
FEDERAL FORM 990
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
FOR THE YEAR ENDED DECEMBER 31, 2020

PUBLIC DISCLOSURE COPY

Return of Organization Exempt From Income Tax

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

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

▶ Go to www.irs.gov/Form990 for instructions and the latest information.**2020****Open to Public
Inspection**

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|---|--|--|---|--|------------|------------------------|--|---|--|---|--|--|--|--|--|--------------------------------------|--|--|--|---|--|---|
| A For the 2020 calendar year, or tax year beginning , 2020, and ending , 20 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization SHORE MEMORIAL HOSPITAL</td> <td>D Employer identification number 21-0660835</td> </tr> <tr> <td colspan="2">Doing business as SHORE MEDICAL CENTER</td> <td rowspan="3">E Telephone number (609) 653-3545</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address)</td> <td>Room/suite</td> </tr> <tr> <td colspan="2">100 MEDICAL CENTER WAY</td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code SOMERS POINT, NJ 08244-2387</td> <td>G Gross receipts \$ 197,545,300.</td> </tr> <tr> <td colspan="2">F Name and address of principal officer: RONALD W. JOHNSON 100 MEDICAL CENTER WAY, SOMERS POINT, NJ 08244-2387</td> <td> H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions. </td> </tr> <tr> <td colspan="2"> I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 </td> <td>H(c) Group exemption number ▶</td> </tr> <tr> <td colspan="2">J Website: ▶ WWW.SHOREMEDICALCENTER.ORG</td> <td></td> </tr> <tr> <td colspan="2"> K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ </td> <td>L Year of formation: 1942 M State of legal domicile: NJ</td> </tr> </table> | C Name of organization SHORE MEMORIAL HOSPITAL | | D Employer identification number 21-0660835 | Doing business as SHORE MEDICAL CENTER | | E Telephone number (609) 653-3545 | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | 100 MEDICAL CENTER WAY | | City or town, state or province, country, and ZIP or foreign postal code SOMERS POINT, NJ 08244-2387 | | G Gross receipts \$ 197,545,300. | F Name and address of principal officer: RONALD W. JOHNSON 100 MEDICAL CENTER WAY, SOMERS POINT, NJ 08244-2387 | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions. | I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | H(c) Group exemption number ▶ | J Website: ▶ WWW.SHOREMEDICALCENTER.ORG | | | K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | L Year of formation: 1942 M State of legal domicile: NJ |
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Part I Summary

| | | | |
|---|---|--|------------------------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: TO CARE FOR & RESPECT ALL PATIENTS, THEIR FAMILIES & EACH OTHER. | | |
| | 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 | 23. |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 21. |
| | 5 Total number of individuals employed in calendar year 2020 (Part V, line 2a) | 5 | 1,250. |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 36. |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| b Net unrelated business taxable income from Form 990-T, Part I, line 11 | 7b | 0. | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 2,169,008. | Current Year 15,313,422. |
| | 9 Program service revenue (Part VIII, line 2g) | 192,075,620. | 177,729,977. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 4,732,566. | 2,963,590. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 1,260,510. | 1,083,788. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 200,237,704. | 197,090,777. |
| | Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 178,422. |
| 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) | | 80,860,809. | 75,548,982. |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | | 0. | 0. |
| b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,086,375. | | | |
| 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | | 100,181,756. | 98,159,634. |
| 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | | 181,220,987. | 173,820,615. |
| 19 Revenue less expenses. Subtract line 18 from line 12 | 19,016,717. | 23,270,162. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year 276,330,185. | End of Year 304,994,274. |
| | 21 Total liabilities (Part X, line 26) | 180,529,829. | 195,154,513. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20. | 95,800,356. | 109,839,761. |

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 | | Date | |
| | ▶ Type or print name and title | | | |
| Paid Preparer Use Only | Print/Type preparer's name SCOTT J MARIANI | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed PTIN P00642486 |
| | Firm's name ▶ WITHUMSMITH+BROWN, PC | | Firm's EIN ▶ 22-2027092 | |
| | Firm's address ▶ 200 JEFFERSON PARK SUITE 400 WHIPPANY, NJ 07981-1070 | | Phone no. 973-898-9494 | |

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2020)

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

ATTACHMENT 1

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

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

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

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 67,663,903. including grants of \$ 111,999.) (Revenue \$ 61,283,198.)

EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY INPATIENT MEDICAL SERVICES (EXCLUDES SURGICAL CASES AND MATERNAL CHILD HEALTH), TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. DURING 2020, THE ORGANIZATION HAD 5,892 DISCHARGES FOR A TOTAL OF 28,789 PATIENT DAYS. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4b (Code:) (Expenses \$ 21,621,765. including grants of \$ 0.) (Revenue \$ 29,540,069.)

EXPENSES INCURRED IN PROVIDING MEDICAL NECESSARY SAME DAY SURGERY SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. DURING 2020, THE ORGANIZATION TREATED 3,151 SAME DAY SURGERY CASES. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4c (Code:) (Expenses \$ 7,220,942. including grants of \$ 0.) (Revenue \$ 9,829,049.)

EXPENSES INCURRED IN PROVIDING MEDICAL NECESSARY MATERNAL AND PEDIATRIC INPATIENT SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. DURING 2020, THE ORGANIZATION HAD 1,907 DISCHARGES FOR A TOTAL OF 4,641 PATIENT DAYS. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT..

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

(Expenses \$ 42,336,321. including grants of \$ 0.) (Revenue \$ 77,077,661.)

4e Total program service expenses ▶ 138,842,931.

Part IV Checklist of Required Schedules

| | Yes | No |
|---|--------------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A. | 1 X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors See instructions? | 2 X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I. | 3 | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II. | 4 X | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III. | 5 | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I. | 6 | 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? If "Yes," complete Schedule D, Part II. | 7 | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III. | 8 | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV. | 9 | X |
| 10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? If "Yes," complete Schedule D, Part V. | 10 X | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. | 11a X | |
| b Did the organization report an amount for investments-other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. | 11b | X |
| c Did the organization report an amount for investments-program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. | 11c X | |
| d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. | 11d X | |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. | 11e X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. | 11f X | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII. | 12a | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional. | 12b X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E. | 13 | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV. | 14b | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV. | 15 | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV. | 16 | 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? If "Yes," complete Schedule G, Part I See instructions. | 17 | 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? If "Yes," complete Schedule G, Part II. | 18 X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III. | 19 | X |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H. | 20a X | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b X | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II. | 21 X | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|-----|----|
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | 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 | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | X | |
| 24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | X |
| 24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | X |
| 24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | X |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II.</i> | | X |
| 27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <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, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> | X | |
| b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> | X | |
| c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <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, Part II, III, or IV, and Part V, line 1.</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | X | |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | X | |
| 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 11b and 19? Note: All Form 990 filers are required to complete Schedule O. | X | |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

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

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

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

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI ☒ **X****Section A. Governing Body and Management**

| | Yes | No |
|--|--------------|----|
| 1a Enter the number of voting members of the governing body at the end of the tax year | 1a 23 | |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O. | | |
| b Enter the number of voting members included on line 1a, above, who are independent | 1b 21 | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? | 3 | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | X |
| 6 Did the organization have members or stockholders? | 6 X | |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a X | |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b X | |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? | 8a X | |
| b Each committee with authority to act on behalf of the governing body? | 8b 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 on Schedule O. | 9 | X |

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

| | Yes | No |
|---|--------------|----|
| 10a Did the organization have local chapters, branches, or affiliates? | 10a | X |
| b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . | 10b | |
| 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . | 11a X | |
| b Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 | 12a X | |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b X | |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | 12c X | |
| 13 Did the organization have a written whistleblower policy? | 13 X | |
| 14 Did the organization have a written document retention and destruction policy? | 14 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 | 15a X | |
| b Other officers or key employees of the organization | 15b 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? | 16a | X |
| b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NJ**.

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

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records ►
 DAVID R. HUGHES 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244-2387 (609) 653-3545

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☒ X**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See instructions for the order in which to list the persons above.

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) RONALD W. JOHNSON TRUSTEE - PRESIDENT/CEO | 55.00 0. | X | | X | | | | 1,590,968. | 0. | 82,749. |
| (2) DAVID R. HUGHES CFO/CDO | 55.00 0. | | | X | | | | 564,806. | 0. | 85,940. |
| (3) JEANNE M. ROWE, M.D. CHIEF MEDICAL OFFICER | 55.00 0. | | | X | | | | 550,549. | 0. | 82,772. |
| (4) LINDA S. KENWOOD COO/CNO | 55.00 0. | | | X | | | | 511,084. | 0. | 67,395. |
| (5) CHARLES A. DENNIS, M.D. PHYSICIAN ADVISOR | 55.00 0. | | | | | X | | 342,736. | 0. | 47,421. |
| (6) FREDERICK L. BANNER CHIEF INFORMATION OFFICER | 55.00 0. | | | | X | | | 327,053. | 0. | 40,837. |
| (7) STEPHEN CAPECCI, D.O. HOSPITALIST | 55.00 0. | | | | | X | | 331,776. | 0. | 20,017. |
| (8) ALAN L. BEATTY VP HUMAN RESOURCES | 55.00 0. | | | | X | | | 300,755. | 0. | 29,428. |
| (9) LATOYA ROBERTS, D.O. HOSPITALIST | 55.00 0. | | | | | X | | 266,577. | 0. | 25,877. |
| (10) ROBIN KEYACK VP AMB & SURG SVS (EFF 10/2020) | 55.00 0. | | | | X | | | 234,345. | 0. | 25,952. |
| (11) ROBERT L. WOOD DIRECTOR OF FINANCE | 55.00 0. | | | | | X | | 227,656. | 0. | 31,862. |
| (12) DANIEL JACOBY, M.D. HOSPITALIST | 55.00 0. | | | | | X | | 229,225. | 0. | 19,758. |
| (13) ROBERT J. BRAY, DDS, MS CHAIR - TRUSTEE | 1.00 0. | X | | X | | | | 0. | 0. | 0. |
| (14) EDWARD KUEHNLE VICE CHAIR - TRUSTEE | 1.00 0. | X | | X | | | | 0. | 0. | 0. |

Form **990** (2020)

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (15) R. SCOTT HALLIDAY SECRETARY/ASST TREAS - TRUSTEE | 1.00 0. | X | | X | | | | 0. | 0. | 0. |
| (16) RONALD B. STABLINI, CPA, MBA TREAS/ASST SECRETARY - TRUSTEE | 1.00 0. | X | | X | | | | 0. | 0. | 0. |
| (17) ROBERT C. ALLEN TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (18) AUTUMN BAYLES TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (19) DAVID BEYEL TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (20) AUGGIE CIPOLLINI TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (21) PATRICIA Q. CONNOLLY TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (22) GERALD J. CORCORAN, ESQ. TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (23) JOHN DABEK TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (24) FERNANDO DELASOTTA, M.D. TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| (25) ARTHUR T. FORD, III, ESQ. TRUSTEE | 1.00 0. | X | | | | | | 0. | 0. | 0. |
| 1b Sub-total | | | | | | | | 5,477,530. | 0. | 560,008. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | | | 5,477,530. | 0. | 560,008. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **129**

- 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*
- 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*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

| | Yes | No |
|----------|-----|----|
| 3 | | X |
| 4 | X | |
| 5 | | X |

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| ATTACHMENT 2 | | |
| | | |
| | | |
| | | |
| | | |

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 **62**

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (26) JAY A. GILLIAN ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (27) KEN KOREYVA ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (28) ROBERTA MAY, D.O. ----- TRUSTEE; EX-OFFICIO | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (29) JUDITH L. ROMAN ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (30) MUKESH ROY, M.D. ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (31) GARY G. SCHAFER ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (32) CARMINE J. TAGLIALATELLA, JWC ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (33) RICHARD L. TRAA ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| (34) SANDY TZAFEROS, PHARM D ----- TRUSTEE | 1.00 ----- 0. | X | | | | | | 0. | 0. | 0. |
| ----- | ----- | | | | | | | | | |
| ----- | ----- | | | | | | | | | |
| 1b Sub-total | | | | | | | | 0. | 0. | 0. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | | | |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **129**

- 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*
- 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*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

| | Yes | No |
|----------|-----|----|
| 3 | | X |
| 4 | X | |
| 5 | | X |

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | |
| | | |
| | | |
| | | |

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 **▶**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 |
|---|--|--|------------|----------------------|--|--------------------------------------|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a | Federated campaigns | 1a | | | | |
| | b | Membership dues | 1b | | | | |
| | c | Fundraising events | 1c | 121,408. | | | |
| | d | Related organizations | 1d | | | | |
| | e | Government grants (contributions) . . | 1e | 13,506,690. | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above . | 1f | 1,685,324. | | | |
| | g | Noncash contributions included in lines 1a-1f. | 1g | \$ | | | |
| | h | Total. Add lines 1a-1f | | 15,313,422. | | | |
| | Program Service Revenue | | | | Business Code | | |
| 2a | | NET PATIENT SERVICE REVENUE | 622110 | 177,913,402. | 177,913,402. | | |
| b | | NET LOSS IN RELATED HC PROG SVCS | 621111 | -423,280. | -423,280. | | |
| c | | AUXILIARY INCOME | 813410 | 239,855. | 239,855. | | |
| d | | | | | | | |
| e | | | | | | | |
| f | | All other program service revenue | | | | | |
| g | | Total. Add lines 2a-2f | | 177,729,977. | | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts). | | 0. | | | |
| | 4 | Income from investment of tax-exempt bond proceeds . . | | 0. | | | |
| | 5 | Royalties | | 0. | | | |
| | | | (i) Real | (ii) Personal | | | |
| | 6a | Gross rents | 6a | 951,722. | | | |
| | b | Less: rental expenses | 6b | 345,738. | | | |
| | c | Rental income or (loss) | 6c | 605,984. | | | |
| | d | Net rental income or (loss) | | 605,984. | | | 605,984. |
| | 7a | Gross amount from sales of assets other than inventory | | (i) Securities | (ii) Other | | |
| | 7a | | 3,046,608. | 1,636. | | | |
| | b | Less: cost or other basis and sales expenses . . | 7b | | 84,654. | | |
| | c | Gain or (loss) | 7c | 3,046,608. | -83,018. | | |
| | d | Net gain or (loss) | | 2,963,590. | | | 2,963,590. |
| | 8a | Gross income from fundraising events (not including \$ 121,408. of contributions reported on line 1c). See Part IV, line 18 | 8a | 21,092. | | | |
| | b | Less: direct expenses | 8b | 21,092. | | | |
| | c | Net income or (loss) from fundraising events. | | 0. | | | |
| 9a | Gross income from gaming activities. See Part IV, line 19 | 9a | 12,765. | | | | |
| b | Less: direct expenses | 9b | 3,039. | | | | |
| c | Net income or (loss) from gaming activities. | | 9,726. | | | 9,726. | |
| 10a | Gross sales of inventory, less returns and allowances | 10a | 0. | | | | |
| b | Less: cost of goods sold | 10b | 0. | | | | |
| c | Net income or (loss) from sales of inventory. | | 0. | | | | |
| Miscellaneous Revenue | | | | Business Code | | | |
| | 11a | CAFETERIA/VENDING | 722310 | 468,078. | | | 468,078. |
| | b | | | | | | |
| | c | | | | | | |
| | d | All other revenue | | | | | |
| | e | Total. Add lines 11a-11d | | 468,078. | | | |
| 12 | Total revenue. See instructions | | | 197,090,777. | 177,729,977. | | 4,047,378. |

Part IX Statement of Functional Expenses

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

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

| | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|------------------------------------|---|--------------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | 111,999. | 111,999. | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | 0. | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | 0. | | | |
| 4 Benefits paid to or for members | 0. | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 4,494,633. | 3,544,261. | 929,057. | 21,315. |
| 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 | 58,956,238. | 46,490,180. | 12,186,467. | 279,591. |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 1,572,947. | 1,240,354. | 325,134. | 7,459. |
| 9 Other employee benefits | 5,224,987. | 4,120,184. | 1,080,024. | 24,779. |
| 10 Payroll taxes | 5,300,177. | 4,179,476. | 1,095,566. | 25,135. |
| 11 Fees for services (nonemployees): | | | | |
| a Management | 164,148. | 106,052. | 55,870. | 2,226. |
| b Legal | 356,467. | 230,304. | 121,329. | 4,834. |
| c Accounting | 305,632. | 197,461. | 104,026. | 4,145. |
| d Lobbying | 64,785. | 64,785. | | |
| e Professional fundraising services. See Part IV, line 17. | 0. | | | |
| f Investment management fees | 9,368. | 6,052. | 3,189. | 127. |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) ATCH 3 | 31,063,430. | 20,069,298. | 10,572,898. | 421,234. |
| 12 Advertising and promotion | 524,333. | 524,333. | | |
| 13 Office expenses | 1,880,608. | 1,215,013. | 640,093. | 25,502. |
| 14 Information technology | 3,453,658. | 2,231,321. | 1,175,504. | 46,833. |
| 15 Royalties | 0. | | | |
| 16 Occupancy | 2,967,963. | 1,917,526. | 1,010,190. | 40,247. |
| 17 Travel | 26,028. | 26,028. | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | 0. | | | |
| 19 Conferences, conventions, and meetings | 54,457. | 54,457. | | |
| 20 Interest | 977,952. | 631,831. | 332,860. | 13,261. |
| 21 Payments to affiliates | 0. | | | |
| 22 Depreciation, depletion, and amortization | 10,455,748. | 6,755,194. | 3,558,769. | 141,785. |
| 23 Insurance | 1,613,519. | 1,042,454. | 549,185. | 21,880. |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a MEDICAL SUPPLIES | 33,041,358. | 33,041,358. | | |
| b PHYSICIAN SERVICES | 6,153,695. | 6,153,695. | | |
| c REPAIRS & MAINTENANCE | 3,474,215. | 3,474,215. | | |
| d CONTRACTED SERVICES | 1,128,192. | 1,128,192. | | |
| e All other expenses | 444,078. | 286,908. | 151,148. | 6,022. |
| 25 Total functional expenses. Add lines 1 through 24e | 173,820,615. | 138,842,931. | 33,891,309. | 1,086,375. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | 0. | | | |

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

| | | (A) Beginning of year | | (B) End of year |
|--|--|--------------------------|--------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | 1,486,084. | 1 | 400,125. |
| | 2 Savings and temporary cash investments. | 616,295. | 2 | 520,973. |
| | 3 Pledges and grants receivable, net | 21,822. | 3 | 130,760. |
| | 4 Accounts receivable, net. | 20,085,772. | 4 | 20,273,236. |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | 0. | 5 | 0. |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B). | 0. | 6 | 0. |
| | 7 Notes and loans receivable, net | 0. | 7 | 0. |
| | 8 Inventories for sale or use | 3,165,736. | 8 | 5,059,720. |
| | 9 Prepaid expenses and deferred charges | 1,827,444. | 9 | 1,923,737. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 376,485,601. | | |
| | b Less: accumulated depreciation. | 10b 263,963,624. | | |
| | | 117,340,383. | 10c | 112,521,977. |
| | 11 Investments - publicly traded securities. | 0. | 11 | 0. |
| | 12 Investments - other securities. See Part IV, line 11. | 0. | 12 | 0. |
| | 13 Investments - program-related. See Part IV, line 11. | 115,611,676. | 13 | 147,701,913. |
| | 14 Intangible assets | 0. | 14 | 0. |
| 15 Other assets. See Part IV, line 11 | 16,174,973. | 15 | 16,461,833. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 276,330,185. | 16 | 304,994,274. | |
| Liabilities | 17 Accounts payable and accrued expenses. | 29,947,961. | 17 | 25,468,023. |
| | 18 Grants payable | 0. | 18 | 0. |
| | 19 Deferred revenue. | 7,195,614. | 19 | 6,669,169. |
| | 20 Tax-exempt bond liabilities. | 48,436,346. | 20 | 43,955,504. |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D. | 0. | 21 | 0. |
| | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | 0. | 22 | 0. |
| | 23 Secured mortgages and notes payable to unrelated third parties | 6,989,820. | 23 | 0. |
| | 24 Unsecured notes and loans payable to unrelated third parties. | 0. | 24 | 0. |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 87,960,088. | 25 | 119,061,817. |
| | 26 Total liabilities. Add lines 17 through 25. | 180,529,829. | 26 | 195,154,513. |
| Net Assets or Fund Balances | Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33. | | | |
| | 27 Net assets without donor restrictions | 92,633,580. | 27 | 106,272,086. |
| | 28 Net assets with donor restrictions. | 3,166,776. | 28 | 3,567,675. |
| | Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33. | | | |
| | 29 Capital stock or trust principal, or current funds | | 29 | |
| | 30 Paid-in or capital surplus, or land, building, or equipment fund. | | 30 | |
| | 31 Retained earnings, endowment, accumulated income, or other funds. | | 31 | |
| | 32 Total net assets or fund balances | 95,800,356. | 32 | 109,839,761. |
| | 33 Total liabilities and net assets/fund balances. | 276,330,185. | 33 | 304,994,274. |

Form **990** (2020)

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

| | | | |
|-----------|--|-----------|--------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 197,090,777. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 173,820,615. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 23,270,162. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 95,800,356. |
| 5 | Net unrealized gains (losses) on investments | 5 | 6,066,586. |
| 6 | Donated services and use of facilities | 6 | 0. |
| 7 | Investment expenses | 7 | 0. |
| 8 | Prior period adjustments | 8 | 0. |
| 9 | Other changes in net assets or fund balances (explain on Schedule O). | 9 | -15,297,343. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 109,839,761. |

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

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | X |
| b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | X | |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O. | X | |
| 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 | |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits . . . | X | |

Form **990** (2020)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

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

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

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

f Enter the number of supported organizations

g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
| | | | Yes | No | | |
| (A) | | | | | | |
| (B) | | | | | | |
| (C) | | | | | | |
| (D) | | | | | | |
| (E) | | | | | | |
| Total | | | | | | |

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

Schedule A (Form 990 or 990-EZ) 2020

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3. | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). | | | | | | |
| 6 Public support. Subtract line 5 from line 4 | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (f) Total |
|---|----------|----------|----------|----------|-----------|--------------------------|
| 7 Amounts from line 4. | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10. | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First 5 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 | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---|
| 14 Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2019 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2020. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization. <input type="checkbox"/> | | |
| b 33 1/3% support test - 2019. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| 17a 10%-facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization. <input type="checkbox"/> | | |
| b 10%-facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization. <input type="checkbox"/> | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/> | | |

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (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) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6. | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on. | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |
| 14 First 5 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 <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---|
| 15 Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2019 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2019 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2020. 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 - 2019. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

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

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i> | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i> | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i> | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i> | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i> | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i> | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i> | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i> | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i> | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i> | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i> | | |
| b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i> | | |
| b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i> | | |

Part IV Supporting Organizations (continued)

| | Yes | No |
|--|-----|----|
| 11 Has the organization accepted a gift or contribution from any of the following persons? | | |
| a A person who directly or indirectly controls, either alone or together with persons described in lines 11b and 11c below, the governing body of a supported organization? | | |
| b A family member of a person described in line 11a above? | | |
| c A 35% controlled entity of a person described in line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i> | | |

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

| Section A - Adjusted Net Income | | (A) Prior Year | (B) Current Year (optional) |
|---|-----------|----------------|-----------------------------|
| 1 Net short-term capital gain | 1 | | |
| 2 Recoveries of prior-year distributions | 2 | | |
| 3 Other gross income (see instructions) | 3 | | |
| 4 Add lines 1 through 3. | 4 | | |
| 5 Depreciation and depletion | 5 | | |
| 6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | | |
| 7 Other expenses (see instructions) | 7 | | |
| 8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4) | 8 | | |
| Section B - Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
| 1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | | |
| a Average monthly value of securities | 1a | | |
| b Average monthly cash balances | 1b | | |
| c Fair market value of other non-exempt-use assets | 1c | | |
| d Total (add lines 1a, 1b, and 1c) | 1d | | |
| e Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>): | 1e | | |
| 2 Acquisition indebtedness applicable to non-exempt-use assets | 2 | | |
| 3 Subtract line 2 from line 1d. | 3 | | |
| 4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions). | 4 | | |
| 5 Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | | |
| 6 Multiply line 5 by 0.035. | 6 | | |
| 7 Recoveries of prior-year distributions | 7 | | |
| 8 Minimum Asset Amount (add line 7 to line 6) | 8 | | |
| Section C - Distributable Amount | | | Current Year |
| 1 Adjusted net income for prior year (from Section A, line 8, column A) | 1 | | |
| 2 Enter 0.85 of line 1. | 2 | | |
| 3 Minimum asset amount for prior year (from Section B, line 8, column A) | 3 | | |
| 4 Enter greater of line 2 or line 3. | 4 | | |
| 5 Income tax imposed in prior year | 5 | | |
| 6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 | | |
| 7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions). | | | |

Schedule A (Form 990 or 990-EZ) 2020

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

| Section D - Distributions | | Current Year |
|----------------------------------|---|---------------------|
| 1 | Amounts paid to supported organizations to accomplish exempt purposes | 1 |
| 2 | Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | 2 |
| 3 | Administrative expenses paid to accomplish exempt purposes of supported organizations | 3 |
| 4 | Amounts paid to acquire exempt-use assets | 4 |
| 5 | Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>) | 5 |
| 6 | Other distributions (<i>describe in Part VI</i>). See instructions. | 6 |
| 7 | Total annual distributions. Add lines 1 through 6. | 7 |
| 8 | Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions. | 8 |
| 9 | Distributable amount for 2020 from Section C, line 6 | 9 |
| 10 | Line 8 amount divided by line 9 amount | 10 |

| Section E - Distribution Allocations (see instructions) | (i) Excess Distributions | (ii) Underdistributions Pre-2020 | (iii) Distributable Amount for 2020 |
|--|-------------------------------------|---|--|
| 1 Distributable amount for 2020 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i>). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2020 | | | |
| a From 2015 | | | |
| b From 2016 | | | |
| c From 2017 | | | |
| d From 2018 | | | |
| e From 2019 | | | |
| f Total of lines 3a through 3e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2020 distributable amount | | | |
| i Carryover from 2015 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from line 3f. | | | |
| 4 Distributions for 2020 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2020 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from line 4. | | | |
| 5 Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions. | | | |
| 6 Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions. | | | |
| 7 Excess distributions carryover to 2021. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a Excess from 2016 | | | |
| b Excess from 2017 | | | |
| c Excess from 2018 | | | |
| d Excess from 2019 | | | |
| e Excess from 2020 | | | |

Schedule A (Form 990 or 990-EZ) 2020

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No. 1545-0047

2020

**Open to Public
Inspection**

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

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

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

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

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

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

| | |
|---|--|
| Name of organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (See instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (See instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (See instructions)

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

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

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

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

| (a) Name | (b) Address | (c) EIN | (d) Amount paid from filing organization's funds. If none, enter -0-. | (e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-. |
|----------|-------------|---------|---|--|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| (5) | | | | |
| (6) | | | | |

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

Schedule C (Form 990 or 990-EZ) 2020

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ☐ if the filing organization checked box A and "limited control" provisions apply.

