

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning 07/01, 2009, **and ending** 06/30, 2010

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization FRANKLIN SQUARE HOSPITAL CENTER INC. Doing Business As		D Employer identification number 52-0608007
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite		E Telephone number (410) 772-6719
		9000 FRANKLIN SQUARE DRIVE		G Gross receipts \$ 439,408,108.
		City or town, state or country, and ZIP + 4 BALTIMORE, MD 21237		
F Name and address of principal officer: ADRIENNE KIRBY 9000 FRANKLIN SQUARE DRIVE BALTIMORE, MD 21237		H(a) Is this a group return for affiliates? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
I Tax-exempt status: X 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527		H(b) Are all affiliates included? Yes <input type="checkbox"/> No <input type="checkbox"/>		
J Website: WWW.FRANKLINSQUARE.ORG		H(c) Group exemption number ▶		
K Form of organization: X Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1898 M State of legal domicile: MD		

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: FRANKLIN SQUARE HOSPITAL CENTER, INC., A MEMBER OF MEDSTAR HEALTH, PROVIDES THE HIGHEST QUALITY HEALTHCARE AND EDUCATION TO OUR COMMUNITIES.		
	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	19
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5 Total number of employees (Part V, line 2a)	5	3,346
	6 Total number of volunteers (estimate if necessary)	6	402
	7a Total gross unrelated business revenue from Part VIII, column (C), line 7a	7a	
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	2,021,646.	4,212,704.
	9 Program service revenue (Part VIII, line 2g)	423,003,016.	428,134,103.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-59,936.	143,132.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,698,181.	6,863,857.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	431,662,907.	439,353,796.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	204,133,645.	206,636,133.
	16 a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses, Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	207,904,353.	201,552,463.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	412,037,998.	408,188,596.
19 Revenue less expenses. Subtract line 18 from line 12	19,624,909.	31,165,200.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year 214,913,635.	End of Year 279,516,026.
	21 Total liabilities (Part X, line 26)	71,423,389.	72,667,918.
	22 Net assets or fund balances. Subtract line 21 from line 20	143,490,246.	206,848,108.

Part II Signature Block

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

Sign Here: Signature of officer: Marc R. Berger Date: 5/16/11
 Type or print name and title: MARC R. BERGER AVP, TAXATION

Paid Preparer's Use Only	Preparer's signature: <u>[Signature]</u>	Date: 5/10/11	Check if self-employed: <input type="checkbox"/>	Preparer's identifying number (see instructions): P00451522
	Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP 440 MONTICELLO AVE, SUITE 1900 NORFOLK, VA 23510-3310	EIN: 13-5565207	Phone no.: 757-616-7000	

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. * Form 990 (2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box **X**.
Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization FRANKLIN SQUARE HOSPITAL CENTER INC.	Employer identification number 52-0608007
	Number, street, and room or suite no. If a P.O. box, see instructions. 9000 FRANKLIN SQUARE DRIVE	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BALTIMORE, MD 21237	

Check type of return to be filed (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **MARC BERGER**
 Telephone No. **410 772-6719** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **05/15/2011**

5 For calendar year _____, or other tax year beginning **07/01/2009**, and ending **06/30/2010**

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension **INFORMATION NECESSARY TO PREPARE A COMPLETE A ACCURATE RETURN IS NOT YET AVAILABLE.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Ratherine Medved** Title **OPA** Date **2/8/11**

**KPMG LLP
 Suite 1900
 440 Monticello Avenue
 Norfolk, Virginia 23510**

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file) Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization FRANKLIN SQUARE HOSPITAL CENTER INC.	Employer identification number 52-0608007
	Number, street, and room or suite no. If a P.O. box, see instructions. 9000 FRANKLIN SQUARE DRIVE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BALTIMORE, MD 21237	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ MARC BERGER

Telephone No. ▶ 410 772-6719 FAX No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning 07/01, 2009, and ending 06/30, 2010

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

ATTACHMENT 2

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No
If "Yes," describe these new services on Schedule O.

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

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 16,393,151. including grants of \$) (Revenue \$ 12,146,750.)

FRANKLIN SQUARE HOSPITAL PROVIDED \$16.4M IN SUBSIDIZED (MISSION DRIVEN) HEALTH SERVICES IN FISCAL 2010. THESE CRITICAL SERVICES, WHICH ARE DRIVEN BY COMMUNITY NEEDS, OPERATE AT A LOSS. THEY ADDRESS PRIORITIES PRIMARILY THROUGH DISEASE PREVENTION AND IMPROVEMENT OF HEALTH STATUS. SERVICES INCLUDE OPERATION AND MANAGEMENT OF THE FAMILY HEALTH CENTER, CERTAIN PRIMARY CARE SERVICES, HOSPITALISTS, AND EMERGENCY TRAUMA SERVICES.

4b (Code:) (Expenses \$ 14,562,485. including grants of \$) (Revenue \$ 10,075.)

FRANKLIN SQUARE HOSPITAL PROVIDED \$14.6M IN HEALTH PROFESSIONS EDUCATION IN FISCAL 2010. THIS CATEGORY INCLUDES TRAINING FOR PHYSICIANS, MEDICAL STUDENTS, AND NURSES. RESIDENCIES, INTERNSHIPS, CLERKSHIPS, AND FELLOWSHIPS ARE ALSO QUALIFYING PROGRAMS.

4c (Code:) (Expenses \$ 8,924,317. including grants of \$) (Revenue \$ 0.)

FRANKLIN SQUARE HOSPITAL PROVIDED \$8.9M IN CHARITY CARE SERVICES IN FISCAL YEAR 2010. CHARITY CARE IS PROVIDED PURSUANT TO MEDSTAR HEALTH'S CHARITY CARE POLICY TO MEMBERS OF THE COMMUNITY WHOSE INCOMES ARE BELOW CERTAIN THRESHOLDS AND FOR WHICH THE HOSPITAL IS NOT COMPENSATED. UNDER MARYLAND'S UNIQUE PAYER SYSTEM, THE AMOUNT REPORTED REPRESENTS THE HOSPITAL'S CHARITY CARE EXPENSE. OTHER CHARITY CARE EXPENSES ARE INDIRECTLY REIMBURSED VIA THE STATE OF MARYLAND'S PAYMENT SYSTEM.

4d Other program services. (Describe in Schedule O.)

(Expenses \$ 315,091,781. including grants of \$) (Revenue \$ 0.)

4e Total program service expenses 354,971,734.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	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
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where 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
7	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
8	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
9	Did the organization report an amount in Part X, line 21; 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
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• 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>		
	• 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>		
	• 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>		
	• 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>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• 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? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		X
12A	Was the organization included in consolidated, independent audited financial statement for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II.</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	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
19	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
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	X	

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a-12b regarding IRS filings, employee counts, foreign accounts, and charitable trusts.

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.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (19); 1b Enter the number of voting members that are independent (16); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (X); 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (X); 5 Did the organization become aware during the year of a material diversion of the organization's assets? (X); 6 Does the organization have members or stockholders? (X); 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (X); 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (X); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X); b Each committee with authority to act on behalf of the governing body? (X); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (X); 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?; 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (X); 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (X); 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X); 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (X); 13 Does the organization have a written whistleblower policy? (X); 14 Does the organization have a written document retention and destruction policy? (X); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X); 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.); 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X); 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD;
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. Own website Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: MARC BERGER 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044 410-772-6719

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

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. Use Schedule J-2 if additional space is needed.

