPITAL CARE TRANSITIONS, UNINSURED/PROJECT ACCESS AND  
SEVERELY MENTALLY ILL/BEHAVIORAL HEALTH. THE GOALS OF THESE PROGRAMS  
ARE TO:

STABILIZE HEALTH OF OLDER ADULTS TO REDUCE HOSPITAL ADMISSIONS; IMPROVE  
TRANSITIONS FROM HOSPITAL-TO-HOME; CONNECT UNINSURED TO SPECIALTY CARE;  
IMPROVE COMMUNITY-BASED RESOURCES FOR THE SEVERELY MENTALLY ILL.

4) REBUILDING TOGETHER:

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND (CPF) PROVIDED  
REBUILDING TOGETHER MONTGOMERY COUNTY (RTMC) A \$25,000 GRANT IN 2018 TO  
PROVIDE FREE HOME REPAIR AND ACCESSIBILITY MODIFICATION SERVICES (E.G.  
STAIRLIFTS AND RAMPS) FOR ELIGIBLE ADVENTIST HEALTHCARE (AHC) PATIENTS  
RESIDING IN MONTGOMERY COUNTY, MD. THE PARTNERSHIP ALLOWED RTMC TO  
IMPROVE THE HOMES AND LIVES OF LOW-INCOME AND DISADVANTAGED PATIENTS  
DISCHARGED FROM AHC FACILITIES (WAH AND SGMC), AND REFERRALS WERE OPEN  
TO BOTH HOMEOWNERS AND RENTERS. UPON RECEIPT OF A REFERRAL, RTMC  
CONDUCTED AN EVALUATION OF THE ELIGIBLE CANDIDATE'S LIVING SITUATION  
AND CONDITIONS AND CONTACTED CONTRACTORS AS NEEDED TO COMPLETE THE  
MODIFICATIONS AND REPAIRS. OVERALL, RTMC MADE IMPROVEMENTS TO SEVEN  
HOMES WITH PEST AND HOARDING REMEDIATION, ACCESSIBILITY MODIFICATIONS,  
AND HVAC REPAIR AND REPLACEMENT SERVICES. SIX OF THE SEVEN HOUSEHOLDS  
REPORTED AN IMPROVEMENT IN QUALITY OF LIFE.

**Part VI** Supplemental Information (Continuation)

5) CASA:

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND (CPF) PROVIDED CASA  
DE MARYLAND \$110,000 TO SUPPORT THE LANGLEY PARK PROMISE NEIGHBORHOOD  
(LPPN) PROGRAM, AND JUSTICE AWARDS NIGHT IN 2018. THE LPPN AIMED TO  
SUPPORT PARENT ENGAGEMENT IN THEIR CHILDREN'S ACADEMIC CAREER; IMPROVE  
EARLY CHILDCARE PROGRAMMING AND SUPPORT; INCREASE HEALTHCARE ACCESS AND  
DEVELOP A MEDICAL HOME FOR LANGLEY PARK RESIDENTS; DEVELOP NEIGHBORHOOD  
SAFETY PROGRAMS; SUPPORT SMALL BUSINESSES; AND ADVOCATE FOR AFFORDABLE,  
HIGHER QUALITY HOUSING.

CASA PRODUCED MANY POSITIVE OUTCOMES ACROSS THEIR PROGRAM AREAS FROM  
OUR PARTNERSHIP. REGARDING FAMILY ENGAGEMENT, CASA PILOTED AN ESOL  
CLASS DESIGNED TO INCREASE PARENTS' ENGLISH PROFICIENCY TO ENABLE THEM  
TO ADVOCATE EFFECTIVELY FOR THEIR CHILDREN WITHIN THE PUBLIC SCHOOL  
SYSTEM; 13 PRINCE GEORGE'S COUNTY PUBLIC SCHOOL (PGCPS) TEACHERS  
PARTICIPATED IN THE TEACHER-PARENT CONNECTIONS INSTITUTE; AND 43  
PARENTS PARTICIPATED IN A FAMILY ENGAGEMENT SERIES ON COLLEGE AND  
CAREER READINESS. CASA ALSO ENROLLED 1,227 RESIDENTS IN ACA HEALTH  
INSURANCE PLANS AND 422 LANGLEY PARK FAMILIES (527 INDIVIDUALS) WERE  
ASSISTED IN ENROLLING IN AN ACA HEALTH INSURANCE PLAN. THROUGH THE  
HEALTH HOTLINE, CASA INFORMED 529 LANGLEY PARK RESIDENTS ON HEALTH  
INSURANCE ENROLLMENT PROCEDURES AND MADE 1,509 REFERRALS FOR PRIMARY  
CARE AND HEALTH SCREENINGS. ADDITIONALLY, CASA COUNSELED AND PROVIDED  
TECHNICAL ASSISTANCE TO 79 ENTREPRENEURS AND SMALL BUSINESS OWNERS AND  
63 PEOPLE ATTENDED SMALL BUSINESS LEADERSHIP DEVELOPMENT MEETINGS. CASA  
ALSO COMPLETED SIX CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN  
(CPTED) ASSESSMENTS OF CRIME HOTSPOTS IN LANGLEY PARK, INITIATED  
SPANISH LANGUAGE COURSES FOR 15 POLICE OFFICERS, AND COMPLETED THE

**Part VI** Supplemental Information (Continuation)

FIRST YEAR OF A GANG PREVENTION AND INTERVENTION PROGRAM FOR 50

GRADUATING STUDENTS.

6) MONTGOMERY COALITION FOR ADULT ENGLISH LITERACY (MCAEL):

MONTGOMERY COALITION FOR ADULT ENGLISH LITERACY (MCAEL) LEADS A NETWORK

OF MORE THAN 60 ADULT ENGLISH LANGUAGE INSTRUCTION PROGRAMS IN

MONTGOMERY COUNTY. THEY BUILD LOCAL CAPACITY AND ADVOCATE FOR IMPROVED

SERVICES AND RESOURCES FOR ADULT ENGLISH LANGUAGE LEARNERS AND ENABLE

THEM TO DEVELOP LITERACY SKILLS THROUGH ENGLISH AS A SECOND LANGUAGE

(ESOL) CLASSES. THE GOAL OF THE PROGRAM IS TO STRENGTHEN THE ENGLISH

LANGUAGE LEARNERS' SKILLS AND KNOWLEDGE SO THAT THEY ARE BETTER ABLE TO

ACCESS EMPLOYMENT, EARN FAMILY-SUSTAINING WAGES, HELP THEIR CHILDREN

WITH ACADEMICS, OR ACHIEVE CITIZENSHIP.

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND GRANTED MCAEL WITH

\$10,000 IN 2018 TO WORK WITH BF SAUL AND GEICO TO HOLD ESOL CLASSES FOR

THEIR EMPLOYEES. FOR BF SAUL, THEY HELD THREE BEGINNING LEVEL AND

LITERACY LEVEL CLASSES TWICE A WEEK TOTALING 60 HOURS OF INSTRUCTIONS

FOR 11 EMPLOYEES. OF THE BEGINNING LEVEL CLASS, 80% (4/5 STUDENTS) WERE

ABLE TO DESCRIBE THREE THINGS THEY DO AT WORK AND THREE APPLIANCES USED

AT WORK; NAME 10 BODY PARTS AND THREE SYMPTOMS OF DISEASE; WRITE A

PERSONAL CHECK; AND DESCRIBE HOW TO RETURN AN ITEM AT A STORE. OF THE

LITERACY LEVEL CLASS, 100% (6 STUDENTS) REPORTED THEY WERE ABLE TO

UNDERSTAND MORE ENGLISH; WRITE THEIR ADDRESS AND PHONE NUMBER; NAME

WORK TOOLS, ANSWER QUESTIONS AND ASK FOR HELP AT WORK; AND NAME THREE

BODY PARTS AND TELL SOMEONE IF THEY HAD A STOMACHACHE OR HEADACHE. FOR

GEICO, TWO CLASSES (40 HOURS OF INSTRUCTION) FOCUSED ON BUSINESS

WRITING WERE HELD FOR NINE MALE LEARNERS. ALL REPORTED INCREASED

CONFIDENCE AND SKILLS IN BUSINESS WRITING. THEY WERE EQUIPPED WITH THE

**Part VI** Supplemental Information (Continuation)

SKILLS TO WRITE AN RFP TO OUTSIDE CONTRACTORS, COMPLETE PERFORMANCE

APPRAISALS, SET SMART GOALS, AND COMPLETE WORK ORDERS.

7) ADVENTIST COMMUNITY SERVICES OF GREATER WASHINGTON (ACSGW):

ADVENTIST COMMUNITY SERVICES OF GREATER WASHINGTON (ACSGW) PROVIDES

CASE MANAGEMENT, FOOD, CLOTHING, EMERGENCY FINANCIAL ASSISTANCE,

COMMUNITY HEALTH PROGRAMS, AND WORKFORCE DEVELOPMENT TRAINING (E.G.

ESOL, GED, AND BASIC TO ADVANCED COMPUTER SKILLS) TO SEVERAL LOCAL

CHURCH CONGREGATIONS. ACSGW CURRENTLY SERVES OVER 6,000 FAMILIES IN THE

GREATER WASHINGTON COMMUNITY. THE ADVENTIST HEALTHCARE COMMUNITY

PARTNERSHIP FUND GRANTED ACSGW \$5,000 FOR THEIR 2018 MAKING TRACKS

ACADEMIC ENRICHMENT PROGRAM. THE FOOD, FUN, FITNESS & FUNDAMENTALS

SUMMER CAMP HOSTED 150 STUDENTS FROM GALWAY ELEMENTARY SCHOOL. THE

STUDENTS PARTICIPATED IN ACADEMIC ENRICHMENT, FITNESS AND RECREATIONAL

ACTIVITIES AND LIFE-SKILLS TRAINING. OVER THE SIX-WEEK CAMP, STUDENTS

RECEIVED 6,000 MEALS FOR THE WEEKEND. BY THE END OF THE CAMP, ACSGW

OBSERVED A 20% ACADEMIC IMPROVEMENT WITH MATH, READING AND LANGUAGE

ARTS SKILLS AMONG STUDENTS.

8) COMMUNITY BRIDGES:

COMMUNITY BRIDGES IS A YOUTH DEVELOPMENT ORGANIZATION COMMITTED TO

SERVING LOW-INCOME AND IMMIGRANT GIRLS IN MONTGOMERY COUNTY. THEY

PROVIDE DAILY, WEEKEND, AND AFTER-SCHOOL PROGRAMMING IN TWELVE

ELEMENTARY, MIDDLE AND HIGH SCHOOLS IN MONTGOMERY COUNTY. THEIR

PROGRAMS INCLUDE POSITIVE YOUTH DEVELOPMENT, HEALTH AND NUTRITION, AND

INTERVENTION SERVICES.

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND SPONSORED THE GIRL

LEGACY FUNDRAISING EVENT AT THE \$5,000 LEVEL. THE FUNDS RAISED FROM THE



**Part VI** Supplemental Information (Continuation)

GALA SUPPORTED THE HEALTHY BRIDGES PROGRAM WHICH TEACHES GIRLS THE IMPORTANCE OF A HEALTHY LIFESTYLE THROUGH FITNESS, NUTRITION, GOAL-SETTING, AND BODY IMAGE/SELF-ESTEEM WORKSHOPS.

PART II, COMMUNITY BUILDING ACTIVITIES, CONTINUED:

9) IDENTITY:

IDENTITY IS A NON-PROFIT AIMED AT CREATING OPPORTUNITIES FOR LATINO AND OTHER MULTICULTURAL YOUTH IN MONTGOMERY COUNTY TO REALIZE THEIR HIGHEST POTENTIAL THROUGH INCREASED RESILIENCE AGAINST NEGATIVE BEHAVIORS AND INCREASED SELF-MANAGEMENT AND SELF-EFFICACY. THEIR PROGRAMS PROVIDE SOCIAL AND EMOTIONAL SUPPORT, ACADEMIC AID, AND WORKFORCE DEVELOPMENT SKILL-BUILDING SUPPORTED BY WRAPAROUND SERVICES, INCLUDING FAMILY CASE MANAGEMENT, BEHAVIORAL HEALTH (INDIVIDUAL, FAMILY AND GROUP THERAPY UTILIZING BOTH TRADITIONAL AND NON-TRADITIONAL TECHNIQUES), ACCESS TO HEALTHCARE AND FITNESS AND RECREATION. ALL PROGRAMS ARE TRAUMA-INFORMED AND ARE BASED ON THE POSITIVE YOUTH DEVELOPMENT MODEL.

THE ADVENTIST HEALTHCARE COMMUNITY PARTNERSHIP FUND GRANTED IDENTITY \$15,000 IN 2018 FOR THEIR SOCIAL AND EMOTIONAL HEALTH FOR VULNERABLE YOUTH AND FAMILIES PROGRAM. THE FUNDING ALLOWED IDENTITY TO PROVIDE SOCIAL-EMOTIONAL SUPPORTS FOR LOW-INCOME, ELEMENTARY, MIDDLE AND HIGH SCHOOL YOUTH, THEIR PARENTS/CAREGIVERS, AND DISCONNECTED OLDER YOUTH THROUGH SOCIAL-EMOTIONAL HEALTH CURRICULA; A SOCCER AND MENTORING PROGRAM; RECREATION AND PHYSICAL FITNESS PROGRAMS; AND MENTAL HEALTH AND SUBSTANCE ABUSE COUNSELING.

10) ANTI-TOBACCO ADVOCACY:

MARYLAND'S LEGISLATURE PROPOSED A LAW RAISING THE MINIMUM AGE TO BUY TOBACCO PRODUCTS FROM 18 TO 21. ADVENTIST HEALTHCARE ADVOCATED IN

Part VI Supplemental Information (Continuation)

SUPPORT OF THIS LAW BY SUBMITTING WRITTEN TESTIMONY TO THE LEGISLATIVE COMMITTEES AND MEETING WITH LEGISLATORS IN SUPPORT OF THE BILL. WORKING ALONGSIDE MANY OTHER STAKEHOLDERS, WE SUCCESSFULLY PERSUADED THE MARYLAND GENERAL ASSEMBLY TO PASS THE BILL AND RAISE THE AGE TO PURCHASE TOBACCO TO 21.

ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC. AND ADVENTIST HEALTHCARE AS A SYSTEM CONTINUES TO PROVIDE COMMUNITY BUILDING ACTIVITIES IN 2019. PROVIDING COMMUNITY BUILDING ACTIVITIES IS ESSENTIAL TO ACHIEVING AND MAINTAINING OUR MISSION.