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|---|--|---|--|--------------------|-------------------------------|---|--|---|--|--|---|-------------------|--------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grassroots lobbying) | | | | | | | | | | | | | | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | | | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table> | | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | Not over \$500,000 | 20% of the amount on line 1e. | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | Over \$17,000,000 | \$1,000,000. | | |
| If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | | | | | | | | | | | | | | |
| Not over \$500,000 | 20% of the amount on line 1e. | | | | | | | | | | | | | | |
| Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | | | | | | | | | | | | | | |
| Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | | | | | | | | | | | | | | |
| Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | | | | | | | | | | | | | | |
| Over \$17,000,000 | \$1,000,000. | | | | | | | | | | | | | | |
| g Grassroots nontaxable amount (enter 25% of line 1f) | | | | | | | | | | | | | | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0- | | | | | | | | | | | | | | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0- | | | | | | | | | | | | | | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | | | | | | |

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

| Lobbying Expenditures During 4-Year Averaging Period | | | | | |
|--|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column (e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

Schedule C (Form 990 or 990-EZ) 2020

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

| For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity. | (a) | | (b) |
|---|-----|----|---------|
| | Yes | No | Amount |
| 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | X | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | X | | |
| c Media advertisements? | | X | |
| d Mailings to members, legislators, or the public? | | X | |
| e Publications, or published or broadcast statements? | | X | |
| f Grants to other organizations for lobbying purposes? | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body? | | X | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | X | |
| i Other activities? | X | | 64,785. |
| j Total. Add lines 1c through 1i | | | 64,785. |
| 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | X | |
| b If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

| | Yes | No |
|--|----------|----|
| 1 Were substantially all (90% or more) dues received nondeductible by members? | 1 | |
| 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less? | 2 | |
| 3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year? | 3 | |

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

| | | |
|---|-----------|--|
| 1 Dues, assessments and similar amounts from members | 1 | |
| 2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid). | | |
| a Current year | 2a | |
| b Carryover from last year. | 2b | |
| c Total | 2c | |
| 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues. | 3 | |
| 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? | 4 | |
| 5 Taxable amount of lobbying and political expenditures (See instructions) | 5 | |

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (See instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information (continued)

SCHEDULE C, PART II-B; QUESTION 11

SHORE MEDICAL CENTER ("MEDICAL CENTER") ENGAGES IN LOBBYING EFFORTS ON A FEDERAL AND STATE LEVEL. DURING 2020, THE MEDICAL CENTER PAID AN INDEPENDENT LOBBYING FIRM A TOTAL OF \$60,000 FOR LOBBYING CONSULTING SERVICES.

IN ADDITION, THE MEDICAL CENTER IS A MEMBER OF THE NEW JERSEY HOSPITAL ASSOCIATION WHICH ENGAGES IN LOBBYING EFFORTS ON BEHALF OF ITS MEMBER HOSPITALS. A PORTION OF THE ORGANIZATION'S ANNUAL DUES PAID TO THIS ORGANIZATION IS ALLOCATED TOWARDS ITS LOBBYING EFFORTS. THIS ALLOCATION AMOUNTED TO \$4,785 DURING 2020.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

SHORE MEMORIAL HOSPITAL

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Employer identification number

21-0660835

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|--|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) . . | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|---|---|
| <input type="checkbox"/> Preservation of land for public use (for example, recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

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

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

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

(i) Revenue included on Form 990, Part VIII, line 1. ▶ \$ _____

(ii) Assets included in Form 990, Part X. ▶ \$ _____

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

a Revenue included on Form 990, Part VIII, line 1. ▶ \$ _____

b Assets included in Form 990, Part X. ▶ \$ _____

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

Schedule D (Form 990) 2020

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a** ☐ Public exhibition **d** ☐ Loan or exchange program
- b** ☐ Scholarly research **e** ☐ Other _____
- c** ☐ Preservation for future generations
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ **Yes** ☐ **No**

Part IV Escrow and Custodial Arrangements.

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ **Yes** ☐ **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ **Yes** ☐ **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

- | | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 942,234. | 819,362. | 871,862. | 786,263. | 756,953. |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | 134,338. | 122,872. | -52,500. | 85,599. | 29,310. |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | 1,076,572. | 942,234. | 819,362. | 871,862. | 786,263. |
- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ _____ %
- b** Permanent endowment ▶ _____ %
- c** Term endowment ▶ 100.0000 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) Unrelated organizations | 3a(i) | X |
| (ii) Related organizations | 3a(ii) | X |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 5,605,070. | | 5,605,070. |
| b Buildings | | 142,551,772. | 57,972,558. | 84,579,214. |
| c Leasehold improvements | | | | |
| d Equipment | | 226,977,308. | 204,720,507. | 22,256,801. |
| e Other | | 1,351,451. | 1,270,559. | 80,892. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) | | | | 112,521,977. |

Schedule D (Form 990) 2020

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|--|
| (1) CASH & CASH EQUIVALENTS | 79,148,046. | FMV |
| (2) CERTIFICATES OF DEPOSIT | 16,642,254. | FMV |
| (3) EQUITY MUTUAL FUNDS | 52,090,663. | FMV |
| (4) FIXED INCOME MUTUAL FUNDS | 748,252. | FMV |
| (5) U.S. EQUITY SECURITIES | 1,036,233. | FMV |
| (6) INSURANCE CONTRACTS | 168,488. | FMV |
| (7) BEN INT IN PERPETUAL TRUST | 2,114,916. | FMV |
| (8) INVESTMENT IN AFFILIATES | -4,246,939. | FMV |
| (9) _____ | | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) . ▶ | | |

Part IX Other Assets.

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

| (a) Description | (b) Book value |
|---|----------------|
| (1) DUE FROM AFFILIATES | 12,089,496. |
| (2) DEPOSITS | 197,695. |
| (3) OTHER RECEIVABLES | 3,909,070. |
| (4) OTHER ASSETS | 265,572. |
| (5) _____ | |
| (6) _____ | |
| (7) _____ | |
| (8) _____ | |
| (9) _____ | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | |

Part X Other Liabilities.

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

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) DUE TO THIRD PARTIES | 28,621,705. |
| (3) ACCRUED RETIREMENT BENEFITS | 86,664,976. |
| (4) RESERVE FOR INSURANCE CLAIMS | 3,478,725. |
| (5) OTHER LIABILITIES | 296,411. |
| (6) _____ | |
| (7) _____ | |
| (8) _____ | |
| (9) _____ | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | |

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

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

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

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

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

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

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

Part XIII **Supplemental Information.**

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

SEE PAGE 5

Part XIII Supplemental Information (continued)

SCHEDULE D, PART V; QUESTION 4

THE MEDICAL CENTER HAS ADOPTED INVESTMENT POLICIES FOR ITS ENDOWMENT ASSETS THAT ARE CONSISTENT WITH THE POLICIES AND OBJECTIVES OF THEIR OVERALL INVESTMENTS; TO FURTHER THE ORGANIZATION'S CHARITABLE PURPOSES, PROGRAMS AND SERVICES. THE ASSETS ARE INVESTED IN A MANNER THAT IS INTENDED TO PRODUCE A POSITIVE RATE OF RETURN WHILE ASSUMING A LOW LEVEL OF RISK. FROM TIME TO TIME, THE FAIR VALUE OF ASSETS ASSOCIATED WITH THE DONOR-RESTRICTED ENDOWMENT FUNDS MAY FALL BELOW THE LEVEL THAT THE DONOR REQUIRES THE MEDICAL CENTER TO MAINTAIN IN PERPETUAL DURATION.

SCHEDULE D, PART X

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). SHORE MEMORIAL HEALTH SYSTEM IS THE TAX-EXEMPT PARENT ENTITY OF THE SYSTEM. AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SYSTEM FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019; RESPECTIVELY. THE FOOTNOTE BELOW IS FROM THE SYSTEM'S 2018 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 (ASC 740):

THE SYSTEM FOLLOWS THE ACCOUNTING GUIDANCE FOR UNCERTAINTIES IN INCOME TAX POSITIONS, WHICH REQUIRES THAT A TAX POSITION BE RECOGNIZED OR DERECOGNIZED BASED ON A "MORE LIKELY THAN NOT" THRESHOLD. THIS APPLIES TO POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. THE SYSTEM DOES

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

NOT BELIEVE ITS CONSOLIDATED FINANCIAL STATEMENTS INCLUDE ANY MATERIAL
UNCERTAIN TAX POSITIONS.

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

2020

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.

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

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

Part I Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? | | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col. (i) | (vi) Amount paid to (or retained by) organization |
|---|---------------|--|----|-----------------------------------|---|---|
| | | Yes | No | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |

Total

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

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

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events |
|---|--|---------------------------------|--------------|------------------|---------------------------------|
| | | GOLF TOURNAMENT (event type) | (event type) | (total number) | (add col. (a) through col. (c)) |
| Revenue | 1 Gross receipts | 142,500. | | | 142,500. |
| | 2 Less: Contributions | 121,408. | | | 121,408. |
| | 3 Gross income (line 1 minus line 2) | 21,092. | | | 21,092. |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Noncash prizes | | | | |
| | 6 Rent/facility costs | 19,972. | | | 19,972. |
| | 7 Food and beverages | | | | |
| | 8 Entertainment | | | | |
| | 9 Other direct expenses | 1,120. | | | 1,120. |
| | 10 Direct expense summary. Add lines 4 through 9 in column (d) ▶ | | | | 21,092. |
| 11 Net income summary. Subtract line 10 from line 3, column (d) ▶ | | | | | |

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

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

9 Enter the state(s) in which the organization conducts gaming activities: _____

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

b If "No," explain: _____

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

b If "Yes," explain: _____

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2020

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes" on Form 990, Part IV, question 20.

► Attach to Form 990.

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

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

Part I Financial Assistance and Certain Other Community Benefits at Cost

| | Yes | No |
|--|-----|----|
| 1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a | X | |
| 1b If "Yes," was it a written policy? | X | |
| 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | |
| 3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. | | |
| a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | X | |
| b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other 500.0000 % | X | |
| c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care. | | |
| 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | X | |
| 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | X | |
| 5b If "Yes," did the organization's financial assistance 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 Did the organization prepare a community benefit report during the tax year? | | X |
| 6b If "Yes," did the organization make it available to the public? | | |

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

| 7 Financial Assistance and Certain Other Community Benefits at Cost | | | | | | |
|--|--|--------------------------------------|--|--------------------------------------|--|-------------------------------------|
| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
| a Financial Assistance at cost (from Worksheet 1) | | | 1,262,586. | 114,409. | 1,148,177. | .66 |
| b Medicaid (from Worksheet 3, column a) | | | 28,914,861. | 18,663,917. | 10,250,944. | 5.90 |
| c Costs of other means-tested government programs (from Worksheet 3, column b) . . | | | | | | |
| d Total. Financial Assistance and Means-Tested Government Programs . . . | | | 30,177,447. | 18,778,326. | 11,399,121. | 6.56 |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) . | | | 37,950. | | 37,950. | .02 |
| f Health professions education (from Worksheet 5) | | | 886,278. | | 886,278. | .51 |
| g Subsidized health services (from Worksheet 6) | | | 7,497,152. | | 7,497,152. | 4.31 |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 139,472. | | 139,472. | .08 |
| j Total. Other Benefits | | | 8,560,852. | | 8,560,852. | 4.92 |
| k Total. Add lines 7d and 7j . | | | 38,738,299. | 18,778,326. | 19,959,973. | 11.48 |

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

Schedule H (Form 990) 2020

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|---|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1 Physical improvements and housing | | | | | | |
| 2 Economic development | | | | | | |
| 3 Community support | | | | | | |
| 4 Environmental improvements | | | | | | |
| 5 Leadership development and training for community members | | | | | | |
| 6 Coalition building | | | | | | |
| 7 Community health improvement advocacy | | | | | | |
| 8 Workforce development | | | | | | |
| 9 Other | | | | | | |
| 10 Total | | | | | | |

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

| | | Yes | No |
|--|---|------------|----|
| 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | 1 | | X |
| 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount. | 2 | 7,547,258. | |
| 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit | 3 | 415,099. | |
| 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements. | | | |

Section B. Medicare

| | | |
|---|---|--------------|
| 5 Enter total revenue received from Medicare (including DSH and IME) | 5 | 49,393,974. |
| 6 Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 60,270,531. |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) | 7 | -10,876,557. |
| 8 Describe in Part VI the extent to which any shortfall reported on 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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | | |

Section C. Collection Practices

| | | | |
|---|----|---|--|
| 9a Did the organization have a written debt collection policy during the tax year? | 9a | X | |
| b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI | 9b | X | |

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

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

Section A. Hospital Facilities

10

[illegible]

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

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

Name of hospital facility or letter of facility reporting group SHORE MEMORIAL HOSPITALLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

| | Yes | No |
|---|------------|----|
| Community Health Needs Assessment | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | 1 | X |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | 2 | X |
| 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply): | 3 | X |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s) | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 5 | X |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | 6a | X |
| b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | 6b | X |
| 7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply): | 7 | X |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.SHOREMEDICALCENTER.ORG</u> | | |
| b <input type="checkbox"/> Other website (list url): _____ | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | 8 | X |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | 10 | X |
| a If "Yes," (list url): <u>WWW.SHOREMEDICALCENTER.ORG</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | 10b | |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 12a | X |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | 12b | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ | | |

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group SHORE MEMORIAL HOSPITAL

| | | Yes | No |
|----|---|-----|----|
| 13 | Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP: | X | |
| a | <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200.0000</u> % and FPG family income limit for eligibility for discounted care of <u>500.0000</u> % | | |
| b | <input type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c | <input checked="" type="checkbox"/> Asset level | | |
| d | <input checked="" type="checkbox"/> Medical indigency | | |
| e | <input checked="" type="checkbox"/> Insurance status | | |
| f | <input checked="" type="checkbox"/> Underinsurance status | | |
| g | <input checked="" type="checkbox"/> Residency | | |
| h | <input type="checkbox"/> Other (describe in Section C) | | |
| 14 | Explained the basis for calculating amounts charged to patients? | X | |
| 15 | Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply): | X | |
| a | <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application | | |
| b | <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | |
| c | <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d | <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e | <input type="checkbox"/> Other (describe in Section C) | | |
| 16 | Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | X | |
| a | <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.SHOREMEDICALCENTER.ORG</u> | | |
| b | <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.SHOREMEDICALCENTER.ORG</u> | | |
| c | <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.SHOREMEDICALCENTER.ORG</u> | | |
| d | <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e | <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f | <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g | <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h | <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i | <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations | | |
| j | <input type="checkbox"/> Other (describe in Section C) | | |

Schedule H (Form 990) 2020

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group SHORE MEMORIAL HOSPITAL

| | Yes | No |
|---|-----|----|
| 17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? | X | |
| 18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted | | |
| 19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | | X |
| If "Yes," check all actions in which the hospital facility or a third party engaged: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply): | | |
| a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C) | | |
| b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C) | | |
| c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C) | | |
| d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C) | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| f <input type="checkbox"/> None of these efforts were made | | |

Policy Relating to Emergency Medical Care

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

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Part V Facility Information *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group SHORE MEMORIAL HOSPITAL

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

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Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

SCHEDULE H, PART V, SECTION B, QUESTION 3I

IN RESPONSE TO SHORE MEDICAL CENTER'S 2019 COMMUNITY HEALTH NEEDS ASSESSMENT ("CHNA"), THE ORGANIZATION DEVELOPED AND ADOPTED AN IMPLEMENTATION PLAN IN DECEMBER 2019, WHICH INCLUDES 2019, TO ADDRESS THE FOLLOWING HEALTH RISK FACTORS AND DISEASES IDENTIFIED AS HAVING THE GREATEST LEVEL OF PRIORITIZATION FOR THE COMMUNITY WE SERVE. THOSE AREAS ARE:

- OBESITY;
- HEART DISEASE;
- CANCER;
- DIABETES; AND
- OPIOIDS.

BELOW PLEASE FIND A DESCRIPTION OF THE ACTIONS TAKEN TO ADDRESS THE SIGNIFICANT HEALTH NEEDS IDENTIFIED IN THE ORGANIZATION'S CHNA. ADDITIONALLY, DESCRIBED BELOW IS THE IMPACT OF ALL OF THOSE ACTIONS TAKEN.

OBESITY & HEART DISEASE

SCREENING & EDUCATION: SHORE PARTICIPATED IN SEVERAL MAJOR HEALTH SCREENING EVENTS DURING THE TIME FRAME, INCLUDING THE ANNUAL BAYFEST

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

HEALTH FAIR AND THE JCC SENIOR EXPO, WHICH EACH RESULTED IN DIRECT EDUCATION AND SCREENING OF APPROXIMATELY 500 PEOPLE. SCREENINGS INCLUDE CARDIAC RISK ASSESSMENTS, STROKE RISK ASSESSMENTS, SLEEP DISORDER ASSESSMENTS, BALANCE DISORDER ASSESSMENTS, CANCER RISK FACTOR EDUCATION, EMERGENCY MEDICINE AND FIRST AID, GLUCOSE AND CHOLESTEROL TESTING, WITH EDUCATION FROM A NURSE TO HELP THOSE WHO EXHIBIT HIGH NUMBERS REDUCE THEIR RISK FACTORS THROUGH DIET AND EXERCISE AND RECOMMENDED FOLLOW UP WITH A PHYSICIAN. EXAMPLES OF OTHER COMMUNITY EFFORTS TO IMPACT THESE HEALTH RISKS INCLUDE:

- GET YOUR SKINNY ON!: GET YOUR SKINNY ON! IS A WORKSHOP THAT WAS DEVELOPED TO TARGET YOUNG ADULTS AND FAMILIES AS AN OBESITY PREVENTION PROGRAM SPECIFICALLY TO REDUCE CANCER INCIDENCE. THE TOPICS INCLUDE NUTRITION, PHYSICAL ACTIVITY, EMOTIONAL COMPONENTS AND FOOD DEMONSTRATIONS. TWO PROGRAMS WERE HELD DURING 2019.

- SENIOR SOCIALS: SENIOR SOCIALS ARE DESIGNED TO HELP SENIORS CONNECT WITH OTHERS WHILE LEARNING ABOUT A WIDE ARRAY OF HEALTH AND WELLNESS TOPICS. THE MONTHLY ONE-HOUR PROGRAMS OFTEN TOUCH ON CHRONIC DISEASE MANAGEMENT, HEALTH SCREENINGS, EXERCISE AND FITNESS, AND NUTRITION.

- SPEAKERS BUREAU: SHORE HAS HAD A LONG HISTORY OF MAINTAINING AN ACTIVE SPEAKERS BUREAU, WITH EXPERTS AVAILABLE TO PRESENT AT LOCAL ORGANIZATIONS ON A WIDE ARRAY OF HEALTH AND WELLNESS TOPICS. WE RESPOND ENTHUSIASTICALLY TO ALL REQUESTS AND DO EVERYTHING POSSIBLE TO MEET THE

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

NEEDS OF THE AUDIENCE.

- SPLAC TOOL: THE SPLAC TOOL IS A SYSTEMATIC TOOL INTRODUCED IN 2014 AND DEVELOPED BY A HOSPITAL COMMITTEE TO LOWER READMISSION RATES IN THE HOSPITAL. THE PURPOSE IS TO RATE PATIENTS ON THEIR LIKELINESS ON BEING READMITTED. THE HIGHER THE TOTAL THE MORE LIKELY TO BE READMITTED. BY IDENTIFYING HIGH RISK PATIENTS THEN THIS IS COMMUNICATED IN A SIMPLE TO UNDERSTAND WAY TO THEIR PRIMARY CARE PHYSICIAN, REHAB FACILITY, ETC. THE GOAL IS TO PUT INTERVENTIONS IN PLACE TO KEEP THE PATIENT OUT OF THE HOSPITAL. THIS HAS DECREASED HOSPITAL READMISSION RATES, WHICH INDICATES THAT OUR EFFORTS ARE SUCCESSFUL.

CANCER

SHORE MEDICAL CENTER HAS A DEDICATED CANCER CENTER. THE CANCER CENTER WORKS ON A VARIETY OF PROJECTS THAT FOCUS ON COMMUNITY OUTREACH. THIS IS DONE THROUGH OUR CANCER EDUCATION AND EARLY DETECTION ("CEED") PROGRAM, REGIONAL COALITION (CAPE ATLANTIC COALITION FOR HEALTH) AND COMMISSION ON CANCER PROGRAMS. WE OFFER A RANGE OF SPEAKERS ON SHORE MEDICAL CENTER'S SPEAKERS BUREAU.

PARTICIPATION IN OVER 115 EVENTS HAVE OCCURRED REACHING OVER 3,800 PEOPLE ON VARIOUS CANCER AND HEALTH/WEELNESS TOPICS. THE CANCER CENTER PROVIDES GET YOUR SKINNY ON! EXAMPLES OF OTHER COMMUNITY EFFORTS TO IMPACT THESE

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

HEALTH RISKS INCLUDE:

- CEED PROGRAM: THE CEED PROGRAM PROVIDES FREE SCREENING FOR BREAST, CERVICAL, COLORECTAL, AND/OR PROSTATE CANCER IS AVAILABLE FOR UNINSURED AND UNDERINSURED LOW INCOME PATIENTS. MORE THAN 1,200 SCREENINGS OCCURRED.

- CHOOSE YOUR COVER FREE SKIN CANCER SCREENING EVENTS: 5 EVENTS OCCURRED SCREENING 174 PEOPLE.

- BREAST EDUCATIONAL PROGRAMS: MULTIPLE WORKSHOPS FOCUSED ON BREAST HEALTH INFORMATION SUCH AS SELF EXAMS, SCREENING GUIDELINES, RISK FACTORS FOR BREAST CANCER, AND SIGNS AND SYMPTOMS OF BREAST CANCER. NINETEEN PROGRAMS WERE HELD.

SCHEDULE H, PART V, SECTION B, QUESTION 5

IN THE CHNA THE ORGANIZATION TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVICED BY THE HOSPITAL FACILITY.

SHORE MEDICAL CENTER COMPLETED AN ONLINE COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY IN AN EFFORT TO GAIN INPUT FROM THE COMMUNITY ON HEALTH ISSUES OF CONCERN. THE SURVEY QUESTIONS WERE DEVELOPED IN A TEAM APPROACH BY BRAINSTORMING QUESTIONS AND EXAMINING SEVERAL SAMPLE SURVEYS. THE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

QUESTIONS WERE ADJUSTED BY STOCKTON UNIVERSITY TO PUT THE QUESTIONS IN PROPER FORMAT. THE SURVEY WAS DISPERSED THROUGH SHORE MEDICAL CENTER EMAIL BLASTS, LINKED TO THE SHORE MEDICAL CENTER'S WEBSITE AND AVAILABLE IN PHYSICIAN OFFICES.

APPROXIMATELY 220 PEOPLE COMPLETED THE SURVEY. THIS GROUP WAS PREDOMINATELY CAUCASIAN (89.7%), FEMALE (77.1%) AND EMPLOYED FULL TIME OR RETIRED. FIFTY-TWO PERCENT HAD A COLLEGE EDUCATION AND ONLY 1% DID NOT HAVE HEALTH INSURANCE. INSURANCE COVERAGE WAS PREDOMINATELY COMMERCIAL COVERAGE (51.4%) AND MEDICARE (36.4%) AND A MAJORITY OF THE PEOPLE CONSIDERED THEMSELVES IN GOOD HEALTH OR BETTER.

ADDITIONALLY, SHORE MEDICAL CENTER COMPLETED KEY REPRESENTATIVE INTERVIEWS. A REPRESENTATIVE FROM ATLANTIC COUNTY AND CAPE MAY COUNTY WERE IDENTIFIED, AS WELL AS A PUBLIC HEALTH REPRESENTATIVE FROM THE LOCAL UNIVERSITY. THE QUALITATIVE DATA WAS TALLIED AND PUT TOGETHER TO FORM A PICTURE OF THE COMMUNITY.

SHORE MEDICAL CENTER ALSO FORMED A CHNA INTERNAL COMMITTEE CONSISTING OF THE FOLLOWING INDIVIDUALS/GROUPS IN ORDER TO ENSURE THAT THE HOSPITAL'S OUTREACH EFFORTS TRULY REFLECT THE CHANGING HEALTH NEEDS OF THE COMMUNITY THAT IT SERVES.

- ALAN BEATTY, MBA, VICE PRESIDENT OF HUMAN RESOURCES
- FREDERICK CANTZ, CHIEF COMPLIANCE OFFICER

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- JOSEPH JOHNSTON, MBA, CMPE, DIRECTOR OF ONCOLOGY SERVICES
- BRIAN CAHILL, DIRECTOR OF MARKETING
- ANGELA A. BAILEY, MSW, LSW, MANAGER OF CANCER COMMUNITY OUTREACH
- SHORE MEDICAL CENTER, CANCER COMMITTEE SUBCOMMITTEE AND LEADERSHIP

SCHEDULE H, PART V, SECTION B, QUESTION 7A

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). DUE TO CHARACTER LIMITATIONS, THE WEBSITE LISTED IN SCHEDULE H, PART V, SECTION B, QUESTION 7A, IS THE HOME PAGE FOR THE SYSTEM. THE ORGANIZATION'S CHNA CAN BE ACCESSED AT THE FOLLOWING PAGE INCLUDED IN THE SYSTEM'S WEBSITE:

[HTTPS://SHOREMEDICALCENTER.ORG/WELLYES/COMMUNITY_NEEDS_ASSESSMENT](https://shoremedicalcenter.org/wellyes/community_needs_assessment)

SCHEDULE H, PART V, SECTION B, QUESTION 10

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). DUE TO CHARACTER LIMITATIONS, THE WEBSITE LISTED IN SCHEDULE H, PART V, SECTION B, QUESTION 10, IS THE HOME PAGE FOR THE SYSTEM. THE ORGANIZATION'S IMPLEMENTATION STRATEGY CAN BE ACCESSED AT THE FOLLOWING PAGE INCLUDED IN THE SYSTEM'S WEBSITE:

[HTTPS://SHOREMEDICALCENTER.ORG/WELLYES/COMMUNITY_NEEDS_ASSESSMENT](https://shoremedicalcenter.org/wellyes/community_needs_assessment)

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

SCHEDULE H, PART V, SECTION B, QUESTION 11

THE ORGANIZATION'S IMPLEMENTATION STRATEGY WAS ADOPTED AND POSTED ON THE HOSPITAL'S WEBSITE ON DECEMBER 2, 2019. THIS IMPLEMENTATION STRATEGY IDENTIFIES THE MEANS BY WHICH SHORE MEDICAL CENTER PLANS TO ADDRESS COMMUNITY HEALTH NEEDS DURING 2020 THROUGH 2022. BEYOND THE SERVICES AND PROGRAMS DETAILED IN ITS IMPLEMENTATION STRATEGY, SHORE HAS AND CONTINUES TO PROVIDE A FULL-RANGE OF SERVICES AND PROGRAMS TO OUR COMMUNITY. SHORE MEDICAL CENTER'S COMMITMENT TO ITS COMMUNITY, PATIENTS AND THEIR FAMILY MEMBERS RUNS PARALLEL TO ITS NOT-FOR-PROFIT MISSION.

THE FOLLOWING HEALTH ISSUES WERE IDENTIFIED AS PRIORITY HEALTH NEEDS:
OBESITY, HEART DISEASE, CANCER, DIABETES AND OPIOID ISSUES.

PROJECTS WERE DEVELOPED TO SPECIFICALLY ADDRESS EACH OF THE IDENTIFIED HEALTH NEEDS OVER THE COURSE OF THE IMPLEMENTATION PERIOD. THIS STRATEGY INCLUDES PROVIDING PRIORITY ATTENTION AND PLANS TO ADDRESS THESE KEY HEALTH ISSUES THROUGH BETTER EDUCATION AND IMPLEMENTATION OF PROGRAMS DESIGNED TO ADDRESS THE NEEDS OF OUR COMMUNITY.