- 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. 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 the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
CARL J SCHINDELAR PRESIDENT/DIRECTOR	40.00	X		X			487,211.	404,393.	97,373.	
DEBRA B. DOYLE SECRETARY/TREASURER/DIRECTOR	1.00	X		X			0.	0.	0.	
KENNETH SAMET DIRECTOR	1.00	X					0.	3,637,403.	66,085.	
HATEM ABDO DIRECTOR	1.00	X					0.	0.	0.	
KHALID AL-TALIB DIRECTOR	1.00	X					0.	0.	0.	
ROBERT G. DAVEY DIRECTOR	1.00	X					0.	0.	0.	
MICHAEL L. DIETRICH DIRECTOR	1.00	X					0.	0.	0.	
JOHN B. FRANZONE DIRECTOR	1.00	X					0.	0.	0.	
GEORGE J. JABAJI DIRECTOR	1.00	X					24,902.	0.	0.	
VINCENT MARTORANA DIRECTOR	1.00	X					0.	0.	0.	
JEANNE M. MURPHY DIRECTOR	1.00	X					0.	0.	0.	
PATRICIA R. NORMAN DIRECTOR	1.00	X					0.	0.	0.	
DENNIS F. RASMUSSEN DIRECTOR	1.00	X					0.	0.	0.	
RICHARD W. SINGLE SR. DIRECTOR	1.00	X					0.	0.	0.	
MICHAEL D. SUTER DIRECTOR	1.00	X					0.	0.	0.	
DEBORAH M. TURNER DIRECTOR	1.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(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			
THOMAS S. WINTZ DIRECTOR	1.00	X					0.	0.	0.	
SCOTT G. BARHIGHT CHAIR	40.00	X		X			0.	0.	0.	
JOHN GONTRUM CHAIR	1.00	X		X			0.	0.	0.	
ANTHONY SCLAMA VICE PRESIDENT	40.00			X			504,781.	0.	44,762.	
ROBERT LALLY VICE PRESIDENT	40.00			X			406,098.	0.	53,833.	
ADRIENNE KIRBY PRESIDENT	40.00			X			0.	0.	0.	
GLENN VISBEEN SENIOR VICE PRESIDENT	40.00				X		307,024.	0.	15,140.	
LAWRENCE STRASSNER VICE PRESIDENT	40.00				X		209,681.	0.	25,207.	
WILLIAM MCGUIRE PHYSICIAN	40.00					X	485,320.	0.	25,909.	
WILLIAM WATERFIELD CHIEF	40.00					X	421,336.	0.	34,779.	
YVONNE OTTAVIANO CHIEF	40.00					X	402,687.	0.	35,930.	
SAMUEL SMITH MEDICAL DIRECTOR	40.00					X	400,360.	0.	40,866.	
DANIEL PICARD PHYSICIAN	40.00					X	386,240.	0.	41,285.	
1b Total							4,035,640.	4,041,796.	481,169.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **273**

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **5**

Part VIII Statement of Revenue

52-0608007

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	4,212,704.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f			4,212,704.			
Program Service Revenue	Business Code						
	2a NET PATIENT SERVICE REVENUE		621300	428,134,103.	428,134,103.		
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
	g Total. Add lines 2a-2f			428,134,103.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			192,932.			192,932.
	4 Income from investment of tax-exempt bond proceeds			0.			
	5 Royalties			0.			
	6a Gross Rents	(i) Real	(ii) Personal				
	b Less: rental expenses	345,159.					
	c Rental income or (loss)	345,159.					
	d Net rental income or (loss)			345,159.			345,159.
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less: cost or other basis and sales expenses	4,512.					
	c Gain or (loss)	54,312.					
	d Net gain or (loss)	-49,800.		-49,800.			-49,800.
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
	c Net income or (loss) from fundraising events			0.			
	9a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities			0.			
	10a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b						
c Net income or (loss) from sales of inventory			0.				
Miscellaneous Revenue			Business Code				
11a PHARMACY		900099	3,943,506.	3,943,506.			
b REBATE		900099	1,197,142.	1,197,142.			
c PARKING LOT REVENUE		812930	193,903.	193,903.			
d All other revenue		900099	1,184,147.	1,010,914.		173,233.	
e Total. Add lines 11a-11d			6,518,699.				
12 Total Revenue. See instructions			439,353,796.	434,479,568.		661,524.	

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) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	2,555,503.	2,300,753.	254,750.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	0.			
7 Other salaries and wages	166,630,543.	150,019,676.	16,610,867.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	4,485,104.	4,037,998.	447,106.	
9 Other employee benefits	20,929,271.	18,842,899.	2,086,372.	
10 Payroll taxes	12,035,712.	10,628,877.	1,406,835.	
11 Fees for services (non-employees):				
a Management	24,607,867.		24,607,867.	
b Legal	86,662.		86,662.	
c Accounting	0.			
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	38,614,788.	36,755,138.	1,859,650.	
12 Advertising and promotion	1,679,711.	263,794.	1,415,917.	
13 Office expenses	3,376,494.	2,238,815.	1,137,679.	
14 Information technology	50,854.	44,935.	5,919.	
15 Royalties	0.			
16 Occupancy	1,616,002.	1,625,604.	-9,602.	
17 Travel	663,393.	495,821.	167,572.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	143,433.	129,459.	13,974.	
20 Interest	4,490,474.	4,490,474.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	14,656,923.	14,656,923.		
23 Insurance <u>ATCH. 4.</u>	10,543,102.	10,261,667.	281,435.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>DRUGS/PHARMACY</u>	28,783,599.	28,729,051.	54,548.	
b <u>MEDICAL/SURGICAL SUPPLIES</u>	23,961,750.	23,904,985.	56,765.	
c <u>BAD DEBTS</u>	17,951,015.	17,951,015.		
d <u>IMPLANTS/PROST.</u>	8,789,087.	8,789,087.		
e <u>MAINTENANCE AND CLEANING</u>	5,426,675.	5,216,147.	210,528.	
f All other expenses	16,110,634.	13,588,616.	2,522,018.	
25 Total functional expenses. Add lines 1 through 24f	408,188,596.	354,971,734.	53,216,862.	0.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	6,378.	1	6,378.
	2 Savings and temporary cash investments	406,918.	2	774,224.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	41,911,033.	4	46,884,632.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	4,912,487.	8	5,840,785.
	9 Prepaid expenses and deferred charges	1,172,796.	9	715,281.
	10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 421,178,752.		
	b Less: accumulated depreciation	10b 199,330,619.	162,414,807.	10c 221,848,133.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	380,492.	12	1,026,012.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	3,708,724.	15	2,420,581.
16 Total assets. Add lines 1 through 15 (must equal line 34)	214,913,635.	16	279,516,026.	
Liabilities	17 Accounts payable and accrued expenses	44,702,010.	17	42,259,717.
	18 Grants payable		18	
	19 Deferred revenue	59,722.	19	87,303.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	26,661,657.	25	30,320,898.
	26 Total liabilities. Add lines 17 through 25	71,423,389.	26	72,667,918.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	141,979,754.	27	206,422,096.
	28 Temporarily restricted net assets	1,510,492.	28	426,012.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	143,490,246.	33	206,848,108.
	34 Total liabilities and net assets/fund balances	214,913,635.	34	279,516,026.

Part XI Financial Statements and Reporting

		Yes	No
1	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.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	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.		

Form **990** (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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. ▶ See separate instructions.

Name of the organization: **FRANKLIN SQUARE HOSPITAL CENTER INC.** Employer identification number: **52-0608007**

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

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

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2009; 15 Public support percentage from 2008 Schedule A, Part II, line 14; 16a 33 1/3 % support test - 2009; b 33 1/3 % support test - 2008; 17a 10%-facts-and-circumstances test - 2009; b 10%-facts-and-circumstances test - 2008; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2009.** 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 - 2008.** 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 **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization

FRANKLIN SQUARE HOSPITAL CENTER INC.

Employer identification number

52-0608007

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes No, 6 Did the organization inform all grantees...