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:

MEDICARE: IN ORDER TO DETERMINE THE COST OF PROVIDING MEDICARE SERVICES, WE MULTIPLIED TOTAL MEDICARE CHARGES PER THE HOSPITAL'S GENERAL LEDGER TIMES THE COST TO CHARGE RATIO REFLECTED IN THE ENTITY'S INCOME STATEMENT.

Part VI Supplemental Information (Continuation)

WE ESTIMATED TOTAL PAYMENTS RECEIVED BY MULTIPLYING THE HISTORICAL COLLECTION PERCENTAGE OF MEDICARE ACCOUNTS TIMES TOTAL MEDICARE CHARGES AS REPORTED IN THE HOSPITAL'S GENERAL LEDGER.

THE DEFICIT REPORTED REPRESENTS THE DIFFERENCE BETWEEN TOTAL ESTIMATED MEDICARE RECEIPTS AND TOTAL ALLOWABLE ESTIMATED COSTS INCURRED TO TREAT THE HOSPITAL'S MEDICARE PATIENTS.

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 15 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.

**Part VI** Supplemental Information (Continuation)

3) WHEN A DEBTOR EXPRESSES A DESIRE TO COMPLETE THE APPLICATION FOR FINANCIAL ASSISTANCE, THEY WILL BE REFERRED TO THE OFFICE OF ADVENTIST HEALTHCARE'S MANAGER OF COLLECTIONS / CUSTOMER SERVICE (301-315-3660). THE COLLECTION AGENCY WILL PLACE THE ACCOUNT ON "HOLD" FOR 2 WEEKS TO ALLOW THE DEBTOR AMPLE TIME TO COMPLETE A FINANCIAL ASSISTANCE APPLICATION.

4) WHEN THE DEBTOR HAS COMPLETED THE APPLICATION FOR FINANCIAL ASSISTANCE, AND BEEN APPROVED, THE AGENCY WILL RECEIVE IMMEDIATE NOTIFICATION FROM THE MANAGER OF COLLECTIONS/CUSTOMER SERVICE. NOTIFICATION WILL INCLUDE THE AMOUNT OF DEBT REDUCTION THE DEBTOR QUALIFIED FOR. THE MANAGER OF COLLECTIONS/CUSTOMER SERVICE WILL ADJUST THE DEBTOR'S BALANCE ON ADVENTIST HEALTHCARE'S BOOKS.

PART VI, LINE 2:

ADVENTIST HEALTHCARE REHABILITATION IS A MEMBER OF ADVENTIST HEALTHCARE WHICH FORMED A COMMUNITY BENEFIT COUNCIL (CBC) IN 2011 TO GUIDE ITS COMMUNITY BENEFIT ACTIVITIES AND STRATEGY. THE COMMUNITY BENEFIT COUNCIL HAS REPRESENTATION FROM EACH OF THE FIVE HOSPITAL ENTITIES AS WELL AS ADDITIONAL KEY SYSTEM-WIDE DEPARTMENTS SUCH AS FINANCE, POPULATION HEALTH AND MISSION INTEGRATION. THE COUNCIL IS CHAIRED BY MARILYN LYNK, PHD, EXECUTIVE DIRECTOR OF THE CENTER FOR HEALTH EQUITY AND WELLNESS. THE COUNCIL ALSO LEADS THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS AND THE DEVELOPMENT AND MONITORING OF EACH HOSPITAL'S IMPLEMENTATION STRATEGY. IN ADDITION TO COMPLETING OUR CHNAS EVERY THREE YEARS, ADVENTIST HEALTHCARE ASSESSES THE NEEDS OF THE COMMUNITY WE SERVE THROUGH SEVERAL METHODS:

> REPRESENTATIVES FROM ADVENTIST HEALTHCARE ALSO SERVE ON THE STEERING COMMITTEE FOR HEALTHY MONTGOMERY, THE LOCAL HEALTH IMPROVEMENT COALITION.

**Part VI** Supplemental Information (Continuation)

BY SERVING ON THE STEERING COMMITTEE, AS WELL AS SEVERAL SUB-COMMITTEES,  
WE ARE ABLE TO STAY APPRISED OF EXISTING AND DEVELOPING HEALTH NEEDS IN  
THE COMMUNITY AND ARE ABLE TO WORK WITH OTHER STAKEHOLDERS TO DEVELOP  
STRATEGIES FOR ADDRESSING THEM.

> ON A QUARTERLY BASIS, ADVENTIST HEALTHCARE ALSO CREATES INTERNAL EQUITY  
REPORTS. THESE REPORTS PROVIDE A SNAPSHOT OF THE PATIENT POPULATION THAT  
WE ARE SEEING IN OUR HOSPITALS. WE REVIEW DATA SUCH AS RACE, ETHNICITY,  
INSURANCE STATUS, READMISSIONS AND LANGUAGE. THIS DATA HELPS US TO BETTER  
UNDERSTAND WHO WE ARE SERVING AND GUIDES INTERNAL EFFORTS TO ADDRESS  
HEALTH EQUITY. FOR EXAMPLE, IT HELPS TO GUIDE DEVELOPMENT OF CULTURAL  
COMPETENCE TRAININGS AND RESOURCES AND INFORMS LANGUAGE ACCESS SERVICES  
PLANNING TO ENSURE WE HAVE SUFFICIENT RESOURCES IN PLACE TO MEET THE NEEDS  
OF OUR PATIENTS.

> WE ARE ALSO ABLE TO GATHER INFORMATION AROUND COMMUNITY NEEDS THROUGH  
OUR NUMEROUS COMMUNITY PARTNERSHIPS AND OUTREACH EFFORTS. THROUGH OUR  
PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS, WE ARE ABLE TO LEARN ABOUT THE  
NEEDS OF THE STAKEHOLDERS THOSE ORGANIZATIONS REPRESENT. WE ARE ALSO ABLE  
TO GATHER DATA DIRECTLY FROM THE COMMUNITY MEMBERS WE SERVE THROUGH  
OUTREACH AND EDUCATIONAL PROGRAMMING.

AT ADVENTIST HEALTHCARE REHABILITATION, WE STRIVE TO PROVIDE THE BEST  
CUSTOMER SERVICE EXPERIENCE POSSIBLE FOR OUR PATIENTS AND THEIR LOVED  
ONES. WE FOCUS ON EACH PATIENT INDIVIDUALLY AND CARE FOR THE WHOLE PERSON  
THROUGH THE REHABILITATIVE PROCESS. HEALTHSTREAM ADMINISTERS OUR CUSTOMER  
SATISFACTION SURVEYS AND WE CONTINUOUSLY ANALYZE OUR SCORES TO IMPROVE OUR  
OUTCOMES. WE ALSO REGULARLY CONVENE A PATIENT/FAMILY ADVISORY BOARD TO

**Part VI** Supplemental Information (Continuation)

RECEIVE FEEDBACK AND CONTINUE TO IMPROVE HOW WE OFFER CARE TO OUR PATIENTS  
AND COMMUNITY MEMBERS.

ACUTE REHABILITATION HOSPITALS THROUGHOUT THE COUNTRY ENTER DATA INTO A  
NATIONAL DATABASE AS A MEANS TO REPORT OUTCOMES AND AS A WAY TO EVALUATE  
AND IMPROVE OVERALL RESULTS. WE STRIVE TO GET EACH PATIENT BACK TO THE  
COMMUNITY AS QUICKLY AND SAFELY AS POSSIBLE. OUR OUTCOMES FOR PATIENTS  
DISCHARGED DURING A SPECIFIED PERIOD WERE REPORTED IN OUR 2013 AND 2016  
CHNAS.

THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) BREAKS DOWN THE  
DIAGNOSTIC CATEGORIES FOR PATIENTS THAT UTILIZE ACUTE REHABILITATION  
SERVICES INTO 21 REHAB IMPAIRMENT CATEGORIES CALLED RIC'S. THE 21 RIC'S  
ARE FURTHER GROUPED INTO CMGS OR CASE MIX GROUPS. ALL ACUTE REHAB  
HOSPITALS SUBMIT THEIR DATA TO CMS; THUS, WE CAN COMPARE OURSELVES TO  
OTHERS NATIONWIDE AS WELL AS TO OUR REGIONAL AREA, WHICH INCLUDES DE, MD,  
VA, DC, NC, SC, WV, GA AND FL. OUR VOLUMES ARE COMPARABLE TO THE NATION  
AND REGION. WE ARE PROUD TO HAVE A HIGHER PERCENTAGE OF BRAIN INJURY  
PATIENTS WHO ARE DISCHARGED TO COMMUNITY THAN THE NATION - THIS SPEAKS TO  
STRONG CLINICAL OUTCOMES WITH OUR BRAIN INJURY PROGRAM. OUR SPINAL CORD  
INJURY VOLUMES AND OUR STROKE VOLUMES ARE ALSO HIGHER DISCHARGED TO  
COMMUNITY AT A HIGHER RATE THAN THE NATION AND REGION.

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

**Part VI** Supplemental Information (Continuation)

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  
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:

ADVENTIST HEALTHCARE REHABILITATION PRIMARILY SERVES RESIDENTS OF  
MONTGOMERY AND PRINCE GEORGE'S COUNTIES IN MARYLAND.

OUR COMMUNITY BENEFIT SERVICE AREA (CBSA) IS BASED ON 85 PERCENT OF OUR  
DISCHARGES. THE CBSA IS DIVIDED INTO PRIMARY AND SECONDARY SERVICE AREAS.

**Part VI** Supplemental Information (Continuation)

SIXTY PERCENT OF DISCHARGES FALL INTO THE PRIMARY SERVICE AREA, WHICH

INCLUDED THE FOLLOWING ZIP CODES AND CITIES IN 2018:

BELTSVILLE (20705); BETHESDA (20814, 20817); DERWOOD (20855); GAITHERSBURG  
(20878, 20877, 20879); GERMANTOWN (20874); HYATTSVILLE (20782, 20783);  
LANHAM (20706); MONTGOMERY VILLAGE (20886); POTOMAC (20854); ROCKVILLE  
(20850, 20852, 20853); SILVER SPRING (20906, 20904, 20902, 20901, 20910,  
20903); TAKOMA PARK (20912).

THE SECONDARY SERVICE AREA ACCOUNTS FOR 25 PERCENT OF DISCHARGES AND

INCLUDED THE FOLLOWING ZIP CODES AND CITIES IN 2018:

BETHESDA (20816); BOWIE (20720, 20721); BOYDS (20841); BURTONSVILLE  
(20866); CAPITOL HEIGHTS (20743); CHEVY CHASE (20815); CLARKSBURG (20871);  
COLLEGE PARK (20740); COLUMBIA (20144, 21045); DAMASCUS (20872); DISTRICT  
HEIGHTS (20747); FREDERICK (21701, 21702, 21703); GAITHERSBURG (20882);  
GERMANTOWN (20876); GREENBELT (20770); HYATTSVILLE (20781, 20784, 20785);  
KENSINGTON (20895); LAUREL (20707, 20723, 20708); MOUNT RAINIER (20712);  
OLNEY (20832); POOLESVILLE (20837); RIVERDALE (20737); ROCKVILLE (20851);  
SILVER SPRING (20905); SUITLAND (20746); TEMPLE HILLS (20748); UPPER  
MARLBORO (20774); WASHINGTON (20011, 20018, 20015, 20019, 20012).

OUR COMMUNITY BENEFIT SERVICE AREA (CBSA), ENCOMPASSING 85 PERCENT OF ALL

DISCHARGES, INCLUDES 1,093,497 PEOPLE FROM THE FOLLOWING RACIAL/ETHNIC

CATEGORIES: 31.13% WHITE, 51.95% BLACK, 14% HISPANIC/LATINO, 5.63% ASIAN,

0.41% NATIVE AMERICAN, AND 0.07% NATIVE HAWAIIAN/PACIFIC ISLANDER

(POPULATION ESTIMATES BASED ON DISCHARGES IN 2016).



**Part VI** Supplemental Information (Continuation)

PART VI, LINE 5:

PROMOTION OF COMMUNITY HEALTH.

ADVENTIST HEALTHCARE REHABILITATION PARTNERS WITH COMMUNITY ORGANIZATIONS

AND AGENCIES TO PROVIDE EDUCATION ON PREVENTION AND REHABILITATION FOR

MANY HEALTH AND DISEASE-RELATED ISSUES FOR VALUABLE INPUT ON THE HEALTH

NEEDS OF COMMUNITY MEMBERS. THIS INCLUDES SENIOR CENTERS, CHURCHES,

SCHOOLS, SUPPORT GROUPS AND PROFESSIONAL ORGANIZATIONS. THE ADVENTIST

HEALTHCARE REHABILITATION-ROCKVILLE SITE IS ALSO THE HOST FACILITY FOR A

VARIETY OF SUPPORT GROUPS AND SPECIALTY THERAPEUTIC GROUPS FOR PATIENTS

PAST AND PRESENT ALONG WITH THEIR FAMILIES AND CAREGIVER NETWORKS. WE

PARTNER WITH CLINICS THAT SERVE THE LOW-INCOME RESIDENTS OF MONTGOMERY

COUNTY, MANY OF WHOM ARE LIMITED ENGLISH PROFICIENT AND/OR RACIAL AND

ETHNIC MINORITIES. ONE OF ADVENTIST HEALTHCARE REHABILITATION'S SAFETY NET

CLINIC PARTNERS IS MERCY HEALTH CLINIC, WHICH PROVIDES PRIMARY CARE TO

UNINSURED, LOW-INCOME ADULT RESIDENTS OF MONTGOMERY COUNTY. WE ALSO

PARTNER WITH MERCY HEALTH CLINIC BY PROVIDING FREE DIAGNOSTIC SERVICES/LAB

WORK TO THEIR UNINSURED PATIENTS. ANOTHER KEY PARTNER IS MOBILE MEDICAL

CARE (MOBILE MED), WHICH OPERATES THREE MOBILE HEALTHCARE VEHICLES AND

PROVIDES PRIMARY AND PREVENTATIVE HEALTHCARE TO THE UNINSURED, LOW INCOME,

WORKING POOR, AND HOMELESS IN MONTGOMERY COUNTY. WE ALSO PARTNER WITH

MOBILE MED BY PROVIDING FREE DIAGNOSTIC SERVICES/LAB WORK TO THEIR

UNINSURED PATIENTS. IN 2018, THESE CLINICS WERE ALSO SUPPORTED WITH CASH

DONATIONS FROM ADVENTIST HEALTHCARE THROUGH OUR COMMUNITY PARTNERSHIP

FUND.