THROUGH THIS STRATEGY, SHORE HOPES TO IMPACT THE FOLLOWING:

- CHRONIC DISEASE REDUCTION
- DEATH RATE FROM HEART DISEASE DECREASE
- DEATH RATE FROM CANCER DECREASE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- DEATH RATE FROM DIABETES DECREASE
- INCREASE ACCESS TO OPIOID ADDICTION TREATMENT

BELOW IS A SUMMARY OF HOW THE ORGANIZATION PLANS TO ADDRESS THE
IDENTIFIED HEALTH NEEDS:

OBSESITY

POOR HEALTH STATUS CAN RESULT WHEN MEMBERS OF THE COMMUNITY ARE IMPACTED
BY MAJOR RISK FACTORS. ADDRESSING THESE MORE COMMON "ROOT" CAUSES OF POOR
COMMUNITY HEALTH CAN SERVE TO IMPROVE THE COMMUNITY'S QUALITY OF LIFE,
REDUCE MORTALITY AND MORBIDITY AND PREVENT FUTURE DEVELOPMENT OF DISEASE.
OBESITY IS LINKED TO CHRONIC DISEASE. DUE TO THE HIGH LEVEL OF OBESITY
AND CHRONIC DISEASE IN THE COMMUNITY, STRATEGIES TO REDUCE OBESITY ARE A
FOCUS.

STRATEGY 1: SUPPORT THE COMMUNITY FOODBANK OF NEW JERSEY (LOCAL CHAPTER)
WITH A VARIETY OF ACTIVITIES WITHIN THE HOSPITAL SUCH AS FOOD DRIVES, AS
WELL AS SUPPORTING THE LOCAL MOBILE FOODBANK THROUGH EDUCATION AND AID.

STRATEGY 2: EDUCATE PHYSICIANS IN THE COMMUNITY ABOUT TOOLS FOR PRIMARY
PREVENTION OF DISEASE SUCH AS UTILIZING THE ELECTRONIC HEALTH RECORD OR
DEVELOPING SYSTEMATIC ADJUSTMENTS WITHIN THEIR PRACTICE TO PROMOTE
HEALTH.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

CHRONIC DISEASE (HEART DISEASE, CANCER & DIABETES)

COMMUNITY MEMBERS SUFFER FROM AND HAVE CONCERNS ABOUT HEART DISEASE, CANCER AND DIABETES. DEVELOPING AND WORKING ON THESE CHRONIC DISEASES SPECIFICALLY CAN IMPROVE HEALTH OUTCOMES FOR PEOPLE WITH DISEASE. THE FOLLOWING STRATEGIES TARGET THESE AREAS DIRECTLY.

STRATEGY 3: EXPANSION OF CARDIOVASCULAR SERVICES BY PARTNERING WITH A TERTIARY ORGANIZATION WITH A STRONG CARDIOLOGY PROGRAM.

STRATEGY 4: IMPROVE CLINICAL TRIAL ACCESS FOR COMMUNITY CANCER PATIENTS THROUGH NCI NATIONAL CLINICAL TRIALS NETWORK MEMBERSHIP.

STRATEGY 5: PARTNER WITH A DIABETES PREVENTION PROGRAM FOR HIGH RISK COMMUNITY MEMBERS. IMPROVE THE CARE TRANSITION BETWEEN INPATIENT TO OUTPATIENT TO ENSURE PROPER DIABETES EDUCATION, SELF-MANAGEMENT, RESOURCES, AND TRAINING.

WELL BEING

SHORE MEDICAL CENTER HAS A STRONG TRADITION OF MEETING COMMUNITY HEALTH NEEDS THROUGH ITS ONGOING COMMUNITY BENEFIT PROGRAMS. SHORE WILL CONTINUE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

THIS COMMITMENT THROUGH THE STRATEGY BELOW.

STRATEGY 6: PROVIDE PROGRAMS SUCH AS OUR MONTHLY "WELLNESS TO WELL BEING" AND OTHER EDUCATIONAL WORKSHOPS TO THE PUBLIC. THIS INCLUDES THE SHORE MEDICAL CENTER'S SPEAKER BUREAU WHICH HAS A VARIETY OF PROFESSIONALS AVAILABLE TO PRESENT MANY DIFFERENT HEALTH TOPICS WHERE COMMUNITY GROUPS COME TOGETHER.

OPIOIDS

THE OPIOID EPIDEMIC HAS GAINED MOMENTUM BOTH LOCALLY AND NATIONALLY AND HAS BECOME A GROWING CONCERN. SHORE SUPPORTS HEALTHCARE PROVIDERS AND PATIENTS IN THE BATTLE AGAINST OPIOID ADDICTION.

STRATEGY 7: INCREASE ACCESS TO OPIOID ADDICTION SUPPORT SERVICES THROUGH LOCAL PARTNERSHIP WITH AN ADDICTION/MENTAL HEALTH SERVICE AGENCY.

STRATEGY 8: EDUCATE INTERNAL STAFF, INCLUDING PHYSICIANS BY PROVIDING ONSITE EDUCATIONAL OPPORTUNITIES ABOUT OPIOID ADDICTION AND TREATMENT.

SCHEDULE H, PART V, SECTION B, QUESTION 16

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

("SYSTEM"). DUE TO CHARACTER LIMITATIONS, THE WEBSITE LISTED IN SCHEDULE

H, PART V, SECTION B, QUESTION 16, IS THE HOME PAGE FOR THE SYSTEM. THE

ORGANIZATION'S FINANCIAL ASSISTANCE POLICY, FINANCIAL ASSISTANCE

APPLICATION AND PLAIN LANGUAGE SUMMARY ARE MADE WIDELY AVAILABLE ON THE

ORGANIZATION'S WEBSITE. THESE DOCUMENTS CAN BE ACCESSED AT THE FOLLOWING

PAGE INCLUDED IN THE SYSTEM'S WEBSITE:

[HTTPS://SHOREMEDICALCENTER.ORG/PATIENTS_VISITORS/PATIENTS/INSURANCE/FINANC](https://shoremedicalcenter.org/patients_visitors/patients/insurance/financial_assistance)

IAL_ASSISTANCE

Part V Facility Information *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)

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

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
| 1 | |
| | |
| 2 | |
| | |
| 3 | |
| | |
| 4 | |
| | |
| 5 | |
| | |
| 6 | |
| | |
| 7 | |
| | |
| 8 | |
| | |
| 9 | |
| | |
| 10 | |
| | |

Schedule H (Form 990) 2020

Part VI Supplemental Information

Provide the following information.

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

SCHEDULE H, PART I, LINE 3C

IN ADDITION TO THE FEDERAL POVERTY GUIDELINES, THE ORGANIZATION USES
OTHER FACTORS IN DETERMINING ELIGIBILITY CRITERIA FOR FREE AND DISCOUNTED
CARE. AS OUTLINED IN PART V, SECTION B, QUESTION 13, OTHER FACTORS TO
DETERMINE ELIGIBILITY INCLUDE:

- ASSET LEVEL;
- MEDICAL INDIGENCY;
- INSURANCE STATUS;
- UNDERINSURANCE STATUS; AND
- RESIDENCY.

ADDITIONAL INFORMATION WITH RESPECT TO ELIGIBILITY CRITERIA FOR FINANCIAL
ASSISTANCE IS OUTLINED BELOW.

NEW JERSEY HOSPITAL CHARITY CARE PAYMENT ASSISTANCE PROGRAM ("CHARITY
CARE")

Part VI Supplemental Information

Provide the following information.

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

CHARITY CARE IS A NEW JERSEY PROGRAM IN WHICH FREE OR DISCOUNTED CARE IS AVAILABLE TO PATIENTS WHO RECEIVE INPATIENT AND OUTPATIENT SERVICES AT ACUTE CARE HOSPITALS THROUGHOUT THE STATE OF NEW JERSEY. HOSPITAL ASSISTANCE AND REDUCED CHARGE CARE ARE ONLY AVAILABLE FOR NECESSARY EMERGENCY OR OTHER MEDICALLY NECESSARY CARE.

PATIENTS MAY BE ELIGIBLE FOR CHARITY CARE IF THEY ARE NEW JERSEY RESIDENTS WHO:

- 1) HAVE NO HEALTH COVERAGE OR HAVE COVERAGE THAT PAYS ONLY PART OF THE HOSPITAL BILL (UNINSURED OR UNDERINSURED);
- 2) ARE INELIGIBLE FOR ANY PRIVATE OR GOVERNMENTAL SPONSORED COVERAGE (SUCH AS MEDICAID); AND
- 3) MEET THE FOLLOWING INCOME AND ASSET ELIGIBILITY CRITERIA DESCRIBED

Part VI Supplemental Information

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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BELOW.

INCOME CRITERIA: PATIENTS WITH FAMILY GROSS INCOME LESS THAN OR EQUAL TO 200% OF FEDERAL POVERTY GUIDELINES ("FPG") ARE ELIGIBLE FOR 100% CHARITY CARE COVERAGE. PATIENTS WITH FAMILY GROSS INCOME GREATER THAN 200% AND LESS THAN OR EQUAL TO 300% OF FPG ARE ELIGIBLE FOR DISCOUNTED CARE. FREE CARE OR PARTIALLY COVERED CHARGES WILL BE DETERMINED BY USE OF THE NEW JERSEY DEPARTMENT OF HEALTH FEE SCHEDULE.

IF PATIENTS ON THE 20% TO 80% SLIDING FEE SCALE ARE RESPONSIBLE FOR QUALIFIED OUT-OF-POCKET PAID MEDICAL EXPENSES IN EXCESS OF 30% OF THEIR GROSS ANNUAL INCOME (I.E. BILLS UNPAID BY OTHER PARTIES), THEN THE AMOUNT IN EXCESS OF 30% IS CONSIDERED HOSPITAL CARE PAYMENT ASSISTANCE.

ASSET CRITERIA: CHARITY CARE INCLUDES ASSET ELIGIBILITY THRESHOLDS WHICH STATES THAT INDIVIDUAL ASSETS CANNOT EXCEED \$7,500 AND FAMILY ASSETS CANNOT EXCEED \$15,000 AS OF THE DATE OF SERVICE.

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CHARITY CARE MAY BE AVAILABLE TO NON-NEW JERSEY RESIDENTS, REQUIRING
IMMEDIATE MEDICAL ATTENTION FOR AN EMERGENCY MEDICAL CONDITION.

NEW JERSEY UNINSURED DISCOUNT PUBLIC LAW 2008, C. 60 ("UNINSURED
DISCOUNT")

THE NEW JERSEY UNINSURED DISCOUNT (NJ LAW - BILL S-1797/A-2609) IS
AVAILABLE TO UNINSURED PATIENTS WHOSE FAMILY GROSS INCOME IS LESS THAN
500% OF FPG. ELIGIBLE INDIVIDUALS MUST BE NEW JERSEY RESIDENTS. HOWEVER,
SMC HAS ELECTED TO APPLY THIS DISCOUNT TO ALL UNINSURED PATIENTS
IRRESPECTIVE OF INCOME LEVEL OR RESIDENCY. SMC OFFERS DISCOUNTED RATES TO
ALL UNINSURED INDIVIDUALS. UNDER THIS PROGRAM, AN ELIGIBLE PATIENT WILL
BE CHARGED AN AMOUNT NO GREATER THAN 115% OF THE MEDICARE FEE SCHEDULE.
UNINSURED BILLING LIMITS ARE IN ACCORDANCE WITH NJ P.L.2008 C60.

Part VI Supplemental Information

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SCHEDULE H, PART I, LINE 6A

NOT APPLICABLE.

SCHEDULE H, PART I, LINE 7

WORKSHEET 2 WAS USED FOR THE COST TO CHARGE RATIO.

SCHEDULE H, PART II

SHORE MEMORIAL HOSPITAL D/B/A SHORE MEDICAL CENTER ("THE MEDICAL CENTER")

IS PROUD TO MAKE A DIFFERENCE IN THE COMMUNITIES WE CALL HOME. OUR

GENEROUS MEDICAL CENTER STAFF HAVE PARTICIPATED IN NUMEROUS EVENTS THAT

SUPPORT AND EXEMPLIFY THE MEDICAL CENTER'S COMMITMENT TO OUR COMMUNITY.

OUR PRIMARY GOAL IS TO CARE FOR AND RESPECT, ALL PATIENTS, THEIR FAMILIES

AND EACH OTHER. ALONG WITH THE SUPERIOR CARE THAT WE DELIVER EVERY DAY,

WE STRIVE TO EDUCATE AND PROMOTE WELLNESS TO THE COMMUNITY THROUGH THE

MANY OUTREACH PROGRAMS WE OFFER. MORE RECENTLY, THE MEDICAL CENTER BECAME

Part VI Supplemental Information

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THE FIRST HOSPITAL IN NEW JERSEY AND ONE OF LESS THAN 50 ORGANIZATIONS
WORLDWIDE TO RECEIVE PLANETREE PATIENT-CENTERED CARE DESIGNATION. THE
PLANETREE MODEL OF CARE IS A PATIENT-CENTERED, HOLISTIC APPROACH TO
HEALTHCARE, PROMOTING MENTAL, EMOTIONAL, SPIRITUAL, SOCIAL AND PHYSICAL
HEALING. WE HOPE TO EMPOWER OUR PATIENTS AND FAMILIES THROUGH THE
EXCHANGE OF INFORMATION TO ULTIMATELY ENCOURAGE AND FOSTER HEALING
PARTNERSHIPS WITH CAREGIVERS.

SCHEDULE H, PART III, LINES 2, 3 & 4

BAD DEBT EXPENSE WAS CALCULATED USING THE PROVIDERS' BAD DEBT EXPENSE
FROM THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS, NET OF ACCOUNTS
WRITTEN OFF AT CHARGES.

SHORE MEMORIAL HEALTH SYSTEM PREPARES AND ISSUES AUDITED CONSOLIDATED
FINANCIAL STATEMENTS. THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES
TO THE AUDITED FINANCIAL STATEMENTS OF SHORE MEMORIAL HEALTH SYSTEM &
AFFILIATES.

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PATIENT ACCOUNTS RECEIVABLE

PATIENT ACCOUNTS RECEIVABLE FOR WHICH THE SYSTEM RECEIVES PAYMENT UNDER COST REIMBURSEMENT, PROSPECTIVE PAYMENT FORMULAS, OR NEGOTIATED RATES, WHICH COVER THE MAJORITY OF PATIENT SERVICES, ARE STATED AT THE ESTIMATED NET AMOUNTS RECEIVABLE FROM PAYERS, WHICH ARE GENERALLY LESS THAN THE ESTABLISHED BILLING RATES OF THE SYSTEM.

THE SYSTEM RECOGNIZES A RECEIVABLE WHEN THERE IS AN UNCONDITIONAL RIGHT TO PAYMENT, SUBJECT ONLY TO THE PASSAGE OF TIME. PATIENT ACCOUNTS RECEIVABLE, INCLUDING BILLED ACCOUNTS AND UNBILLED ACCOUNTS, WHICH HAVE THE UNCONDITIONAL RIGHT TO PAYMENT, AND ESTIMATED AMOUNTS DUE FROM THIRD-PARTY PAYERS FOR RETROACTIVE ADJUSTMENTS, ARE RECORDED AS RECEIVABLES SINCE THE RIGHT TO CONSIDERATION IS UNCONDITIONAL AND ONLY THE PASSAGE OF TIME IS REQUIRED BEFORE PAYMENT OF THAT CONSIDERATION IS DUE. THE ESTIMATED UNCOLLECTIBLE AMOUNTS ARE GENERALLY CONSIDERED

Part VI Supplemental Information

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IMPLICIT PRICE CONCESSIONS THAT ARE RECORDED AS A DIRECT REDUCTION TO

PATIENT ACCOUNTS RECEIVABLE.

PATIENT SERVICE REVENUE

PATIENT SERVICE REVENUE IS REPORTED AT THE AMOUNTS THAT REFLECT THE CONSIDERATION TO WHICH THE SYSTEM IS EXPECTED TO BE ENTITLED TO IN EXCHANGE FOR PROVIDING PATIENT CARE FOR BOTH THE MEDICAL CENTER AND ANY EMPLOYED PHYSICIANS. THESE AMOUNTS ARE DUE FROM PATIENTS, THIRD-PARTY PAYORS (INCLUDING MANAGED CARE ORGANIZATIONS AND GOVERNMENT PROGRAMS, I.E., MEDICARE AND MEDICAID) AND OTHERS AND THEY INCLUDED VARIABLE CONSIDERATION FOR RETROACTIVE ADJUSTMENTS DUE TO SETTLEMENT OF FUTURE AUDITS, REVIEWS, AND INVESTIGATIONS. RETROACTIVE ADJUSTMENTS ARE CONSIDERED IN THE RECOGNITION OF REVENUE ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED, AND SUCH AMOUNTS ARE ADJUSTED IN FUTURE PERIODS AS ADJUSTMENTS BECOME KNOWN OR AS YEARS ARE NO LONGER SUBJECT TO SUCH AUDITS, REVIEWS, AND INVESTIGATIONS. GENERALLY, PATIENTS

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AND THIRD-PARTY PAYORS ARE BILLED SEVERAL DAYS AFTER THE SERVICES ARE PERFORMED OR SHORTLY AFTER DISCHARGE. PATIENT SERVICE REVENUE IS RECOGNIZED IN THE PERIOD IN WHICH THE PERFORMANCE OBLIGATIONS ARE SATISFIED UNDER CONTRACTS BY TRANSFERRING SERVICES TO PATIENTS.

PERFORMANCE OBLIGATIONS ARE DETERMINED BASED ON THE NATURE OF THE SERVICES PROVIDED. THE SYSTEM RECOGNIZES REVENUES FOR PERFORMANCE OBLIGATIONS SATISFIED OVER TIME BASED ON ACTUAL CHARGES INCURRED IN RELATION TO TOTAL EXPECTED CHARGES. THE SYSTEM BELIEVES THAT THIS METHOD PROVIDES AN APPROPRIATE DEPICTION OF THE TRANSFER OF SERVICES OVER THE TERM OF PERFORMANCE OBLIGATIONS BASED ON THE INPUTS NEEDED TO SATISFY THE OBLIGATIONS. GENERALLY, PERFORMANCE OBLIGATIONS ARE SATISFIED OVER TIME RELATED TO PATIENTS RECEIVING INPATIENT ACUTE CARE SERVICES. THE SYSTEM MEASURES PERFORMANCE OBLIGATIONS FROM ADMISSION TO THE POINT WHEN THERE ARE NO FURTHER SERVICES REQUIRED FOR THE PATIENT, WHICH IS GENERALLY THE TIME OF DISCHARGE. THE SYSTEM RECOGNIZES REVENUES FOR PERFORMANCE OBLIGATIONS SATISFIED AT A POINT IN TIME, WHICH GENERALLY RELATE TO PATIENTS RECEIVING OUTPATIENT SERVICES, WHEN: (1) SERVICES ARE PROVIDED;

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AND (2) WHEN IT IS BELIEVED THE PATIENT DOES NOT REQUIRE ADDITIONAL SERVICES.

THE SYSTEM HAS AGREEMENTS WITH THIRD-PARTY PAYORS THAT PROVIDE FOR PAYMENTS TO THE SYSTEM AT AMOUNTS DIFFERENT FROM ESTABLISHED CHARGES. INPATIENT ACUTE CARE SERVICES FOR MEDICARE AND MEDICAID BENEFICIARIES AND OUTPATIENT SERVICES FOR MEDICARE BENEFICIARIES ARE PAID PRIMARILY AT PROSPECTIVELY DETERMINED RATES. THESE RATES VARY ACCORDING TO PATIENT CLASSIFICATION SYSTEMS THAT ARE BASED ON CLINICAL, DIAGNOSTIC, AND OTHER FACTORS.

CERTAIN OUTPATIENT SERVICES FOR MEDICAID BENEFICIARIES ARE PAID BASED ON A COST-REIMBURSEMENT METHODOLOGY, SUBJECT TO CERTAIN LIMITATIONS. THE SYSTEM IS REIMBURSED FOR COST REIMBURSABLE AND OTHER ITEMS AT A TENTATIVE RATE, WITH FINAL SETTLEMENT DETERMINED AFTER SUBMISSION OF ANNUAL COST REPORTS BY THE SYSTEM AND AUDITS THEREOF, BY THE PROGRAMS' FISCAL INTERMEDIARY. PROVISIONS FOR ESTIMATED ADJUSTMENTS RESULTING FROM AUDIT AND FINAL SETTLEMENTS HAVE BEEN RECORDED. DIFFERENCES BETWEEN THE

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ESTIMATED ADJUSTMENTS AND THE AMOUNTS SETTLED ARE RECORDED IN THE YEAR OF SETTLEMENT. THE SYSTEM'S COST REPORTS HAVE NOT BEEN SETTLED BY THE FISCAL INTERMEDIARIES FOR THE YEARS ENDED DECEMBER 31, 2017 THROUGH DECEMBER 31, 2020.

IN THE OPINION OF MANAGEMENT, ADEQUATE PROVISION HAS BEEN MADE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR ANY ADJUSTMENTS THAT MAY RESULT FROM THE FINAL SETTLEMENT OF THE SYSTEM'S COST REPORTS. FOR THE YEAR ENDED DECEMBER 31, 2020, NET PATIENT SERVICE REVENUE INCLUDES REVENUE OF APPROXIMATELY \$557,000 RELATED TO FINAL SETTLEMENTS OF PRIOR YEAR COST REPORTS.

REVENUES FROM THE MEDICARE AND MEDICAID PROGRAMS ACCOUNTED FOR APPROXIMATELY 37% AND 7% AND 38% AND 8% OF THE SYSTEM'S PATIENT SERVICE REVENUE FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019, RESPECTIVELY.

LAWS AND REGULATIONS GOVERNING THE MEDICARE AND MEDICAID PROGRAMS ARE EXTREMELY COMPLEX AND SUBJECT TO INTERPRETATION. AS A RESULT, THERE IS AT LEAST A REASONABLE POSSIBILITY THAT RECORDED ESTIMATES WILL CHANGE BY A

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MATERIAL AMOUNT IN THE NEAR TERM. THE SYSTEM BELIEVES THAT IT IS IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS AND IS NOT AWARE OF ANY PENDING OR THREATENED INVESTIGATIONS INVOLVING ALLEGATIONS OF POTENTIAL WRONGDOING THAT WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS. WHILE NO SUCH REGULATORY INQUIRIES HAVE BEEN MADE, COMPLIANCE WITH SUCH LAWS AND REGULATIONS CAN BE SUBJECT TO FUTURE GOVERNMENT REVIEW AND INTERPRETATIONS AS WELL AS SIGNIFICANT REGULATORY ACTION INCLUDING FINES, PENALTIES, AND EXCLUSION FROM THE MEDICARE AND MEDICAID PROGRAMS.

THE SYSTEM HAS ALSO ENTERED INTO PAYMENT AGREEMENTS WITH CERTAIN COMMERCIAL INSURANCE CARRIERS AND HEALTH MAINTENANCE ORGANIZATIONS. THE BASIS FOR PAYMENT TO THE SYSTEM UNDER THESE AGREEMENTS INCLUDES PROSPECTIVELY DETERMINED RATES PER DISCHARGE, DISCOUNTS FROM ESTABLISHED CHARGES, AND PROSPECTIVELY DETERMINED DAILY RATES. THESE AGREEMENTS HAVE RETROSPECTIVE AUDIT CLAUSES ALLOWING THE PAYOR TO REVIEW AND ADJUST CLAIMS SUBSEQUENT TO INITIAL PAYMENT.

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THE SYSTEM RECOGNIZES PATIENT SERVICE REVENUE ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE ON THE BASIS OF THE CONTRACTUAL RATES FOR THE SERVICES RENDERED. FOR UNINSURED PATIENTS THAT DO NOT QUALIFY FOR THE STATE CHARITY CARE ASSISTANCE PROGRAM, THE SYSTEM RECOGNIZES REVENUE ON THE BASIS OF DISCOUNTED RATES UNDER THE UNINSURED SELF PAY PATIENT DISCOUNT POLICY. UNDER THIS POLICY, UNINSURED PATIENTS THAT ARE INELIGIBLE FOR ANY GOVERNMENT ASSISTANCE PROGRAM ARE BILLED AT REDUCED CHARGES COMPARABLE TO THE COST OF PROVIDING CARE BASED UPON THE SYSTEM-SPECIFIC MEDICARE COST TO CHARGE RATIO. THE IMPACT OF THIS UNINSURED SELF PAY DISCOUNT POLICY ON THE CONSOLIDATED FINANCIAL STATEMENTS IS LOWER PATIENT SERVICE REVENUE, AS THE DISCOUNT IS CONSIDERED A PRICING CONSTRAINT.

PATIENT SERVICE REVENUE FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019, IS 95% AND 98% FROM THIRD-PARTY PAYORS AND 2% FROM SELF-PAY BASED ON PRIMARY INSURANCE DESIGNATION.

DEDUCTIBLES AND COPAYMENTS UNDER THIRD-PARTY PAYMENT PROGRAMS WITHIN THE

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THIRD-PARTY PAYOR AMOUNTS ABOVE ARE THE PATIENTS' RESPONSIBILITY, AND THE
SYSTEM CONSIDERS THESE AMOUNTS IN ITS DETERMINATION OF THE IMPLICIT PRICE
CONCESSIONS BASED ON COLLECTION EXPERIENCE.

SCHEDULE H, PART III, LINE 8

MEDICARE COSTS WERE DERIVED FROM THE 2020 MEDICARE COST REPORT.

THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL), BAD DEBT
AND ASSOCIATED COSTS ARE COMMUNITY BENEFIT AND ARE INCLUDABLE ON THE FORM
990, SCHEDULE H, PART I. AS OUTLINED MORE FULLY BELOW, THE ORGANIZATION
BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE
COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE
ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING
MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A
NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX,
NATIONAL ORIGIN OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY
BENEFIT STANDARD PROMULGATED BY THE IRS. THE COMMUNITY BENEFIT STANDARD

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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT
AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC")
§501(C)(3).

THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE
ORGANIZATION UNDER §501(C)(3) OF THE IRC. ALTHOUGH THERE IS NO DEFINITION
IN THE TAX CODE FOR THE TERM "CHARITABLE" A REGULATION PROMULGATED BY THE
DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "THE
TERM CHARITABLE IS USED IN SECTION 501(C)(3) IN ITS GENERALLY ACCEPTED
LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE
RELIEF OF THE POOR OR UNPRIVILEGED; THE PROMOTION OF SOCIAL WELFARE; AND
THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE. NOTE IT DOES NOT
EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS. IN THE ABSENCE OF
EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM
"CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE
CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC §501(C)(3) CHARITABLE
ORGANIZATIONS. THE ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE
STANDARD. THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY

Part VI Supplemental Information

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BENEFIT STANDARD WHICH IS THE CURRENT STANDARD.

CHARITY CARE STANDARD

IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC §501(C)(3) STATUS. ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE STANDARD." UNDER THE STANDARD, A HOSPITAL MUST PROVIDE, TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS WHO CANNOT PAY FOR SUCH SERVICES. A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT THAT SOME PATIENTS ULTIMATELY FAILED TO PAY. THE RULING EMPHASIZED THAT A LOW LEVEL OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE. THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY AND A LOW LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF

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IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS.

COMMUNITY BENEFIT STANDARD

IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVED" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST." UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY.

THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE. THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY. THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL

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WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY THE DEPARTMENT OF TREASURY REG. §1.501(C)(3)-1(D)(2). THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY.

THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION AND RESEARCH; IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF

Part VI Supplemental Information

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INDEPENDENT CIVIC LEADERS; AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE
AVAILABLE TO ALL QUALIFIED PHYSICIANS.

THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE
UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS
INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES
WITH THE AHA'S POSITION. AS OUTLINED IN THE AHA'S LETTER TO THE IRS DATED
AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM
990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL
VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING
MEDICARE UNDERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR
THE FOLLOWING REASONS:

- PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN
ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD.

- MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. FROM THE
LATEST DATA PROVIDED BY THE AHA, AS OF 2017, MEDICARE REIMBURSES

Part VI Supplemental Information

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HOSPITALS ONLY 87 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF
MEDICARE PATIENTS.

- MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE
POOR. MORE THAN 42 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES
WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF
THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED
"DUAL ELIGIBLE."

THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND
MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY
BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I. MEDICARE
UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE
TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT
A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE
COMMUNITY BENEFIT.

BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A

Part VI Supplemental Information

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COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART

I. LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING

REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY

BENEFIT AS FOLLOWS:

- A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR THOSE WHO DO NOT PAY ALL, OR A PORTION OF THE ALREADY DISCOUNTED BILLED AMOUNTS UNDER OUR FINANCIAL ASSISTANCE POLICY. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOMES BELOW 200% OF THE FEDERAL POVERTY LINE."

- THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE

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COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 40% OF BAD DEBT IS PENDING CHARITY CARE.

THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFIT" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE; THE EXPERIENCE OF HOSPITALS AROUND THE NATION REINFORCES THAT THEY ARE GENERALIZABLE.

AS OUTLINED BY THE AHA, DESPITE THE HOSPITAL'S BEST EFFORTS AND DUE DILIGENCE, PATIENT BAD DEBT IS A PART OF THE HOSPITAL'S MISSION AND CHARITABLE PURPOSES. BAD DEBT REPRESENTS PART OF THE BURDEN HOSPITALS SHOULD IN SERVING ALL PATIENTS REGARDLESS OF RACE, COLOR, CREED, SEX,

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NATIONAL ORIGIN OR ABILITY TO PAY. IN ADDITION, THE HOSPITAL INVESTS
SIGNIFICANT RESOURCES IN SYSTEMS AND STAFF TRAINING TO ASSIST PATIENTS
THAT ARE IN NEED OF FINANCIAL ASSISTANCE.

SCHEDULE H, PART III, LINE 9B

ACCOUNTS CONSIDERED TO BE CHARITY CARE ARE NOT INCLUDED IN THE BAD DEBT
EXPENSE, BUT RATHER, ACCOUNTED FOR AS AN ALLOWANCE.

SHORE MEDICAL CENTER PROVIDES A FULL-RANGE OF HEALTHCARE SERVICES TO OUR
COMMUNITY REGARDLESS OF THE PATIENT'S ABILITY TO PAY. WE RECOGNIZE THAT A
CRITICAL PART OF PROVIDING HEALTHCARE SERVICES INCLUDES MITIGATING
CONCERNS OUR PATIENTS MAY HAVE RELATED TO BILLING MATTERS. THIS BUSINESS
PHILOSOPHY IS OUR COMMITMENT TO THE COMMUNITY, PATIENTS AND FAMILY
MEMBERS WE SERVE. THIS COMMITMENT RUNS PARALLEL TO OUR NOT FOR PROFIT
MISSION AND IS EVIDENCED BY THE FOLLOWING PROACTIVE MEASURES TAKEN BY
SHORE MEDICAL CENTER TO PROVIDE FINANCIAL ASSISTANCE TO OUR PATIENTS.

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SHORE MEDICAL CENTER HAS A DISCOUNT PROGRAM TO ASSIST PATIENTS WHO ARE LEAST ABLE TO PAY. THE POLICY IS DESIGNED TO PROVIDE FINANCIAL RELIEF TO OUR SELF-PAY POPULATION BY REDUCING THE HOSPITAL'S STANDARD CHARGE FOR SERVICES RENDERED. AT THE TIME OF BILLING THE PATIENT, THE CHARGES ARE REDUCED TO AN ESTIMATED COST OF SERVICES. THE HOSPITAL ALSO ENSURES THAT ALL PATIENTS RECEIVE INFORMATION PERTAINING TO THE STATE CHARITY CARE PROGRAM FOR THE UNINSURED AND UNDER-INSURED. TO INQUIRE ABOUT SHORE'S SELF-PAY BILLING AND DISCOUNT POLICY, CHARITY CARE OR PAYMENT ARRANGEMENTS, PATIENTS MAY CONTACT THE PATIENT FINANCIAL SERVICES CREDIT AND COLLECTIONS OFFICE.

SHORE MEDICAL CENTER ALSO OFFERS FINANCIAL COUNSELING AND SCREENING FOR PATIENTS TO ENSURE THAT ANY POTENTIAL THIRD PARTY COVERAGE UNDER OTHER GOVERNMENT PROGRAMS, SUCH AS MEDICAID, CAN BE IDENTIFIED. THIS SERVICE IS PROVIDED AT NO COST TO THE PATIENT.

BILLING & COLLECTIONS

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THE ORGANIZATION ABIDES BY PROVISIONS ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE. THESE PROVISIONS INCLUDE THE FOLLOWING:

THE HOSPITAL APPROVES PAYMENT ARRANGEMENTS FOR OUR PATIENTS WHO CANNOT PAY THEIR BILLS IN FULL. THESE PAYMENT ARRANGEMENTS CAN BE TAILORED TO THE INDIVIDUAL NEEDS OF THE PATIENT. WE DO NOT CHARGE ADDITIONAL FEES IN THE FORM OF INTEREST FOR CARRYING THE BALANCES BEING PAID UNDER THESE ARRANGEMENTS.

THE ACCOUNTS OF PATIENTS FOR WHICH THERE IS NO IDENTIFIED THIRD PARTY INSURANCE WILL FOLLOW A PREDEFINED SELF-PAY COLLECTION CYCLE. ANY REMAINING UNPAID ACCOUNTS THAT ARE NOT IN THE PROCESS OF MAKING PAYMENT ARRANGEMENTS AFTER A DEFINED SELF-PAY COLLECTION CYCLE OF 120 DAYS WILL BE TRANSFERRED TO A THIRD PARTY AGENCY FOR COLLECTION. THE ACCOUNT WILL REMAIN WITH THIS AGENCY FOR 180 DAYS. AFTER THIS TIME PERIOD, WITHOUT ANY AGREED UPON PAYMENT ARRANGEMENTS TO SATISFY THE UNPAID BALANCE, THE

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ACCOUNT WILL BE TRANSFERRED TO ANOTHER THIRDS PARTY COLLECTION AGENCY. AT THIS TIME, THE UNPAID BALANCE MAY BE REPORTED TO A CREDIT AGENCY, AND AS SUCH, APPEAR ON THE ACCOUNT GUARANTOR'S CREDIT REPORT.

SHORE MEDICAL CENTER PURSUES COLLECTION OF BALANCES RIGHTFULLY OWED BY PATIENTS FOR SERVICES RENDERED AND CONTRACTS WITH THIRD PARTY COLLECTION AGENCIES FOR THE PURPOSE OF COLLECTING DELINQUENT ACCOUNT BALANCES. THE COLLECTION AGENCIES OPERATE UNDER THE FEDERAL FAIR DEBT, CREDIT AND COLLECTION GUIDELINES.

COLLECTION AGENCY ACTIVITY IS CLOSELY MONITORED BY THE HOSPITAL TO ENSURE THAT PATIENT COLLECTION EFFORTS ARE APPROPRIATE AND IN-LINE WITH OUR CUSTOMER SERVICE PHILOSOPHY.

ALL PATIENT COMPLAINTS REGARDING DISSATISFACTION WITH SERVICES RENDERED OR BILLING ISSUES ARE HANDLED PROMPTLY AND IN A COURTEOUS MANNER TO ENSURE THAT CUSTOMER SERVICE REMAINS THE FOCUS OF ANY PATIENT CONCERN. ALL COMPLAINTS ARE CONSIDERED VALID AND PATIENT FEEDBACK IS WELCOME WITH

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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RESPECT TO DISPUTED MATTERS.

THE HOSPITAL ABSORBS A SIGNIFICANT AMOUNT OF BAD DEBT ANNUALLY (BALANCES DUE BY PATIENTS THAT ARE INTENTIONALLY NOT PAID), OR ARE INCURRED AS A RESULT OF MITIGATING CIRCUMSTANCES, BANKRUPTCY FILINGS AND OTHER COLLECTION MATTERS.

SCHEDULE H, PART VI; QUESTION 2

IN ADDITION TO THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS OUTLINED IN SCHEDULE H, SECTION B, AND QUESTIONS 1-12 AND SECTION C, THE ORGANIZATION TOOK THE FOLLOWING STEPS TO ENSURE THAT THE CHNA WAS MANAGED IN A LOGICAL AND EFFECTIVE MANNER INCLUDING THE FOLLOWING:

- SELECT QUALITY DATA SOURCES FROM KEY ORGANIZATION SUCH AS U.S. CENSUS BUREAU, NEW JERSEY DEPARTMENT OF HEALTH, AMERICAN CANCER SOCIETY, ETC.
- ENGAGE COMMUNITY REPRESENTATIVES, ESPECIALLY THOSE WITH PUBLIC HEALTH EXPERTISE

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- DEFINE THE COMMUNITY THAT WE SERVE THROUGH ZIP CODE ANALYSIS OF THE

HOSPITAL CATCHMENT AREA

- DEVELOPED AND ADMINISTERED A COMMUNITY SURVEY IN AN EFFORT TO GAIN THE

COMMUNITY'S INPUT

- PRIORITIZE THE HEALTH AND HEALTH-RELATED PROBLEMS BASED ON RELEVANT

STATISTICS AND COMMUNITY'S CONCERN

- IDENTIFIED DATA GAPS THROUGHOUT THE DATA COLLECTION EFFORTS

THE GUIDES AND EXPERT ADVICE FOR THE CONDUCTING THE ASSESSMENT INCLUDED:

- EDUCATIONAL WEBINARS BY THE NEW JERSEY HOSPITAL ASSOCIATION

- GUIDE FOR PLANNING & REPORTING COMMUNITY BENEFIT BY CATHOLIC HEALTH

ASSOCIATION

- MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIP (MAPP) BY THE

NATIONAL ASSOCIATION OF COUNTY & CITY OFFICIALS

- SCHEDULE H (FORM 990) BY THE US DEPARTMENT OF THE TREASURY, INTERNAL

REVENUE SERVICE

- GUIDANCE FROM PUBLIC HEALTH COMMUNITY LEADERS

Part VI Supplemental Information

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- DEVELOPED AN INTERNAL COMMITTEE FOR THE REVISION PROCESS

IN ADDITION, THE ORGANIZATION REFERENCED KEY QUANTITATIVE SOURCES OF DATA
IN ORDER TO ASSESS THE HEALTH NEEDS OF ITS COMMUNITY. INCLUDED BELOW ARE
THE DATA SOURCES USED BY THE ORGANIZATION:

- AMERICAN CANCER SOCIETY
- AMERICAN DIABETES ASSOCIATION
- AMERICAN HEART ASSOCIATION
- ATLANTIC COUNTY DIVISION OF PUBLIC HEALTH
- CENTERS FOR DISEASE CONTROL AND PREVENTION
- COUNTY HEALTH RANKINGS, UNIVERSITY OF WISCONSIN
- NEW JERSEY CANCER REGISTRY
- NEW JERSEY DEPARTMENT OF HEALTH
- NEW JERSEY PRIMARY CARE ASSOCIATION
- UNITED STATES CENSUS BUREAU
- UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

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THE ORGANIZATION ALSO REFERENCED THE ATLANTIC COUNTY DIVISION OF PUBLIC HEALTH COMMUNITY HEALTH ASSESSMENT AND THE ATLANTIC COUNTY DIVISION OF PUBLIC HEALTH YOUTH RISK BEHAVIORAL SURVEY FOR ADDITIONAL INFORMATION REGARDING THE HEALTH NEEDS OF THE COMMUNITY.

SCHEDULE H, PART VI; QUESTION 3

IN ACCORDANCE WITH INTERNAL REVENUE CODE SECTION 501(R)(4) THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND PERSONS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR FINANCIAL ASSISTANCE BY WIDELY PUBLICIZING VARIOUS DOCUMENTS.

THESE DOCUMENTS ARE WIDELY PUBLICIZED IN THE FOLLOWING WAYS:

(1) THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY ("FAP"), FINANCIAL ASSISTANCE APPLICATION ("APPLICATION") AND PLAIN LANGUAGE SUMMARY ("PLS") ARE ALL AVAILABLE ON-LINE AT THE FOLLOWING WEBSITE:

[HTTPS://SHOREMEDICALCENTER.ORG/PATIENTS_VISITORS/PATIENTS/INSURANCE/FINANC](https://shoremedicalcenter.org/patients_visitors/patients/insurance/financ)

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IAL_ASSISTANCE

(2) PAPER COPIES OF THE FAP, APPLICATION AND THE PLS ARE AVAILABLE UPON REQUEST WITHOUT CHARGE BY MAIL AND ARE AVAILABLE IN AT VARIOUS AREAS THROUGHOUT THE HOSPITAL FACILITY.

(3) THE ORGANIZATION'S FAP, APPLICATION AND PLS ARE AVAILABLE IN ENGLISH AND IN THE PRIMARY LANGUAGE OF POPULATIONS WITH LIMITED PROFICIENCY IN ENGLISH ("LEP") THAT CONSTITUTE THE LESSER OF 1,000 INDIVIDUALS OR 5% OF THE COMMUNITY SERVED.

(4) SIGNS OR DISPLAYS ARE CONSPICUOUSLY POSTED IN PUBLIC HOSPITAL LOCATIONS THAT NOTIFY AND INFORM PATIENTS ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE.

(5) THE ORGANIZATION ALSO MAKES REASONABLE EFFORTS TO INFORM MEMBERS OF THE COMMUNITY ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE.

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SHORE MEDICAL CENTER HAS ENGAGED A THIRD PARTY TO PROVIDE EDUCATION AND ELIGIBILITY PROCESSING FOR FINANCIAL ASSISTANCE AND MEDICAID ELIGIBILITY. THIS THIRD PARTY MEETS WITH INPATIENTS, THEIR FAMILIES AND WALK IN PATIENTS TO PROVIDE ALL NECESSARY GUIDANCE FOR THE PATIENT FINANCIAL NEEDS. IN ADDITION THEY ALSO MAKE HOUSE CALLS FOR THOSE THAT NEED FURTHER ASSISTANCE AND HELP IN GETTING TO THE AGENCIES NECESSARY TO COMPLETE STATE APPLICATIONS. THE MEDICAL CENTER ALSO HAS AN ADDITIONAL 4 INDIVIDUALS THAT HELP PATIENTS COMPLETE THESE FORMS IN THE BUSINESS OFFICE, EMERGENCY DEPARTMENT AND THE ADMISSIONS OFFICE.

SCHEDULE H, PART VI; QUESTION 4

SHORE MEDICAL CENTER IS LOCATED IN SOMERS POINT, ATLANTIC COUNTY, NEW JERSEY, APPROXIMATELY 10 MILES SOUTH OF ATLANTIC CITY, NEW JERSEY. THE MEDICAL CENTER SERVES THE HEALTHCARE NEEDS OF BOTH THE YEAR ROUND AND SUMMER RESIDENTS OF ATLANTIC AND CAPE MAY COUNTIES AS WELL AS SEASONAL VISITORS FROM OTHER COMMUNITIES AND STATES.

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THE FOLLOWING DEMOGRAPHICS WERE CITED IN THE ORGANIZATION'S MOST RECENTLY
CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT:

- ATLANTIC COUNTY'S POPULATION IN 2000 WAS 252,552. IT INCREASED TO 274,549 IN 2010 WHICH RESULTED IN AN 8.7% INCREASE TO THE TOTAL POPULATION. CAPE MAY COUNTY'S POPULATION WAS 102,326 IN 2000 AND DECREASED TO 97,265 IN 2010 WHICH RESULTED IN A 4.9% DECREASE TO THE TOTAL POPULATION. INDIVIDUAL MUNICIPALITIES FLUCTUATE BETWEEN INCREASES AND DECREASES OF POPULATION. BUENA, EGG HARBOR TOWNSHIP, GALLOWAY TOWNSHIP, HAMILTON TOWNSHIP AND WEYMOUTH TOWNSHIP HAD AN INCREASE OF 18% OR HIGHER WHILE BRIGANTINE, MARGATE, VENTNOR AND OCEAN CITY HAD A DECREASE OF 17% OR MORE.

- THE MEDIAN AGE IN ATLANTIC COUNTY WAS 37.0 IN 2000 AND 39.9 IN 2010. CAPE MAY COUNTY MEDIAN AGE IS WAS 40.7 IN 2000 AND 47.1 IN 2010. THE POPULATION IS GROWING OLDER. ATLANTIC COUNTY'S TOTAL POPULATION IN 2010 CONSISTED OF 133,175 MEN AND 141,374 WOMEN REPRESENTING 48.5% AND 51.5% OF THE POPULATION RESPECTIVELY. AS THE POPULATION GROWS OLDER, THE

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COMPOSITION OF THE POPULATION CHANGES TO A HIGHER FEMALE BASED POPULATION. 51.3% OF THE POPULATION UNDER 19 IS MALE WITH 48.7% BEING FEMALE. IN THE AGE CATEGORY OF 80 AND OVER 35.7% OF THE POPULATION IS MALE AND 64.3% IS FEMALE. ADDITIONALLY, GENERATIONAL FLUCTUATIONS CAN BE IDENTIFIED AS THE 30-34 AND 35-39 AGE GROUPS ARE IN A DECREASE BETWEEN 2000 AND 2010 AND THE 55-59 AND 60-64 AGE GROUPS ARE IN AN INCREASE BETWEEN 2000 AND 2010. THE 85-89 AGE GROUP ALSO HAD A LARGE INCREASE. THESE POPULATION SHIFTS ILLUSTRATE THE POTENTIAL CHANGES NEEDED IN MEDICAL CARE SERVICES. IN 2010, ATLANTIC COUNTY HAD 38,902 CITIZENS 65 YEARS OLD OR OLDER WHICH IS 14.2% OF ITS POPULATION. 11 OUT OF 23 MUNICIPALITIES THAT HAVE A HIGHER PERCENTAGE OF SENIOR CITIZENS COMPARED TO THE COUNTY OVERALL AVERAGE. CAPE MAY COUNTY HAD 20,977 CITIZENS 65 YEARS OLD OR OLDER WHICH IS 21.6% OF THE POPULATION. LONGPORT, MARGATE, WEYMOUTH TOWNSHIP AND OCEAN CITY HAVE THE HIGHEST PERCENTAGE OF SENIOR POPULATION IN THE SHORE MEDICAL CENTER CATCHMENT AREA.

- ACCORDING TO THE 2010 U.S. CENSUS, ATLANTIC COUNTY'S THREE HIGHEST POPULATIONS BY RACE ARE WHITE (65.4%), AFRICAN AMERICAN (16.1%) AND ASIAN

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(7.5%). THE CAPE MAY COUNTY MUNICIPALITIES POPULATION IS PREDOMINATELY WHITE (94.4%). AFRICAN AMERICANS REPRESENT 16.1% OF ATLANTIC COUNTY. FOUR MUNICIPALITIES HAVE A HIGHER PERCENTAGE OF AFRICAN AMERICANS THAN THE COUNTY PERCENTAGE. THESE MUNICIPALITIES ARE ATLANTIC CITY (38.3%), EGG HARBOR CITY (17.9%), HAMILTON TOWNSHIP (18.5%) AND PLEASANTVILLE (45.9%). TWO MUNICIPALITIES IN ATLANTIC COUNTY HAVE A HIGHER AFRICAN AMERICAN POPULATION THAN WHITE POPULATION. THESE TWO MUNICIPALITIES, ATLANTIC CITY AND PLEASANTVILLE, HAVE A RACIAL COMPOSITION AS FOLLOWS: ATLANTIC CITY'S 26.7% WHITE AND 38.3% AFRICAN AMERICAN; AND PLEASANTVILLE 24.3% WHITE AND 45.9% AFRICAN AMERICAN. ASIAN POPULATIONS HAVE INCREASED IN ATLANTIC COUNTY OVER THE PAST TEN YEARS. ACCORDING TO THE 2000 U.S. CENSUS THERE WERE 12,771 ASIANS IN ATLANTIC COUNTY CONSISTING OF 5.1% OF THE POPULATION. THE 2010 U.S. CENSUS REPORTS 20,595 ASIANS IN ATLANTIC COUNTY CONSISTING OF 7.5% OF THE POPULATION. THIS IS A 61.3% INCREASE IN POPULATION. FOUR MUNICIPALITIES IN ATLANTIC COUNTY HAVE A HIGHER PERCENTAGE OF ASIANS THAN THE COUNTY PERCENTAGE. THESE MUNICIPALITIES ARE ATLANTIC CITY (15.6%), EGG HARBOR TOWNSHIP (11.8%), GALLOWAY TOWNSHIP (10.0%) AND VENTNOR CITY (8.7%). LATINO POPULATIONS HAVE INCREASED IN

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ATLANTIC COUNTY OVER THE PAST TEN YEARS. ACCORDING TO THE 2000 U.S.

CENSUS THERE WERE 30,729 LATINO/AS CONSISTING OF 12.2% OF THE POPULATION.

THE 2010 U.S. CENSUS REPORTS 46,241 LATINO/AS IN ATLANTIC COUNTY

CONSISTING OF 16.8% OF THE POPULATION. THIS IS A 50.5% INCREASE IN

POPULATION. PUERTO RICANS MAKE UP 39.3% AND MEXICANS MAKE UP 23.5% OF THE

LATINO/A COMMUNITY. ALTHOUGH THE PUERTO RICAN POPULATION IS LARGER

MEXICAN POPULATIONS ARE GROWING MUCH QUICKER. OVER THE PAST TEN YEARS THE

PUERTO RICAN POPULATION INCREASED 24.6% WHILE THE MEXICAN POPULATION

DOUBLED AT AN INCREASE OF 118.8%.

- THE 2010 CENSUS INFORMATION WAS NOT YET AVAILABLE FOR INCOME; THEREFORE

THE AMERICAN COMMUNITY SURVEY CONDUCTED BY THE CENSUS BUREAU WAS USED TO

ESTIMATE INCOME NUMBERS. THE ATLANTIC COUNTY 5 YEAR ESTIMATE WAS

APPROXIMATELY 101,645 HOUSEHOLDS. HOUSEHOLDS ARE DEFINED AS EVERYONE

LIVING IN A HOUSING UNIT AS THEIR USUAL RESIDENCE. THE ATLANTIC COUNTY

MEDIAN INCOME WAS \$54,766 AND THE MEAN INCOME WAS \$71,086. CAPE MAY

COUNTY HAD 45,420 HOUSEHOLDS WITH A MEDIAN INCOME OF \$54,292 AND A MEAN

INCOME OF \$74,630. BOTH ATLANTIC COUNTY AND CAPE MAY COUNTY HOUSEHOLD

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INCOME MEASUREMENTS ARE LOWER THAN NEW JERSEY; MEDIAN \$69,811 (MOE +/-309) AND MEAN \$93,475 (MOE +/-360).

- ATLANTIC COUNTY (11.8%) AND CAPE MAY COUNTY (12.7%) HAVE HIGHER PERCENTAGES OF THE POPULATION LIVING BELOW THE POVERTY LEVEL COMPARED TO NEW JERSEY (9.1%). ACCORDING TO THE AMERICAN COMMUNITY SURVEY APPROXIMATELY 30,757 PEOPLE LIVE BELOW THE POVERTY LEVEL IN ATLANTIC COUNTY. ATLANTIC CITY, EGG HARBOR CITY AND PLEASANTVILLE HAVE THE HIGHEST PERCENTAGES OF PEOPLE THAT LIVE BELOW THE POVERTY LEVEL.

- EDUCATIONAL ATTAINMENT IS LOWER IN ATLANTIC COUNTY AND CAPE MAY COUNTY COMPARED TO NEW JERSEY. ACCORDING TO THE AMERICAN COMMUNITY SURVEY A HIGHER PERCENTAGE OF PEOPLE GRADUATE WITH BACHELOR AND GRADUATE DEGREES IN NEW JERSEY THAN IN ATLANTIC AND CAPE MAY COUNTY. IN NEW JERSEY, 21.6% RECEIVED BACHELOR DEGREES AND 13.0% RECEIVED GRADUATE DEGREES COMPARED TO 16.3% AND 7.2% FOR ATLANTIC COUNTY AND 17.4% AND 8.9% FOR CAPE MAY COUNTY RESPECTIVELY. 87.3% OF PEOPLE IN NEW JERSEY ARE A HIGH SCHOOL GRADUATE OR HIGHER AND 34.6% OF PEOPLE IN NEW JERSEY HAVE A BACHELOR'S DEGREE OR

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HIGHER.

- APPROXIMATELY 76% OF THE ATLANTIC COUNTY'S POPULATION OVER 5 YEARS OLD SPEAKS ONLY ENGLISH. THIS IS SLIGHTLY HIGHER THAN NEW JERSEY IN WHICH 71.3% OF THE POPULATION OVER 5 YEARS OLD SPEAKS ONLY ENGLISH. CAPE MAY COUNTY HAS A MUCH HIGHER PERCENTAGE OF THE POPULATION THAT SPEAKS ONLY ENGLISH CONSISTING OF 90.9% OF THE POPULATION. THE HIGHEST SEGMENT OF THE POPULATION THAT SPEAKS ANOTHER LANGUAGE IS SPANISH OR SPANISH CREOLE. THIS IS ALSO THE CASE WITH NEW JERSEY AS A WHOLE (14.6%).

- APPROXIMATELY 8.8% OF ATLANTIC COUNTY AND 13.4% OF CAPE MAY COUNTY ARE VETERANS. VIETNAM VETERANS MAKE UP THE LARGEST PERCENTAGE OF VETERANS AS SEEN IN TABLE 9-1. IN BOTH ATLANTIC AND CAPE MAY COUNTY MOST VETERANS ARE MEN (94.7% AND 95.0% RESPECTIVELY) AND WHITE (79.9% AND 93.7%) OR AFRICAN AMERICAN (14.1% AND 4.1%). AGE GROUPS VARY WITH MOST VETERANS 35 AND OVER.

- AMERICANS WHO DO NOT HAVE HEALTH INSURANCE ARE LESS LIKELY TO RECEIVE

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ANNUAL PREVENTIVE CARE SUCH AS ROUTINE EXAMS AND SCREENINGS FOR CHRONIC DISEASE, ACCESS TO MEDICATION AND OFTEN RECEIVE DELAYED TREATMENT AND PREMATURE MORTALITY. APPROXIMATELY 35,000 PEOPLE IN ATLANTIC COUNTY AND 10,000 PEOPLE IN CAPE MAY COUNTY DO NOT HAVE HEALTH INSURANCE. THERE ARE MORE MEN WHO DO NOT HAVE HEALTH INSURANCE THAN WOMEN.