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Year. Rows include: 1 Purpose(s) of conservation easements held by the organization, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06, 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, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, 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 170(h)(4)(B)(ii)? Yes No, 9 In Part XIV, 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" to Form 990, Part IV, line 8.

Table with 2 columns: \$. Rows include: 1a If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116, 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) Revenues included in 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 relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

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

Schedule D (Form 990) 2009

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 XIV.

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" to 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 XIV 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? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to 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 year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

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

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		386,702.		386,702.
b Buildings		87,728,193.	65,380,664.	22,347,529.
c Leasehold improvements		4,230,080.	3,392,952.	837,128.
d Equipment		174,506,922.	125,747,494.	48,759,428.
e Other		154,326,855.	4,809,509.	149,517,346.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				221,848,133.

Part VII Investments - Other Securities. 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
Financial derivatives		
Closely-held equity interests		
Other -----		

Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount	
Federal income taxes		
ADVANCES FROM 3RD PARTY PAYORS	10,616,532.	
OTHER LIABILITIES	14,001,674.	
WORKERS COMPENSATION	5,000,974.	
ASBESTOS ABATEMENT LIABILITY	260,933.	
STOCK OPTION PLAN	440,785.	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	30,320,898.	

2. FIN 48 Footnote. In Part XIV, 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.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

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

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

Part XIV Supplemental Information

Complete this part to 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

FIN 48 FOOTNOTE

SCHEDULE D, PART XIV

THE CORPORATION ACCOUNTS FOR UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH

THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ISSUED INTERPRETATION NO.

48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES - AN

INTERPRETATION OF FASB STATEMENT 109 (FIN 48).

Part XIV Supplemental Information *(continued)*

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2009

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
 ▶ **Attach to Form 990.**
 ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization

FRANKLIN SQUARE HOSPITAL CENTER INC.

Employer identification number

52-0608007

Part I Charity Care and Certain Other Community Benefits at Cost

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a	X	
1b If "Yes," is it a written policy?	X	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals.		
<input checked="" type="checkbox"/> Applied uniformly to all hospitals		
<input type="checkbox"/> Generally tailored to individual hospitals		
<input type="checkbox"/> Applied uniformly to most hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the 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 Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is 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 checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Does the organization's policy provide free or discounted care to the "medically indigent"?	X	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	X	
5b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	X	
5c 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
6a Does the organization prepare an annual community benefit report?	X	
6b If "Yes," does 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 Charity Care 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
Charity Care and Means-Tested Government Programs						
a Charity care at cost (from Worksheets 1 and 2)		0	6,095,309.	0.	6,095,309.	1.49
b Unreimbursed Medicaid (from Worksheet 3, column a)		0	0.	0.	0.	0.00
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)		0	0.	0.	0.	0.00
d Total Charity Care and Means-Tested Government Programs		0	6,095,309.	0.	6,095,309.	1.49
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	172	310894	2,045,708.	46,362.	1,999,346.	.49
f Health professions education (from Worksheet 5)	15	1312	14,562,485.	0.	14,562,485.	3.57
g Subsidized health services (from Worksheet 6)	5	405	16,393,151.	12,146,750.	4,246,401.	1.04
h Research (from Worksheet 7)	2	0	474,814.	62,925.	411,889.	.10
i Cash and in-kind contributions to community groups (from Worksheet 8)	36	326	328,947.	0.	328,947.	.08
j Total. Other Benefits	230	312937	33,805,105.	12,256,037.	21,549,068.	5.28
k Total. Add lines 7d and 7j	230	312937	39,900,414.	12,256,037.	27,644,377.	6.77

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

Schedule H (Form 990) 2009

JSA

9E1284 2.000

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing		0	0.	0.	0.	0.00
2 Economic development		0	0.	0.	0.	0.00
3 Community support	7	381	183,437.	4,200.	179,237.	.04
4 Environmental improvements		0	0.	0.	0.	0.00
5 Leadership development and training for community members	1	41	2,196.	0.	2,196.	
6 Coalition building	1	40	542.	0.	542.	
7 Community health improvement advocacy	8	162	44,722.	0.	44,722.	.01
8 Workforce development	1	100	692.	0.	692.	
9 Other	1	400	1,531.	0.	1,531.	
10 Total	19	1124	233,120.	4,200.	228,920.	.05

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? 1 X
- Enter the amount of the organization's bad debt expense (at cost) 2 11,171,285.
- Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy 3 0.
- Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.

Section B. Medicare

- Enter total revenue received from Medicare (including DSH and IME) 5 0.
- Enter Medicare allowable costs of care relating to payments on line 5 6 0.
- Subtract line 6 from line 5. This is the surplus or (shortfall) 7 0.
- Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- Does the organization have a written debt collection policy? 9a X
- If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI. 9b X

Part IV Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
FRANKLIN SQUARE HOSPITAL CENTER 9000 FRANKLIN SQUARE DRIVE BALTIMORE MD 21237-3901	X	X		X		X	X	X	FAST TRACK ER

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CHARITY CARE AT COST

PART I, LINE 7A

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL

PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES

COST REVIEW COMMISSION (HSCRC), DETERMINES PAYMENT THROUGH A RATE-SETTING

PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME

AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S

UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED

CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO

BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

UNREIMBURSED MEDICAID

PART I, LINE 7B

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL

PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES

COST REVIEW COMMISSION (HSCRC), DETERMINES PAYMENT THROUGH A RATE-SETTING

PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME

AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
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- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED

CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITAL TO

BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY

BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE

NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL

OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF

MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING

HOSPITALS THROUGH THE RATE-SETTING SYSTEM.

HEALTH PROFESSIONS EDUCATION

PART I, LINE 7F

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL

PAYMENT THAT DIFFERS FROM THE REST OF THE NATIONAL. THE HEALTH SERVICES

COST REVIEW COMMISSION (HSCRC), DETERMINES PAYMENT THROUGH A RATE-SETTING

PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME

AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S

UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED

CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO

BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
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- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4:

MEDSTAR HEALTH AND ITS AFFILIATED ORGANIZATIONS REPORT BAD DEBT EXPENSE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND HFMA 15. AMOUNTS THAT ARE NOT EXPECTED TO BE COLLECTED, FOR PATIENTS QUALIFYING UNDER MEDSTAR HEALTH'S FINANCIAL ASSISTANCE POLICY, ARE WRITTEN OFF TO CHARITY CARE AND REPORTED AS A REDUCTION TO REVENUE. BAD DEBT EXPENSE RESULTS FROM MANAGEMENT'S INABILITY TO COLLECT REVENUES THAT MEET THE GAAP CRITERIA FOR REVENUE RECOGNITION. BAD DEBT REPRESENTS AN OPERATING EXPENSE AND IS REFLECTED AS A SEPARATE LINE ITEM ON THE ORGANIZATION'S STATEMENT OF OPERATIONS. HOWEVER, MEDSTAR AND ITS AFFILIATED ENTITIES DO NOT MAKE A DETERMINATION AS TO WHETHER SELF PAY AMOUNTS ARE COLLECTIBLE IN DETERMINING REVENUE RECOGNITION. RESERVE MODELS, WHICH HAVE BEEN DEVELOPED BASED ON HISTORICAL COLLECTION RESULTS AND WHICH ARE ADJUSTED PERIODICALLY BASED ON ACTUAL COLLECTIONS EXPERIENCE, ARE USED TO ESTIMATE UNCOLLECTIBLE AMOUNTS ACROSS ALL PAYORS INCLUDING SELF PAY. BAD DEBT DETERMINATIONS ARE MADE ONLY AFTER SUFFICIENT EVIDENCE IS OBTAINED TO SUPPORT THAT AN AMOUNT IS NOT COLLECTIBLE.