AS PART OF A PARTNERSHIP WITH THE MONTGOMERY CARES/PRIMARY CARE COALITION

INITIATIVE, ADVENTIST HEALTHCARE REHABILITATION PROVIDES ALMOST 150

Part VI Supplemental Information (Continuation)

PHYSICAL THERAPY VISITS ANNUALLY FOR UNINSURED, LOW-INCOME MONTGOMERY COUNTY RESIDENTS.

AN ADDITIONAL KEY COMMUNITY PARTNERSHIP IS THAT WITH MONTGOMERY COUNTY PUBLIC SCHOOLS. BEGINNING IN 2013, ADVENTIST HEALTHCARE REHABILITATION BEGAN PROVIDING BASELINE CONCUSSION TESTING FOR STUDENT ATHLETES. IN THE EVENT THAT AN INJURY OCCURS, THE EXAMS ARE USED TO COMPARE WITH POST-INJURY TESTS. ADVENTIST HEALTHCARE REHABILITATION ALSO PROVIDES SUPPORT IN THE FORM OF ATHLETIC TRAINERS ON SITE AT THE SCHOOLS TO WORK TO KEEP ATHLETES SAFE FROM THE DANGERS OF CONCUSSIONS AND OTHER SPORTS INJURIES, PROVIDE SIDELINE CARE AT GAMES, AND MANAGE RETURN-TO-PLAY PROTOCOL. ADVENTIST HEALTHCARE REHABILITATION IS CURRENTLY PROVIDING THESE SERVICES TO 13 MONTGOMERY COUNTY HIGH SCHOOLS.

IN ADDITION TO THE FORMAL ADVISORY BOARD THAT HELPS ADDRESS COMMUNITY NEEDS, THE STAFF OF ADVENTIST HEALTHCARE AND ADVENTIST HEALTHCARE REHABILITATION PARTICIPATES IN VARIOUS WAYS IN THE COMMUNITY. IN ORDER TO OBTAIN INPUT AND GUIDANCE FROM THOSE WE SERVE, WE ESTABLISHED A PATIENT-FAMILY ADVISORY COUNCIL WHICH KEEPS OUR PROGRAMS AND SERVICES RELEVANT TO THE COMMUNITY'S HEALTH NEEDS AND ALLOWS FOR DIRECT DIALOGUE WITH OUR CUSTOMERS. FURTHER, WE ACTIVELY PARTICIPATE IN NUMEROUS COMMITTEES, COALITIONS, AND PARTNERSHIPS THAT PROVIDE INFORMATION ON THE HEALTH NEEDS IN THE COMMUNITY, SUCH AS HEALTHY MONTGOMERY, THE LOCAL HEALTH IMPROVEMENT COALITION. THE HEALTH PROFESSIONALS THAT PROVIDE PROGRAMS IN THE COMMUNITY ALSO PROVIDE VALUABLE INFORMATION AND KNOWLEDGE OF COMMUNITY NEEDS.

PART VI, LINE 6:

**Part VI** Supplemental Information (Continuation)

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 WASHINGTON ADVENTIST HOSPITAL, ADVENTIST  
HEALTHCARE BEHAVIORAL HEALTH & WELLNESS SERVICES, 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  
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.

**Part VI** Supplemental Information (Continuation)

OUR COMMITMENT TO THE COMMUNITY EXTENDS BEYOND OUR WALLS TO ENCOMPASS THE MOST VULNERABLE AND UNDERSERVED. IN 2018, THERE WERE APPROXIMATELY 766,386 OVERALL ENCOUNTERS ACROSS ALL OF OUR FACILITIES AND PROGRAMS. WE ALSO PROVIDED SIGNIFICANT CHARITY CARE AND COMMUNITY BENEFIT OF MORE THAN \$72.7 MILLION. AS ONE OF THE LARGEST EMPLOYERS IN THE STATE OF MARYLAND, WE ARE GRATEFUL TO HAVE THE DEDICATED COMMITMENT OF 6,711 EMPLOYEES AND ALMOST 1,615 VOLUNTEERS 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:

MD

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2018**

Open to Public Inspection

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.

Department of the Treasury  
Internal Revenue Service

Name of the organization **ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.** Employer identification number **20-1486678**

**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 filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" 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) 2018

**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) JOHN SACKETT CHAIR; EVP&COO,AHC &PRESIDENT, SGM	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	547,186.	182,406.	121,590.	124,728.	46,133.	1,022,043.	92,269.
(2) BRENT REITZ SECRETARY; PRESIDENT, ARHM	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	314,399.	92,640.	55,261.	71,949.	21,914.	556,163.	44,607.
(3) ERIK WANGSNESS PRESIDENT, WAH	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	418,944.	143,921.	100,536.	104,248.	24,843.	792,492.	73,997.
(4) GEORGE ROBERT GRANGE AVP, REHAB SERVICES	(i)	152,670.	28,680.	3,718.	9,572.	23,884.	218,524.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) GAIL PASARD SR. HR BUSINESS PARTNER	(i)	112,525.	20,760.	1,283.	12,084.	25,778.	172,430.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) MARIA SAUNAR DIRECTOR, NURSING	(i)	126,099.	22,632.	813.	8,194.	25,799.	183,537.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) VALERIE SUMMERLIN CHIEF NURSING OFFICER	(i)	189,293.	39,214.	3,318.	23,880.	5,947.	261,652.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) ELIZABETH KOTROBA AVP, OPERATIONS	(i)	116,006.	28,546.	1,195.	11,291.	24,733.	181,771.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(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:

COMPENSATION DEFINED. THE COMPENSATION REPORTED FOR THE EMPLOYEES SET

FORTH ON SCHEDULE J IS COMPRISED OF THE FOLLOWING:

BASE COMPENSATION INCLUDES NONDISCRETIONARY PAYMENTS, AGREED UPON IN

ADVANCE, CONTINGENT ONLY UPON THE PAYEES' PERFORMANCE OF AGREED UPON

SERVICES (SUCH AS SALARY OR FEES).

INCENTIVE COMPENSATION INCLUDES PAYMENTS BASED ON SATISFACTION OF

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

EMPLOYEE AND CUSTOMER ENGAGEMENT GOALS, ORGANIZATIONAL GROWTH, AND

FINANCIAL PERFORMANCE, AMONG OTHER THINGS.

OTHER REPORTABLE COMPENSATION INCLUDES 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 2016 WERE GENERALLY DISTRIBUTED ON JANUARY 1, 2018 AND

**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.

CONTRIBUTIONS ACCUMULATED IN 2017 WILL GENERALLY BE DISTRIBUTED ON JANUARY  
1, 2019. IN ADDITION, OTHER REPORTABLE COMPENSATION 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, TAXABLE PAYABLE PAY, 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; HOWEVER, EXECUTIVES LISTED ON THIS TAX RETURN HAVE NOT YET RECEIVED  
THIS BENEFIT SINCE THEY HAVE NOT MET THE VESTING REQUIREMENTS.

NON-TAXABLE BENEFITS INCLUDES PRE-TAX PAYROLL DEDUCTIONS (SUCH AS FLEXIBLE  
MEDICAL SPENDING, DEPENDENT CARE, AND EMPLOYEE HEALTH BENEFIT PREMIUM), AND  
THE EMPLOYER PORTION OF CERTAIN EMPLOYEE BENEFITS SUCH AS HEALTH INSURANCE,  
DENTAL INSURANCE, VISION INSURANCE, LIFE INSURANCE, BASE CONTRIBUTIONS TO  
RETIREMENT PLANS, MATCHING OF EMPLOYEES' RETIREMENT CONTRIBUTIONS, ETC.

PAY PRACTICE: ADVENTIST HEALTHCARE UTILIZES A SINGLE EMPLOYER ID FOR ALL  
ITS AFFILIATED ENTITIES FOR EMPLOYMENT PURPOSES. AS SUCH, ACTUAL



**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.

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 SAFE GUARDS  
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 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)

**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.

OF THE MARKET.

PART I, LINE 4B:

CERTAIN EMPLOYEES RECEIVED COMPENSATION FROM 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 2016 WERE GENERALLY DISTRIBUTED ON JANUARY 1, 2018 AND  
CONTRIBUTIONS ACCUMULATED IN 2017 WILL GENERALLY BE DISTRIBUTED ON JANUARY  
1, 2019. 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).

**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

**2018**

Open to Public  
Inspection

Name of the organization	ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number	20-1486678
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FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

EXPERT CARE TEAMS WORKING SIDE-BY-SIDE WITH PATIENTS, USING INNOVATIVE

THERAPIES, STATE-OF-THE-ART EQUIPMENT AND GROUND-BREAKING TECHNOLOGY

COMBINE TO OFFER NEW WAYS TO HEAL. ADVENTIST HEALTHCARE REHABILITATION

IS BUILT AROUND OUR PATIENTS AND LEADS THE WAY BACK TO LIFE FROM

STROKE, BRAIN INJURY, SPINAL CORD INJURY, AMPUTATION AND TRAUMA. EVERY

DAY, WE CELEBRATE PATIENT ADVANCES, BIG AND SMALL.

WE HAVE RECENTLY UPGRADED OUR SERVICES THROUGH THE ADDITION OF AN

ACCESSIBLE VAN, REHABILITATION EQUIPMENT (SUCH AS POWER WHEEL CHAIRS OR

LIGHT/SPORT WHEEL CHAIRS) A CAR SIMULATOR FOR PRACTICE CAR TRANSFERS

AND SLEEPER CHAIRS. WE HAVE INPATIENT LOCATIONS IN ROCKVILLE AND TAKOMA

PARK WITH OUTPATIENT SERVICES IN ROCKVILLE, GAITHERSBURG AND SILVER

SPRING.

WE OFFER SPECIALIZED INPATIENT AND OUTPATIENT TREATMENT FOR PERSONS

WITH FUNCTIONAL LIMITATIONS, CARING FOR PATIENTS 18 AND OLDER AND,

UNDER SPECIAL CIRCUMSTANCES, EMANCIPATED MINORS. OUR MANY

REHABILITATION PROGRAMS AND SERVICES INCLUDE:

ACUTE INPATIENT REHABILITATION,

SPINAL CORD INJURY,

AMPUTE PROGRAM STROKE,

BRAIN INJURY,

ORTHOPEDIC PROGRAMS,

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

Schedule O (Form 990 or 990-EZ) (2018)

832211 10-10-18

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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ORTHOPEDIC REHABILITATION,  
 PROSTHETICS & ORTHOTICS,  
 OUTPATIENT SERVICES,  
 DRIVER REHABILITATION PROGRAM,  
 LYMPHEDEMA THERAPY,  
 JOINT REPLACEMENT PROGRAM,  
 SEATING & MOBILITY CLINIC,  
 LEE SILVERMAN VOICE TREATMENT (LSVT) SPEECH LANGUAGE & SWALLOWING  
 THERAPY.

ADVENTIST HEALTHCARE REHABILITATION IS ACCREDITED BY THE JOINT  
 COMMISSION. THE ACCREDITATION PROCESS ESTABLISHED BY THE COMMISSION IS  
 RECOGNIZED NATIONWIDE AS A SYMBOL OF QUALITY THAT REFLECTS AN  
 ORGANIZATION'S COMMITMENT TO MEETING PERFORMANCE STANDARDS.

ADVENTIST HEALTHCARE REHABILITATION IS THE FIRST HOSPITAL IN THE D.C.  
 METROPOLITAN AREA TO EARN A SPECIALTY ACCREDITATION IN AMPUTEE  
 REHABILITATION FROM THE COMMISSION ON ACCREDITATION OF REHABILITATION  
 FACILITIES (CARF) INTERNATIONAL. CARF INTRODUCED ITS AMPUTEE SPECIALTY  
 STANDARDS IN JULY 2007 WITH INPUT FROM THE AMPUTEE COALITION OF AMERICA  
 (ACA), VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF DEFENSE, AMERICAN  
 ACADEMY OF ORTHOTISTS & PROSTHETISTS, AND PERSONS WITH LIMB LOSS. THE  
 STANDARDS, WHICH BECAME EFFECTIVE IN JANUARY 2008, REQUIRE ACCREDITED  
 AMPUTEE PROGRAMS TO PROVIDE A HOLISTIC, INTERDISCIPLINARY TEAM APPROACH  
 TO CARE AND TO OFFER POST-CARE ASSISTANCE IN TRANSITIONING BACK TO THE  
 COMMUNITY. THE MOST RECENT CERTIFICATION TOOK PLACE IN THE FALL OF  
 2017.

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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OUR ACUTE INPATIENT REHABILITATION PROGRAM IS RUN BY A TEAM OF REHABILITATION EXPERTS WHO WILL GUIDE YOU ALONG A PRACTICAL AND PERSONAL TREATMENT PROGRAM FOCUSED ON INCREASING SELF-RELIANCE AND GAINING INDEPENDENCE. THE TEAM IS LED BY A PHYSIATRIST, A MEDICAL DOCTOR WHO SPECIALIZES IN PHYSICAL REHABILITATION. WE PROVIDE SPECIALIZED REHABILITATION NURSING 24 HOURS A DAY, SEVEN DAYS A WEEK. THERAPY SERVICES INCLUDE PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH LANGUAGE PATHOLOGY, AND RECREATIONAL THERAPY.

THE SPINAL CORD INJURY PROGRAM ADDRESSES BOTH TRAUMATIC SPINAL CORD INJURIES RESULT FROM A FALL OR ACCIDENT, AND NON-TRAUMATIC SPINAL CORD INJURIES THAT RESULT FROM A STROKE AND DISRUPTION TO THE SPINAL CORD, TUMOR ON SPINAL CORD, OR INFECTION. AGAIN, A TEAM APPROACH TO PUT TOGETHER AN INTERDISCIPLINARY PLAN OF CARE HELPS THE PATIENT ON THE ROAD TO RECOVERY.