- ATLANTIC AND CAPE MAY COUNTY HAVE SOME OF THE HIGHEST SMOKING PERCENTAGES IN NEW JERSEY. IT IS ESTIMATED THAT IN 2014, 20% OF ADULTS (18 AND OVER) IN ATLANTIC COUNTY AND 21% IN CAPE MAY COUNTY SMOKED CIGARETTES.

- HEART DISEASE IS THE LEADING CAUSE OF DEATH IN ATLANTIC COUNTY, CAPE MAY COUNTY AND NEW JERSEY. WHILE BOTH COUNTIES HAVE A HIGHER HEART DISEASE RATE THAN NEW JERSEY, ATLANTIC COUNTY'S RATE IS 27.6% HIGHER THAN THE STATE'S RATE. CANCER IS THE SECOND LEADING CAUSE OF DEATH IN ALL THREE AREAS. ATLANTIC COUNTY'S CANCER MORTALITY RATE IS 9.6% HIGHER WHILE CAPE MAY COUNTY'S CANCER MORTALITY RATE IS 12.4% HIGHER THAN NEW JERSEY. HEART DISEASE AND CANCER ATTRIBUTE TO THE GREATEST NUMBER OF DEATHS. CDC

Part VI Supplemental Information

Provide the following information.

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

CALCULATES THAT HEART DISEASE AND CANCER CONTRIBUTE TO NEARLY 48% OF ALL DEATHS.

SCHEDULE H, PART VI; QUESTION 5

SHORE MEDICAL CENTER IS PROUD TO MAKE A DIFFERENCE IN THE COMMUNITIES WE CALL HOME. OUR GENEROUS MEDICAL CENTER STAFF HAVE PARTICIPATED IN NUMEROUS EVENTS THAT SUPPORT AND EXEMPLIFY THE MEDICAL CENTER'S COMMITMENT TO OUR COMMUNITY. OUR PRIMARY GOAL IS TO CARE FOR AND RESPECT, ALL PATIENTS THEIR FAMILIES AND EACH OTHER. ALONG WITH THE SUPERIOR CARE THAT WE DELIVER EVERY DAY, WE STRIVE TO EDUCATE AND PROMOTE WELLNESS TO THE COMMUNITY THROUGH THE MANY OUTREACH PROGRAMS WE OFFER. MORE RECENTLY, THE MEDICAL CENTER BECAME THE FIRST HOSPITAL IN NEW JERSEY AND ONE OF LESS THAN 50 ORGANIZATIONS WORLDWIDE TO RECEIVE PLANETREE PATIENT-CENTERED CARE DESIGNATION. THE PLANETREE NETWORK IS A PATIENT CENTERED, HOLISTIC APPROACH TO HEALTHCARE, PROMOTING MENTAL, EMOTIONAL, SPIRITUAL, SOCIAL AND PHYSICAL HEALING. WE HOPE TO EMPOWER OUR PATIENTS AND FAMILIES THROUGH THE EXCHANGE OF INFORMATION TO ULTIMATELY ENCOURAGE

Part VI Supplemental Information

Provide the following information.

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

AND FOSTER HEALING PARTNERSHIPS WITH CAREGIVERS.

SCHEDULE H, PART VI; QUESTION 6

OUTLINED BELOW IS A SUMMARY OF THE ENTITIES THAT COMPRISE SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES.

NOT FOR-PROFIT SHORE MEMORIAL HEALTH SYSTEM ENTITIES:

SHORE MEMORIAL HOSPITAL D/B/A SHORE MEDICAL CENTER

SHORE MEDICAL CENTER IS AN ACUTE-CARE TAX-EXEMPT HOSPITAL LOCATED IN SOMERS POINT, NEW JERSEY. THE MEDICAL CENTER PROVIDES GENERAL HEALTHCARE SERVICES TO RESIDENTS WITHIN ITS GEOGRAPHIC LOCATION FOR A WIDE RANGE OF INPATIENT AND OUTPATIENT SERVICES, INCLUDING MEDICAL, SURGICAL, OBSTETRICAL, GYNECOLOGICAL, PEDIATRIC, EMERGENCY AND AMBULATORY CARE. THE HOSPITAL IS RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE §501(C)(3)

Part VI Supplemental Information

Provide the following information.

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

TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE MEDICAL CENTER PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, THE MEDICAL CENTER OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1) THE MEDICAL CENTER PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2) THE MEDICAL CENTER OPERATES AN ACTIVE EMERGENCY DEPARTMENT FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK, 365 DAYS PER YEAR;

3) THE MEDICAL CENTER MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

4) CONTROL OF THE MEDICAL CENTER RESTS WITH ITS BOARD OF TRUSTEES; WHICH
IS COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF
THE COMMUNITY; AND

5) SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND
AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND
ACTIVITIES.

SHORE HEALTH SERVICES CORPORATION

SHORE HEALTH SERVICES CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE
INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE
§501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE
CODE §509(A)(3). THE ORGANIZATION IS CURRENTLY INACTIVE.

SHORE MEMORIAL HEALTH SYSTEM

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SHORE MEMORIAL HEALTH SYSTEM IS AN ORGANIZATION RECOGNIZED BY THE
INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE
§501(C)(3). THE ORGANIZATION FUNCTIONS AS THE PARENT CORPORATION OF AND
SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF SHORE MEMORIAL
HEALTH SYSTEM AND AFFILIATES, INCLUDING SHORE MEDICAL CENTER, WHICH
PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS
REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

SHORE MEMORIAL HEALTH FOUNDATION, INC.

SHORE MEMORIAL HEALTH FOUNDATION, INC. IS AN ORGANIZATION RECOGNIZED BY
THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE
CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL
REVENUE CODE §509(A)(1). THE ORGANIZATION SUPPORTS AND RAISES FUNDS ON
BEHALF OF THE SHORE MEMORIAL HEALTH SYSTEM, INCLUDING SHORE MEDICAL
CENTER. THE ORGANIZATION IS CURRENTLY INACTIVE.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BRIGHTON BAY, LLC

BRIGHTON BAY, LLC IS A LIMITED LIABILITY COMPANY WHOSE SOLE CORPORATE MEMBER IS SHORE MEDICAL CENTER. BRIGHTON BAY, LLC MAINTAINS AND OPERATES CERTAIN HEALTHCARE RELATED RENTAL REAL ESTATE.

SHORE QUALITY PARTNERS, LLC

SHORE QUALITY PARTNERS, LLC IS A LIMITED LIABILITY COMPANY WHOSE SOLE CORPORATE MEMBER IS SHORE MEDICAL CENTER. SHORE QUALITY PARTNERS, LLC OPERATES AN INTEGRATED PHYSICIAN NETWORK.

SHORE QUALITY PARTNERS ACO, LLC

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SHORE QUALITY PARTNERS ACO, LLC IS A LIMITED LIABILITY COMPANY WHOSE SOLE CORPORATE MEMBER IS SHORE MEDICAL CENTER. SHORE QUALITY PARTNERS ACO, LLC OPERATES AS AN ACCOUNTABLE CARE ORGANIZATION.

FOR-PROFIT SHORE MEMORIAL HEALTH SYSTEM ENTITIES:

SHORE HEALTH ENTERPRISES, INC.

SHORE HEALTH ENTERPRISES, INC. IS CORPORATION WHOSE SOLE SHAREHOLDER IS SHORE MEMORIAL HEALTH SYSTEM. THIS CORPORATION IS A MANAGEMENT SERVICE ORGANIZATION THAT PROVIDES SERVICES TO THE SYSTEM'S AFFILIATES.

SHORE MEMORIAL PHYSICIAN'S GROUP, P.C.

SHORE MEMORIAL PHYSICIAN'S GROUP, P.C. IS A PHYSICIAN PRACTICE PROFESSIONAL CORPORATION CONTROLLED BY SHORE MEDICAL CENTER THROUGH A

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

NOMINEE OWNERSHIP BY A LICENSED PROFESSIONAL DUE TO STATE OF NEW JERSEY
CORPORATE PRACTICE OF MEDICINE PROHIBITION RULES AND REGULATIONS. THIS
ORGANIZATION WAS INCORPORATED AS A FOR-PROFIT PROFESSIONAL CORPORATION
FOR THE PURPOSE OF DEVELOPING AN EMPLOYED PHYSICIAN NETWORK. THE
PHYSICIANS GROUP IS DESIGNED TO ACHIEVE A MORE INTEGRATED APPROACH TO THE
DELIVERY OF MEDICAL CARE FOR THE COMMUNITY SERVED BY THE MEDICAL CENTER.

BAYFRONT URGENT CARE PROFESSIONAL ASSOCIATION D/B/A SHORE URGENT CARE,
P.A.

SHORE URGENT CARE, P.A. IS A CONTROLLED AFFILIATE OF SHORE MEMORIAL
PHYSICIANS GROUP, P.C.; A PHYSICIAN PRACTICE PROFESSIONAL ASSOCIATION
CONTROLLED BY SHORE MEDICAL CENTER THROUGH A NOMINEE OWNERSHIP BY A
LICENSED PROFESSIONAL DUE TO STATE OF NEW JERSEY CORPORATE PRACTICE OF
MEDICINE PROHIBITION RULES AND REGULATIONS. THIS ORGANIZATION PROVIDES
URGENT CARE SERVICES.

Part VI Supplemental Information

Provide the following information.

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

SHORE PATHOLOGY ASSOCIATES, P.C.

SHORE PATHOLOGY ASSOCIATES, P.C. IS A PHYSICIAN PRACTICE PROFESSIONAL CORPORATION CONTROLLED BY SHORE MEDICAL CENTER THROUGH A NOMINEE OWNERSHIP BY A LICENSED PROFESSIONAL DUE TO STATE OF NEW JERSEY CORPORATE PRACTICE OF MEDICINE PROHIBITION RULES AND REGULATIONS. THIS ORGANIZATION PROVIDES PATHOLOGY SERVICES.

SHORE HOSPITALISTS ASSOCIATES, P.A.

SHORE HOSPITALISTS ASSOCIATES, P.A IS A PHYSICIAN PRACTICE PROFESSIONAL ASSOCIATION CONTROLLED BY SHORE MEDICAL CENTER THROUGH A NOMINEE OWNERSHIP BY A LICENSED PROFESSIONAL DUE TO STATE OF NEW JERSEY CORPORATE PRACTICE OF MEDICINE PROHIBITION RULES AND REGULATIONS. THIS ORGANIZATION PROVIDES INPATIENT HEALTHCARE SERVICES.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SHORE SPECIALTY CONSULTANTS, P.A.

SHORE SPECIALTY CONSULTANTS, P.A. IS A PHYSICIAN PRACTICE PROFESSIONAL ASSOCIATION CONTROLLED BY SHORE MEDICAL CENTER THROUGH A NOMINEE OWNERSHIP BY A LICENSED PROFESSIONAL DUE TO STATE OF NEW JERSEY CORPORATE PRACTICE OF MEDICINE PROHIBITION RULES AND REGULATIONS. THIS ORGANIZATION PROVIDES SPECIALTY HEALTHCARE SERVICES.

SCHEDULE H, PART VI; QUESTION 7

THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED IN NEW JERSEY. THE STATE OF NEW JERSEY DOES NOT REQUIRE HOSPITALS TO ANNUALLY FILE A COMMUNITY BENEFIT REPORT.

Name of the organization
SHORE MEMORIAL HOSPITAL

Employer identification number
21-0660835

Part I

General Information on Grants and Assistance

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

Part II

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

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section (if applicable) | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of noncash assistance | (h) Purpose of grant or assistance |
|--|------------|---------------------------------|--------------------------|-----------------------------------|---|---------------------------------------|------------------------------------|
| (1) SOUTH JERSEY JAZZ SOCIETY, INC. P.O. BOX 329 SOMERS POINT, NJ 08244 | 20-1268261 | 501(C)(3) | 10,000. | | | | PROGRAM SUPPORT |
| (2) ATLANTIC MEDICAL IMAGING, LLC P.O. BOX 1564 INDIANAPOLIS, IN 46206-1564 | 27-0525195 | | 27,850. | | | | SUB-GRANTEE |
| (3) ATLANTIC COUNTY DIVISION OF PUBLIC HEALTH 201 SHORE ROAD NORTHFIELD, NJ 08225 | 21-6000049 | | 16,411. | | | | SUB-GRANTEE |
| (4) SHORE SPECIALTY CONSULTANTS PROFESSIONAL 100 MEDICAL CTR WAY SOMERS POINT, NJ 08244 | 47-2248436 | | 13,047. | | | | SUB-GRANTEE |
| (5) ADVANCED SHORE IMAGING ASSOCIATES, LLC P.O. BOX 6750 PORTSMOUTH, NH 03802 | 47-1561390 | | 9,372. | | | | SUB-GRANTEE |
| (6) RELIANCE MEDICAL GROUP, LLC 22 N FRANKLIN AVE PLEASANTVILLE, NJ 08232 | 22-3687866 | | 13,945. | | | | SUB-GRANTEE |
| (7) | | | | | | | |
| (8) | | | | | | | |
| (9) | | | | | | | |
| (10) | | | | | | | |
| (11) | | | | | | | |
| (12) | | | | | | | |

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

3 Enter total number of other organizations listed in the line 1 table 4.

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

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

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

SCHEDULE I, PART I, QUESTION 2

GRANTS ARE MONITORED BY THE ORGANIZATION'S FINANCE PERSONNEL THROUGH THE
UTILIZATION OF COST CENTERS AND OTHER INFORMATION; INCLUDING WRITTEN
DOCUMENTATION AND RECEIPTS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

SHORE MEMORIAL HOSPITAL

Compensation Information

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

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Employer identification number

21-0660835

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input 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 on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

Yes No

| | | |
|----|---|---|
| | | |
| 1b | X | |
| 2 | X | |
| | | |
| 4a | | X |
| 4b | X | |
| 4c | | X |
| | | |
| 5a | | X |
| 5b | | X |
| | | |
| 6a | | X |
| 6b | | X |
| | | |
| 7 | X | |
| | | |
| 8 | | X |
| | | |
| 9 | | |

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

Schedule J (Form 990) 2020

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

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

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--------------------|--|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 | RONALD W. JOHNSON TRUSTEE - PRESIDENT/CEO | (i) 644,536. | 244,548. | 701,884. | 56,000. | 26,749. | 1,673,717. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 2 | DAVID R. HUGHES CFO/CDO | (i) 432,762. | 125,658. | 6,386. | 54,369. | 31,571. | 650,746. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 3 | JEANNE M. ROWE, M.D. CHIEF MEDICAL OFFICER | (i) 418,873. | 121,011. | 10,665. | 51,359. | 31,413. | 633,321. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 4 | LINDA S. KENWOOD COO/CNO | (i) 382,024. | 111,067. | 17,993. | 47,714. | 19,681. | 578,479. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 5 | CHARLES A. DENNIS, M.D. PHYSICIAN ADVISOR | (i) 281,562. | 57,474. | 3,700. | 8,890. | 38,531. | 390,157. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 6 | FREDERICK L. BANNER CHIEF INFORMATION OFFICER | (i) 259,703. | 63,614. | 3,736. | 12,900. | 27,937. | 367,890. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 7 | STEPHEN CAPECCI, D.O. HOSPITALIST | (i) 310,815. | 20,625. | 336. | 3,631. | 16,386. | 351,793. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 8 | ALAN L. BEATTY VP HUMAN RESOURCES | (i) 237,957. | 57,469. | 5,329. | 11,654. | 17,774. | 330,183. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 9 | LATOYA ROBERTS, D.O. HOSPITALIST | (i) 257,898. | 8,435. | 244. | 1,683. | 24,194. | 292,454. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 10 | ROBIN KEYACK VP AMB & SURG SVS(EFF 10/2020) | (i) 225,854. | 5,719. | 2,772. | 9,042. | 16,910. | 260,297. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 11 | ROBERT L. WOOD DIRECTOR OF FINANCE | (i) 206,222. | 19,673. | 1,761. | 0. | 31,862. | 259,518. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 12 | DANIEL JACOBY, M.D. HOSPITALIST | (i) 209,489. | 19,542. | 194. | 3,918. | 15,840. | 248,983. | 0. |
| | | (ii) 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 13 | | (i) | | | | | | |
| | | (ii) | | | | | | |
| 14 | | (i) | | | | | | |
| | | (ii) | | | | | | |
| 15 | | (i) | | | | | | |
| | | (ii) | | | | | | |
| 16 | | (i) | | | | | | |
| | | (ii) | | | | | | |

Schedule J (Form 990) 2020

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART 1, QUESTION 1

THE ORGANIZATION MAINTAINS A CLUB MEMBERSHIP FOR BUSINESS PURPOSES AND MEETINGS. THIS MEMBERSHIP ENTITLES CERTAIN SHORE MEDICAL CENTER SENIOR EXECUTIVES TO THE USE OF THE CLUB'S FACILITIES. THE AMOUNTS OUTLINED HEREIN RELATING TO THE PERSONAL USE OF THIS CORPORATE MEMBERSHIP ARE TREATED AS TAXABLE WAGES AND ARE INCLUDED ON EACH INDIVIDUAL'S RESPECTIVE 2020 FORM W-2 AS TAXABLE WAGES: RONALD W. JOHNSON, \$139; DAVID R. HUGHES, \$69; JEANNE M. ROWE, M.D., \$1,343; LINDA S. KENWOOD, \$790 AND ALAN L. BEATTY, \$188.

SCHEDULE J, PART I; QUESTION 4B

THE AMOUNT REFLECTED IN SCHEDULE J, PART II, COLUMN B(III) FOR THE FOLLOWING INDIVIDUAL INCLUDES CURRENT YEAR VESTING IN AN INTERNAL REVENUE CODE SECTION 457(F) PLAN (NON-QUALIFIED DEFERRED COMPENSATION PLAN) AS THE AMOUNT WAS NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNT OUTLINED HEREIN WAS INCLUDED IN HIS 2020 FORM W-2 AS TAXABLE WAGES: RONALD W. JOHNSON, \$671,724.

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

THE DEFERRED COMPENSATION AMOUNTS REFLECTED IN SCHEDULE J, PART II, COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDE UNVESTED BENEFITS IN AN INTERNAL REVENUE CODE SECTION 457(F) PLAN (NON-QUALIFIED DEFERRED COMPENSATION PLAN) WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THIS UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINE HEREIN WERE NOT INCLUDED IN EACH INDIVIDUAL'S 2020 FORM W-2 BOX 5, AS TAXABLE MEDICARE WAGES: DAVID R. HUGHES, \$42,469; JEANNE M. ROWE, M.D., \$40,898; LINDA S. KENWOOD, \$37,538; FREDERICK L. BANNER, \$12,900 AND ALAN L. BEATTY, \$11,654.

SCHEDULE J, PART I; QUESTION 7

THE INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2020 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2020 FORM W-2 AS TAXABLE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

TAX-EXEMPT BONDS

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

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

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

Part I Bond Issues

| | (a) Issuer name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased | | (h) On behalf of issuer | | (i) Pooled financing | |
|----------|---|----------------|-------------|-----------------|-----------------|----------------------------|--------------|----|-------------------------|----|----------------------|----|
| | | | | | | | Yes | No | Yes | No | Yes | No |
| A | NJ HEALTH CARE FACILITIES FINANCING AUTHORITY | 22-1987084 | | 12/01/2019 | 49,075,000. | PLEASE REFER TO PART VI | | X | | X | | X |
| B | | | | | | | | | | | | |
| C | | | | | | | | | | | | |
| D | | | | | | | | | | | | |

Part II Proceeds

| | | A | | B | | C | | D | |
|-----------|--|-------------|----|-----|----|-----|----|-----|----|
| 1 | Amount of bonds retired | | | | | | | | |
| 2 | Amount of bonds legally defeased | 49,642,251. | | | | | | | |
| 3 | Total proceeds of issue | 49,075,000. | | | | | | | |
| 4 | Gross proceeds in reserve funds | 1,005,913. | | | | | | | |
| 5 | Capitalized interest from proceeds | | | | | | | | |
| 6 | Proceeds in refunding escrows | | | | | | | | |
| 7 | Issuance costs from proceeds | 436,027. | | | | | | | |
| 8 | Credit enhancement from proceeds | | | | | | | | |
| 9 | Working capital expenditures from proceeds | | | | | | | | |
| 10 | Capital expenditures from proceeds | | | | | | | | |
| 11 | Other spent proceeds | 2,635. | | | | | | | |
| 12 | Other unspent proceeds | | | | | | | | |
| 13 | Year of substantial completion | 2019 | | | | | | | |
| | | Yes | No | Yes | No | Yes | No | Yes | No |
| 14 | Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? | X | | | | | | | |
| 15 | Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? | | X | | | | | | |
| 16 | Has the final allocation of proceeds been made? | X | | | | | | | |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | | | | | | |

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

Schedule K (Form 990) 2020

Part III Private Business Use**TAX-EXEMPT BONDS**

| | A | | B | | C | | D | |
|---|------------|-----------|------------|-----------|------------|-----------|------------|-----------|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? | | X | | | | | | |
| 2 Are there any lease arrangements that may result in private business use of bond-financed property? | X | | | | | | | |
| 3a Are there any management or service contracts that may result in private business use of bond-financed property? | | X | | | | | | |
| b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? | | | | | | | | |
| c Are there any research agreements that may result in private business use of bond-financed property? | | X | | | | | | |
| d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | | | | | | | | |
| 4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶ | 1.0000 % | | | | | | | |
| 5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶ | | | | | | | | |
| 6 Total of lines 4 and 5 | 1.0000 % | | | | | | | |
| 7 Does the bond issue meet the private security or payment test? | X | | | | | | | |
| 8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? | | X | | | | | | |
| b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of | | | | | | | | |
| c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? | | | | | | | | |
| 9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? | X | | | | | | | |

Part IV Arbitrage

| | A | | B | | C | | D | |
|---|------------|-----------|------------|-----------|------------|-----------|------------|-----------|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? | | X | | | | | | |
| 2 If "No" to line 1, did the following apply? | | | | | | | | |
| a Rebate not due yet? | X | | | | | | | |
| b Exception to rebate? | | | | | | | | |
| c No rebate due? | | | | | | | | |
| If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed | | | | | | | | |
| 3 Is the bond issue a variable rate issue? | X | | | | | | | |

Schedule K (Form 990) 2020

Part IV Arbitrage (continued)

| | A | | B | | C | | D | |
|--|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? | | X | | | | | | |
| b Name of provider | | | | | | | | |
| c Term of hedge. | | | | | | | | |
| d Was the hedge superintegrated? | | | | | | | | |
| e Was the hedge terminated? | | | | | | | | |
| 5a Were gross proceeds invested in a guaranteed investment contract (GIC)? | | X | | | | | | |
| b Name of provider | | | | | | | | |
| c Term of GIC | | | | | | | | |
| d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | | | | | | | | |
| 6 Were any gross proceeds invested beyond an available temporary period? | | X | | | | | | |
| 7 Has the organization established written procedures to monitor the requirements of section 148? | X | | | | | | | |

Part V Procedures To Undertake Corrective Action

| | A | | B | | C | | D | |
|---|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations? | X | | | | | | | |

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions.

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

SCHEDULE K, PART I, LINE A, COLUMN F

PER THE ORGANIZATION'S CONSOLIDATED AUDITED FINANCIAL STATEMENTS, THE
PROCEEDS OF THE 2019 BONDS WERE USED TO:

- (1) REFINANCE THE SERIES 2009, 2010, 2011, AND 2013 BONDS; AND
- (2) PAY CERTAIN COSTS INCIDENTAL TO THE ISSUANCE OF THE 2019 BONDS.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2020

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.**

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

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

Part I

Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

| 1 | (a) Name of disqualified person | (b) Relationship between disqualified person and organization | (c) Description of transaction | (d) Corrected? | |
|-----|---------------------------------|---|--------------------------------|----------------|----|
| | | | | Yes | No |
| (1) | | | | | |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |
| (5) | | | | | |
| (6) | | | | | |

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

| (a) Name of interested person | (b) Relationship with organization | (c) Purpose of loan | (d) Loan to or from the organization? | | (e) Original principal amount | (f) Balance due | (g) In default? | | (h) Approved by board or committee? | | (i) Written agreement? | |
|-------------------------------|------------------------------------|---------------------|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|----|------------------------|----|
| | | | To | From | | | Yes | No | Yes | No | Yes | No |
| (1) | | | | | | | | | | | | |
| (2) | | | | | | | | | | | | |
| (3) | | | | | | | | | | | | |
| (4) | | | | | | | | | | | | |
| (5) | | | | | | | | | | | | |
| (6) | | | | | | | | | | | | |
| (7) | | | | | | | | | | | | |
| (8) | | | | | | | | | | | | |
| (9) | | | | | | | | | | | | |
| (10) | | | | | | | | | | | | |
| Total ▶ \$ | | | | | | | | | | | | |

Part III

Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of assistance | (d) Type of assistance | (e) Purpose of assistance |
|-------------------------------|---|--------------------------|------------------------|---------------------------|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| (5) | | | | |
| (6) | | | | |
| (7) | | | | |
| (8) | | | | |
| (9) | | | | |
| (10) | | | | |

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

Schedule L (Form 990 or 990-EZ) 2020

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|---|---|---------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| (1) SONYA M. BANNER | FAMILY MEMBER OF OFFICER | 77,277. | EMPLOYEE | | X |
| (2) CERNER CORPORATION | SUBSTANTIAL CONTRIBUTOR | 3,190,210. | INFORMATION TECHNOLOGY SVCS. | | X |
| (3) TRUSTEES OF THE UNIVERSITY OF PA | SUBSTANTIAL CONTRIBUTOR | 1,218,310. | MEDICAL SERVICES | | X |
| (4) GLENN INSURANCE | SUBSTANTIAL CONTRIBUTOR | 1,000,258. | INSURANCE | | X |
| (5) SOUTHERN ONCOLOGY HEMATOLOGY ASSOC. | SUBSTANTIAL CONTRIBUTOR | 347,533. | MEDICAL SERVICES | | X |
| (6) | | | | | |
| (7) | | | | | |
| (8) | | | | | |
| (9) | | | | | |
| (10) | | | | | |

Part V Supplemental Information

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

SCHEDULE L, PART IV

CERNER CORPORATION WAS A SUBSTANTIAL CONTRIBUTOR TO THE ORGANIZATION DURING 2020. SHORE MEDICAL CENTER UTILIZED THE SERVICES OF CERNER CORPORATION. TOTAL FEES PAID TO CERNER CORPORATION DURING 2020 AMOUNTED TO \$3,190,210. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARM'S LENGTH NEGOTIATIONS.

TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA WAS A SUBSTANTIAL CONTRIBUTOR TO THE ORGANIZATION DURING 2020. SHORE MEDICAL CENTER UTILIZED THE SERVICES OF TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA. TOTAL FEES PAID TO TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA DURING 2020 AMOUNTED TO \$1,218,310. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARM'S LENGTH NEGOTIATIONS.

GLENN INSURANCE WAS A SUBSTANTIAL CONTRIBUTOR TO THE ORGANIZATION DURING 2020. SHORE MEDICAL CENTER UTILIZED THE SERVICES OF GLENN INSURANCE. TOTAL FEES PAID TO GLENN INSURANCE DURING 2020 AMOUNTED TO \$1,000,258. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARM'S

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|---------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| (1) | | | | | |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |
| (5) | | | | | |
| (6) | | | | | |
| (7) | | | | | |
| (8) | | | | | |
| (9) | | | | | |
| (10) | | | | | |

Part V Supplemental Information

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

LENGTH NEGOTIATIONS.