PART III, LINE 8:

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL

PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH

SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A

RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS,

PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME

HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR

REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT

ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED

TO UNCOMPENSATED CARE. AS SUCH, THE NET EFFECT FOR MEDICARE EXPENSES

AND REVENUES IN MARYLAND IN ZERO.

NEEDS ASSESSMENT:

IN 2007, FRANKLIN SQUARE LED, AND FINANCIALLY SUPPORTED, THE

SOUTHEAST AREA NETWORK OF PROVIDERS IN CONDUCTING A COMMUNITY NEEDS

ASSESSMENT OF THE HEALTH AND WELL-BEING IN THE SOUTHEASTERN PORTION

OF BALTIMORE COUNTY. THE PURPOSE OF THIS PROJECT WAS THREEFOLD: (1)

ASSESS CURRENT HEALTH AND WELL-BEING IN THE SOUTHEAST AREA; (2)

IDENTIFY DISCREPANCIES IN SERVICE NEEDS AND OUTCOMES AMONG AREA

RESIDENTS; AND (3) DEVISE A STRATEGIC PLAN FOR CORRECTING THESE

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
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- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DISCREPANCIES. FOUR CRITICAL NEEDS WERE IDENTIFIED FOR THE FRANKLIN

SQUARE SERVICES AREA: CARDIOVASCULAR DISEASE MANAGEMENT AND

PREVENTION, DOMESTIC VIOLENCE, CANCER AND ACCESS TO CARE FOR

UNDERSERVED POPULATIONS.

IN APRIL 2008, FRANKLIN SQUARE PUBLISHED AN ACTION PLAN FOR

DEVELOPING COORDINATED AND COLLABORATIVE EFFORTS AND INVESTING IN

ECONOMIC AND SOCIAL RESOURCES IN WAYS THAT IMPROVE THE HEALTH AND

WELL-BEING FOR ALL OF SOUTHEAST BALTIMORE COUNTY'S RESIDENTS.

ASSESSMENT OF RESOURCES WHICH ARE CURRENTLY AVAILABLE TO MEET THE

ACTION PLAN WERE IDENTIFIED IN FY2009 BY A COLLABORATION OF

PROFESSIONAL NETWORKS, COUNTY AGENCIES AND COMMUNITY ORGANIZATIONS.

PLANNING ACTION ITEMS AND SEEKING FUNDING ARE FY2011 GOALS FOR THE

NETWORK.

FRANKLIN SQUARE PARTICIPATES ON THE MEDSTAR HEALTH COMMUNITY ADVISORY

BOARD TO STUDY DEMOGRAPHICS, ASSESS COMMUNITY HEALTH DISPARITIES,

INVENTORY RESOURCES AND ESTABLISH COMMUNITY BENEFIT GOALS FOR BOTH

THE HOSPITAL AND MEDSTAR HEALTH.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

FRANKLIN SQUARE'S CHARITY CARE POLICY, INCLUDING A DESCRIPTION OF THE
 APPLICABLE COMMUNITIES IT SERVES, IS POSTED IN EACH MAJOR PATIENT
 REGISTRATION AREA AND IN ANY OTHER AREAS REQUIRED BY APPLICABLE
 REGULATIONS. FRANKLIN SQUARE COMMUNICATES THE INFORMATION TO PATIENTS
 AS REQUIRED BY THIS POLICY AND APPLICABLE REGULATIONS. COPIES OF THE
 POLICY ARE AVAILABLE FOR ALL PATIENTS.

FRANKLIN SQUARE'S FINANCIAL SERVICES STAFF WORKS WITH UNINSURED AND
 UNDERINSURED PATIENTS TO UNDERSTAND EACH PATIENT'S FINANCIAL
 SITUATION PRIOR TO ADMISSION (FOR SCHEDULED SERVICES) OR PRIOR TO
 BILLING (FOR EMERGENCY SERVICES). UNINSURED PATIENTS MAY BE ELIGIBLE
 FOR CHARITY CARE OR SLIDING-SCALE FINANCIAL ASSISTANCE. THE FINANCIAL
 COUNSELORS AND FINANCIAL SERVICES STAFF WILL DETERMINE ELIGIBILITY
 FOR CHARITY CARE AND SLIDING SCALE FINANCIAL ASSISTANCE BASED ON
 INCOME, FAMILY SIZE, AND THE EXTENT OF MEDICAL COSTS.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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COMMUNITY INFORMATION:

LOCATED IN THE ROSEDALE SECTION OF EASTERN BALTIMORE COUNTY,

MARYLAND, FRANKLIN SQUARE HOSPITAL CENTER'S PRIMARY SERVICE AREA

INCLUDES SIXTEEN ZIP CODES FROM EASTERN BALTIMORE CITY THRU EASTERN

BALTIMORE COUNTY AND EXTENDING UP TO SOUTHERN HARFORD COUNTY,

ADJACENT TO THE CHESAPEAKE BAY.

THIS AREA HAS A LARGE BASE POPULATION OF APPROXIMATELY 524,000, AND

IS PROJECTED TO GROW BY 2.6% IN THE NEXT FIVE YEARS, TO ABOUT

538,000. THE SERVICE AREA HAS BECOME A MUCH MORE DIVERSE COMMUNITY

OVER THE PAST FEW DECADES. THE AREA, PARTICULARLY EASTERN BALTIMORE

CITY AND EASTERN BALTIMORE COUNTY, CAN BE DESCRIBED AS BLUE-COLLAR,

HIGH-SCHOOL EDUCATED, AND ECONOMICALLY DEPRESSED; WITH A DIVERSE

POPULATION CONSISTING OF CAUCASIANS (71.8%), AFRICAN-AMERICANS

(20.3%), ASIAN/PACIFIC ISLANDERS (2.5%), HISPANICS/LATINOS (3.1%),

AND OTHERS (2.3%). THIRTY-SEVEN PERCENT OF THE POPULATION IS EITHER

VERY YOUNG OR SENIOR WITH 24% CHILDREN UNDER EIGHTEEN YEARS OLD AND

13% OVER 65 YEARS OLD.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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POVERTY IS A SIGNIFICANT PROBLEM IN EASTERN BALTIMORE COUNTY.

STATISTICS SHOW THAT 48% OF THE RESIDENTS HAVE A HIGH SCHOOL OR LOWER

LEVEL OF EDUCATION. STATISTICS ALSO SHOW THAT THE MEDIAN HOUSEHOLD

INCOME IN THE ESSEX / MIDDLE RIVER / DUNDALK AREA OF \$47,949 IS MUCH

LOWER THAN THE COUNTY AVERAGE OF \$65,531. THE NUMBER OF INDIVIDUALS

WHO ARE UNINSURED OR UNDER INSURED IN THE HOSPITAL'S CATCHMENT AREA

IS ESTIMATED TO BE 38% AND GROWING. THIS IS A DIRECT RESULT OF THE

DECLINE IN MANUFACTURING INDUSTRIES IN THE REGION, WHICH ARE BEING

REDUCED OR DECLARING BANKRUPTCY. CURRENTLY, THE LARGEST EMPLOYER IN

THE AREA IS THE HOSPITAL. THE INCREASING NUMBER OF FAMILIES AND

INDIVIDUALS WITH EITHER NO HEALTH INSURANCE OR SEVERELY CURBED HEALTH

INSURANCE REPRESENTS A SERIOUS CONCERN FOR THE HEALTHCARE COMMUNITY

AND GOVERNMENT AGENCIES.