OUR AMPUTEE PROGRAM UTILIZES AN INTERDISCIPLINARY TEAM APPROACH TO HELP POST-AMPUTEE PATIENTS TO ADJUST PHYSICALLY AND PSYCHOLOGICALLY AFTER THE LOSS OF A LIMB AND RESUME ACTIVE AND PRODUCTIVE LIVES. INDIVIDUALS MAY BE TREATED AS INPATIENTS OR OUTPATIENTS, DEPENDING ON THEIR PERSONAL NEEDS. PATIENTS WORK TO IMPROVE STRENGTH, COORDINATION AND ENDURANCE AND ALSO LEARN PROPER WOUND CARE. WHEN READY, OUR PATIENTS ARE PRESCRIBED PROSTHETIC DEVICES THAT ARE BOTH FUNCTIONAL AND COMFORTABLE TO WEAR. ONCE TINED WITH A NEW LIMB, THE PATIENT LEARNS TO USE THE PROSTHESIS WITH CONFIDENCE AND TO INCORPORATE IT INTO DAILY LIFE.

THE INTERDISCIPLINARY TEAM APPROACH OF THE BRAIN INJURY PROGRAM

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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ADDRESSES TRAUMATIC BRAIN INJURIES CAUSED BY AN EXTERNAL PHYSICAL FORCE, SUCH AS A CAR ACCIDENT, FALL, SPORTS OR WORKPLACE INJURIES, ETC.; AS WELL AS ACQUIRED BRAIN INJURIES CAUSED BY INTERNAL TRAUMA TO THE BRAIN, SUCH AS TUMORS, BLOOD CLOTS, SEIZURES, INFECTIONS, ETC. EACH OF THESE TYPES OF BRAIN INJURIES MAY RESULT IN IMPAIRMENT OF PHYSICAL, COGNITIVE, BEHAVIORAL, AND/OR EMOTIONAL CAPABILITIES. REHABILITATION FOLLOWING A BRAIN INJURY IS VERY COMPLEX BECAUSE OF THE NEED TO ADDRESS MULTIPLE AREAS OF DEFICIT, INCLUDING PHYSICAL IMPAIRMENTS, FUNCTIONAL DEFICIENCIES (SUCH AS DIFFICULTY WALKING OR DRESSING), BEHAVIORAL DIFFICULTIES, EMOTIONAL CONSEQUENCES AND SOCIAL OR INTERPERSONAL LIMITATIONS. OFTEN, SIGNIFICANT COGNITIVE DEFICITS, SUCH AS LIMITED ATTENTION SPAN OR POOR MEMORY, UNDERLIE AND EXACERBATE THESE PROBLEMS. PATIENTS IN OUR BRAIN INJURY PROGRAM RECEIVE INTENSIVE, INTEGRATED REHABILITATION DESIGNED TO MAXIMIZE THEIR RECOVERY. TEAM MEMBERS, INCLUDING A NEUROPSYCHOLOGIST, MEET AT LEAST ONCE A WEEK TO DISCUSS GOALS, PROGRESS AND TREATMENT STRATEGIES.

WE CONTINUE TO PARTNER WITH MONTGOMERY COUNTY PUBLIC SCHOOLS (MCPS) ON AN ATHLETIC TRAINING PROGRAM FOR COUNTY HIGH SCHOOL ATHLETES. THE PARTNERSHIP REQUIRES ALL HIGH SCHOOL ATHLETES TO UNDERGO A BASELINE EXAM PRIOR TO THEIR RESPECTIVE SPORTS SEASON.

OTHER PROGRAMS OFFERED INCLUDE A STROKE PROGRAM FOR RECOVERING STROKE PATIENTS TO TAKE PART IN AN INTENSIVE COURSE OF INTEGRATED THERAPY AND MEDICAL MANAGEMENT. THE OBJECTIVE IS TO RESTORE MOVEMENT, IMPROVE SPEECH, TEACH SELF-CARE AND HOME CARE SKILLS AND IMPROVE COGNITIVE AND MEMORY FUNCTIONS. STROKE PATIENTS AND THEIR FAMILIES WILL BE GUIDED THROUGH A PATIENT-FOCUSED, COMPREHENSIVE, AND OUTCOME-ORIENTED STROKE

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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PROGRAM BY A CARING, COMPETENT TEAM OF HEALTHCARE PROFESSIONALS.

THE ORTHOPEDIC REHABILITATION PROGRAM IS DESIGNED FOR THOSE WHO HAVE UNDERGONE A TOTAL HIP OR KNEE REPLACEMENT OR HAVE SUSTAINED TRAUMA TO BONES OR JOINTS. THE PROGRAM FOCUSES ON HELPING PATIENTS REGAIN THEIR STRENGTH, MOBILITY, ENDURANCE AND RANGE OF MOTION.

THE DRIVER REHABILITATION PROGRAM DETERMINES WHETHER IT IS SAFE FOR THE CLIENT TO CONTINUE DRIVING FOLLOWING AN INJURY/ILLNESS OR AGE-RELATED CHANGES. A DRIVING PROGRAM MAY INCLUDE A CLINICAL EVALUATION WHICH INCLUDES AN ASSESSMENT OF VISION, VISUAL PERCEPTION, COGNITION, REACTION TIME, AND MOTOR SKILLS RELATED TO DRIVING. IT MAY ALSO INCLUDE A BEHIND-THE-WHEEL EVALUATION, IN ADDITION TO TRAINING CONDUCTED BY AN OCCUPATIONAL THERAPIST WHO SPECIALIZES IN DRIVING REHABILITATION.

OUR CERTIFIED LYMPHEDEMA THERAPISTS PROVIDE A COMPLETE DECONGESTIVE TREATMENT APPROACH FOR PEOPLE SUFFERING FROM LYMPHEDEMA. THIS INVOLVES A SPECIALIZED MASSAGE TECHNIQUE CALLED MANUAL LYMPH DRAINAGE (MLD), SKIN AND NAIL CARE, COMPRESSION BANDAGING AND GARMENTS, REMEDIAL EXERCISE AND SELF-CARE TRAINING. THE GOAL OF OUR PROGRAM IS TO HELP INDIVIDUALS REDUCE INCREASE VOLUME RESULTING FROM LYMPHEDEMA, RESTORE MOBILITY, IMPROVE COSMESIS, PREVENT INFECTION, AND IMPROVE THEIR QUALITY OF LIFE.

A JOINT REPLACEMENT PROGRAM AT ADVENTIST HEALTHCARE REHABILITATION HELPS PATIENTS TO ACHIEVE GOALS FOR OPTIMAL RESULTS. ONE OF THE IMPORTANT CRITICAL FACTORS FOR SUCCESSFUL OUTCOMES FOLLOWING KNEE OR HIP REPLACEMENT FOR PATIENTS IS FOR PATIENTS TO DILIGENTLY FOLLOW THE

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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PHYSICAL REHABILITATION PROCESS. WE PROVIDE BOTH THE SUPPORT AND  
RESOURCES FOR A POSITIVE OUTCOME.

LEE SILVERMAN VOICE TREATMENT (LSVT)-CERTIFIED SPEECH LANGUAGE  
PATHOLOGISTS AT ADVENTIST HEALTHCARE REHABILITATION CAN COMPLETE A  
COMPREHENSIVE ASSESSMENT TO DETERMINE CANDIDACY FOR LSVT. LSVT IS A  
HIGHLY EFFECTIVE INTENSIVE SPEECH THERAPY PROGRAM DESIGNED FOR  
PARKINSON'S PATIENTS. LSVT IS DESIGNED TO IMPROVE SPEECH AND VOICE  
FUNCTION. THE THERAPY TARGETS VOCAL LOUDNESS IN ORDER TO TRIGGER  
IMPROVED FUNCTION AND COORDINATION ACROSS THE VARIOUS SUBSYSTEMS OF  
SPEECH. LSVT COMBINES MOTOR RETRAINING WITH SENSORY RE-TRAINING TO  
ELICIT MAXIMUM OUTCOMES. THE TREATMENT REGIMEN INCLUDES EMPHASIS ON  
PATIENT EDUCATION AND CARRYOVER OF GAINS TO DAILY COMMUNICATION  
ENVIRONMENTS. THE LSVT PROTOCOL INVOLVES FOUR 1-HOUR THERAPY SESSIONS  
PER WEEK FOR 4 WEEKS.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS, CONTINUED:  
ADVENTIST HEALTHCARE REHABILITATION IS BUILT AROUND OUR PATIENTS AND  
LEADS THE WAY BACK TO LIFE FROM STROKE, BRAIN INJURY, SPINAL CORD  
INJURY, AMPUTATION AND TRAUMA. EXPERT CARE TEAMS WORKING SIDE-BY-SIDE  
WITH PATIENTS, USING INNOVATIVE THERAPIES, STATE-OF-THE-ART EQUIPMENT  
AND GROUND-BREAKING TECHNOLOGY COMBINE TO OFFER NEW WAYS TO HEAL.

AS A NONPROFIT ORGANIZATION, ADVENTIST HEALTHCARE REHABILITATION  
HOSPITAL DEPENDS ON THIS SUPPORT AND DOLLAR FOR DOLLAR, EVERY DONATION  
MAKES A DIFFERENCE BY HELPING US MAINTAIN OUTSTANDING PROGRAMS AND  
SERVICES AND KEEP PACE WITH THE LATEST ADVANCES IN TECHNOLOGY AND  
EQUIPMENT FOR REHABILITATIVE CARE.



Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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ADVENTIST HEALTHCARE REHABILITATION ALSO FEATURES OUTPATIENT SERVICES

IN DOWNTOWN CROWN IN GAITHERSBURG, MD. EXPERT SERVICES ARE PROVIDED BY

PHYSICAL THERAPISTS AND PHYSICIANS WHO SPECIALIZE IN ORTHOPEDIC AND

SPORTS-RELATED INJURIES. THE REHABILITATION SERVICES PROVIDE CLIENTS

WITH EVIDENCE-BASED TREATMENT APPROACHES THAT ARE BOTH SAFE AND

EFFECTIVE FOR MANY SPORTS-RELATED INJURIES. COMMON CONDITIONS WE TREAT

INCLUDE: MUSCLE TEARS & TENDONITIS; BACK & NECK PAIN; LIGAMENT SPRAINS;

SPINAL DISC INJURIES; POST-SURGERY BONE FRACTURES & JOINT REPLACEMENT;

POST-SURGICAL LIGAMENT RECONSTRUCTION; SPORTS-RELATED INJURIES; AND

SCIATICA.

OUR OUTPATIENT SERVICES INCLUDE: CERTIFIED MANUAL THERAPISTS; FREE

INJURY SCREENINGS; DRY NEEDLING FOR PAIN MANAGEMENT AND ANTI-GRAVITY

TREADMILL EQUIPMENT.

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

ADVENTIST HEALTHCARE, INC. IS THE SOLE CORPORATE MEMBER OF ADVENTIST

REHABILITATION HOSPITAL OF MARYLAND, INC. WITH THE AUTHORITY TO APPROVE ITS

BOARD MEMBERSHIP.

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

THE BOARD OF TRUSTEES OF ADVENTIST HEALTHCARE, INC. APPOINTS THE MEMBERS OF

ADVENTIST REHABILITATION HOSPITAL OF MARYLAND GOVERNING BODY.

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

THE BOARD OF TRUSTEES APPROVES ALL ACTIONS OF MANAGEMENT.

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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FORM 990, PART VI, SECTION B, LINE 11B:

DURING THE PREPARATION PROCESS, EXECUTIVE MANAGEMENT TEAM REVIEWED VARIOUS SECTIONS OF THE DRAFT FORM 990 BASED ON A PLANNED COMPLETION TIME TABLE. IN ADDITION, THE EXECUTIVE COMMITTEE OF THE BOARD REVIEWED CERTAIN KEY SECTIONS OF THE FORM. PRIOR TO FILING, ALL MEMBERS OF THE BOARD ARE PROVIDED A COPY OF THIS FORM 990 THROUGH EMAIL, WHICH IS LINKED 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 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

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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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 CORPORATE COMPLIANCE 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 B, LINE 15:

WHEN SETTING COMPENSATION FOR EXECUTIVES, OFFICERS, KEY EMPLOYEES, AND ALL EMPLOYEES, THE ORGANIZATION FULLY COMPLIES WITH THE PROCEDURAL SAFEGUARDS EMBEDDED IN THE IRS REGULATIONS. COMPENSATION IS ENTIRELY SET BY A COMMITTEE OF THE BOARD OF TRUSTEES. IN SETTING COMPENSATION, THE GOVERNING BOARD COMMITTEE RELIES UPON MARKET COMPARABILITY DATA PROVIDED BY AN INDEPENDENT OUTSIDE COMPENSATION CONSULTANT. TO ENSURE REASONABLENESS, COMPENSATION IS SET AT THE 50TH PERCENTILE OF THE NATURAL MARKET.

GENERAL EXPLANATION:

EMPLOYEES OF ANY OF THE ADVENTIST HEALTHCARE INC. AND AFFILIATED TAX EXEMPT ENTITIES IN THE STATE OF MARYLAND (INCLUDING ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, 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

Name of the organization ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.	Employer identification number 20-1486678
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THE EMPLOYEES WORKING ON THE SPECIFIC TAX EXEMPT ENTITY.

COMPENSATION INCLUDED REGULAR BASE SALARY, BONUS, PAID TIME OFF CASH OUT

(ONLY FOR EMPLOYEES WHO LEAVE OUR ORGANIZATION), TAXABLE RELOCATION

ALLOWANCE, HOLIDAY GIFT, RETROACTIVE COMPENSATION ADJUSTMENT, BEREAVEMENT

LEAVE, EDUCATION, AND WITHDRAWAL OF DEFERRED COMPENSATION, AS APPLICABLE.

THE SAME AND NON-ADDITIVE COMPENSATION AND EMPLOYMENT BENEFIT PLAN

CONTRIBUTION AMOUNTS WERE ALSO DISCLOSED IN THE ADVENTIST HEALTHCARE INC.'S

RELATED ENTITIES RETURNS.

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 C, LINE 19:

THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL

STATEMENTS, ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

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

NET ORGANIZATION TRANSFERS	-614,911.
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**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,	HEALTHCARE & COMMUNITY SERVICE FOR IMPROVED HEALTH	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 WEST 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.

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

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

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, 2018 and 2017

# Adventist HealthCare, Inc. and Controlled Entities

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## **Independent Auditors' Report**

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

### **Report on the Consolidated 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, 2018 and 2017, 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 consolidated financial statements.

### **Management's Responsibility for the Consolidated 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 financial position of Adventist HealthCare, Inc. and controlled entities as of December 31, 2018 and 2017, 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.