SOUTHERN ONCOLOGY HEMATOLOGY ASSOCIATES, P.A. WAS A SUBSTANTIAL CONTRIBUTOR TO THE ORGANIZATION DURING 2020. SHORE MEDICAL CENTER UTILIZED THE SERVICES OF SOUTHERN ONCOLOGY HEMATOLOGY ASSOCIATES, P.A. TOTAL FEES PAID TO SOUTHERN ONCOLOGY HEMATOLOGY ASSOCIATES, P.A. DURING 2020 AMOUNTED TO \$347,533. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARM'S LENGTH NEGOTIATIONS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

SHORE MEMORIAL HOSPITAL

Supplemental Information to Form 990 or 990-EZ

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

► Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Employer identification number

21-0660835

FORM 990, PART III; STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

BACKGROUND

=====

SHORE MEDICAL CENTER ("THE MEDICAL CENTER") IS A GENERAL MEDICAL AND SURGICAL HOSPITAL RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, SHORE PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, OR ABILITY TO PAY. MOREOVER, THE MEDICAL CENTER OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1) THE MEDICAL CENTER PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2) THE MEDICAL CENTER OPERATES AN ACTIVE EMERGENCY DEPARTMENT FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK, 365 DAYS PER YEAR;

3) THE MEDICAL CENTER MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

4) CONTROL OF THE MEDICAL CENTER RESTS WITH ITS BOARD OF TRUSTEES; WHICH IS COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY; AND

5) SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND ACTIVITIES.

THE OPERATIONS OF THE MEDICAL CENTER, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THAT THE MEDICAL CENTER PROVIDES SUBSTANTIAL COMMUNITY BENEFIT AND THAT THE USE AND CONTROL OF SHORE IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.

MISSION STATEMENT

WE CARE FOR AND RESPECT ALL PATIENTS, THEIR FAMILIES AND EACH OTHER.

ORGANIZATION OVERVIEW

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THE MEDICAL CENTER IS A NOT-FOR-PROFIT HEALTHCARE RESOURCE THAT HAS SERVED SOUTHERN NEW JERSEY FOR MORE THAN 80 YEARS. IN THAT TIME, THE MEDICAL CENTER HAS BECOME KNOWN FOR PROVIDING A COMPASSIONATE LEVEL OF SERVICE THAT GOES HAND IN HAND WITH ITS ADVANCED TECHNOLOGY AND MODERN MEDICAL FACILITIES.

THE MEDICAL CENTER IS A NOT-FOR-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN SOMERS POINT, ATLANTIC COUNTY, NEW JERSEY, APPROXIMATELY 10 MILES SOUTH OF ATLANTIC CITY, NEW JERSEY. THE MEDICAL CENTER IS LICENSED AND APPROVED BY THE STATE OF NEW JERSEY TO OPERATE AS A GENERAL ACUTE CARE HOSPITAL PROVIDING BOTH INPATIENT AND OUTPATIENT SERVICES TO THE COMMUNITY.

FOUNDED IN 1928 AND CHARTERED IN 1940 AS A NOT-FOR-PROFIT CORPORATION, THE MEDICAL CENTER SERVES THE HEALTHCARE NEEDS OF BOTH THE YEAR-ROUND AND SUMMER RESIDENTS OF ATLANTIC AND CAPE MAY COUNTIES, AS WELL AS VISITORS FROM OTHER COMMUNITIES AND STATES.

THE MEDICAL CENTER HAS UNDERGONE MORE THAN FOURTEEN MAJOR CONSTRUCTION AND RENOVATION PROJECTS SINCE 1940 TO PROVIDE NECESSARY FACILITIES AND SERVICES FOR ITS EXPANDING PATIENT POPULATION. IN 2013, THE MEDICAL CENTER UNVEILED A NEW STATE-OF-THE-ART MEDICAL ONCOLOGY SUITE ON THE THIRD FLOOR OF ITS FREESTANDING CANCER CENTER. THE 3,600 SQUARE FOOT EXPANSION FEATURES EIGHT SPACIOUS INFUSION THERAPY BAYS, THREE EXAM ROOMS, A FAMILY WAITING ROOM, NUTRITION CENTER AND A FULLY EQUIPPED AND

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STOCKED PHARMACY WITH A FULL-TIME ONCOLOGY PHARMACIST.

THE MEDICAL CENTER ENGAGES THE TALENTS AND TEAMWORK OF THE BEST AND
BRIGHTEST PEOPLE IN THE INDUSTRY. OUR TEAM OF PHYSICIANS, NURSES,
TECHNOLOGISTS, MANAGERS, FINANCIAL EXPERTS, BOARD OF TRUSTEES AND OUR
AFFILIATES ALL WORK TOGETHER TO ENSURE THAT THE COMMUNITY HAS ACCESS TO
THE BEST HEALTHCARE RESOURCES WHEN NEEDED.

THE MEDICAL CENTER CONTINUES TO BE ACCREDITED BY THE JOINT COMMISSION,
THE NATION'S PREDOMINANT STANDARDS SETTING AND ACCREDITING BODY IN
HEALTHCARE, AS A PRIMARY STROKE CENTER. SHORE ALSO IS ALSO CERTIFIED BY
THE JOINT COMMISSION FOR ITS SPINE SURGERY AND HIP AND KNEE REPLACEMENT
PROGRAMS IN RECOGNITION OF THE MEDICAL CENTER'S STRICT ADHERENCE TO
QUALITY STANDARDS.

IN 2020, THE MEDICAL CENTER RECEIVED THE FOLLOWING HONORS FOR ITS QUALITY
AND SAFETY MEASURES:

- LEAPFROG GROUP HOSPITAL SAFETY SCORE OF "A" FOR SPRING 2020, FOR A
TOTAL OF 12 "A" RATINGS IN A ROW
- NO HOSPITAL ACQUIRED CONDITION PROGRAM PAYMENT REDUCTION
- ZERO EARLY ELECTIVE DELIVERIES
- SUCCESSFUL JOINT COMMISSION SURVEYS FOR HIP AND KNEE REPLACEMENT, SPINE
SURGERY, AND PRIMARY STROKE CERTIFICATION

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IN 2020, 7337 PATIENTS WERE ADMITTED TO THE MEDICAL CENTER AND 2,203
 PLACED IN OBSERVATION. THERE WERE 33,529 PATIENTS TREATED IN SHORE'S
 EMERGENCY DEPARTMENT.

IMPACT OF COVID-19 PANDEMIC

IN MARCH 2020, THE WORLD HEALTH ORGANIZATION DECLARED COVID-19, THE
 DISEASE CAUSED BY THE NOVEL CORONAVIRUS, A PANDEMIC, WHICH STARTED TO AND
 CONTINUES TO SPREAD THROUGHOUT THE UNITED STATES OF AMERICA. AS A RESULT
 OF THE COVID-19 PANDEMIC, THE SYSTEM EXPERIENCED A DECLINE IN PATIENT
 VISITS, ADMISSIONS, AND MEDICAL PROCEDURES PERFORMED. ELECTIVE MEDICAL
 PROCEDURES WERE SUSPENDED BY STATE AND LOCAL GOVERNMENTS AT VARYING TIME
 PERIODS BEGINNING IN MID-MARCH THROUGH LATE MAY 2020, CONTRIBUTING TO A
 SIGNIFICANT DECLINE IN PATIENT SERVICE REVENUE DUE TO COVID-19 WHEN
 COMPARED TO HISTORIC AND FORECASTED RESULTS FOR THAT PERIOD.

ADDITIONALLY, IN RESPONSE TO THE PANDEMIC, THE SYSTEM INCURRED ADDITIONAL
 COSTS FOR TESTING, PERSONAL PROTECTIVE EQUIPMENT, THIRD-PARTY CONTRACT
 SERVICES AND OTHER OPERATING COSTS ASSOCIATED WITH ENSURING EMPLOYEE AND
 PATIENT SAFETY WHILE OPERATING DURING A PANDEMIC. SINCE LATE MAY, THE
 SYSTEM HAS BEGUN TO SEE INCREASES IN ITS PATIENT VISITS, ADMISSIONS, AND
 MEDICAL PROCEDURES, HOWEVER, VOLUMES HAVE NOT RETURNED TO PRE-PANDEMIC
 LEVELS.

COMMUNITY BENEFIT

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THE MEDICAL CENTER'S WELLNESS PROGRAM HAS BEEN AN INTEGRAL PART OF THE COMMUNITY, OFFERING HEALTH EDUCATION AND SCREENINGS FOR MORE THAN 20 YEARS. HOWEVER, LIKE MOST COMMUNITY HOSPITALS IN 2020 COVID GREATLY LIMITED SHORE'S ABILITY TO HAVE ANY IN-PERSON EVENTS OR PROVIDE SCREENINGS AT COMMUNITY EVENTS AND HEALTH FAIRS AFTER MARCH 1, 2020. WITH COVID AS THE PRIMARY FOCUS FOR MUCH OF 2020 AND CONCERNS ABOUT SPREADING THE VIRUS WITH IN-PERSON EVENTS, WE SHIFTED OUR COMMUNITY EDUCATION TO COVID-RELATED OUTREACH.

PRIOR TO COVID, SHORE HOSTED THE FOLLOWING EDUCATION EVENTS IN 2020:

- JANUARY 2020: WELLNESS TO WELL-BEING: INFECTION PREVENTION AND YOU - OUR MONTHLY IN-PERSON EDUCATION EVENT FEATURED OUR INFECTION PREVENTION MANAGER WHO SPOKE TO THE GROUP OF 20 ABOUT HOW TO PREVENT ILLNESS ESPECIALLY DURING THE WINTER MONTHS.
- JANUARY & FEBRUARY 2020: FREE HEALING TOUCH SESSIONS, LED BY A HEALING TOUCH PRACTITIONER, 15 PEOPLE.
- FEBRUARY 2020: HEART AND VASCULAR HEALTH EDUCATION EVENT WITH 80 GUESTS.
- FEBRUARY 2020: WELLNESS TO WELL-BEING: CPR & AED AWARENESS, OUR MONTHLY

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IN-PERSON EVENT FEATURED DIRECTOR OF CARDIAC REHAB CHRIS KOZMOR WHO
DEMONSTRATED HOW TO USE AN AED AND PERFORM CPR TO HELP RAISE AWARENESS
AND HELP GUESTS FEEL MORE CONFIDENT IN HELPING IN A MEDICAL EMERGENCY.

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COVID-RELATED COMMUNITY BENEFIT

THE MAJORITY OF COMMUNITY EDUCATION AND OUTREACH IN 2020 WAS RELATED TO
COVID, ESPECIALLY IN THE EARLY PHASE OF THE PANDEMIC TO MEET THE PUBLIC'S
NEED FOR THE MOST CURRENT INFORMATION ABOUT THE VIRUS AND HOW TO PROTECT
THEM AGAINST COVID WHILE STILL GETTING THE MEDICAL CARE THEY NEED.

SINCE INFORMATION ABOUT COVID WAS CONSTANTLY CHANGING, WE EMBEDDED THE
CDC'S COVID GUIDELINES IN OUR WEBSITE TO ENSURE VISITORS TO OUR SITE
RECEIVED THE MOST CURRENT INFORMATION.

DURING THE FIRST FEW MONTHS OF THE COVID PANDEMIC, SHORE MEDICAL CENTER'S
FACEBOOK AUDIENCE GREW BY MORE THAN 1,500 PEOPLE, AN INDICATION THE
PUBLIC WAS LOOKING TO THEIR LOCAL HOSPITAL FOR GUIDANCE AND INFORMATION.
WE UTILIZED FACEBOOK REGULARLY TO SHARE SAFE COVID PRACTICES; COMMUNICATE
THE STATUS OF CANCELED ELECTIVE PROCEDURES AND VISITOR HOURS; SHARE
INFORMATION FROM THE NJ DEPT. OF HEALTH AND PUBLICIZE THEIR COVID
HOTLINE; AND TO CELEBRATE THE IMPORTANT WORK OF OUR FRONTLINE HEROES AND
GIVE THE COMMUNITY CONFIDENCE IN GETTING CARE AT THEIR COMMUNITY

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HOSPITAL. LATER, WE RECORDED FOUR VIDEOS FEATURING OUR LEADING EMERGENCY MEDICAL PROVIDERS EXPLAINING THE SAFETY PROTOCOLS IN THE HOSPITAL AND URGING PEOPLE THAT IT IS SAFE TO COME TO THE MEDICAL CENTER FOR EMERGENCY CARE. SHORE MEDICAL CENTER COLLABORATED WITH OUR NEAREST HOSPITAL NEIGHBORS, ATLANTICARE AND CAPE REGIONAL MEDICAL CENTER, TO PRODUCE FIVE OP-ED PIECES IN OUR LOCAL NEWSPAPERS SIGNED BY EACH HOSPITAL'S CEO TO HELP INSPIRE CONFIDENCE IN THEIR LOCAL HEALTH SYSTEMS; TO URGE SAFE COVID BEHAVIOR TO REDUCE SERIOUS ILLNESS AND DEATH; HOW PEOPLE SHOULD NOT DELAY CARE AND THAT HOSPITALS ARE SAFE; HOW GETTING FLU SHOTS DURING COVID IS ESPECIALLY IMPORTANT; AND AN UPLIFTING ARTICLE DURING THE HOLIDAYS ABOUT HOPE WITH THE APPROVAL OF COVID VACCINES. THESE ARTICLES ARE LINKED BELOW:

1. PRESS OF AC, MARCH 22, 2020: LOCAL HOSPITALS COLLABORATING TO ENSURE THE PUBLIC'S SAFETY:

[HTTPS://PRESSOFATLANTICCITY.COM/OPINION/COMMENTARY/LOCAL-HOSPITALS-COLLABORATING-TO-ENSURE-THE-PUBLIC-S-SAFETY/ARTICLE_F5E3044C-5098-5DA6-ABAA-9C63D79647E5.HTML](https://pressofatlanticcity.com/opinion/commentary/local-hospitals-collaborating-to-ensure-the-public-s-safety/article_f5e3044c-5098-5da6-abaa-9c63d79647e5.html)

2. PRESS OF AC, APRIL 19, 2020: AS CASES RISE LOCALLY, EVERYONE'S HELP NEEDED TO LIMIT COVID-19, SAY HOSPITAL CEOS:

[HTTPS://PRESSOFATLANTICCITY.COM/OPINION/COMMENTARY/AS-CASES-RISE-LOCALLY-EVERYONES-HELP-NEEDED-TO-LIMIT-COVID-19-SAY-HOSPITAL-CEOS/ARTICLE_AD4D98A8-F9B8-51A7-BC44-F40BC908EE1D.HTML](https://pressofatlanticcity.com/opinion/commentary/as-cases-rise-locally-everyones-help-needed-to-limit-covid-19-say-hospital-ceos/article_ad4d98a8-f9b8-51a7-bc44-f40bc908ee1d.html)

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3. PRESS OF AC, MAY 3, 2020: DON'T LET PANDEMIC KEEP YOU FROM GETTING THE CARE YOU NEED:

[HTTPS://PRESSOFATLANTICCITY.COM/OPINION/COMMENTARY/DONT-LET-PANDEMIC-KEEP-YOU-AWAY-FROM-GETTING-CARE-YOU-NEED/ARTICLE_F773BCEB-D1FD-575E-B0B1-9A4FD3376678.HTML](https://pressofatlanticcity.com/opinion/commentary/dont-let-pandemic-keep-you-away-from-getting-care-you-need/article_f773bceb-d1fd-575e-b0b1-9a4fd3376678.html)

4. PRESS OF AC, OCTOBER 4, 2020: GETTING FLU SHOTS ESPECIALLY IMPORTANT IN THIS YEAR OF COVID-19, SAY LOCAL HOSPITAL PRESIDENTS:

[HTTPS://PRESSOFATLANTICCITY.COM/OPINION/COLUMNISTS/GETTING-FLU-SHOTS-ESPECIALLY-IMPORTANT-IN-THIS-YEAR-OF-COVID-19-SAY-LOCAL-HOSPITAL-PRESIDENTS/ARTICLE_DF39378-0C9F-5CC5-A10B-6C607BF9BD6E.HTML](https://pressofatlanticcity.com/opinion/columnists/getting-flu-shots-especially-important-in-this-year-of-covid-19-say-local-hospital-presidents/article_df39378-0c9f-5cc5-a10b-6c607bf9bd6e.html)

5. PRESS OF AC, DEC. 13, 2020: PREPARATION, VIGILANCE REASONS FOR HOPE FOR THE HOLIDAYS:

[HTTPS://PRESSOFATLANTICCITY.COM/OPINION/COLUMNISTS/PREPARATION-VIGILANCE-REASONS-FOR-HOPE-FOR-THE-HOLIDAYS-BY-LOCAL-HOSPITAL-PRESIDENTS-LORI-HERNDON-JOANNE/ARTICLE_66E06123-6116-5D49-B4A0-7AEE5DC44589.HTML](https://pressofatlanticcity.com/opinion/columnists/preparation-vigilance-reasons-for-hope-for-the-holidays-by-local-hospital-presidents-lori-herndon-joanne/article_66e06123-6116-5d49-b4a0-7aee5dc44589.html)

SHORE MEDICAL CENTER'S COMPANY INTRANET BECAME A HUB OF INFORMATION FOR STAFF ON COVID, WHERE STAFF COULD GO FOR REGULAR UPDATES ON SAFETY PROCEDURES, COMPANY-WIDE POLICIES, TRAINING ON SAFE COVID PRACTICES, PROPER DONNING AND DOFFING OF PPE, ETC. THE CDC'S WEBSITE WAS ALSO EMBEDDED IN SHORE'S INTRANET SO STAFF COULD GET THE MOST CURRENT INFORMATION ON KEEPING THEMSELVES AND THEIR PATIENTS SAFE.

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IN ADDITION SHORE'S INFECTION PREVENTION TEAM WORKED TIRELESSLY TO REMAIN ON TOP OF CDC GUIDELINES AND REGULARLY ROUNDED THE HOSPITAL TO TRAIN STAFF, ANSWER QUESTIONS AND ENSURE SAFE PRACTICES. THE HOSPITAL IMPLEMENTED NUMEROUS COVID-RELATED POLICIES AND PROCEDURES. EXAMPLES INCLUDE:

- WORKED WITH LAB TO ESTABLISH A PROCESS FOR COLLECTING SPECIMENS BASED ON THE NJ DOH SURVEILLANCE CRITERIA AND TESTING FOR COVID.

- UPDATED THE HOSPITAL'S POLICY ON "ISOLATION AND STANDARD PRECAUTIONS, HAND HYGIENE, RESPIRATORY HYGIENE, MANAGEMENT OF MULTI-DRUG RESISTANT ORGANISMS, AND MRSA SCREENING."

- TIP SHEETS CREATED FOR HEAD COVERINGS, PATIENT ISOLATION MASKING, PPE USE AND HOW TO STORE N95S AND FACE SHIELDS, AND GUIDANCE FOR DOWNING AND DOFFING YELLOW ISOLATION GOWNS.

FINALLY, SHORE'S PHARMACY TEAM LED THE CHARGE TO GET SHORE EMPLOYEES VACCINATED AGAINST COVID-19, BEGINNING IN NOVEMBER 2020 WITH EXTENSIVE TRAINING ON THE NJ VACCINE REGISTRY AND TO OBTAIN THE MATERIAL NEEDED TO PROPERLY STORE AND MONITOR VACCINE CONDITIONS. ADDITIONAL MAN HOURS WERE NEEDED TO ORDER, STORE, DISTRIBUTE AND ADMINISTER THE VACCINE, AS WELL AS GET PEOPLE SCHEDULED AND THEN RE-SCHEDULED FOR THE BOOSTER. THEY ALSO NEEDED TO COLLECT, COLLATE AND UPLOAD DATA FROM EACH CLINIC AS WELL.

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THE PHARMACY TEAM ALSO EDUCATED THE PUBLIC ABOUT THE VACCINE, POTENTIAL IMMUNE RESPONSE, WHAT TO DO IF THEY HAD COVID, AND IF THEY WERE IMMUNOCOMPROMISED.

CANCER OUTREACH

SHORE IS THE LEAD AGENCY FOR THE NEW JERSEY CANCER EDUCATION AND EARLY DETECTION (CEED) PROGRAM IN ATLANTIC COUNTY. THE PROGRAM PROVIDES CANCER SCREENING SERVICES FOR THE UNDERSERVED POPULATIONS AT CONVENIENT LOCATIONS WITHIN THE COMMUNITY. SHORE COORDINATED 312 BREAST CANCER SCREENINGS INCLUDING 154 MAMMOGRAMS. IN ADDITION, 232 CERVICAL CANCER SCREENINGS AND 10 COLONOSCOPIES WERE COMPLETED. IN 2020, SHORE MEDICAL CENTER RECEIVED \$284,816 IN CEED GRANT FUNDING FOR THESE SCREENINGS. SHORE IS ALSO LEAD AGENCY FOR THE COMPREHENSIVE CANCER CONTROL (CCC) COALITIONS TO PROVIDE POLICY, ENVIRONMENTAL AND SYSTEM CHANGES IN ATLANTIC AND CAPE MAY COUNTY IN AN EFFORT TO REDUCE CANCER. IN 2020, SHORE MEDICAL CENTER RECEIVED \$81,894 FOR THESE INITIATIVES. IN 2020, 142 INDIVIDUALS WERE PART OF THE EDUCATION AND OUTREACH CONDUCTED THROUGH CEED AND CCC THROUGH AWARENESS EVENTS, WORKSHOPS OR LECTURES BEFORE COMMUNITY OUTREACH WAS DISCONTINUED DUE TO COVID IN MARCH OF 2020. OUTREACH PROJECTS WERE CHANGED TO MAILINGS, RADIO INTERVIEWS, ETC. APPROXIMATELY TWELVE THOUSAND LISTENERS WERE EDUCATED ABOUT SCREENING THROUGH RADIO OPPORTUNITIES. ADDITIONALLY, SCREENING EVENTS TOOK PLACE INSTEAD OF TRADITIONAL OUTREACH BECAUSE THESE EVENTS COULD BE MADE COVID

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SAFE. TEN MEN WERE SCREENED THROUGH A PROSTATE SCREENING EVENT AND THIRTY
UNINSURED WOMEN WERE SCREENED THROUGH A BREAST EVENT.

OTHER OUTREACH

CHILDBIRTH EDUCATION, BREAST FEEDING SUPPORT AND OTHER PROGRAMS TO
WELCOME A NEWBORN INTO THE FAMILY ARE OFFERED TO THE ENTIRE COMMUNITY
THROUGH THE SHORE BEGINNINGS PRENATAL AND WELLNESS PROGRAM. THESE
ACTIVITIES WERE LIMITED IN 2020 AS A RESULT OF COVID.

THE MEDICAL CENTER'S WEBSITE PROVIDES INFORMATION ON MEDICAL CENTER
PROGRAMS, SERVICES AND PHYSICIANS. IT ALSO OFFERS EDUCATIONAL VIDEOS,
HEALTH-FOCUSED ARTICLES AND ASSESSMENTS. THE MEDICAL CENTER'S PHYSICIAN
FINDER SERVICE IS FREE AND AVAILABLE ON THE INTERNET. THE SERVICE MATCHES
A PERSON'S NEEDS SUCH AS SPECIALTY, LOCATION, INSURANCE AND OFFICE HOURS
TO A SHORE MEDICAL STAFF PHYSICIAN.

SUPPORT GROUPS

SHORE'S VETERANS AFFAIRS NAVIGATOR PROGRAM, ALZHEIMER'S ASSOCIATION
CAREGIVER SUPPORT GROUP AND THE FAMILY CAREGIVER SUPPORT GROUP CONTINUED
INTO 2020, PROVIDING SUPPORT TO PATIENTS AND FAMILIES, HOWEVER DURING THE
PEAK OF THE PANDEMIC THESE INITIATIVES WERE PAUSED.

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1. VETERANS AFFAIRS NAVIGATOR PROGRAM: GUIDES VETERANS THROUGH THE PROCESS OF SEEKING VA MEDICAL CARE AND HELPS THEM OVERCOME BARRIERS THEY MAY ENCOUNTER, DEMYSTIFYING THE PROCESS AND HELPING THEM TAKE FULL ADVANTAGE OF THEIR HEALTHCARE OPPORTUNITIES.

2. ALZHEIMER'S ASSOCIATION'S CAREGIVER SUPPORT GROUP: DESIGNED TO PROVIDE EMOTIONAL, EDUCATIONAL AND SOCIAL SUPPORT FOR CAREGIVERS THROUGH REGULARLY SCHEDULED MEETINGS. THEY HELP PARTICIPANTS DEVELOP METHODS AND SKILLS TO SOLVE PROBLEMS. THE GROUPS ENCOURAGE CAREGIVERS TO MAINTAIN THEIR OWN PERSONAL, PHYSICAL AND EMOTIONAL HEALTH, AS WELL AS OPTIMALLY CARE FOR THE PERSON WITH DEMENTIA. THE SUPPORT GROUP AT SHORE IS HELD THE SECOND TUESDAY OF EVERY MONTH.

3. FAMILY CAREGIVER SUPPORT GROUP: THESE MONTHLY MEETINGS PROVIDE EMOTIONAL, EDUCATIONAL AND SOCIAL SUPPORT FOR FAMILY CAREGIVERS IN NEED OF ASSISTANCE AND SUPPORT AS THEY MANAGE THE OFTEN-DAUNTING ROLE OF FAMILY CAREGIVER FOR A LOVED ONE AT HOME AFTER THEY ARE DISCHARGED.

IN ADDITION TO THESE SUPPORT GROUPS, SHORE HAS BEEN VERY PROACTIVE IN ASSISTING PATIENTS WITH ALZHEIMER'S DISEASE AND DEMENTIA, WORKING WITH THE ALZHEIMER'S ASSOCIATION OF AMERICA AND THE PURPLE ANGEL PROJECT ON EDUCATIONAL AND AWARENESS ISSUES.

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COMMUNITY PROGRAMS AND MEDICAL SCREENINGS

WHILE COVID GREATLY LIMITED OUR ABILITY TO PROVIDE IN-PERSON PROGRAMS AND SCREENINGS, WE WERE ABLE TO PROVIDE THE FOLLOWING:

1. SHORE SPEAKERS BUREAU - A FREE PROGRAM WHERE SHORE HEALTHCARE SPECIALISTS AND EDUCATORS PROVIDE SCREENINGS, GIVE PRESENTATIONS AND PROVIDE QUESTION AND ANSWER SESSIONS FOR COMMUNITY GROUPS WHO REQUEST THEM.

2. CANCER SCREENINGS FOR THE UNINSURED FUNDED BY THE NJ CEED/OCCP GRANT.

- BREAST;
- CERVICAL;
- COLORECTAL; AND
- PROSTATE;

3. MAMMOGRAMS - FREE MAMMOGRAM EVENT ON 10-24-20

4. PROSTATE SCREENING - FREE PROSTATE SCREENING EVENT ON 9-25-20

PLEASE NOTE THAT THE AFOREMENTIONED LIST OF MEDICAL SCREENING PROGRAMS IS NOT AN ALL-INCLUSIVE LIST.

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LECTURES AND SEMINARS

IN TYPICAL YEARS, THE MEDICAL CENTER PROVIDES NUMEROUS LECTURES, SEMINARS AND OTHER EDUCATIONAL PROGRAMS TO THE COMMUNITY IN FURTHERANCE OF ITS TAX-EXEMPT PURPOSES, INCLUDING THE FOLLOWING:

1. BE WELL CONNECTED EVENTS. HEALTH EDUCATION BREAKFAST EVENTS FEATURE PHYSICIANS AND CLINICAL STAFF PRESENTING TO AUDIENCES RANGING FROM 50-125 PEOPLE.