COMMUNITY BUILDING ACTIVITIES:

AS A COMMUNITY PARTNER, THE HOSPITAL ENGAGES IN A NUMBER OF COMMUNITY

BENEFIT ACTIVITIES TO IMPROVE AND PROMOTE THE HEALTH AND WELLBEING OF

THE COMMUNITY. IN JANUARY 2008, FRANKLIN SQUARE, IN PARTNERSHIP WITH

BALTIMORE COUNTY AND HEALTHCARE FOR THE HOMELESS IN BALTIMORE CITY,

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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ESTABLISHED A NEW PRIMARY CARE ACCESS POINT FOR HOMELESS PERSONS IN
 BALTIMORE COUNTY. THE HOSPITAL PROVIDES THE PRIMARY HEALTHCARE STAFF,
 IN-KIND SUPPORT IN TECHNICAL ASSISTANCE, INFORMATION TECHNOLOGY,
 FINANCE/BUDGET/BILLING, AND PUBLIC RELATIONS AND MARKETING. FRANKLIN
 SQUARE ALSO PROVIDES WRITE OFFS FOR LABS AND SPECIALTY SERVICES.
 ADULT AND YOUTH TOBACCO USE RATES ARE HIGH IN MARYLAND AND IN THE
 HOSPITAL'S SERVICE AREA, CONTRIBUTING TO SIGNIFICANT MORBIDITY AND
 MORTALITY. IN 1997, FRANKLIN SQUARE BEGAN OFFERING COMMUNITY TOBACCO
 PREVENTION PROGRAMS. IN 2000, FRANKLIN SQUARE BEGAN A MULTIFACETED
 APPROACH TO TOBACCO PREVENTION BASED ON COMMUNITY DATA. THE TARGETED
 POPULATIONS INCLUDE ELEMENTARY, MIDDLE, AND HIGH SCHOOL CHILDREN AS
 WELL AS ADULTS. INTERVENTION PROGRAMS TAILORED TO THE AUDIENCE'S
 EDUCATIONAL LEVEL OCCUR AT HEALTH FAIRS AND PRESENTATIONS.

OTHER INFORMATION:

EACH YEAR, FRANKLIN SQUARE HOSPITAL EVALUATES OVER 300 CHILDREN WHO
 HAVE BEEN SUSPECTED OF BEING ABUSED. CHILDREN IN EASTERN BALTIMORE
 COUNTY ARE ALMOST 50% MORE LIKELY AS CHILDREN IN THE REST OF THE
 COUNTY TO BE ABUSE VICTIMS.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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IN 2000, AFTER REVIEWING CASES OF CHILDREN WHO WERE INJURED AND

TREATED IN THE EMERGENCY DEPARTMENT (ED), IT APPEARED THAT MANY WERE

NOT RECEIVING COMPLETE EVALUATIONS AND CASES OF CHILD ABUSE WERE

POSSIBLY BEING MISSED. ADDITIONALLY, IN A TWO-YEAR PERIOD FROM

1998-2000, FIVE CHILDREN WHO WERE BORN AT FRANKLIN SQUARE RETURNED

SEVERELY INJURED FROM ABUSIVE HEAD TRAUMA (AHT).

IN RESPONSE TO THE INCREASED INCIDENCE OF ABUSE, THE DEPARTMENT OF

PEDIATRICS DEVELOPED A COMPREHENSIVE APPROACH TO DIAGNOSE AND PREVENT

CHILD ABUSE. THE FRANKLIN SQUARE HOSPITAL CHILD PROTECTION TEAM

(CPT) BEGAN TO FUNCTION IN NOVEMBER 2000. THE LEADERS OF THE CPT ARE

A SOCIAL WORKER COORDINATOR, THE MEDICAL DIRECTOR, AND ON-CALL SOCIAL

WORK AND MEDICAL STAFF. THE TEAM PROVIDES 24/7 COVERAGE TO THE

HOSPITAL AND EVALUATES ANY CHILD WHO IS SUSPECTED OF BEING PHYSICALLY

OR SEXUALLY ABUSED. THIS SERVICE HAS PROVEN TO BE A SIGNIFICANT

CONTRIBUTION TO THE COMMUNITY - IMPACTING THOUSANDS OF PARENTS AND

CHILDREN.

AFFILIATED HEALTH CARE SYSTEM ROLES:

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See instructions.
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AS A PROUD MEMBER OF MEDSTAR HEALTH, FRANKLIN SQUARE HOSPITAL IS ABLE
 TO EXPAND ITS CAPACITY TO MEET THE NEEDS OF THE COMMUNITY BY
 PARTNERING WITH OTHER MEDSTAR HOSPITALS AND ASSOCIATED ENTITIES. FOR
 EXAMPLE, MEDSTAR HEALTH RESOURCES ASSIST THE HOSPITAL IN STRATEGIC
 PLANNING TO MEET THE NEEDS OF THE UNDER/UNINSURED. THROUGH ITS
 COMMUNITY HEALTH FUNCTION, MEDSTAR HEALTH PROVIDES FRANKLIN SQUARE
 WITH TECHNICAL SUPPORT TO ENHANCE COMMUNITY HEALTH PROGRAMMING.
 MEDSTAR'S CORPORATE PHILANTHROPY DIVISION OFFERS RESOURCES AND
 TECHNICAL SUPPORT IN SECURING PHILANTHROPIC INVESTORS TO ENSURE
 HEALTH SERVICES ARE AVAILABLE TO ALL PATIENTS, REGARDLESS OF ABILITY
 TO PAY.

ALL STATES WHICH ORGANIZATION FILES A COMMUNITY BENEFIT REPORT:

MD,

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

FRANKLIN SQUARE HOSPITAL CENTER INC.

Employer identification number

52-0608007

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 in 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 (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a is 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 officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" 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 in 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) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in 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" to line 5a or 5b, describe in Part III.

6 For persons listed in 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" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

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

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

Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use Schedule J-1 if additional space is needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(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 reported in prior Form 990 or Form 990-EZ	
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation					
CARL J SCHINDELAR	(i)	233,899.	253,312.	0.	38,400.	10,286.	535,897.	0.
	(ii)	281,215.	123,178.	0.	38,400.	10,287.	453,080.	0.
KENNETH SAMET	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	1,163,764.	1,175,787.	1,297,852.	47,263.	18,822.	3,703,488.	1,743,040.
ANTHONY SCLAMA	(i)	367,127.	137,654.	0.	21,964.	22,798.	549,543.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ROBERT LALLY	(i)	234,629.	98,430.	73,039.	35,641.	18,192.	459,931.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
GLENN VISBEEN	(i)	230,519.	76,505.	0.	0.	15,140.	322,164.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
LAWRENCE STRASSNER	(i)	173,959.	35,722.	0.	16,417.	8,790.	234,888.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
WILLIAM MCGUIRE	(i)	430,969.	54,351.	0.	24,181.	1,728.	511,229.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
WILLIAM WATERFIELD	(i)	373,708.	47,628.	0.	23,415.	11,364.	456,115.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
YVONNE OTTAVIANO	(i)	350,500.	52,187.	0.	21,914.	14,016.	438,617.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
SAMUEL SMITH	(i)	368,766.	31,594.	0.	26,843.	14,023.	441,226.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DANIEL PICARD	(i)	373,700.	12,540.	0.	29,931.	11,354.	427,525.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.**

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

FRANKLIN SQUARE HOSPITAL CENTER INC.

Employer identification number

52-0608007

ATTACHMENT 1

DESCRIPTION OF EXECUTIVE COMPENSATION

FORM 990 - PART VI, SECTION B, QUESTION 15

THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF MEDSTAR HEALTH, INC. (THE "COMMITTEE") HAS OVERSIGHT OVER THE EXECUTIVE COMPENSATION PROGRAM (THE "PROGRAM") OF MEDSTAR HEALTH, INC. AND ITS AFFILIATES. TOTAL COMPENSATION FOR THE TOP MANAGEMENT OFFICIALS, OFFICERS AND KEY EMPLOYEES OF MEDSTAR HEALTH, INC. AND ITS AFFILIATES ARE REVIEWED AND APPROVED BY THE COMMITTEE WITH ASSISTANCE AND GUIDANCE FROM AN INDEPENDENT THIRD PARTY ADVISOR. THE MEMBERS OF THE COMMITTEE ARE INDEPENDENT FROM ALL OF THE PARTICIPANTS IN THE PROGRAM.