## 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 38 to 42 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, 2019

## Adventist HealthCare, Inc. and Controlled Entities

Consolidated Balance Sheets  
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 41,673,365	\$ 40,714,884
Short-term investments	196,069,788	197,803,029
Assets whose use is limited	3,573,229	2,923,796
Patient accounts receivable	94,756,571	93,209,946
Other receivables	12,096,855	16,070,981
Inventories	8,611,875	9,410,777
Prepaid expenses and other current assets	<u>8,337,954</u>	<u>7,653,048</u>
Total current assets	365,119,637	367,786,461
<b>Property and Equipment, Net</b>	652,882,719	511,609,795
<b>Assets Whose Use is Limited</b>		
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks	139,004,400	244,332,570
Professional liability trust fund	11,128,261	11,878,591
Deferred compensation fund	1,300,086	1,403,371
<b>Cash and Cash Equivalents Temporarily Restricted for Capital Acquisitions</b>	1,512,793	2,322,753
<b>Investments and Investments in Unconsolidated Subsidiaries</b>	17,057,997	15,665,245
<b>Land Held for Healthcare Development</b>	45,404,765	47,660,070
<b>Intangible Assets, Net</b>	8,127,689	8,343,130
<b>Deposits and Other Noncurrent Assets</b>	<u>4,592,743</u>	<u>5,610,693</u>
Total assets	<u>\$ 1,246,131,090</u>	<u>\$ 1,216,612,679</u>

See notes to consolidated financial statements

## Adventist HealthCare, Inc. and Controlled Entities

Consolidated Balance Sheets

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 86,631,393	\$ 86,818,184
Accrued compensation and related items	37,155,567	37,260,446
Interest payable	9,775,665	9,747,294
Due to third party payors	19,981,019	17,818,402
Estimated self-insured professional liability	1,795,731	1,179,664
Current maturities of long-term obligations	<u>9,151,220</u>	<u>13,019,860</u>
Total current liabilities	164,490,595	165,843,850
<b>Construction Payable</b>	33,038,715	14,828,539
<b>Long-Term Obligations, Net</b>		
Bonds payable	546,699,908	551,211,489
Notes payable	21,295,957	22,089,282
Capital lease obligations	10,096,187	11,229,970
<b>Derivative Financial Instrument</b>	503,251	1,145,303
<b>Other Liabilities</b>	10,257,050	11,963,765
<b>Estimated Self-Insured Professional Liability</b>	<u>14,929,354</u>	<u>13,082,881</u>
Total liabilities	<u>801,311,017</u>	<u>791,395,079</u>
<b>Net Assets</b>		
Net assets without donor restrictions	439,571,362	417,328,975
Net assets with donor restrictions	<u>5,248,711</u>	<u>7,888,625</u>
Total net assets	<u>444,820,073</u>	<u>425,217,600</u>
Total liabilities and net assets	<u><u>\$ 1,246,131,090</u></u>	<u><u>\$ 1,216,612,679</u></u>

See notes to consolidated financial statements



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

## Consolidated Statements of Operations

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Patient service revenue	\$ 779,303,420	\$ 801,836,667
Provision for doubtful collections	-	(31,782,541)
Net patient service revenue	779,303,420	770,054,126
Other revenues	41,246,589	38,064,322
Total revenues	<u>820,550,009</u>	<u>808,118,448</u>
<b>Expenses</b>		
Salaries and wages	366,176,376	360,720,746
Employee benefits	72,221,612	68,630,252
Contract labor	35,754,655	39,039,683
Medical supplies	104,580,658	103,013,363
General and administrative	122,362,912	122,036,220
Building and maintenance	41,344,766	41,922,317
Insurance	9,113,009	5,674,763
Interest	11,951,282	10,353,452
Depreciation and amortization	38,120,194	36,463,353
Total expenses	<u>801,625,464</u>	<u>787,854,149</u>
Income from operations	<u>18,924,545</u>	<u>20,264,299</u>
<b>Other Income (Expense)</b>		
Investment income	2,284,965	8,232,502
Other income (expense)	143,382	(1,994,397)
Total other income	<u>2,428,347</u>	<u>6,238,105</u>
Revenues in excess of expenses from continuing operations	21,352,892	26,502,404
Change in net unrealized (losses) gains on investments other than trading securities	(3,582,832)	2,582,625
Change in net unrealized gain on derivative financial instrument	700,697	700,697
Net assets released from restriction for purchase of property and equipment	2,656,339	1,152,590
Deferred compensation plan liability adjustment	1,609,635	(512,305)
Other unrestricted net asset activity	(494,344)	(1,762,971)
Increase in net assets without donor restrictions from continuing operations	22,242,387	28,663,040
Loss from discontinued operations	-	(2,661,722)
Increase in net assets without donor restrictions	<u>\$ 22,242,387</u>	<u>\$ 26,001,318</u>

See notes to consolidated financial statements

**Adventist HealthCare, Inc. and Controlled Entities**Consolidated Statements of Changes in Net Assets  
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues in excess of expenses from continuing operations	\$ 21,352,892	\$ 26,502,404
Change in net unrealized (losses) gains on investments other than trading securities	(3,582,832)	2,582,625
Change in net unrealized gain on derivative financial instrument	700,697	700,697
Net assets released from restriction for purchase of property and equipment	2,656,339	1,152,590
Deferred compensation plan liability adjustment	1,609,635	(512,305)
Other unrestricted net asset activity	<u>(494,344)</u>	<u>(1,762,971)</u>
 Increase in net assets without donor restrictions from continuing operations	 22,242,387	 28,663,040
 Loss from discontinued operations	 <u>-</u>	 <u>(2,661,722)</u>
 Increase in net assets without donor restrictions	 <u>22,242,387</u>	 <u>26,001,318</u>
<b>Net Assets With Donor Restrictions</b>		
Restricted gifts and donations	4,077,505	4,933,934
Net assets released from restriction for purchase of property and equipment	(2,656,339)	(1,152,590)
Net assets released from restriction used for operations	(3,519,841)	(2,480,828)
Change in value of beneficial interest in trusts and charitable gift annuity obligation	(69,836)	18,397
Change in discount of pledges receivable and provision for doubtful pledges	(508,987)	11,309
Donor restricted investment income	<u>37,584</u>	<u>10,234</u>
 (Decrease) increase in net assets with donor restrictions	 <u>(2,639,914)</u>	 <u>1,340,456</u>
 Increase in net assets	 19,602,473	 27,341,774
 <b>Net Assets, Beginning</b>	 <u>425,217,600</u>	 <u>397,875,826</u>
 <b>Net Assets, Ending</b>	 <u>\$ 444,820,073</u>	 <u>\$ 425,217,600</u>

See notes to consolidated financial statements

## Adventist HealthCare, Inc. and Controlled Entities

Consolidated Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 19,602,473	\$ 27,341,774
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Provision for doubtful collections	-	31,782,541
Depreciation and amortization	38,120,194	36,453,533
Amortization of deferred financing costs	212,496	200,349
Deferred compensation plan liability adjustment	(1,609,635)	512,305
Restricted contributions and grants	(1,151,766)	(3,782,795)
Earnings recognized from unconsolidated subsidiaries and affiliates	(1,943,590)	(2,040,340)
Amortization of physician income guarantees	26,348	9,105
Net realized loss (gain) on investments	3,128,140	(3,628,355)
Change in net unrealized losses (gains) on investments other than trading securities	3,582,832	(2,582,625)
Change in net unrealized gain on derivative financial instrument	(700,697)	(700,697)
Change in value of beneficial interest in trusts and charitable gift annuity	69,836	(18,397)
Change in discount on pledges receivable and provision for doubtful pledges	508,987	(11,309)
Loss on disposal of BH&WS Eastern Shore	-	2,911,706
Changes in assets and liabilities:		
Patient accounts receivable	(1,546,625)	(33,960,881)
Other receivables	3,947,778	(836,069)
Inventories, prepaid expenses and other current assets	113,996	514,096
Accounts payable and accrued expenses	(186,791)	2,880,926
Accrued compensation and related items	(104,879)	2,408,992
Interest payable	28,371	7,725,904
Estimated self-insured professional liability	2,462,540	1,397,042
Due to third party payors	2,162,617	(846,625)
Other noncurrent assets and liabilities	397,341	(3,415,492)
Net cash provided by operating activities	<u>67,119,966</u>	<u>62,314,688</u>

See notes to consolidated financial statements

## Adventist HealthCare, Inc. and Controlled Entities

Consolidated Statements of Cash Flows  
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	\$ (159,276,923)	\$ (105,592,446)
Increase in investments and investments in unconsolidated subsidiaries	(4,779,492)	(3,959,138)
Additions to land held for healthcare development	(2,309,960)	(6,675,741)
Proceeds from sale of land for healthcare development	4,565,265	7,721,976
Distributions from investments in unconsolidated subsidiaries	2,524,000	321,113
Purchase of investment in unconsolidated subsidiary	(1,182,000)	(674,626)
Decrease in trustee held funds and restricted cash	106,506,583	26,520,312
	<u>(53,952,527)</u>	<u>(82,338,550)</u>
Net cash used in investing activities		
<b>Cash Flows from Financing Activities</b>		
Payment of financing costs	-	(423,227)
Proceeds from issuance of bonds	-	40,000,000
Repayments on long-term obligations, net	(13,360,724)	(12,818,901)
Proceeds from restricted contributions and grants	1,151,766	3,782,795
	<u>(12,208,958)</u>	<u>30,540,667</u>
Net cash (used in) provided by financing activities		
Net increase in cash and cash equivalents	958,481	10,516,805
<b>Cash and Cash Equivalents, Beginning</b>	<u>40,714,884</u>	<u>30,198,079</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 41,673,365</u>	<u>\$ 40,714,884</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	<u>\$ 12,464,520</u>	<u>\$ 4,138,018</u>
<b>Supplemental Disclosure of Noncash Investing and Financing Activities</b>		
Capital lease obligation incurred for equipment	<u>\$ 3,203,212</u>	<u>\$ 469,249</u>
Land contributed to investment in unconsolidated subsidiary	<u>\$ 1,153,672</u>	<u>\$ -</u>
Construction payable for property and equipment	<u>\$ 33,038,715</u>	<u>\$ 14,828,539</u>

See notes to consolidated financial statements

# Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

## 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 266-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. BH&WS - Eastern Shore was an acute care and residential mental health resource for children and adolescents, which had 15 acute care psychiatric beds and 59 residential treatment rooms. In November 2016, AHC made the decision to discontinue the operations of the BH&WS - Eastern Shore location. See Note 3 for further details.

Washington Adventist Hospital ("WAH") is a 236-bed acute care hospital located in Takoma Park, Maryland.

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 32-bed rehabilitation facility.

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

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 WAH. 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**

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Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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.

The Urgent Care operating division 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. The operating division started in October 2013 when Adventist HealthCare Urgent Care Centers, Inc. ("Urgent Care"), a Maryland non-profit corporation and Adventist Health System/Sunbelt, Inc. d/b/a Florida Hospital Centra Care, a Florida non-profit corporation, entered into a management services and license agreement to establish free standing urgent care centers in Montgomery and Prince Georges County, Maryland. This agreement was terminated effective October 10, 2017 and going forward an unrelated third party will assist in management of these centers.

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., Shady Grove Medical Center Foundation, Inc., and Adventist Behavioral Health & Wellness Services 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. The Adventist Behavioral Health & Wellness Services Foundation, Inc. (BH&WS Foundation) was dissolved in 2018 and its assets were transferred to Shady Grove Medical Center Foundation, Inc. The transfer had no impact on net assets with donor restriction as the amounts will be used in accordance with the donors intended restriction.

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 2018 and 2017 include the accounts of AHC, the controlling parent, SGM, WAH, Rehab, Imaging, CIS, LWS, CCPL, the Support Center, the Lourie Center, AHCS, Urgent Care, OHQA, ACO 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.

### **Subsequent Events**

The Corporation evaluated subsequent events for recognition or disclosure through April 30, 2019, the date the consolidated financial statements were issued.

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

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### **Use of Estimates**

The preparation of 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.

### **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 Global Budget Revenue Agreements with the HSCRC for SGMC, WAH and Shady Grove Germantown Emergency Center. The agreements set a 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 undercharges of \$1,289,841 and \$3,043,105 as of December 31, 2018 and 2017, respectively. 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.

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

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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 2018 and 2017.

BH&WS-Rockville is subject to HSCRC rate setting. For 2017 and 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.

### **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, and assets set aside for deferred compensation agreements. 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**

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Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### **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 gains and losses on investments, write-downs of the cost basis of investments 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 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.

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 2018 or 2017.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 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 \$218,792 in 2018 and \$221,457 in 2017. Accumulated amortization of intangible assets was \$3,826,808 and \$3,608,016 as of December 31, 2018 and 2017, 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.

Goodwill related to BH&WS Eastern Shore of \$411,579 was written off in 2017 related to the closure of this location (Note 3) and is included in loss from discontinued operations in the accompanying consolidated statements of operations.

### 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, 2018 and 2017 totaled \$4,850,301 and \$5,062,797, respectively, and are included in the consolidated balance sheets as a reduction of bonds payable.

Amortization expense was \$212,496 and \$200,349 in 2018 and 2017, respectively, and is included as a component of interest expense in the consolidated statements of operations. Accumulated amortization of deferred financing costs was \$3,074,318 and \$2,861,822 at December 31, 2018 and 2017, 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.

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 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 in the transaction price, were not significant in 2018 or 2017.

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.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 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 12). 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 non-operating 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 \$6,176,180 in 2018 and \$3,633,418 in 2017.

Net assets with donor restrictions includes those whose use by the Corporation has been limited by donors to specific purposes in the amount of \$4,907,290 and \$7,547,204 as of December 31, 2018 and 2017, 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, 2018 and 2017.

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.

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

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### **Measure of Operations**

The consolidated statements of operations reflects all changes in net assets without donor restrictions, including changes from both operating and non-operating 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. Non-operating 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 loss from discontinued operations, the change in net unrealized gains and losses on investments other than trading securities, the effective portion of the net unrealized gain (loss) 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), and other unrestricted net asset activity.

### **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.

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. 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.

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

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Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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 2018 or 2017.

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

### **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 \$8,958,000 in 2018 and \$7,748,000 in 2017.

### **Advertising Costs**

The Corporation expenses advertising costs as they are incurred.