2. SHORE BEGINNINGS: PRENATAL AND WELLNESS

- LAMAZE-INSPIRED CHILDBIRTH CLASSES;
- BREASTFEEDING YOUR BABY
- MATERNAL CHILD HEALTH COMMUNITY OUTREACH

3. ADULT SUPPORT GROUPS:

- FAMILY CAREGIVER SUPPORT GROUP
- ALZHEIMER'S ASSOCIATION CAREGIVER SUPPORT GROUP

4. FREE SURGICAL EDUCATION PROGRAMS (NECK & SPINE SURGERY, JOINT REPLACEMENT EDUCATION)

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5. WELLNESS TO WELLBEING EVENTS. SHORE MEDICAL CENTERS' PRIOR "SENIOR SOCIAL" PROGRAM EVOLVED INTO ITS CURRENT "WELLNESS TO WELLBEING" PROGRAM TO EXPAND ITS AUDIENCE. THE COMMUNITY IS INVITED ON THE THIRD WEDNESDAY OF EACH MONTH TO ATTEND FREE SOCIAL AND EDUCATIONAL EVENTS AT THE MEDICAL CENTER. THESE EVENTS FEATURE FREE BINGO FOR PRIZES, COMPLIMENTARY REFRESHMENTS, AND AN EDUCATIONAL SESSION HOSTED BY A HEALTH EXPERT FROM THE MEDICAL CENTER OR A COMMUNITY PARTNER. BECAUSE OF COVID, ONLY THREE WERE HELD IN 2020.

GIVING BACK TO THE COMMUNITY

SHORE STAFF CONTINUED ITS ANNUAL TRADITION OF PROVIDING GIFTS AT THE HOLIDAYS TO RESIDENTS OF THE LINWOOD CARE CENTER. MORE THAN 100 RESIDENTS BENEFITED FROM THEIR GENEROSITY.

WHILE THIS YEAR MOST OF THESE EFFORTS WERE PUT ON HOLD DUE TO COVID, WE TYPICALLY SUPPORT THE FOLLOWING EVENTS:

- AMERICAN HEART ASSOCIATION HEART WALK;
- WALK FOR THE WOUNDED;
- THE SOMERS POINT MEMORIAL DAY PARADE;
- ALZHEIMER'S ASSOCIATION OF AMERICA WALK TO END ALZHEIMERS
- SOMERS POINT BAYFEST AND GOOD OLD DAYS FESTIVAL;
- RESIDENTS OF LINWOOD CARE CENTER THROUGH AN ANNUAL HOLIDAY GIFT DRIVE

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- SOUTH JERSEY JAZZ SOCIETY, AND MUCH MORE.

THE MEDICAL CENTER ALSO TYPICALLY PROVIDES HEALTH SCREENINGS AT THESE EVENTS AND OTHER COMMUNITY HEALTH FAIRS AT 55 AND OVER COMMUNITIES, FITNESS CENTERS AND SOME OF OUR AREA'S LARGER EMPLOYERS.

ADDITIONALLY, THE MEDICAL CENTER EMPLOYEES GENEROUSLY CONTRIBUTED \$ 4,598 TO THE UNITED WAY OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY IN 2020.

UNCOMPENSATED CARE

THE MEDICAL CENTER HAS LONG BEEN A REGIONAL LEADER IN MEETING ITS COMMITMENT TO THE MEDICALLY UNDERSERVED MEMBERS OF THE COMMUNITY. IN ADDITION TO ITS COMMUNITY OUTREACH PROGRAMS, THE MEDICAL CENTER PROVIDES SUBSTANTIAL AMOUNTS OF UNCOMPENSATED CARE TO THOSE LEAST ABLE TO PAY FOR THESE SERVICES. IN KEEPING WITH ITS MISSION TO CARE FOR PATIENTS, THE MEDICAL CENTER SERVES ALL WITHOUT REGARD TO ABILITY TO PAY. IN 2020, THE MEDICAL CENTER SPENT APPROXIMATELY \$1.2 MILLION AT COST FOR MEDICAL SERVICES DELIVERED TO THESE PATIENTS. THE MEDICAL CENTER ONLY RECEIVED A STATE SUBSIDY OF APPROXIMATELY \$114,409 TO OFFSET THIS AMOUNT.

THE MEDICAL CENTER RECOGNIZES THE FINANCIAL DIFFICULTY IMPOSED ON THE SELF-PAY PATIENT WHO IS LEAST ABLE TO AFFORD TO PAY FOR HEALTHCARE

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SERVICES WHEN BILLED AT THE MEDICAL CENTER'S STANDARD CHARGES. THEREFORE, THE MEDICAL CENTER ESTABLISHED AN INNOVATIVE POLICY TO ADDRESS THE DISPARITY BETWEEN HOSPITAL-BILLED CHARGES AND THE ACTUAL COST OF PROVIDING CARE TO THE SELF-PAY PATIENT OR UNDER-INSURED PATIENT. THE METHOD ADOPTED IS BASED UPON SOUND ACCOUNTING PRINCIPLES TO DETERMINE THE ACTUAL COST OF PROVIDING CARE TO PATIENTS USING A KNOWN STANDARD DEVELOPED FOR THE MEDICARE COST REPORT.

THE POLICY IS TO APPLY THE MOST CURRENT HOSPITAL SPECIFIC MEDICARE COST TO CHARGE RATIO TO THE SELF-PAY PATIENT'S TOTAL CHARGE BALANCE AND ADJUST THE BILL TO COST. THIS ADJUSTMENT IS LIMITED ONLY TO THOSE PATIENTS NOT COVERED BY INSURANCE. THIS RATIO IS SUBJECT TO CHANGE AS DETERMINED BY THE MEDICARE FISCAL INTERMEDIARY.

PATIENTS UNABLE TO PAY THE COST ADJUSTED BILL IN FULL ARE PERMITTED TO ENTER INTO A HOSPITAL-APPROVED PAYMENT ARRANGEMENT. PAYMENT ARRANGEMENTS ARE DETERMINED BASED UPON THE FINANCIAL CONDITION OF THE PATIENT AND PAID OVER TIME USING OUR EXISTING PAYMENT ARRANGEMENT METHODOLOGY.

AS A NON-PROFIT HEALTHCARE PROVIDER, IT IS THE MEDICAL CENTER'S RESPONSIBILITY TO DELIVER HIGH-QUALITY HEALTHCARE REGARDLESS OF THE PATIENT'S ABILITY TO PAY. THE MEDICAL CENTER IS COMMITTED TO THE COMMUNITY THAT IT SERVES. THE CHALLENGE OF MEETING THE HIGH COSTS OF PROVIDING QUALITY HEALTH SERVICES IS MADE POSSIBLE THROUGH THE DEDICATION OF PHYSICIANS, STAFF AND VOLUNTEERS.

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SPIRIT OF SHORE

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HOSPITALS ARE BUSY PLACES, BUT THE STAFF AT THE MEDICAL CENTER IS NEVER TOO BUSY TO PAY ATTENTION TO THE THOUGHTFUL GESTURES AND KIND ACTS THAT CAN MAKE A MEANINGFUL DIFFERENCE TO PATIENTS AND THEIR FAMILY MEMBERS. THIS PHILOSOPHY IS THE DRIVING FORCE BEHIND THE SPIRIT OF SHORE INITIATIVE AT THE MEDICAL CENTER.

THE SPIRIT OF SHORE REFLECTS THE CULTURE OF CARING THAT IS UNIQUE TO SHORE.

SINCE THE IMPLEMENTATION OF ITS SPIRIT OF SHORE PROGRAM IN 2008, THE MEDICAL CENTER HAS BEEN ON A JOURNEY TO CREATE AND NURTURE AN INSTITUTIONAL CULTURE OF PATIENT-CENTERED CLINICAL, EMOTIONAL AND SPIRITUAL CARE FOR ITS PATIENTS, THEIR FAMILIES AND STAFF. INITIATIVES TOUCH EVERY CORNER OF THE MEDICAL CENTER'S COMMUNITY, PROMOTING AN ENVIRONMENT WHERE EVERYONE IS A CAREGIVER, REGARDLESS OF THEIR POSITION WITHIN THE ORGANIZATION.

OUR MANY PROGRAMS AND INITIATIVES INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

- SHARED MEDICAL RECORDS;

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- COMFORTABLE FAMILY LOUNGES;
- PATIENT DIRECTED VISITATION;
- HOURLY ROUNDS;
- LEADERSHIP ROUNDS;
- BEDSIDE REPORT;
- E-ICU;
- NO PASSING ZONE;
- MOTORIZED SCOOTERS FOR PATIENTS;
- COMMUNITY EDUCATION; AND
- WEEKLY PRAYER CIRCLES.

THE MEDICAL CENTER'S NO ONE DIES ALONE PROGRAM IS A VOLUNTEER PROGRAM THAT PROVIDES COMPANIONS FOR PATIENTS NEAR DEATH WHO DO NOT HAVE ANY FAMILY OR CLOSE FRIENDS TO BE WITH THEM IN THEIR FINAL HOURS. VOLUNTEERS SIT WITH PATIENTS AND OFFER SOLACE THROUGH MEDITATION, MUSIC, POEMS OR SIMPLY THROUGH TOUCH.

THE MEDICAL CENTER'S PATIENT AND FAMILY ADVISORY COUNCIL IS MADE UP OF FORMER SHORE PATIENTS AND FAMILY MEMBERS, COMMUNITY MEMBERS AND VOLUNTEERS. GROUP MEMBERS SHARE STORIES, PROVIDE VALUABLE FEEDBACK ON THEIR HOSPITAL EXPERIENCES AND ASSIST LEADERSHIP IN DECISION MAKING BY INCORPORATING THEIR EXPERIENCES INTO SHORE'S PHILOSOPHY AND OPERATION. THE MEDICAL CENTER STAFF MEMBERS ALSO USE THESE MEETINGS TO EDUCATE THE COUNCIL ABOUT THE MEDICAL CENTER AND HEALTHCARE ISSUES IN GENERAL.

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MEDICAL SERVICES

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CONSISTENT WITH REVENUE RULING 69-545, ALL QUALIFIED PHYSICIANS ARE ELIGIBLE FOR MEDICAL STAFF PRIVILEGES. DURING 2020, THE MEDICAL CENTER HAD APPROXIMATELY 480 PHYSICIANS ON ITS MEDICAL STAFF COMPRISED OF THE FOLLOWING MEDICAL SPECIALTIES: ALCOHOL & DRUG DEPENDENCY; ALLERGY/IMMUNOLOGY; ANESTHESIOLOGY; CARDIOLOGY; CRITICAL CARE MEDICINE; DERMATOLOGY; EMERGENCY MEDICINE; ENDOCRINOLOGY; FAMILY PRACTICE; GASTROENTEROLOGY; GYNECOLOGY; HEMATOLOGY; HOSPITAL MEDICINE; INTERNAL MEDICINE; INFECTIOUS DISEASE; MATERNAL & FETAL MEDICINE; MEDICAL ONCOLOGY; NEONATOLOGY; NEPHROLOGY; NEUROLOGICAL SURGERY; NEUROLOGY; OBSTETRICS; OPHTHALMOLOGY; ORAL SURGERY; ORTHOPEDIC SURGERY; OTORHINOLARYNGOLOGY; PAIN MANAGEMENT; PALLIATIVE CARE MEDICINE; PATHOLOGY; PEDIATRICS; PHYSICAL MEDICINE & REHABILITATION; PLASTIC SURGERY; PODIATRY; PSYCHIATRY; PSYCHOLOGY; PULMONARY MEDICINE; RADIATION THERAPY; RADIOLOGY; RHEUMATOLOGY; GENERAL SURGERY; VASCULAR SURGERY; AND UROLOGY.

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CENTERS OF EXCELLENCE

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THE MEDICAL CENTER'S RECOGNIZED CENTERS OF EXCELLENCE INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

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CANCER CENTER

A CANCER DIAGNOSIS IS AN EXPERIENCE THAT IS UNIQUE TO EVERY INDIVIDUAL. AT SHORE CANCER CENTER, A MEMBER OF THE PENN CANCER NETWORK, WE RESPOND TO EACH PATIENT WITH OPTIMISM AND REAL SOLUTIONS: A COMPREHENSIVE, NATIONALLY RECOGNIZED PROGRAM COMBINING THE BEST AVAILABLE TECHNOLOGY, EXPERTS IN THE FIELD AND QUALITY SERVICES, INCLUDING OUR STATE-OF-THE-ART FACILITY.

THE SHORE CANCER CENTER WAS DESIGNED WITH ONE GOAL IN MIND: FULFILLING OUR CONTINUING MISSION TO PROVIDE THE MOST ADVANCED HEALTHCARE SERVICES BY USING A MULTIDISCIPLINARY APPROACH FOR YOU AND YOUR FAMILY IN A WARM AND CARING ENVIRONMENT.

A NATIONALLY RECOGNIZED CANCER CARE PROGRAM SINCE 1987, SHORE MEDICAL CENTER HAS RECEIVED APPROVAL FROM THE AMERICAN COLLEGE OF SURGEONS COMMISSION ON CANCER BY MEETING OR EXCEEDING THE ORGANIZATION'S STRINGENT STANDARDS FOR PATIENT CARE. APPROXIMATELY 1,500 CANCER PROGRAMS IN THE UNITED STATES AND PUERTO RICO QUALIFY FOR THIS LEVEL OF APPROVAL.

THE SHORE CANCER CENTER SPECIALIZES IN PREVENTION, EARLY DETECTION, RADIATION ONCOLOGY, MEDICAL ONCOLOGY, NURSE NAVIGATION AND SUPPORT

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SERVICES, INCLUDING NUTRITIONAL SUPPORT, SOCIAL SERVICES, AND A CANCER SURVIVORSHIP SUPPORT.

THE SHORE MEDICAL CENTER RADIATION ONCOLOGY DEPARTMENT IS ACCREDITED BY THE AMERICAN COLLEGE OF RADIOLOGY (ACR). ACR ACCREDITATION ENSURES THAT SHORE'S PROGRAM MEETS THE MOST CURRENT AND STRINGENT STANDARDS IN STAFFING, EQUIPMENT, QUALITY CONTROL AND TECHNICAL CAPABILITY.

CARDIOVASCULAR INSTITUTE (CVI)

THE MEDICAL CENTER'S CARDIOVASCULAR SERVICES BRING UNIVERSITY-SETTING CARDIAC AND VASCULAR SERVICES TO THE COMMUNITY. THE FACILITY HOUSES SOPHISTICATED TECHNOLOGY FOR THE DIAGNOSIS AND TREATMENT OF DISORDERS OF THE HEART AND CIRCULATORY SYSTEM. THE MEDICAL CENTER'S COMPREHENSIVE CARDIAC CARE PROGRAM INCLUDES ADVANCED DIAGNOSTIC CAPABILITIES AND TREATMENT OPTIONS, AS WELL AS PREVENTION, REHABILITATION AND EDUCATION FOR THOSE WITH CORONARY AND VASCULAR DISEASE. THE MEDICAL CENTER'S 138,000-SQUAREFOOT SURGICAL PAVILION INCLUDES A STATE-OF-THE-ART CARDIOVASCULAR SERVICES SUITE FOR INVASIVE PROCEDURES SUCH AS CARDIAC CATHETERIZATIONS. PATIENTS IN NEED OF LESS INVASIVE TESTING, INCLUDING EKGS AND ECHOCARDIOGRAMS, CAN ALSO HAVE THEIR TESTING DONE IN THE CARDIOVASCULAR SUITE. THE MEDICAL CENTER ALSO OFFERS A NON-INVASIVE HEART AND LUNG TESTING CENTER, FEATURING CARDIAC STRESS TESTING, HOLTER-MONITORING AND TRANSESOPHAGEAL ECHOCARDIOGRAPHY.

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PENN HEART AND VASCULAR AT SHORE MEDICAL CENTER

AS A MEMBER OF PENN HEART AND VASCULAR, THE MEDICAL CENTER PROVIDES RESIDENTS OF THE COMMUNITY WITH ACCESS TO A NUMBER OF HIGH-TECH DIAGNOSES, TREATMENTS AND SERVICES. OUR AFFILIATION WITH THIS NATIONAL LEADER IN HEART CARE ENHANCES THE LEVEL OF EXTRAORDINARY CARDIAC CARE AVAILABLE IN OUR CARDIOVASCULAR SUITE - AND PROVIDES QUICK, COORDINATED ACCESS TO A WIDE RANGE OF WORLD-CLASS CARDIAC SERVICES. THE MEDICAL CENTER ALSO PROVIDES 24-HOUR, SEVEN-DAY-A-WEEK EMERGENCY TRANSPORT TO PHILADELPHIA VIA AMBULANCE OR PENNSTAR HELICOPTER FOR CARDIAC PATIENTS IN NEED.

EMERGENCY SERVICES

WHETHER IT'S A SPRAINED ANKLE FROM A RUN ON THE BOARDWALK OR A LIFE-THREATENING HEART ATTACK OR STROKE, THE EMERGENCY STAFF AT THE MEDICAL CENTER IS READY, WILLING AND ABLE TO HELP. BOARD CERTIFIED EMERGENCY MEDICINE PHYSICIANS, WHO ARE SPECIALLY TRAINED IN CARDIOLOGY, NEUROSCIENCES, ORTHOPEDICS, OBSTETRICS, PEDIATRICS AND MORE, STAFF THE SHORE MEDICAL CENTER EMERGENCY DEPARTMENT.

THE MEDICAL CENTER'S NEUROSCIENCES CENTER PROVIDES EXTRAORDINARY

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HIGH-TECH DIAGNOSIS AND TREATMENT SERVICES, WHICH ARE ENHANCED THROUGH THE ADVANCED TECHNOLOGY FOUND WITHIN THE SHORE SURGICAL PAVILION AND DELIVERED WITH THE CARING TOUCH YOU EXPECT FROM THE MEDICAL CENTER. ALONG WITH ITS PENN MEDICINE AFFILIATION, THE MEDICAL CENTER IS A MEMBER OF THE WORLD-RENOWNED JEFFERSON NEUROSCIENCE NETWORK, WHICH FURTHER ENSURES THE HIGHEST QUALITY CARE FOR AREA RESIDENTS. SPECIALISTS FROM THE SHORE NEUROSCIENCES CENTER, PENN MEDICINE AND THE JEFFERSON NEUROSCIENCE NETWORK COLLABORATE USING A MULTI-DISCIPLINARY APPROACH TO EVALUATION, DIAGNOSIS AND TREATMENT. THIS TEAM APPROACH PROVIDES UNMATCHED SERVICES AND MEDICAL SOPHISTICATION TO OUR COMMUNITY, A SEAMLESS DELIVERY OF CARE AND REHABILITATION DESIGNED TO PRODUCE THE BEST MEDICAL OUTCOMES POSSIBLE.

MATERNITY CARE CENTER

THE MEDICAL CENTER HAS A FAMILY-CENTERED APPROACH WHEN IT COMES TO CHILDBIRTH AND THE HOSPITALIZATION OF A CHILD. THE MATERNITY CARE CENTER PROVIDES PATIENTS WITH A SPECIAL COMBINATION OF COMPASSION, EXPERTISE AND ADVANCED TECHNOLOGY. SPECIAL ATTENTION IS PAID TO HELPING PREGNANT MOTHERS AND NEW FAMILIES DEVELOP AND MAINTAIN THOSE EARLY BONDS. THE MEDICAL CENTER'S FAMILY CENTERED APPROACH TO CARE IS ALSO EVIDENT IN THE INPATIENT PEDIATRIC CARE CENTER. IN 2020, 910 BABIES WERE BORN AT THE MEDICAL CENTER.

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MATERNAL-FETAL MEDICINE PROGRAM

SOMETIMES A WOMAN NEEDS ADDITIONAL EXPERTISE IN THE FORM OF A MATERNAL-FETAL MEDICINE SPECIALIST - AN OBSTETRICIAN WHO IS TRAINED IN FETAL MEDICINE AND HIGH-RISK PREGNANCIES. THROUGH OUR AFFILIATION WITH PENN MEDICINE AND RENOWNED SPECIALIST DR. ROBERT DEBBS, D.O., THE PENN MATERNAL-FETAL MEDICINE PROGRAM AT THE MEDICAL CENTER PROVIDES THESE EXPECTANT MOTHERS WITH THE SPECIALIZED CARE THEY NEED.

GROUNDBREAKING PEDIATRIC CARE CENTER

THE MEDICAL CENTER'S CHILD-FRIENDLY PEDIATRIC CARE CENTER WAS THE FIRST OF ITS KIND IN NEW JERSEY, FEATURING A DEDICATED AND SEPARATE PEDIATRIC TREATMENT AREA FOR MINOR ILLNESSES AND INJURIES, AS WELL AS INPATIENT ROOMS. CHILDREN ARE SEEN BY EXPERT EMERGENCY DEPARTMENT PHYSICIANS IN CONSULTATION WITH THE PHYSICIANS OF ST. CHRISTOPHER'S HOSPITAL FOR CHILDREN AND ONSITE NEONATAL PARTNERS.

THE MEDICAL CENTER'S LABORIST PROGRAM ENSURES THAT A HIGHLY TRAINED OBSTETRICIAN-GYNECOLOGIST IS ON SITE AT SHORE 24 HOURS A DAY, SEVEN DAYS A WEEK TO ASSIST PATIENTS IN LABOR UNTIL THEIR OWN PHYSICIAN ARRIVES. THE LABORIST PROGRAM FEATURES SEVEN SKILLED LABORISTS WHO ROTATE TO ASSIST WITH GYNECOLOGICAL EMERGENCIES, INPATIENT CONSULTATIONS, EMERGENCY

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C-SECTIONS AND OTHER NEEDS. THANKS TO THE LABORIST PROGRAM, BIRTHS AT SHORE ARE ON THE RISE, AND WE'VE SEEN A SIGNIFICANT REDUCTION IN THE HOSPITAL'S C-SECTION RATES.

IN FALL 2019, SHORE BEGAN WORKING WITH THE ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT TO DEVELOP A SENSORY FRIENDLY PEDIATRIC EMERGENCY CARE PROGRAM DESIGNED TO HELP CHILDREN WITH AUTISM HAVE A BETTER EXPERIENCE WHEN COMING TO THE HOSPITAL, FROM DOOR TO DISCHARGE. THE PROGRAM WAS EXPECTED TO LAUNCH IN APRIL 2020, BUT WAS DELAYED TO 2021 DUE TO COVID. HOWEVER, IN 2020 MUCH PROGRESS WAS MADE. SPECIAL SERVICES SCHOOL'S PROFESSIONAL STAFF PROVIDED EXTENSIVE TRAINING TO SHORE'S ER STAFF THROUGH IN-PERSON TRAINING AND VIDEO-RECORDED MODULES, AND PLANS FOR THE NEW ROOM WERE FINALIZED.

ADVANCED SPINE & ORTHOPEDIC INSTITUTE

THE MEDICAL CENTER ADVANCED SPINE & ORTHOPEDIC INSTITUTE (ASOI) OFFERS A COMPREHENSIVE CONTINUUM OF CARE WITHIN A HIGHLY INTEGRATED HEALTHCARE DELIVERY NETWORK THAT TAKES OUR PATIENTS FROM DIAGNOSIS THROUGH TREATMENT AND REHABILITATION. WE HELP PATIENTS DEAL WITH EVERYTHING FROM EVERYDAY ACHES AND STRAINS TO SPORTS INJURIES, SERIOUS SPINE AND ORTHOPEDIC INJURIES AND DISEASE, AS WELL AS JOINT REPLACEMENT AND RECONSTRUCTION. OUR GOAL IS TO RETURN OUR PATIENTS TO NORMAL FUNCTION AS QUICKLY AND SAFELY AS POSSIBLE.

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THE MEDICAL CENTER'S SPINE SURGERY AND HIP AND KNEE REPLACEMENT PROGRAMS
HAVE RECEIVED THE GOLD SEAL OF APPROVAL FOR HEALTHCARE QUALITY BY THE
JOINT COMMISSION.

ADVANCED CARE FROM THE REGION'S TOP PHYSICIANS

THE EXCEPTIONAL SPINE SURGEONS AT THE MEDICAL CENTER HAVE ACCESS TO SOME
OF THE MOST ADVANCED TECHNOLOGY AVAILABLE IN THEIR FIELDS. WHEN A
PATIENT'S PROBLEM EXCEEDS OUR ADVANCED CAPABILITIES, THE MEDICAL CENTER'S
AFFILIATION WITH PENN MEDICINE AND OUR MEMBERSHIP IN THE JEFFERSON
NEUROSCIENCE NETWORK ALLOW FOR A SEAMLESS TRANSFER OF CARE TO SPECIALISTS
AT THESE TWO LEADING PHILADELPHIA HEALTHCARE PROVIDERS, IN ADDITION TO
THE AREA'S MOST EXCEPTIONAL AND PASSIONATE PHYSICIANS.

JOINT REPLACEMENT & SPINE EDUCATION

JOINT AND SPINE EDUCATION CLASSES ARE OFFERED REGULARLY FOR PATIENTS
ABOUT TO UNDERGO JOINT REPLACEMENT OR SPINE SURGERY, AS WELL AS FOR THE
COMMUNITY AT LARGE THROUGH THE MEDICAL CENTER'S ADVANCED SPINE &
ORTHOPEDIC INSTITUTE.

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AFFILIATIONS

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IN DECEMBER 2019, SHORE CANCER CENTER OFFICIALLY BECAME A MEMBER OF THE PENN CANCER NETWORK. AS PART OF THIS NETWORK, CLINICIANS AT THE SHORE CANCER CENTER HAVE EXPANDED ACCESS TO ADVANCED EXPERTISE AND A VARIETY OF RESOURCES.

THE MEDICAL CENTER IS ALSO A PROUD MEMBER OF THE JEFFERSON NEUROSCIENCE NETWORK. THE SHORE NEUROSCIENCE CENTER'S EXTRAORDINARY HIGH-TECH DIAGNOSIS AND TREATMENT OPTIONS, WHICH ARE ENHANCED THROUGH THE ADVANCED TECHNOLOGY FOUND WITHIN THE SHORE SURGICAL PAVILION, ARE DELIVERED WITH THE CARING TOUCH EXPECTED FROM THE MEDICAL CENTER. AS A MEMBER OF THE JEFFERSON NEUROSCIENCE NETWORK, THE MEDICAL CENTER CAN ENSURE THE HIGHEST QUALITY CARE FOR AREA RESIDENTS. SPECIALISTS FROM THE SHORE NEUROSCIENCES CENTER AND THE JEFFERSON NEUROSCIENCE NETWORK COLLABORATE USING A MULTI-DISCIPLINARY APPROACH TO EVALUATION, DIAGNOSIS AND TREATMENT. HIGHLY COMPLEX CASES CAN BE REFERRED WITH ACCURACY AND SPEED, AIDED BY A SEAMLESS EXCHANGE OF INFORMATION.