THE MAIN OBJECTIVE OF THE PROGRAM IS TO PROVIDE MARKET COMPETITIVE TOTAL COMPENSATION THAT IS INTERNALLY EQUITABLE AND HAS A STRONG PAY-FOR-PERFORMANCE LINKAGE. PERFORMANCE IS EVALUATED AT THE SYSTEM, OPERATING UNIT, AND INDIVIDUAL LEVELS. THE OVERALL TOTAL COMPENSATION PHILOSOPHY IS MANAGED AT THE 75TH PERCENTILE OF THE COMPETITIVE MARKET FOR COMPARABLE SIZE (NET REVENUE) AND TYPE (TAX-EXEMPT HEALTHCARE ORGANIZATIONS). WHERE APPROPRIATE, ADDITIONAL INDUSTRY DATA IS CONSIDERED (GENERAL BUSINESS AND/OR TAXABLE HEALTHCARE) FOR SELECTED POSITIONS THAT CAN BE RECRUITED FROM OR POTENTIALLY LOST TO THESE INDUSTRIES (E.G., INFORMATION TECHNOLOGY, FINANCE, ETC.).

THE COMMITTEE HAS ENGAGED ERNST & YOUNG LLP ("E&Y") TO SERVE AS AN ADVISOR ON THE REASONABLENESS AND COMPETITIVENESS OF THE PROGRAM. IN

Name of the organization FRANKLIN SQUARE HOSPITAL CENTER INC.	Employer identification number 52-0608007
<u>ATTACHMENT 1 (CONT'D)</u>	

DETERMINING REASONABLENESS AND COMPETITIVENESS, E&Y REVIEWS MARKET PRACTICES AND TRENDS, AND MAKES RECOMMENDATIONS RELATED TO THE PROGRAM. E&Y UTILIZES INFORMATION FROM CUSTOM SURVEYS, NATIONAL COMPENSATION SURVEYS, PROPRIETARY DATABASES, AND CLIENT EXPERIENCES TO DETERMINE ITS FINAL RECOMMENDATIONS. E&Y PRESENTS THEIR FINDINGS AND RECOMMENDATIONS TO THE COMMITTEE. THE COMMITTEE MAKES THE FINAL DECISIONS ON ALL OF THE COMPENSATION DETERMINATIONS OF THE PROGRAM. ALL DECISIONS MADE BY THE COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED.

FINANCIAL STATEMENT AVAILABILITY

PART VI, SECTION C, QUESTION 19

MEDSTAR HEALTH POSTS ITS ANNUAL FINANCIAL AUDIT AND QUARTERLY FINANCIAL REPORTS TO THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) SYSTEM. THE ORGANIZATION ALSO MAILES ITS ANNUAL AND QUARTERLY DISCLOSURES TO HOLDERS OF THE COMPANY'S PUBLICLY TRADED DEBT. THE COMPANY'S GOVERNANCE DOCUMENTS AND CONFLICTS OF INTEREST POLICIES ARE AVAILABLE UPON REQUEST THROUGH ITS CORPORATE (OR AS APPLICABLE ENTITY) PUBLIC INFORMATION OFFICES.

COMPENSATION FOOTNOTE

FORM 990, PART VII, LINE 4

KENNETH SAMET

KENNETH SAMET'S OTHER REPORTABLE COMPENSATION IN PART II, COLUMN (B) (III) INCLUDES \$1,278,236 REPRESENTING MR. SAMET'S ACCUMULATED ENTIRE ACCRUED BENEFIT IN A SUPPLEMENTAL RETIREMENT PLAN, WHICH WAS EARNED DURING THE PAST 21 YEARS OF SERVICE. THIS AMOUNT WAS NOT ACTUALLY PAID TO MR. SAMET, BUT WAS REPORTED AS COMPENSATION UNDER FICA TAX-REPORTING

Name of the organization FRANKLIN SQUARE HOSPITAL CENTER INC.	Employer identification number 52-0608007
<u>ATTACHMENT 1 (CONT'D)</u>	

RULES, AND THIS ENTIRE AMOUNT WAS ALSO REPORTED ON FORM 990 IN PRIOR YEARS.

CONFLICT OF INTEREST POLICY

PART VI, SECTION B, QUESTION 12C

APPOINTMENT OF BOARDS OF DIRECTORS

MEDSTAR HEALTH (AND ITS SUBSIDIARIES) REQUIRE ALL NOMINATED DIRECTORS, PRIOR TO THEIR APPOINTMENT OR ELECTION, TO DISCLOSE THE EXISTENCE OF (OR POTENTIAL EXISTENCE OF) ANY TRANSACTION WITH MEDSTAR THAT WOULD RESULT IN A CONFLICT OF INTEREST. SUCH DISCLOSURES (IF ANY) ARE REVIEWED BY THE GOVERNANCE COMMITTEE OF THE MEDSTAR HEALTH BOARD OF DIRECTORS WHICH DETERMINES HOW THE MATTER SHOULD BE RESOLVED.

ANNUAL DISCLOSURES - ALL OFFICERS, DIRECTORS, AND SENIOR MANAGERS ALL OFFICERS, DIRECTORS AND SENIOR MANAGERS ARE REQUIRED, NOT LESS THAN ANNUALLY, TO COMPLETE A SURVEY OF QUESTIONS CONCERNING ANY TRANSACTIONS OR RELATIONSHIPS WHICH WOULD OR COULD REPRESENT A CONFLICT OF INTEREST. SUCH DISCLOSURES (IF ANY) ARE REVIEWED BY THE GOVERNANCE COMMITTEE OF THE MEDSTAR HEALTH BOARD OF DIRECTORS WHICH DETERMINES HOW THE MATTER SHOULD BE RESOLVED. IN ADDITION, OFFICERS AND DIRECTORS OF MARYLAND HOSPITALS AND NURSING CENTERS ARE REQUIRED TO ANNUALLY DISCLOSE ADDITIONAL INFORMATION RELATING TO POTENTIAL CONFLICTS OF INTEREST AND SUCH DISCLOSURES ARE REPORTED TO THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION (HSCRC).

PROCESS FOR REVIEWING FORM 990

PART VI, SECTION B, LINE 11A

THE PROCESS FOR REVIEWING THE FORM 990 INCLUDED EDUCATION AND

Name of the organization FRANKLIN SQUARE HOSPITAL CENTER INC.	Employer identification number 52-0608007
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ATTACHMENT 1 (CONT'D)

TRANSPARENCY. SENIOR FINANCIAL EXECUTIVES, WORKING WITH INDEPENDENT OUTSIDE EXPERTS, THOROUGHLY REVIEWED THE REVISED FORM 990 AND ACCOMPANYING INSTRUCTIONS AND PROVIDED EDUCATION SESSIONS ON THE REVISED FORM TO THE ORGANIZATION'S GOVERNING BODY AND ITS SENIOR OFFICERS. IN ADDITION, SEPARATE EDUCATION SESSIONS WERE PROVIDED TO THE FOLLOWING COMMITTEES OF ORGANIZATION'S GOVERNING BODY: FINANCE, AUDIT, GOVERNANCE, STRATEGIC PLANNING, AND EXECUTIVE COMPENSATION. THIS EDUCATION PROCESS TOOK PLACE OVER SEVERAL MONTHS. FOLLOWING THESE EDUCATION SESSIONS, THE GOVERNING BODY WAS PROVIDED A COPY OF THE FORM 990 IN ITS FINAL FORM AND WAS ENCOURAGED TO PROVIDE ANY INPUT OR COMMENTS RELATING TO THE FORM 990 PRIOR TO ITS FILING.