### **Reclassifications**

Certain amounts relating to 2017 have been reclassified to conform to the 2018 reporting format.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 2. Adoption of Accounting Standards

#### Revenue Recognition

In 2018, the Corporation adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective approach. ASU No. 2014-09 supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry specific guidance. The core principle under ASU No. 2014-09 is that revenues are recognized to depict the transfer of promised goods or services to customers (patients) in an amount that reflects the consideration at which the entity expects to be entitled in exchange for those goods or services. Additionally, ASU No. 2014-09 requires enhanced disclosures of revenue arrangements.

The Corporation applied the modified retrospective approach to all contracts when adopting ASU No. 2014-09. As a result of the adoption, what was previously classified as the provision for doubtful collections in the consolidated statements of operations is now reflected as implicit price concessions, as defined in Topic 606, and therefore included as a reduction of net patient service revenues. For changes in transaction price related to changes in patient circumstances, the Corporation will prospectively recognize those amounts as a provision for bad debts within operating expenses on the consolidated statements of operations. For periods prior to January 1, 2018, the provision for doubtful collections has been presented consistent with the previous revenue recognition standards that required separate presentation of these amounts as a component of net patient service revenue. Additionally, as a result of the adoption of ASU No. 2014-09, the allowance for doubtful collections of approximately \$22,487,000 as of January 1, 2018 became a component of patient accounts receivable.

#### Not-for-Profit Financial Statement Presentation

In August 2016, FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. In 2018, the Corporation adopted ASU No. 2016-14, and has applied the changes retrospectively to all periods presented, except for the disclosures around liquidity and availability of resources and analysis of expenses by nature and function. These disclosures have been presented for 2018 only, as allowed by ASU No. 2016-14. The new standard changes the following aspects of the consolidated financial statements:

- The unrestricted net assets class has been renamed Net Assets Without Donor Restrictions;
- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called Net Assets With Donor Restrictions;
- The financial statements include a disclosure about liquidity and availability of resources at December 31, 2018 (Note 17); and
- The functional expense disclosure for 2018 includes expenses reported both by nature and function (Note 18).

# Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

## Financial Instruments

During January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU No. 2016-01 was issued to enhance the reporting model for financial instruments in financial statements. 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 will be required to adopt the guidance in ASU No. 2016-01 for the year ending December 31, 2019. The Corporation is currently assessing the impact that ASU No. 2016-01 will have on its consolidated financial statements.

## Statement of Cash Flows

During August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. ASU No. 2016-15 addresses eight cash flow issues with specific guidance on how certain cash receipts and cash payments should be presented on the statement of cash flows. The Corporation will be required to adopt the guidance in ASU No. 2016-15 for the year ending December 31, 2019. The Corporation is currently assessing the impact that ASU No. 2016-15 will have on its consolidated statements of cash flows.

## Restricted Cash

During November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 30), Restricted Cash*. ASU No. 2016-18 requires that a statement of cash flows explain the change during the period in the total 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 showing on the statement of cash flows. The Corporation will be required to retroactively adopt the guidance in ASU No. 2016-18, with transition provisions, for the year ending December 31, 2019. The Corporation is currently assessing the impact that ASU No. 2016-18 will have on its consolidated financial statements.

## Lease Accounting

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 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 ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. 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. The Corporation will be required to retrospectively adopt the guidance in ASU No. 2016-02 for the year ending December 31, 2019. The Corporation is currently assessing the impact that ASU No. 2016-02 will have on its consolidated financial statements.

## 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.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 3. Discontinued Operations

On March 31, 2016, the Corporation sold the operating assets of Hackettstown Regional Medical Center ("HRMC") and HRMC Foundation to an unrelated third party, and discontinued the operations of the facility. The Corporation received net proceeds from the sale of approximately \$44,500,000, which was net of a contribution paid by the Corporation of \$2,500,000 to the HRMC Foundation. During 2017, the Corporation recorded a gain from discontinued operations of \$249,984 related to the final settlement of receivables and payables that existed at the time of sale. The amount is included in the net loss from discontinued operations in the accompanying consolidated statements of operations.

During 2016, AHC discontinued operations at the BH&WS - Eastern Shore facility and made the decision to no longer provide services on Maryland's eastern shore. During 2017, the Corporation recorded a loss from discontinued operations of \$2,911,706, which is included in the net loss from discontinued operations in the accompanying consolidated statements of operations. The majority of the property and equipment was disposed of as a result of the closure and a loss of approximately \$1,611,000 was recognized in 2017 and included in the loss from discontinued operations in the accompanying consolidated statements of operations. In addition, goodwill of approximately \$412,000 related to BH&WS Eastern Shore was written off and included in the loss from discontinued operations in the accompanying consolidated statements of operations in 2017.

### 4. 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 and WAH 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.
- 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.



## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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 year ended December 31, 2018 are as follows:

Global budget revenue	\$ 636,611,309
Rehabilitation services	46,385,493
Physician practice services	30,529,693
Imaging services	29,948,092
Home health services	28,779,161
Other health services	<u>7,049,672</u>
Total	<u><u>\$ 779,303,420</u></u>

Net patient service revenues disaggregated by payor for the years ended December 31, 2018 and 2017 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, 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>
December 31, 2017	<u>\$ 287,729,217</u>	<u>\$ 80,722,260</u>	<u>\$ 371,203,570</u>	<u>\$ 30,399,079</u>	<u>\$ 770,054,126</u>

## 5. Investments

### Short-Term Investments

The Corporation's short-term investments at December 31, 2018 and 2017 are comprised of the following:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 4,671,466	\$ 827,792
Fixed income:		
Corporate bonds	70,694,426	72,558,705
Asset backed securities	58,864,628	34,501,068
U.S. government securities, U.S. treasury notes	36,563,482	61,937,170
Mutual funds:		
Equity, balanced	16,628,693	17,575,243
Equity, growth	<u>8,647,093</u>	<u>10,403,051</u>
Total	<u><u>\$ 196,069,788</u></u>	<u><u>\$ 197,803,029</u></u>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements  
December 31, 2018 and 2017

### Assets Whose Use is Limited

The composition of assets whose use is limited at December 31, 2018 and 2017 is set forth in the following tables:

	<u>2018</u>	<u>2017</u>
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks:		
Cash and cash equivalents	\$ 55,754,102	\$ 56,604,016
U.S. government securities:		
U.S. treasury notes	82,672,276	166,238,057
U.S. government agency notes	<u>2,355,520</u>	<u>23,234,629</u>
Total	140,781,898	246,076,702
Less funds held for current liabilities	<u>1,777,498</u>	<u>1,744,132</u>
Noncurrent portion of assets held under trust indentures and capital lease purchase financing facilities	<u>\$ 139,004,400</u>	<u>\$ 244,332,570</u>
Professional liability trust fund:		
Cash and cash equivalents	\$ 1,133,693	\$ 228,643
Mutual funds:		
Equity, balanced	-	801,545
Equity, large value	3,618,514	3,869,027
Equity, growth	1,179,972	1,137,927
Fixed income, intermediate	3,907,005	3,912,844
Fixed income, multi-sector	921,591	960,543
Fixed income, short-term	<u>2,163,217</u>	<u>2,147,726</u>
Total	12,923,992	13,058,255
Less funds held for current liabilities	<u>1,795,731</u>	<u>1,179,664</u>
Noncurrent portion of professional liability trust fund	<u>\$ 11,128,261</u>	<u>\$ 11,878,591</u>
Deferred compensation fund:		
Mutual funds:		
Equity, growth	\$ 203,128	\$ 1,403,371
Equity, large value	226,707	-
Equity, midcap value	111,635	-
Equity, other	313,022	-
Fixed income, intermediate	<u>445,594</u>	<u>-</u>
Total	<u>\$ 1,300,086</u>	<u>\$ 1,403,371</u>

The indenture requirements of certain tax exempt financings provide for the establishment and maintenance of various accounts with a trustee (Note 10). These arrangements require the trustee to control the payment of interest and the ultimate repayment of respective debt to bondholders.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The composition of trustee held and escrow funds at December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Debt service reserve funds	\$ 28,401,140	\$ 28,224,212
Principal and interest funds	17,902,335	29,448,690
Project fund	<u>94,478,423</u>	<u>188,403,800</u>
Total	<u>\$ 140,781,898</u>	<u>\$ 246,076,702</u>

Unrestricted investment income and gains and losses for investments, assets whose use is limited, and cash and cash equivalents are comprised of the following in 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Investment income:		
Interest and dividends, net	\$ 5,292,594	\$ 4,555,234
Interest on trustee held funds	120,511	48,913
Net realized (losses) gains on sale of investments	<u>(3,128,140)</u>	<u>3,628,355</u>
Total	<u>\$ 2,284,965</u>	<u>\$ 8,232,502</u>
Other changes in net assets without donor restriction,		
Change in net unrealized gains and losses on investments other than trading securities	<u>\$ (3,582,832)</u>	<u>\$ 2,582,625</u>

## 6. Fair Value Measurements and Financial Instruments

### Fair Value Measurements

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.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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.

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

	2018				
	Carrying Value	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:					
Cash and cash equivalents	\$ 62,449,848	\$ 62,449,848	\$ 62,449,848	\$ -	\$ -
Mutual funds:					
Fixed income, intermediate	4,352,599	4,352,599	4,352,599	-	-
Fixed income, multi -sector	921,591	921,591	921,591	-	-
Fixed income, short-term	2,163,217	2,163,217	2,163,217	-	-
Equity, growth	10,030,193	10,030,193	10,030,193	-	-
Equity, large value	3,845,221	3,845,221	3,845,221	-	-
Equity, balanced	16,628,693	16,628,693	16,628,693	-	-
Equity, mid value	111,635	111,635	111,635	-	-
Equity, other	313,022	313,022	313,022	-	-
U.S. government securities:					
U.S. treasury notes	119,235,758	119,235,758	-	119,235,758	-
U.S. government agency notes	2,355,520	2,355,520	-	2,355,520	-
Asset backed securities	58,864,628	58,864,628	-	58,864,628	-
Corporate bonds and other debt securities	70,694,426	70,694,426	-	70,694,426	-
Beneficial interest in trusts	977,231	977,231	-	-	977,231
	<u>\$ 352,943,582</u>	<u>\$ 352,943,582</u>	<u>\$ 100,816,019</u>	<u>\$ 251,150,332</u>	<u>\$ 977,231</u>
Liabilities,					
Derivative financial instrument	\$ 503,251	\$ 503,251	\$ -	\$ 503,251	\$ -
<b>Disclosed at Fair Value</b>					
Cash and cash equivalents	\$ 41,673,363	\$ 41,673,363	\$ 41,673,363	\$ -	\$ -
Pledges receivable	3,219,172	3,219,172	-	-	-
Long-term debt, excluding capital leases (Note 11):					
Fixed rate revenue bonds	523,782,204	576,452,087	-	576,452,087	-
Variable rate revenue bonds	21,985,000	21,985,000	-	21,985,000	-
Note payable	22,089,282	22,089,282	-	-	22,089,282

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

	2017				
	Carrying Value	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:					
Cash and cash equivalents	\$ 58,471,764	\$ 58,471,764	\$ 58,471,764	\$ -	\$ -
Mutual funds:					
Fixed income, intermediate	3,970,702	3,970,702	3,970,702	-	-
Fixed income, multi -sector	960,543	960,543	960,543	-	-
Fixed income, short-term	2,147,726	2,147,726	2,147,726	-	-
Equity, growth	12,960,164	12,960,164	12,960,164	-	-
Equity, large value	3,887,685	3,887,685	3,887,685	-	-
Equity, balanced	18,376,788	18,376,788	18,376,788	-	-
U.S. government securities:					
U.S. treasury notes	228,175,227	228,175,227	-	228,175,227	-
U.S. government agency notes	23,234,629	23,234,629	-	23,234,629	-
Asset backed securities	34,501,068	34,501,068	-	34,501,068	-
Corporate bonds and other debt securities	72,558,705	72,558,705	-	72,558,705	-
Beneficial interest in trusts	1,052,891	1,052,891	-	-	1,052,891
	<u>\$ 460,297,892</u>	<u>\$ 460,297,892</u>	<u>\$ 100,775,372</u>	<u>\$ 358,469,629</u>	<u>\$ 1,052,891</u>
Liabilities,					
Derivative financial instrument	\$ 1,145,303	\$ 1,145,303	\$ -	\$ 1,145,303	\$ -
<b>Disclosed at Fair Value</b>					
Cash and cash equivalents	\$ 40,714,884	\$ 40,714,884	\$ 40,714,884	\$ -	\$ -
Pledges receivable	4,333,990	4,181,880	-	-	-
Long-term debt, excluding capital leases (Note 11):					
Fixed rate revenue bonds	526,076,559	578,746,439	-	578,746,439	-
Variable rate revenue bonds	22,985,000	22,985,000	-	22,985,000	-
Note payable	22,861,750	22,861,750	-	-	22,861,750
Secured line of credit	3,500,000	3,500,000	-	-	3,500,000

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The following table presents the fair value measurements for beneficial interest in trusts that have unobservable inputs at December 31, 2018 and 2017:

Balance, December 31, 2016	\$ 1,310,686
Distributions	(276,192)
Increase in value, included in changes in net assets with donor restrictions	<u>18,397</u>
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	<u><u>\$ 977,231</u></u>

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>2018</u>	<u>2017</u>
Short-term investments (Note 4)	\$ 196,069,788	\$ 197,803,029
Assets whose use is limited (Note 4):		
Current portion	3,573,229	2,923,796
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks	139,004,400	244,332,570
Professional liability trust fund	11,128,261	11,878,591
Deferred compensation fund	1,300,086	1,403,371
Investments held by foundations	890,587	903,644
Beneficial interest in trusts	<u>977,231</u>	<u>1,052,891</u>
	<u><u>\$ 352,943,582</u></u>	<u><u>\$ 460,297,892</u></u>

The Corporation did not have any financial assets or financial liabilities measured at fair value.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value and for financial instruments disclosed at fair value. There have been no changes in methodologies used at December 31, 2018 and 2017.

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of these financial instruments.

Mutual funds: Valued based on quoted market prices.

U.S. government securities, asset backed securities, corporate bonds and other debt securities: 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.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

Pledges receivable: Valued based on the original pledge amount, adjusted by a discount rate that a market participant would demand and an evaluation of uncollectible pledges. Pledges receivables are included in prepaid expenses and other current assets and deposits and other noncurrent assets in the accompanying consolidated balance sheets.

Long-term debt: The fair value of the fixed rate debt is estimated based on market data provided by the Corporation's financial consultants. Fair values of the remaining long-term debt are considered to approximate their carrying amounts 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.