ATTACHMENT 2FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

AS A PROUD MEMBER OF MEDSTAR HEALTH, FRANKLIN SQUARE HOSPITAL PROVIDES SAFE, HIGH QUALITY CARE, EXCELLENT SERVICE, AND EDUCATION TO IMPROVE THE HEALTH OF THE COMMUNITY. FOUNDED IN 1898, AND NOW LOCATED IN THE WHITE MARSH AREA OF NORTHEASTERN BALTIMORE COUNTY, FRANKLIN SQUARE HOSPITAL IS AN ACUTE-CARE TEACHING HOSPITAL OFFERING A FULL RANGE OF SERVICES FOR CHILDREN AND ADULTS. PRIMARY SERVICE LINES INCLUDE MEDICINE, ONCOLOGY, SURGICAL SERVICES, WOMEN AND CHILDREN'S CARE, BEHAVIORAL HEALTH AND COMMUNITY-BASED MEDICINE. IN FISCAL YEAR 2010, THE HOSPITAL HAD 30,143 INPATIENT ADMISSIONS, AN ESTIMATED 194,923 OUTPATIENT VISITS, AND 103,592 EMERGENCY VISITS.

ATTACHMENT 3

Name of the organization FRANKLIN SQUARE HOSPITAL CENTER INC.	Employer identification number 52-0608007
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ATTACHMENT 3 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
BOVIS LEND LEASE ONE PRESERVE PARKWAY, SUITE 700 ROCKVILLE, MD 20852	CONSTRUCTION MGMT	57,162,051.
CHESAPEAKE PERIOPERATIVE SERVICES PO BOX 17568 BALTIMORE, MD 21298	MEDICAL SERVICES	9,324,000.
SHADE CONSTRUCTION CO INC 1730 EAST JOPPA ROAD BALTIMORE, MD 21234	CONSTRUCTION MGMT	2,026,640.
CHESAPEAKE MEDICAL STAFFING 2401 YORK ROAD. ATTENTION: JEFF MCCLURE TIMONIUM, MD 21093	MEDICAL STAFFING	1,165,260.
SLEEP SERVICES OF AMERICA 890 AIRPORT PARK ROAD GLEN BURNIE, MD 21061	MEDICAL SERVICES	1,144,786.
TOTAL COMPENSATION		<u>70,822,737.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

FRANKLIN SQUARE HOSPITAL CENTER INC.

Employer identification number

52-0608007

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
MEDSTAR HEALTH ANESTHESIA SERVICES B LLC 20-5909703 9000 FRANKLIN SQUARE DRIVE BALTIMORE, MD 21237	HEALTH SVCS	MD	8,560,037.	1,080,329.	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
CHURCH HOME CORPORATION 23-7374724 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL FUND	MD	501 (C) (3)	PF	N/A
HARBOR HOSPITAL, INC. 52-0491660 3001 SOUTH HANOVER STREET BALTIMORE, MD 21225	HOSPITAL	MD	501 (C) (3)	3	N/A
MEDSTAR HEALTH, INC. 52-2087445 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SVCS	MD	501 (C) (3)	11B II	N/A
MONTGOMERY GENERAL HOSPITAL 52-0646893 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	HOSPITAL	MD	501 (C) (3)	3	N/A
THE GOOD SAMARITAN HOSPITAL OF MARYLAND, 52-0591607 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	HOSPITAL	MD	501 (C) (3)	3	N/A
THE UNION MEMORIAL HOSPITAL 52-0591685 201 EAST UNIVERSITY PARKWAY BALTIMORE, MD 21218	HOSPITAL	MD	501 (C) (3)	3	N/A
MEDSTAR RESEARCH INSTITUTE 52-6056274 108 IRVING STREET NW WASHINGTON, DC 20010	HOSPITAL	DC	501 (C) (3)	3	N/A

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

Schedule R (Form 990) 2009

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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?	
							Yes	No		Yes	No
SURGICENTER/PASADEN 52-2009504 COLUMBIA MD 21044	MEDICAL SERVICES	MD	N/A	RELATED				X			X
SJMC-RA, LLC 75-3160895 COLUMBIA MD 21044	RADIATION THERAPY	MD	N/A	RELATED				X			X
PHYSICIAN IMAGING 56-2616090 HYATTSVILLE MD 20782	LAB SERVICES	MD	N/A	RELATED				X			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
MEDSTAR PHARMACIES, INC. 52-1513056 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	DRUG SALES	MD	N/A	C CORP			
EXTENCARE, INC. 52-1556228 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SERVICES	MD	N/A	C CORP			
HELIX RESOURCES MANAGEMENT, INC. 52-1913070 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	ADMIN SERVICES	MD	N/A	C CORP			
HELIXCARE MEDICAL GROUP, LLC 52-1955580 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SERVICES	MD	N/A	C CORP			
HELIXCARE PROPERTIES, LLC 52-1966695 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SERVICES	MD	N/A	C CORP			
PARKWAY VENTURES, INC. 52-1702572 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	HOLDING COMPANY	MD	N/A	C CORP			
PHYSICIANS ADMINISTRATIVE SERVICES, INC. 23-7042074 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	BILLING SERVICES	MD	N/A	C CORP			

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

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

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

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

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 other organization	(b) Transaction type (a-r)	(c) Amount involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

**SCHEDULE R-1
(Form 990)**

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See instructions for Schedule R (Form 990).

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of filing organization

FRANKLIN SQUARE HOSPITAL CENTER INC.

Employer identification number

52-0608007

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

For Privacy Act and Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule R-1 (Form 990) 2009

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
THE MEDSTAR-GEORGETOWN MEDICAL CENTER, I HOSPITAL ADMIN, 1 MAIN BLDG WASHINGTON, DC 20007	HOSPITAL	DC	501(C)(3)	3	N/A
WASHINGTON HOSPITAL CENTER CORPORATION 110 IRVING STREET NW WASHINGTON, DC 20010	HOSPITAL	DC	501(C)(3)	3	N/A
HH MEDSTAR HEALTH, INC. 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MEDICAL SVCS	MD	501(C)(3)	11B II	N/A
BAY DEVELOPMENT CORP 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	FOUNDATION	MD	501(C)(3)	11A I	N/A
BAY LIFE SERVICES, INC. 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MENTAL HEALT	MD	501(C)(3)	9	N/A
MEDSTAR SURGERY CENTER, INC. 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	MEDICAL SVCS	MD	501(C)(3)	9	N/A
CHURCH HOME AND HOSPITAL OF THE CITY OF 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	HOSPITAL	MD	501(C)(3)	3	N/A
FOUNDATION FOR GEORGETOWN UNIVERSITY HOS HOSPITAL ADMIN, 1 MAIN BLDG WASHINGTON, DC 20007	FOUNDATION	DC	501(C)(3)	11A I	N/A
GOOD SAMARITAN HOSPITAL FOUNDATION, INC. 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	FOUNDATION	MD	501(C)(3)	11A I	N/A
GOOD SAMARITAN NURSING CENTER, INC. 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	MEDICAL SVCS	MD	501(C)(3)	9	N/A
GS HOUSING, INC. 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	ELDER HOUSIN	MD	501(C)(3)	9	N/A
GS PROPERTIES, INC. 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	ADMIN SVCS	MD	501(C)(3)	11A I	N/A
HARBOR HOSPITAL FOUNDATION, INC. 3001 SOUTH HANOVER STREET BALTIMORE, MD 21225	FOUNDATION	MD	501(C)(3)	11A I	N/A
MEDSTAR HEALTH INFUSION, INC. 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	MEDICAL SVCS	MD	501(C)(3)	9	N/A
MEDSTAR HEALTH VISITING NURSES ASSOCIATI 4061 POWDERMILL ROAD CALVERTON, MD 20705	MEDICAL SVCS	MD	501(C)(3)	9	N/A
MEDSTAR LONG TERM CARE CORPORATION 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	HOSPITAL	MD	501(C)(3)	3	N/A
MEDSTAR VNA HEALTHCARE 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	MEDICAL SVCS	MD	501(C)(3)	9	N/A
MGH COMMUNITY HEALTH, INC. 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	MEDICAL SVCS	MD	501(C)(3)	9	N/A