### 7. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment and accumulated depreciation and amortization at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Land and improvements	\$ 31,408,104	\$ 32,566,971
Buildings and improvements	469,717,964	457,474,313
Office furniture and equipment	201,151,320	194,126,065
Computer software and hardware	137,906,569	133,864,945
Equipment under capital leases	27,952,929	24,749,717
Total	868,136,886	842,782,011
Less accumulated depreciation and amortization	<u>(512,122,004)</u>	<u>(474,343,085)</u>
Total	356,014,882	368,438,926
Construction in progress	<u>296,867,837</u>	<u>143,170,869</u>
	<u>\$ 652,882,719</u>	<u>\$ 511,609,795</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 2018 and 2017, the Corporation incurred interest expense, including amortization expense related to deferred financing costs, of approximately \$12,679,000 and \$12,064,000, respectively, of which approximately \$727,400 was capitalized in 2018 and \$1,711,000 was capitalized in 2017. Investment earnings of approximately \$13,000 and \$12,000 were offset against capitalized interest in 2018 and 2017, respectively.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

Depreciation expense, including amortization of equipment under capital leases, was approximately \$38,264,000 in 2018 and \$36,604,000 in 2017. Accumulated amortization of equipment under capital lease as of December 31, 2018 and 2017 was approximately \$21,515,000 and \$20,314,000, respectively.

Construction in progress as of December 31, 2018 consists primarily of major renovation and expansion projects of clinical facilities. Purchase commitments related to these and other miscellaneous projects were approximately \$90,487,000 at December 31, 2018. The cost of these projects is expected to be funded through the project fund established through bond proceeds as well as transfers from the Corporation's related foundations and operations.

### 8. Investments and Investments in Unconsolidated Subsidiaries

The Corporation's investments and investments in unconsolidated subsidiaries include the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Investment in healthcare entities	\$ 6,417,119	\$ 6,447,367
Investment in Premier	9,831,206	8,409,290
Investments held by foundations	<u>809,672</u>	<u>808,588</u>
Total	<u>\$ 17,057,997</u>	<u>\$ 15,665,245</u>

#### Investment in Healthcare Entities

The Corporation recognized earnings of \$521,675 and \$258,193 during 2018 and 2017, 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 WAH. The Corporation has a 50 percent ownership interest 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.



## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

Summarized financial information related to these entities is presented below:

	<u>2018</u>	<u>2017</u>
Net revenue	\$ 18,786,903	\$ 17,682,566
Revenues in excess of expenses	1,919,276	958,934
Total assets	49,884,592	30,265,624
Total liabilities	24,630,109	15,478,915

### 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 \$1,421,915 and \$1,782,147 during 2018 and 2017, respectively, based on the market value of the units available for exchange. In addition, the Corporation recognized earnings of \$669,776 and \$707,426 during 2018 and 2017, respectively, related to distributions. Both the gain and the distributions are included in other revenue 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.

## 9. 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.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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.

The total proceeds received related to the parcels of land sold by the Corporation through December 31, 2018 was \$30,997,245. No gain or loss was recognized on the sale of the parcels of land as of December 31, 2018 and 2017. Total remaining land held for healthcare development in Clarksburg as of December 31, 2018 and 2017, was \$45,404,765 and \$47,660,070, respectively.

### 10. 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 (4 percent at December 31, 2018). There were no borrowings outstanding under this line of credit as of December 31, 2018 or 2017.

### 11. Long-Term Obligations

Long-term obligations as of December 31, 2018 and 2017 are comprised of the following:

	<u>2018</u>	<u>2017</u>
Fixed rate revenue bonds	\$ 523,782,204	\$ 526,076,559
Variable rate revenue bonds	21,985,000	22,985,000
Secured lines of credit	-	3,500,000
Note payable	22,089,282	22,861,750
Other long-term liabilities	<u>14,092,321</u>	<u>16,683,010</u>
Total obligations	581,948,807	592,106,319
Plus bond premium	10,144,766	10,507,079
Less:		
Current maturities	(9,151,220)	(13,019,860)
Deferred financing costs	<u>(4,850,301)</u>	<u>(5,062,797)</u>
Noncurrent portion of long-term obligations, net	<u>\$ 578,092,052</u>	<u>\$ 584,530,741</u>

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 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>2018</u>	<u>2017</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%	8,342,204	9,886,559
Series 2014A	24,280,000	3.56%	22,090,000	22,840,000
Series 2016A	269,750,000	5.00%	269,750,000	269,750,000
Series 2016B	126,395,000	3.23%	126,395,000	126,395,000
Series 2017	40,000,000	2.77%	40,000,000	40,000,000
Total			<u>\$ 523,782,204</u>	<u>\$ 526,076,559</u>

The above bond issues are subject to trust indentures which impose various covenants on SGMC, WAH, 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, 2018 and 2017. 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 \$21,985,000 and \$22,985,000 as of December 31, 2018 and 2017, respectively. The Series 2014B Bonds bear interest at a variable rate of one month LIBOR plus 2.3 percent (4.8 percent at December 31, 2018). 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, 2018 and 2017.

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, WAH, HRMC, BH&WS and Rehab.

### Secured Lines of Credit

The Corporation had a secured line of credit for \$16,000,000 that bore interest at LIBOR plus 2.00 percent and expired on June 30, 2018. The balance on the line of credit was \$3,500,000 at December 31, 2017.

### 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 (4.95 percent as of December 31, 2018). The amortization on the note extends to December 18, 2034, however, the note matures on December 18, 2024. As of December 31, 2018 and 2017, the outstanding balance was \$22,089,282 and \$22,861,750, respectively.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### Other Long-Term Liabilities

This category consists of several capital lease obligations and notes payable on various types of medical and IT equipment. 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 at December 31, 2018 are as follows:

Years ending December 31:	
2019	\$ 9,151,220
2020	14,996,059
2021	13,934,044
2022	14,354,419
2023	13,271,324
Thereafter	<u>516,241,741</u>
Total	<u>\$ 581,948,807</u>

### 12. 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 \$50,880,000 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, 2018 and 2017, the fair value of the Corporation's derivative financial instrument was \$503,251 and \$1,145,303, 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, 2018 and 2017, \$11,606,149 and \$12,288,864, 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 \$582,142 in 2018 and \$928,616 in 2017. The remaining amounts for 2018 and 2017 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 5). 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 \$642,052 in 2018 and \$964,909 in 2017.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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, 2018 and 2017, accumulated amortization of \$201,632 and \$161,837, 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.

### 13. Leases

The Corporation has entered into various operating leases primarily for office space as well as certain equipment items. Rental expense for operating leases was \$21,065,136 in 2018 and \$20,924,709 in 2017. Future minimum payments under non-cancelable operating leases with initial terms of one year or more consist of the following during the years ending December 31:

Years ending December 31:	
2019	\$ 16,591,264
2020	16,374,128
2021	16,279,959
2022	14,556,651
2023	13,288,887
Thereafter	<u>27,120,705</u>
Total	<u>\$ 104,211,594</u>

The Corporation has also entered into various sub-lease agreements with tenants that occupy space in the Corporation's buildings. The terms of these sub-leases vary and extend through 2030. Rental income was \$4,119,236 in 2018 and \$3,303,484 in 2017, which has been reported as a component of other operating revenue in the consolidated statements of operations. Future rent payments expected to be received by the Corporation during the years ending December 31, are as follows:

Years ending December 31:	
2019	\$ 4,069,884
2020	3,803,687
2021	3,497,826
2022	2,853,887
2023	2,543,956
Thereafter	<u>1,221,807</u>
Total	<u>\$ 17,991,047</u>

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

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### **14. 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 \$10,101,533 in 2018 and \$7,983,472 in 2017.

#### **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 \$236,635 in 2018 and \$404,894 in 2017. In addition, a SERP liability adjustment was recorded for \$(1,609,635) in 2018 and \$512,305 in 2017, which was recognized in net assets without donor restriction in the consolidated statements of changes in net assets. At December 31, 2018 and 2017, the Corporation's liability for the SERP was \$2,418,405 and \$3,811,232, 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 \$1,305,693 in 2018 and \$1,451,249 in 2017. The Corporation's liability for the 457(F) plan at December 31, 2018 and 2017 was \$2,549,173 and \$2,792,809, 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.

#### **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.

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

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Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### **15. 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, 2018, management determined that the fully-funded professional liability reserve reported at December 31, 2018 and 2017 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 \$16,725,085 and \$14,262,545 at December 31, 2018 and 2017, respectively. The discount rate used in determining these liabilities was 2.5 percent at both December 31, 2018 and 2017.

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.

#### **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.

## Adventist HealthCare, Inc. and Controlled Entities

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 16. 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, 2018 and 2017, concentrations of gross receivables from third party payors and others are as follows:

	<u>2018</u>	<u>2017</u>
Medicare	22 %	22 %
Medicaid	12	11
Other third party payors	41	39
Self-pay and others	<u>25</u>	<u>28</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.

### 17. 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, 2018:

Cash and cash equivalents	\$ 41,673,363
Short-term investments	196,069,788
Patient accounts receivable, net	94,756,571
Other receivables, net	12,096,855
Assets whose use is limited, Professional liability trust fund	<u>11,128,261</u>
Total	<u>\$ 355,724,838</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, 2018 and 2017

### 18. Functional Expenses

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>

A summary of the Corporation's operating expenses by function for the year ended December 31, 2017 is as follows:

Hospital acute and ambulatory services	\$ 477,985,379
Home care services	24,328,504
Other health care services	181,539,007
Other, including general and administrative	103,568,758
Fundraising	<u>432,501</u>
Total	<u>\$ 787,854,149</u>

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

 Consolidating Schedule, Balance Sheet  
 December 31, 2018

	Shady Grove Medical Center	Washington Adventist Hospital	Rehabilitation	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	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	\$ 182,612,390	\$ (82,157,324)	\$ 20,072,440	\$ (24,230,924)	\$ (29,940,781)	\$ 1,685,186	\$ (21,382,805)	\$ -	\$ 46,658,182	\$ (451,313)	\$ 7,191,925	\$ (11,901,913)	\$ (2,487,527)	\$ 2,664,011	\$ -	\$ 41,673,365
Short-term investments	-	-	-	-	-	-	196,069,788	-	196,069,788	-	-	-	-	-	-	196,069,788
Assets whose use is limited	-	-	-	-	-	-	3,573,229	-	3,573,229	-	-	-	-	-	-	3,573,229
Patient accounts receivable	48,097,132	35,284,511	4,262,325	2,696,448	546,306	(14,875)	150	-	90,871,997	-	4,193,208	(308,634)	-	-	-	94,756,571
Other receivables	2,083,734	2,510,501	166,744	1,003,076	34,022	798,858	3,492,336	(683,262)	9,406,009	1,918,131	18,652	(312)	-	754,375	-	12,096,855
Inventories	4,432,488	3,967,065	93,906	619	112	117,172	-	-	8,611,362	-	-	513	-	-	-	8,611,875
Prepaid expenses and other current assets	687,700	854,188	118,300	44,066	171,330	230,077	6,147,365	-	8,253,026	1,764	67,425	59,288	(43,549)	-	-	8,337,954
Total current assets	237,913,444	(39,541,059)	24,713,715	(20,486,715)	(29,189,011)	2,816,418	187,900,063	(683,262)	363,443,593	1,468,582	11,471,210	(12,151,058)	(2,531,076)	3,418,386	-	365,119,637
<b>Property and Equipment, Net</b>	181,704,217	338,552,541	10,085,146	13,206,429	1,233,186	173,563	98,603,604	-	643,558,686	1,495,807	1,366,009	6,462,217	-	-	-	652,882,719
<b>Assets Whose Use is Limited</b>																
Under trust indentures and capital lease purchase financing facilities, held by trustees and banks	1,344,871	133,753,946	448,290	100,731	-	-	3,350,382	-	138,998,220	6,180	-	-	-	-	-	139,004,400
Professional liability trust fund	-	-	-	-	-	-	11,128,261	-	11,128,261	-	-	-	-	-	-	11,128,261
Deferred compensation fund	-	-	-	-	-	-	1,300,086	-	1,300,086	-	-	-	-	-	-	1,300,086
<b>Cash and Cash Equivalents Temporarily Restricted for Capital Acquisitions</b>	332,232	-	57,408	-	-	-	-	-	389,640	777,092	-	-	-	346,061	-	1,512,793
<b>Investments and Investments in Unconsolidated Subsidiaries</b>	(1,943,527)	1,175,657	-	-	-	-	17,016,195	-	16,248,325	-	-	-	-	809,672	-	17,057,997
<b>Land Held for Healthcare Development</b>	-	-	-	-	-	-	45,404,765	-	45,404,765	-	-	-	-	-	-	45,404,765
<b>Intangible Assets, Net</b>	1,704,030	-	813,286	5,435,091	-	22,732	-	-	7,975,139	-	152,550	-	-	-	-	8,127,689
<b>Deposits and Other Noncurrent Assets</b>	1,615,718	31,351	43,000	15,687	46,717	32,756	789,965	-	2,575,194	5,052	30,828	200,582	-	1,781,087	-	4,592,743
Total assets	<u>\$ 422,670,985</u>	<u>\$ 433,972,436</u>	<u>\$ 36,160,845</u>	<u>\$ (1,728,777)</u>	<u>\$ (27,909,108)</u>	<u>\$ 3,045,469</u>	<u>\$ 365,493,321</u>	<u>\$ (683,262)</u>	<u>\$ 1,231,021,909</u>	<u>\$ 3,752,713</u>	<u>\$ 13,020,597</u>	<u>\$ (5,488,259)</u>	<u>\$ (2,531,076)</u>	<u>\$ 6,355,206</u>	<u>\$ -</u>	<u>\$ 1,246,131,090</u>

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

 Consolidating Schedule, Balance Sheet  
 December 31, 2018

	Shady Grove Medical Center	Washington Adventist Hospital	Rehabilitation	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	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	\$ 32,130,575	\$ 17,384,711	\$ 1,893,421	\$ 1,282,761	\$ 869,924	\$ 886,261	\$ 29,922,155	\$ -	\$ 84,369,808	\$ 499,577	\$ 1,066,116	\$ 341,694	\$ 340,710	\$ 13,488	\$ -	86,631,393
Accrued compensation and related items	14,117,306	8,383,654	2,614,517	199,308	437,812	208,569	9,415,433	(683,262)	34,693,337	490,232	1,647,869	313,819	10,310	-	-	37,155,567
Interest payable	-	-	-	-	-	-	9,775,665	-	9,775,665	-	-	-	-	-	-	9,775,665
Due to third party payors	11,780,733	8,258,811	(126,072)	-	-	-	67,547	-	19,981,019	-	-	-	-	-	-	19,981,019
Estimated self-insured professional liability	-	-	-	-	-	-	1,795,731	-	1,795,731	-	-	-	-	-	-	1,795,731
Current maturities of long-term obligations	1,612,067	3,960,463	-	1,206,459	-	-	2,195,074	-	8,974,063	-	-	177,157	-	-	-	9,151,220
Total current liabilities	59,640,681	37,987,639	4,381,866	2,688,528	1,307,736	1,094,830	53,171,605	(683,262)	159,589,623	989,809	2,713,985	832,670	351,020	13,488	-	164,490,595
<b>Construction Payable</b>	353,406	32,424,036	209,217	813	-	-	51,243	-	33,038,715	-	-	-	-	-	-	33,038,715
<b>Long-Term Obligations, Net</b>																
Bonds payable	129,026,027	375,417,868	4,296,188	-	-	-	37,974,168	-	546,714,251	-	-	(14,343)	-	-	-	546,699,908
Notes payable	-	-	-	-	-	-	17,053,821	-	17,053,821	-	-	4,242,136	-	-	-	21,295,957
Capital lease obligations	2,457,686	943,513	-	2,946,866	-	-	3,655,614	-	10,003,679	-	-	92,508	-	-	-	10,096,187
<b>Derivative Financial Instrument</b>	-	-	-	-	-	-	503,251	-	503,251	-	-	-	-	-	-	503,251
<b>Other Liabilities</b>	1,595,969	-	277,920	-	528,057	-	7,807,506	-	10,209,452	-	-	-	-	47,598	-	10,257,050
<b>Estimated Self-Insured Professional Liability</b>	-	-	-	-	-	-	14,929,354	-	14,929,354	-	-	-	-	-	-	14,929,354
Total liabilities	193,073,769	446,773,056	9,165,191	5,636,207	1,835,793	1,094,830	135,146,562	(683,262)	792,042,146	989,809	2,713,985	5,152,971	351,020	61,086	-	801,311,017
<b>Net Assets (Deficit)</b>																
Net assets (deficit) without donor restrictions	229,814,202	(13,534,110)	26,964,989	(7,364,984)	(29,744,901)	1,950,639	229,614,802	-	437,700,637	2,467,142	10,306,612	(10,641,230)	(2,882,096)	2,620,297	-	439,571,362
Net assets (deficit) with donor restrictions	(216,986)	733,490	30,665	-	-	-	731,957	-	1,279,126	295,762	-	-	-	3,673,823	-	5,248,711
Total net assets (deficit)	229,597,216	(12,800,620)	26,995,654	(7,364,984)	(29,744,901)	1,950,639	230,346,759	-	438,979,763	2,762,904	10,306,612	(10,641,230)	(2,882,096)	6,294,120	-	444,820,073
Total liabilities and net assets (deficit)	\$ 422,670,985	\$ 433,972,436	\$ 36,160,845	\$ (1,728,777)	\$ (27,909,108)	\$ 3,045,469	\$ 365,493,321	\$ (683,262)	\$ 1,231,021,909	\$ 3,752,713	\$ 13,020,597	\$ (5,488,259)	\$ (2,531,076)	\$ 6,355,206	\$ -	\$ 1,246,131,090

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

Consolidating Schedule, Statement of Operations

Year Ended December 31, 2018

	Shady Grove Medical Center	Washington Adventist Hospital	Rehabilitation	Imaging Services	Clinical Integration Services	Other Health Services	Support Center	Eliminating Entries	Total Combined Obligated Group	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	\$ 404,818,916	\$ 253,697,595	\$ 48,666,804	\$ 29,948,092	\$ 7,886,017	\$ (41,535)	\$ -	\$ (65,406)	\$ 744,910,483	\$ 717,277	\$ 28,779,161	\$ 5,182,835	\$ -	\$ -	\$ (286,336)	\$ 779,303,420
Other revenues	15,008,872	4,695,223	3,119,495	1,854,609	233,699	7,168,688	7,819,392	(11,135,186)	28,764,792	12,710,970	215,965	-	85,500	2,777,792	(3,308,430)	41,246,589
Total revenues	419,827,788	258,392,818	51,786,299	31,802,701	8,119,716	7,127,153	7,819,392	(11,200,592)	773,675,275	13,428,247	28,995,126	5,182,835	85,500	2,777,792	(3,594,766)	820,550,009
<b>Expenses</b>																
Salaries and wages	148,110,347	97,872,374	29,028,695	16,287,966	7,776,511	2,295,400	38,100,836	(2,048,427)	337,423,702	6,548,261	18,731,190	3,262,553	210,670	-	-	366,176,376
Employee benefits	31,921,792	17,437,143	5,804,010	3,009,470	685,153	450,746	7,591,278	(382,511)	66,517,081	1,527,731	3,553,383	585,438	37,979	-	-	72,221,612
Contract labor	20,980,936	15,115,343	322,674	(2,248,878)	81,394	694,156	202,224	(2,843)	35,145,006	285,461	245,199	10,452	114,583	-	(46,046)	35,754,655
Medical supplies	54,490,762	44,537,216	1,639,077	1,416,802	605,702	809,118	43,582	(79,042)	103,463,217	280,328	458,492	379,621	(1,000)	-	-	104,580,658
General and administrative	35,842,391	26,915,696	3,331,841	4,429,747	2,889,252	1,358,564	48,223,224	(6,048,123)	116,942,592	3,245,725	1,254,129	1,213,774	183,718	3,044,385	(3,521,411)	122,362,912
Building and maintenance	25,234,406	7,849,674	1,542,810	3,549,330	1,021,547	512,106	2,131,732	(2,639,646)	39,201,959	357,401	704,542	1,103,591	300	-	(23,027)	41,344,766
Insurance	3,147,493	2,432,553	160,885	605,410	134,214	5,292	2,404,029	-	8,889,876	10,043	105,956	107,134	-	-	-	9,113,009
Interest	6,351,767	2,372,430	189,289	137,882	-	-	2,696,971	-	11,748,339	-	-	202,943	-	-	-	11,951,282
Depreciation and amortization	17,110,236	5,575,038	1,029,626	2,160,536	133,962	68,495	11,215,519	-	37,293,412	166,142	314,415	346,225	-	-	-	38,120,194
IT depreciation	6,346,694	3,800,194	504,704	93,264	-	29,937	(10,856,857)	-	(82,064)	-	82,064	-	-	-	-	-
IT services	21,497,046	12,668,073	2,174,818	1,214,810	123,200	139,121	(38,533,220)	-	(716,152)	-	716,152	-	-	-	-	-
Shared services	18,691,906	10,391,475	1,590,376	483,451	736,414	71,502	(32,714,132)	-	(749,008)	301,934	399,334	52,022	-	-	(4,282)	-
Management fees	9,940,544	5,716,347	1,417,193	494,120	492,538	145,592	(19,571,018)	-	(1,364,684)	338,708	875,479	150,497	-	-	-	-
Total expenses	399,666,320	252,683,556	48,735,998	31,633,910	14,679,887	6,580,029	10,934,168	(11,200,592)	753,713,276	13,061,734	27,440,335	7,414,250	546,250	3,044,385	(3,594,766)	801,625,464
Income (loss) from operations	20,161,468	5,709,262	3,050,301	168,791	(6,560,171)	547,124	(3,114,776)	-	19,961,999	366,513	1,554,791	(2,231,415)	(460,750)	(266,593)	-	18,924,545
<b>Other Income (Expense)</b>																
Investment income	1,006,301	8,338	94,453	-	-	6,048	1,114,259	-	2,229,399	11,086	35,454	-	-	9,026	-	2,284,965
Other income (expense)	(242,074)	(154,218)	(9,628)	-	-	-	549,302	-	143,382	-	-	-	-	-	-	143,382
Total other income (expense)	764,227	(145,880)	84,825	-	-	6,048	1,663,561	-	2,372,781	11,086	35,454	-	-	9,026	-	2,428,347
Revenues in excess of (less than) expenses from continuing operations	20,925,695	5,563,382	3,135,126	168,791	(6,560,171)	553,172	(1,451,215)	-	22,334,780	377,599	1,590,245	(2,231,415)	(460,750)	(257,567)	-	21,352,892
Change in net unrealized (losses) gains on investments other than trading securities	(1,980,445)	345,649	(174,375)	-	-	(10,573)	(1,980,322)	-	(3,800,066)	(7,250)	(67,497)	-	-	291,981	-	(3,582,832)
Change in net unrealized gain on derivative financial instrument	-	-	-	-	-	-	700,697	-	700,697	-	-	-	-	-	-	700,697
Transfers from (to) subsidiaries	(1,170,945)	-	4,243	-	-	-	(59,028)	-	(1,225,730)	-	-	-	-	-	1,225,730	-
Net assets released from restriction for purchase of property and equipment	1,025,625	1,600,817	28,535	-	-	-	-	-	2,654,977	1,362	-	-	-	-	-	2,656,339
Deferred compensation plan liability adjustment	-	-	-	-	-	-	1,609,635	-	1,609,635	-	-	-	-	-	-	1,609,635
Other unrestricted net asset activity	-	(55)	(619,155)	-	-	-	2,381,444	-	1,762,234	-	(1,030,848)	-	-	-	(1,225,730)	(494,344)
Increase (decrease) in net assets (deficit) without donor restrictions	\$ 18,799,930	\$ 7,509,793	\$ 2,374,374	\$ 168,791	\$ (6,560,171)	\$ 542,599	\$ 1,201,211	\$ -	\$ 24,036,527	\$ 371,711	\$ 491,900	\$ (2,231,415)	\$ (460,750)	\$ 34,414	\$ -	\$ 22,242,387

**Adventist HealthCare, Inc. - Foundations**

Combining Schedule, Balance Sheet

December 31, 2018

	Shady Grove Medical Center Foundation, Inc.	Washington Adventist Hospital Foundation, Inc.	Behavioral Health & Wellness Services Foundation, Inc.	Eliminating Entries	Combined Adventist HealthCare, Inc. Foundations
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 2,006,674	\$ 657,337	\$ -	\$ -	\$ 2,664,011
Current portion of pledges receivable, less allowance for doubtful pledges	234,283	520,092	-	-	754,375
Total current assets	2,240,957	1,177,429	-	-	3,418,386
<b>Cash and Cash Equivalents Temporarily Restricted for Capital Acquisitions</b>	-	346,061	-	-	346,061
<b>Investments</b>	809,672	-	-	-	809,672
<b>Beneficial Interest in Trusts</b>	130,915	424,287	-	-	555,202
<b>Noncurrent Portion of Pledges Receivable</b>	224,777	1,001,108	-	-	1,225,885
Total assets	<u>\$ 3,406,321</u>	<u>\$ 2,948,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,355,206</u>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 13,488	\$ -	\$ -	\$ -	\$ 13,488
<b>Liability to Charitable Gift Annuitants</b>	47,598	-	-	-	47,598
Total liabilities	61,086	-	-	-	61,086
<b>Net Assets</b>					
Net assets without donor restrictions	2,403,339	216,958	-	-	2,620,297
Net assets with donor restrictions	941,896	2,731,927	-	-	3,673,823
Total net assets	3,345,235	2,948,885	-	-	6,294,120
Total liabilities and net assets	<u>\$ 3,406,321</u>	<u>\$ 2,948,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,355,206</u>

**Adventist HealthCare, Inc. - Foundations**

 Combining Schedule, Statement of Operations and Changes in Net Assets  
 Year Ended December 31, 2018

	Shady Grove Medical Center Foundation, Inc.	Washington Adventist Hospital Foundation, Inc.	Behavioral Health & Wellness Services 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	\$ 251,989	\$ 82,531	\$ -	\$ -	\$ 334,520
Investment income	9,026	-	-	-	9,026
Net assets released from restrictions	870,665	1,572,607	-	-	2,443,272
	<u>1,131,680</u>	<u>1,655,138</u>	<u>-</u>	<u>-</u>	<u>2,786,818</u>
Total revenues, gains, and other support					
<b>Expenses</b>					
General and administrative expenses	35,471	55,848	-	-	91,319
In-kind gifts expended	-	18,961	-	-	18,961
	<u>35,471</u>	<u>74,809</u>	<u>-</u>	<u>-</u>	<u>110,280</u>
Total expenses before transfers to the hospitals					
Transfers to the hospitals	1,329,873	1,604,232	-	-	2,934,105
	<u>1,365,344</u>	<u>1,679,041</u>	<u>-</u>	<u>-</u>	<u>3,044,385</u>
Total expenses					
Revenues less than expenses	(233,664)	(23,903)	-	-	(257,567)
Transfer from (to) Foundations	147,510	-	(147,510)	-	-
Change in net unrealized gains (losses) on investments other than trading securities	327,405	(35,424)	-	-	291,981
	<u>241,251</u>	<u>(59,327)</u>	<u>(147,510)</u>	<u>-</u>	<u>34,414</u>
Increase (decrease) in net assets without donor restrictions					
Net assets without donor restrictions, beginning	2,162,088	276,285	147,510	-	2,585,883
	<u>\$ 2,403,339</u>	<u>\$ 216,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,620,297</u>
Net assets without donor restrictions, ending					
<b>Changes in Net Assets With Donor Restrictions</b>					
Contributions, net	\$ 253,325	\$ 514,370	\$ -	\$ -	767,695
Net assets released from restrictions	(870,665)	(1,572,607)	-	-	(2,443,272)
Change in value of beneficial interest in trusts	5,824	(6,875)	-	-	(1,051)
Change in discount of pledges receivable and provision for doubtful pledges	(522,186)	13,199	-	-	(508,987)
Transfer from (to) Foundations	181,781	-	(181,781)	-	-
Investment income (loss) and unrealized gains (losses) on investments	(2,069)	39,653	-	-	37,584
	<u>(953,990)</u>	<u>(1,012,260)</u>	<u>(181,781)</u>	<u>-</u>	<u>(2,148,031)</u>
Decrease in net assets with donor restrictions					
Net assets with donor restrictions, beginning	1,895,886	3,744,187	181,781	-	5,821,854
	<u>\$ 941,896</u>	<u>\$ 2,731,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,673,823</u>
Net assets with donor restrictions, ending					