Schedule R-1 (Form 990) 2009

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
MGH HEALTH FOUNDATION, INC. 52-1129959 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	FOUNDATION	MD	501(C)(3)	7	N/A
MGH HEALTH SERVICES, INC. 52-1366812 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	FOUNDATION	MD	501(C)(3)	11A I	N/A
MGH WOMEN'S BOARD 52-6039600 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	FOUNDATION	MD	501(C)(3)	11A I	N/A
NATIONAL REHABILITATION HOSPITAL 52-1369749 102 IRVING STREET NW WASHINGTON, DC 20010	HOSPITAL	DC	501(C)(3)	3	N/A
REGIONAL REHAB AT OLNEY, INC. 52-2310902 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	MEDICAL SVCS	MD	501(C)(3)	3	N/A
SUBURBAN / NRH MEDICAL REHABILITATION, I 52-1931151 102 IRVING STREET NW WASHINGTON, DC 20010	MEDICAL SVCS	DC	501(C)(3)	3	N/A
THE THOMAS O'NEIL CATHOLIC HEALTH CARE F 52-1104382 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	FOUNDATION	MD	501(C)(3)	11A I	N/A
UNION MEMORIAL HOSPITAL FOUNDATION, INC. 52-1446828 201 EAST UNIVERSITY PARKWAY BALTIMORE, MD 21218	FOUNDATION	MD	501(C)(3)	11A I	N/A
VNA FOUNDATION 52-1331981 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	FOUNDATION	MD	501(C)(3)	11A I	N/A
VNA, INC. 52-1332411 4061 POWDERMILL ROAD, SUITE 21 CALVERTON, MD 20705	ADMIN SVCS	MD	501(C)(3)	11A I	N/A
WHC FOUNDATION, INC. 52-1791670 110 IRVING STREET NW WASHINGTON, DC 20010	FOUNDATION	DC	501(C)(3)	11A I	N/A
WOODBOURNE WOODS, INC. 52-2299070 5601 LOCH RAVEN BLVD BALTIMORE, MD 21239	ELDER HOUSIN	MD	501(C)(3)	9	N/A
SELF INSURANCE TRUST OF WASHINGTON HOSPI 52-1128332 110 IRVING STREET NW WASHINGTON, DC 20010	SELF INSURAN	DC	501(C)(3)	11A I	N/A
HOSPICE OF ST. MARY'S, INC. 52-2153926 PO BOX 527 LEONARDTOWN, MD 20650	SUPPORT ORG	MD	501(C)(3)	11B II	N/A
ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY 52-0619006 25500 POINT LOOKOUT ROAD LEONARDTOWN, MD 20650	HOSPITAL	MD	501(C)(3)	3	N/A
ST. MARY'S HOSPITAL FOUNDATION, INC. 52-1051368 PO BOX 527 LEONARDTOWN, MD 20650	SUPPORT ORG	MD	501(C)(3)	11D III	N/A

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514.)	(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Disproportionate allocations?</small>		(i) Code V-UBI amount on box 20 of K-1	(j) <small>General or managing partner?</small>	
							Yes	No		Yes	No

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
MEDSTAR FAMILY CHOICE, INC. 52-1995521 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	MANAGED CARE	MD	N/A	C CORP			
MEDSTAR ENTERPRISES, INC. 52-2139841 4061 POWDERMILL ROAD, SUITE 210 CALVERTON, MD 20705	ADMIN SERVICES	MD	N/A	C CORP			
NASCOTT, INC. 52-1693808 4061 POWDERMILL ROAD, SUITE 210 CALVERTON, MD 20705	MEDICAL SERVICES	MD	N/A	C CORP			
STAR BILLING, INC. 52-1850113 4061 POWDERMILL ROAD, SUITE 210 CALVERTON, MD 20705	BILLING SERVICES	MD	N/A	C CORP			
WASHINGTON RISK NETWORK MANA 52-2132677 4061 POWDERMILL ROAD, SUITE 210 CALVERTON, MD 20705	MEDICAL SERVICES	MD	N/A	C CORP			
WASHINGTON HOSPITAL CENTER F 52-1931000 100 IRVING STREET NW WASHINGTON, DC 20010	MEDICAL SERVICES	MD	N/A	C CORP			
MEDSTAR PHYSICIAN PARTNERS 52-2030809 4061 POWDERMILL ROAD, SUITE 210 CALVERTON, MD 20705	MEDICAL SERVICES	MD	N/A	C CORP			
NRH AMBULATORY SERVICES, INC 52-1930165 102 IRVING STREET NW WASHINGTON, DC 20010	REHAB SERVICES	MD	N/A	C CORP			
FRANKLIN SQUARE DRIVE LAND C 76-0756352 5565 STERRETT PLACE, 5TH FLOOR COLUMBIA, MD 21044	CONDO OWNER ASSOC	MD	N/A	C CORP			
MGH DIVERSIFIED SERVICES, IN 52-1943602 18101 PRINCE PHILIP DRIVE OLNEY, MD 20832	MEDICAL SERVICES	MD	N/A	C CORP			
ST. MARY'S HEALTH ALLIANCE 52-1930331 25500 POINT LOOKOUT ROAD LEONARDTOWN, MD 20650	MEDICAL SERVICES	MD	N/A	C CORP			
GREENSPRING FINANCIAL INSURA 98-0188617 23 LIME TREE BAY AVENUE PO BOX 1051 KY1-1102 GRAND CAYMAN	INSURANCE	CJ	N/A	C CORP			

Schedule R-1 (Form 990) 2009

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount on Box 20 of K-1	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Description of Property															ATTACHMENT 4	
GENERAL DEPRECIATION																
DEPRECIATION																
Asset description	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Conv.	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation	
LAND		386,702.	100.000			386,702.										
BUILDINGS		87728193.	100.000			87728193.		65380664.							65380664.	
FIXED EQUIPMENT		39894999.	100.000			39894999.		22833665.							22833665.	
MAJOR MOVEABLE		107060212.	100.000			107060212.		85557313.							85557313.	
INFORMATION SYSTEM		27209117.	100.000			27209117.		17112296.							17112296.	
AUTOMOBILES		342,594.	100.000			342,594.		244,220.							244,220.	
CONST. IN PROGRESS		135417020.	100.000			135417020.										
LAND IMPROVEMENTS		18694753.	100.000			18694753.		4,809,509.							4,809,509.	
LEASEHOLD IMPROVE.		4,063,171.	100.000			4,063,171.		3,336,953.							3,336,953.	
TENANT IMPROVEMENT		166,909.	100.000			166,909.		55,999.							55,999.	
FIXED ASSET CLEAR		215,082.	100.000			215,082.										
Less: Retired Assets																
Subtotals		421178752.				421178752.		199330619.								
Listed Property																
Less: Retired Assets																
Subtotals																
TOTALS		421178752.				421178752.		199330619.							199330619.	
AMORTIZATION																
Asset description	Date placed in service	Cost or basis					Accumulated amortization	Ending Accumulated amortization	Code	Life					Current-year amortization	
TOTALS																

*Assets Retired
JSA
9X9024 1.000