SHORE CONTINUES TO UTILIZE MAYO MEDICAL LABORATORIES AS ITS PRIMARY REFERENCE LABORATORY, A RELATIONSHIP ESTABLISHED IN 2014 THAT GIVES THE MEDICAL CENTER ACCESS TO MAYO CLINIC'S EXTENSIVE MENU OF LABORATORY TESTS AND CLINICAL EXPERTISE, WHILE ENHANCING THE EFFICIENCY AND AFFORDABILITY OF ADVANCED LABORATORY TESTING. THROUGH THIS PARTNERSHIP, SHORE HAS

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ACCESS TO MORE ADVANCED DIAGNOSTIC AND NEWLY DEVELOPED TESTS, ESPECIALLY
IN THE AREAS OF GENETIC AND MOLECULAR TESTING. IN ADDITION, MAYO CLINIC
PHYSICIANS AND SCIENTISTS IN EVERY SPECIALTY LABORATORY WILL BE AVAILABLE
FOR CONSULTATION REGARDING TEST SELECTION, UTILIZATION AND METHODOLOGIES
AND RESULT INTERPRETATION

THE MEDICAL CENTER IS PLEASED TO PARTNER WITH ADVANCED RADIOLOGY
SOLUTIONS ("ARS") TO PROVIDE SUPERIOR DIAGNOSTIC IMAGING SERVICES. THE
ARS TEAM HAS BEEN ACCREDITED BY THE JOINT COMMISSION FOR ITS
TELERADIOLOGY SERVICES. ARS IS THE ONLY ONE WITHIN 100 MILES OF THE
MEDICAL CENTER TO EARN THIS RECOGNITION FOR ITS HIGH-QUALITY SERVICES.

THE ARS TEAM INCLUDES FELLOWSHIP-TRAINED AND BOARD-CERTIFIED RADIOLOGISTS
WHO COVER THE BROAD SPECTRUM OF RADIOLOGY, INCLUDING INTERVENTIONAL
RADIOLOGY, BREAST IMAGING, MUSCULOSKELETAL RADIOLOGY AND NEURORADIOLOGY.
ARS, UNDER THE LEADERSHIP OF PRESIDENT AND MEDICAL DIRECTOR THOMAS YU,
M.D., HAS A RICH HISTORY OF TEAM BUILDING AND PROVIDING PATIENTS WITH A
SEAMLESS CONTINUUM OF CARE. THROUGH ITS INTERVENTIONAL RADIOLOGY PROGRAM,
ARS HAS DEVELOPED JOINT VENTURES IN THE FIELDS OF NEPHROLOGY AND VASCULAR
SURGERY, LEADING TO SUCCESSFUL ACCESS AND ENDOVASCULAR ANEURYSM REPAIR
PROGRAMS. ARS' RADIOLOGISTS ARE ALSO TRAINED IN CORONARY CTA, CT
COLONOGRAPHY AND BREAST MRI INTERPRETATIONS, MAKING ARS ONE OF THE
REGION'S LEADING DESTINATIONS FOR RADIOLOGY SERVICES.

THE MEDICAL CENTER IS PLEASED TO BE AFFILIATED WITH ONSITE NEONATAL

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PARTNERS. WITH A UNIQUE MODEL THAT PLACES NEONATOLOGISTS IN HOSPITALS 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS A YEAR, THIS NATIONALLY RENOWNED GROUP OF NEARLY 40 NEONATOLOGISTS IS ABLE TO IMPROVE THE QUALITY OF CARE AND REDUCE RISKS FOR MORE THAN 100,000 PREMATURE OR OTHERWISE FRAGILE FULL-TERM INFANTS. ONSITE PHYSICIANS ALSO PROVIDE STAFFING FOR SHORE'S PEDIATRIC CARE CENTER.

THE MEDICAL CENTER'S LONG-STANDING AFFILIATION WITH PENN MEDICINE CONTINUES TO BE A VALUABLE PARTNERSHIP, PROVIDING PATIENTS WITH ACCESS TO ADVANCED TREATMENT IN MULTIPLE DISCIPLINES, INCLUDING MATERNAL-FETAL MEDICINE, CARDIAC CARE, PULMONOLOGY, AND MOST RECENTLY ONCOLOGY.

HEART DISEASE PATIENTS CAN TURN TO THE MEDICAL CENTER AND PENN HEART & VASCULAR. LOCATED IN THE MEDICAL CENTER'S SURGICAL PAVILION, A 400-SQUARE-FOOT, STATE-OF-THE-ART CARDIAC CATHETERIZATION SUITE IS STAFFED BY PENN PHYSICIANS TRAINED IN PERFORMING SERIOUS CARDIAC PROCEDURES. WHEN NEEDED, THE PENN HEART RESCUE HELICOPTER IS AVAILABLE 24 HOURS PER DAY, SEVEN DAYS PER WEEK TO PROVIDE RAPID TRANSPORT TO PHILADELPHIA.

THE PENN MATERNAL-FETAL MEDICINE PROGRAM AT SHORE PROVIDES EXTRA CARE TO MOTHERS-TO-BE AND THEIR CHILDREN. WOMEN FACING HIGH-RISK PREGNANCIES CAN BE TREATED FOR A VARIETY OF CONDITIONS, INCLUDING HEART DISEASE, PLACENTAL PROBLEMS, DIABETES, MULTIPLE GESTATION PREGNANCY AND LATER-AGE PREGNANCY. DR. ROBERT DEBBS, D.O., A RENOWNED SPECIALIST WITH PENN

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MEDICINE AND THE MEDICAL CENTER, LEADS THE MATERNAL-FETAL MEDICINE PROGRAM.

THE MEDICAL CENTER HAS PHYSICIANS ON STAFF FROM THE ROTHMAN INSTITUTE, WHICH IS INTERNATIONALLY RECOGNIZED FOR EXCELLENCE IN ORTHOPEDIC SCIENCE AND TECHNOLOGY. THESE PHYSICIANS ARE EXPERTS IN THEIR SPECIALTY AREAS AND LEADERS IN CLINICAL RESEARCH AND TECHNOLOGY.

CORE FORM, PART III, QUESTION 4D

EXPENSES INCURRED IN PROVIDING VARIOUS OTHER MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. PLEASE REFER TO THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT INCLUDED IN SCHEDULE O.

CORE FORM, PART VI, SECTION A; QUESTIONS 6 & 7

SHORE MEMORIAL HEALTH SYSTEM ("SYSTEM") IS THE SOLE MEMBER OF THIS ORGANIZATION. SYSTEM HAS THE RIGHT TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF TRUSTEES AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS.

CORE FORM, PART VI, SECTION B; QUESTION 11B

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND

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AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). SHORE MEMORIAL HEALTH SYSTEM IS THE TAX-EXEMPT PARENT ENTITY OF THE SYSTEM. THIS ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF ITS GOVERNING BODY (ITS BOARD OF TRUSTEES) PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE ("IRS"). THE ORGANIZATION'S AUDIT AND FINANCE COMMITTEE ASSUMED THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION, REVIEW AND FILING PROCESS.

AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CERTIFIED PUBLIC ACCOUNTING ("CPA") FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S FINANCE PERSONNEL AND SYSTEM INDIVIDUALS ("INTERNAL WORKING GROUP") TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP FOR REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP FOR FINAL REVIEW AND APPROVAL. A MEETING WITH THE ORGANIZATION'S AUDIT AND FINANCE COMMITTEE WAS ALSO HELD TO REVIEW THE FINAL DRAFT OF THE FEDERAL FORM

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990. AT THIS MEETING, THE CPA FIRM GAVE A FORM 990 PRESENTATION TO THE COMMITTEE. THEREAFTER, THE FINAL FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO FILING WITH THE IRS.

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). SHORE MEMORIAL HEALTH SYSTEM IS THE TAX-EXEMPT PARENT ENTITY OF THE SYSTEM. THIS ORGANIZATION AND THE SYSTEM REGULARLY MONITOR AND ENFORCE COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY. ANNUALLY ALL MEMBERS OF THE BOARD OF TRUSTEES, OFFICERS AND SENIOR MANAGEMENT PERSONNEL ARE REQUIRED TO REVIEW THE EXISTING CONFLICT OF INTEREST POLICY AND COMPLETE A QUESTIONNAIRE. THE COMPLETED QUESTIONNAIRES ARE RETURNED TO THE ORGANIZATION AND ITS CHIEF COMPLIANCE OFFICER FOR REVIEW. THE CHIEF COMPLIANCE OFFICER PREPARES A SUMMARY OF THE COMPLETED QUESTIONNAIRES WHICH CONTAINS INFORMATION DISCLOSED ON AN INDIVIDUAL BY INDIVIDUAL BASIS AND PRESENTS THIS SUMMARY TO THE ORGANIZATION'S AUDIT AND FINANCE COMMITTEE FOR ITS REVIEW AND DISCUSSION. THEREAFTER, ANY SIGNIFICANT DISCLOSURES OF A MATERIAL NATURE INVOLVING THE ORGANIZATION'S GOVERNING BODY OR SENIOR LEADERSHIP IS REPORTED TO THE SYSTEM'S GOVERNANCE COMMITTEE FOR ITS REVIEW AND DISCUSSION.

CORE FORM, PART VI, SECTION B; QUESTION 15

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). SHORE MEMORIAL HEALTH SYSTEM IS THE TAX-EXEMPT PARENT ENTITY OF THE SYSTEM. SHORE MEMORIAL HEALTH SYSTEM'S BOARD OF TRUSTEES HAS A LEADERSHIP DEVELOPMENT AND COMPENSATION COMMITTEE ("COMMITTEE"). THE COMMITTEE HAS ADOPTED A WRITTEN EXECUTIVE COMPENSATION PHILOSOPHY WHICH IT FOLLOWS WHEN IT REVIEWS AND APPROVES OF THE COMPENSATION AND BENEFITS OF THE ORGANIZATION'S SENIOR MANAGEMENT PERSONNEL INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER/CHIEF DEVELOPMENT OFFICER, CHIEF OPERATING OFFICER/CHIEF NURSING OFFICER, CHIEF MEDICAL OFFICER, CHIEF INFORMATION OFFICER AND VICE PRESIDENT OF HUMAN RESOURCES ("SENIOR LEADERSHIP"). THE COMMITTEE REVIEWS THE "TOTAL COMPENSATION" OF THE INDIVIDUALS WHICH IS INTENDED TO INCLUDE BOTH CURRENT AND DEFERRED COMPENSATION AND ALL EMPLOYEE BENEFITS, BOTH QUALIFIED AND NON-QUALIFIED. THE COMMITTEE'S REVIEW IS DONE ON AT LEAST AN ANNUAL BASIS AND ENSURES THAT THE "TOTAL COMPENSATION" OF SENIOR MANAGEMENT OF THE ORGANIZATION IS REASONABLE.

THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF THE ORGANIZATION'S SENIOR LEADERSHIP. THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING:

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

1. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT;

2. THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION; AND

3. THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION.

THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF TRUSTEES EACH OF WHO ARE INDEPENDENT AND ARE FREE FROM ANY CONFLICTS OF INTEREST.

THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA; SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES. THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILAR SIZED HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE.

THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

WAS REVIEWED AND SUBSEQUENTLY APPROVED.

THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS ONLY APPLIES TO THE ORGANIZATION'S SENIOR LEADERSHIP. THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY THE PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION. OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS.

CORE FORM, PART VI, SECTION C; QUESTION 19

THE ORGANIZATION HAS ISSUED TAX-EXEMPT BONDS TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE ORGANIZATION'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. IN ADDITION, THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY.

| | |
|--------------------------|--------------------------------|
| Name of the organization | Employer identification number |
| SHORE MEMORIAL HOSPITAL | 21-0660835 |

CORE FORM, PART VII AND SCHEDULE J

RONALD JOHNSON IS AN OFFICER AND INVOLVED IN THE LEADERSHIP AND MANAGEMENT OF THIS ORGANIZATION. MR. JOHNSON IS EMPLOYED BY THIS ORGANIZATION AND RECEIVES FORM W-2. ACCORDINGLY, HIS COMMON LAW EMPLOYER/EMPLOYEE RELATIONSHIP IS WITH SHORE MEMORIAL HOSPITAL (EIN: 21-0660835). SHORE MEMORIAL HOSPITAL FILED A 2020 FORM 4720 WHICH INCLUDED A REMITTANCE OF EXCISE TAX RELATED TO MR. JOHNSON'S COMPENSATION IN EXCESS OF \$1M.

CORE FORM, PART VII AND SCHEDULE J

CORE FORM, PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION. PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME EMPLOYEES OR INDEPENDENT CONTRACTORS OF THIS ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF TRUSTEES.

CORE FORM, PART VII, SECTION A, COLUMN B

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). SHORE MEMORIAL HEALTH SYSTEM IS THE TAX-EXEMPT PARENT ENTITY OF THE SYSTEM. THE SYSTEM INCLUDES BOTH FOR-PROFIT AND NOT FOR-PROFIT ORGANIZATIONS. CERTAIN BOARD OF TRUSTEE MEMBERS AND OFFICERS LISTED ON

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

CORE FORM, PART VII AND SCHEDULE J OF THIS FORM 990 MAY HOLD SIMILAR POSITIONS WITH BOTH THIS ORGANIZATION AND OTHER AFFILIATES WITHIN THE SYSTEM. THE HOURS SHOWN ON THIS FORM 990, FOR BOARD MEMBERS WHO RECEIVE NO COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, REPRESENT THE ESTIMATED HOURS DEVOTED PER WEEK FOR THIS ORGANIZATION. TO THE EXTENT THESE INDIVIDUALS SERVE AS A MEMBER OF THE BOARD OF TRUSTEES OF OTHER RELATED ORGANIZATIONS IN THE SYSTEM, THEIR RESPECTIVE HOURS PER WEEK PER ORGANIZATION ARE APPROXIMATELY THE SAME AS REFLECTED ON CORE FORM, PART VII OF THIS FORM 990. THE HOURS REFLECTED ON CORE FORM, PART VII OF THIS FORM 990, FOR BOARD MEMBERS WHO RECEIVE COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, PAID OFFICERS, REFLECT TOTAL HOURS WORKED PER WEEK ON BEHALF OF SHORE MEMORIAL HEALTH SYSTEM; NOT SOLELY THIS ORGANIZATION.

CORE FORM, PART XI; QUESTION 9

OTHER CHANGES IN FUND BALANCE INCLUDE:

- OTHER ACCRUED RETIREMENT COST - \$702,252;
- OTHER CHANGES IN PENSION & POSTRETIREMENT BENEFITS - (\$16,400,494);
- DONOR RESTRICTED NET INVESTMENT RETURN - \$134,339;
- CHANGE IN DONOR RESTRICTED BENEFICIAL INTEREST IN PERPETUAL TRUST - \$175,851; AND
- CHANGES IN DONOR RESTRICTED NET ASSETS - \$90,709.

CORE FORM, PART XII; QUESTION 2

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). SHORE MEMORIAL HEALTH SYSTEM IS THE TAX-EXEMPT PARENT ENTITY OF THE SYSTEM. AN INDEPENDENT CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF SHORE MEMORIAL HEALTH SYSTEM AND ITS AFFILIATES FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019; RESPECTIVELY. THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS CONTAIN CONSOLIDATING SCHEDULES ON AN ENTITY BY ENTITY BASIS. THE INDEPENDENT CPA FIRM ISSUED AN UNMODIFIED OPINION WITH RESPECT TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR EACH YEAR.

THE ORGANIZATION'S AUDIT AND FINANCE COMMITTEE HAS ASSUMED RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS, WHICH INCLUDES THIS ORGANIZATION, AND THE SELECTION OF AN INDEPENDENT AUDITOR.

CORE FORM, PART XII; QUESTION 3A

THE ORGANIZATION IS AN AFFILIATE WITHIN SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM ENGAGED AN INDEPENDENT CPA FIRM TO PREPARE AND ISSUE AN AUDIT UNDER THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133.

| | |
|---|--|
| Name of the organization SHORE MEMORIAL HOSPITAL | Employer identification number 21-0660835 |
|---|--|

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

THE MISSION OF SHORE MEDICAL CENTER IS TO CARE FOR AND RESPECT ALL PATIENTS, THEIR FAMILIES AND EACH OTHER. THE ORGANIZATION PROVIDES EMERGENCY AND MEDICAL NECESSARY HEALTHCARE SERVICES FOR ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. FOR ADDITIONAL INFORMATION, PLEASE REFER TO THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT INCLUDED IN SCHEDULE O.

ATTACHMENT 2990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

| <u>NAME AND ADDRESS</u> | <u>DESCRIPTION OF SERVICES</u> | <u>COMPENSATION</u> |
|--|--------------------------------|---------------------|
| UNIDINE CORPORATION 1000 WASHINGTON STREET, SUITE 510 BOSTON, MA 02118 | FOOD MANAGEMENT | 3,780,278. |
| XANITOS, INC. 3809 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 | CLEANING | 3,484,380. |
| SHORE MEMORIAL PHYSICIANS GROUP 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | MEDICAL | 1,532,073. |
| ADVANTAGE WOMEN'S HEALTH, LLC 22 NORTH FRANKLIN AVENUE PLEASANTVILLE, NJ 08232 | MEDICAL | 1,455,412. |
| TRUSTEES OF THE UNIVERSITY OF PA 3400 SPRUCE STREET PHILADELPHIA, PA 19104 | MEDICAL | 1,218,310. |

ATTACHMENT 3

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

ATTACHMENT 3 (CONT'D)FORM 990, PART IX - OTHER FEES

| DESCRIPTION | (A) TOTAL FEES | (B) PROGRAM SERVICE EXP. | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING EXPENSES |
|----------------------|----------------------|--------------------------------|----------------------------------|--------------------------------|
| PURCHASED SERVICES | 16,030,837. | 10,357,119. | 5,456,333. | 217,385. |
| PHYSICIAN FEES | 9,576,126. | 6,186,893. | 3,259,376. | 129,857. |
| COLLECTION EXPENSE | 1,227,152. | 792,832. | 417,679. | 16,641. |
| PROFESSIONAL FEES | 749,541. | 484,260. | 255,117. | 10,164. |
| TRANSCRIPTION FEES | 29. | 19. | 10. | 0. |
| CARE MANAGEMENT FEES | 2,172,795. | 1,403,788. | 739,543. | 29,464. |
| OTHER FEES | 1,306,950. | 844,387. | 444,840. | 17,723. |
| TOTALS | <u>31,063,430.</u> | <u>20,069,298.</u> | <u>10,572,898.</u> | <u>421,234.</u> |

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

► Attach to Form 990.

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

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Name of the organization

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

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

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (1) BRIGHTON BAY, LLC 45-4335590 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HOLDING/MGMT | NJ | 613,762. | 3,033,723. | SMH |
| (2) SHORE QUALITY PARTNERS, LLC 46-4384840 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTH SVCS. | NJ | 1,638,105. | -2,229,863. | SMH |
| (3) SHORE QUALITY PARTNERS ACO, LLC 84-2099293 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTH SVCS. | NJ | 0. | 0. | SMH |
| (4) | | | | | |
| (5) | | | | | |
| (6) | | | | | |

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|--|-------------------------|--|----------------------------|---|----------------------------------|--|----|
| | | | | | | Yes | No |
| (1) SHORE HEALTH SERVICES CORPORATION 22-2866335 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HOLDING CO. | NJ | 501(C)(3) | 509(A)(3) | SMHS | | X |
| (2) SHORE MEMORIAL HEALTH SYSTEM 22-2866326 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTH SVCS. | NJ | 501(C)(3) | 509(A)(3) | N/A | | X |
| (3) SHORE MEMORIAL HEALTH FOUNDATION, INC. 34-2027846 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | INACTIVE | NJ | 501(C)(3) | 509(A)(1) | SMH | X | |
| (4) | | | | | | | |
| (5) | | | | | | | |
| (6) | | | | | | | |
| (7) | | | | | | | |

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

Schedule R (Form 990) 2020

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514) | (f) Share of total income | (g) Share of end-of- year assets | (h) Disproportionate allocations? | | (i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| (1) | | | | | | | | | | | | |
| (2) | | | | | | | | | | | | |
| (3) | | | | | | | | | | | | |
| (4) | | | | | | | | | | | | |
| (5) | | | | | | | | | | | | |
| (6) | | | | | | | | | | | | |
| (7) | | | | | | | | | | | | |

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|---------------------------------------|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| (1) SHORE HEALTH ENTERPRISES, INC. 22-3501680 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | RENTAL REAL EST. | NJ | N/A | C CORP. | | | | | X |
| (2) SHORE MEMORIAL PHYSICIAN'S GROUP, P.C. 27-5440611 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTHCARE SVCS. | NJ | SMH | C CORP. | 11,283,264. | 4,975,294. | 100.0000 | X | |
| (3) BAYFRONT URGENT CARE, PA 27-4211365 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTHCARE SVCS. | NJ | SMH | C CORP. | 1,242,834. | 237,307. | 100.0000 | X | |
| (4) SHORE HOSPITALISTS ASSOCIATES, PA 47-2173802 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTHCARE SVCS. | NJ | SMH | C CORP. | 2,754,912. | 597,673. | 100.0000 | X | |
| (5) SHORE PATHOLOGY ASSOCIATES, P.C 46-4221478 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTHCARE SVCS. | NJ | SMH | C CORP. | 487,686. | 48,145. | 100.0000 | X | |
| (6) SHORE SPECIALTY CONSULTANTS, PA 47-2248436 100 MEDICAL CENTER WAY SOMERS POINT, NJ 08244 | HEALTHCARE SVCS. | NJ | SMH | C CORP. | 9,021,034. | 1,092,535. | 100.0000 | X | |
| (7) | | | | | | | | | |

Schedule R (Form 990) 2020

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

| | Yes | No |
|---|-----------|----|
| 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? | | |
| a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | 1a | X |
| b Gift, grant, or capital contribution to related organization(s) | 1b | X |
| c Gift, grant, or capital contribution from related organization(s) | 1c | X |
| d Loans or loan guarantees to or for related organization(s) | 1d | X |
| e Loans or loan guarantees by related organization(s) | 1e | X |
| f Dividends from related organization(s) | 1f | X |
| g Sale of assets to related organization(s) | 1g | X |
| h Purchase of assets from related organization(s) | 1h | X |
| i Exchange of assets with related organization(s) | 1i | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | 1j | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | 1k | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | 1l | X |
| m Performance of services or membership or fundraising solicitations by related organization(s) | 1m | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1n | X |
| o Sharing of paid employees with related organization(s) | 1o | X |
| p Reimbursement paid to related organization(s) for expenses | 1p | X |
| q Reimbursement paid by related organization(s) for expenses | 1q | X |
| r Other transfer of cash or property to related organization(s) | 1r | X |
| s Other transfer of cash or property from related organization(s) | 1s | X |
| 2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds. | | |

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|---|
| (1) SHORE MEMORIAL HEALTH SYSTEM | O | 60,285. | COST |
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

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) Predominant income (related, unrelated, excluded from tax under sections 512 - 514) | (e) Are all partners section 501(c)(3) organizations? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|-------------------------|--|--|---|----|---------------------------------|--|---|----|---|---|----|--------------------------------|
| | | | | Yes | No | | | Yes | No | | Yes | No | |
| (1) | | | | | | | | | | | | | |
| (2) | | | | | | | | | | | | | |
| (3) | | | | | | | | | | | | | |
| (4) | | | | | | | | | | | | | |
| (5) | | | | | | | | | | | | | |
| (6) | | | | | | | | | | | | | |
| (7) | | | | | | | | | | | | | |
| (8) | | | | | | | | | | | | | |
| (9) | | | | | | | | | | | | | |
| (10) | | | | | | | | | | | | | |
| (11) | | | | | | | | | | | | | |
| (12) | | | | | | | | | | | | | |
| (13) | | | | | | | | | | | | | |
| (14) | | | | | | | | | | | | | |
| (15) | | | | | | | | | | | | | |
| (16) | | | | | | | | | | | | | |

Schedule R (Form 990) 2020

Part VII **Supplemental Information**

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

SCHEDULE R, PART V

THE ORGANIZATION IS A MEMBER OF SHORE MEMORIAL HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. FUNDS ARE ROUTINELY TRANSFERRED BETWEEN AFFILIATES AND BUSINESS ACTIVITIES ARE COMMON ON BEHALF OF THE SYSTEM'S AFFILIATES, INCLUDING THIS ORGANIZATION. THESE TRANSACTIONS MAY BE RECORDED ON THE REVENUE/EXPENSE AND BALANCE SHEET STATEMENTS OF THIS ORGANIZATION AND OTHER AFFILIATES. THE SYSTEM'S ENTITIES WORK TOGETHER TO DELIVER HIGH QUALITY COST EFFECTIVE HEALTHCARE AND WELLNESS SERVICES TO THEIR COMMUNITIES REGARDLESS OF ABILITY TO PAY AND IN FURTHERANCE OF CHARITABLE TAX-EXEMPT PURPOSES.

RENT AND ROYALTY INCOME

| | | | |
|--|-----|----------------------------------|---|
| Taxpayer's Name SHORE MEMORIAL HOSPITAL | | Identifying Number 21-0660835 | |
| DESCRIPTION OF PROPERTY RENTAL INCOME | | | |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No Did you actively participate in the operation of the activity during the tax year? |
| TYPE OF PROPERTY: | | | |
| REAL RENTAL INCOME | | | 951,722. |
| OTHER INCOME: | | | |
| RENTAL INCOME | | 951,722. | |
| TOTAL GROSS INCOME | | | 951,722. |
| OTHER EXPENSES: | | | 345,738. |
| SEE ATTACHMENT | | | |
| | | | |
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| | | | |
| | | | |
| | | | |
| | | | |
| DEPRECIATION (SHOWN BELOW) | | 311,426. | 605,984. |
| LESS: Beneficiary's Portion | | | |
| AMORTIZATION | | | |
| LESS: Beneficiary's Portion | | | |
| DEPLETION | | | 605,984. |
| LESS: Beneficiary's Portion | | | |
| TOTAL EXPENSES | | | 345,738. |
| TOTAL RENT OR ROYALTY INCOME (LOSS) | | | 605,984. |
| Less Amount to | | | |
| Rent or Royalty | | | |
| Depreciation | | | |
| Depletion | | | |
| Investment Interest Expense | | | |
| Other Expenses | | | |
| Net Income (Loss) to Others | | | |
| Net Rent or Royalty Income (Loss) | | | 605,984. |
| Deductible Rental Loss (if Applicable) | | | |

SCHEDULE FOR DEPRECIATION CLAIMED

| (a) Description of property | (b) Cost or unadjusted basis | (c) Date acquired | (d) ACRS des. | (e) Bus. % | (f) Basis for depreciation | (g) Depreciation in prior years | (h) Method | (i) Life or rate | (j) Depreciation for this year |
|-----------------------------|---------------------------------|----------------------|---------------------|------------------|-------------------------------|---------------------------------------|---------------|------------------------|-----------------------------------|
| SEE ATTACHMENT | | | | | | | | | |
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| Totals | | | | | | | | | |

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

| | |
|---------------|-----------------|
| RENTAL INCOME | 951,722. |
| | <u>951,722.</u> |

OTHER DEDUCTIONS

| | |
|-----------------------------------|----------------|
| INSURANCE | 1,621. |
| LEGAL AND OTHER PROFESSIONAL FEES | 15,148. |
| SUPPLIES | 1,105. |
| UTILITIES | 13,184. |
| PURCHASED & CONTRACTED SERVICES | 1,098. |
| OTHER EXPENSES | 2,156. |
| | <u>34,312.</u> |

RENT AND ROYALTY SUMMARY

| <u>PROPERTY</u> | <u>TOTAL INCOME</u> | <u>DEPLETION/ DEPRECIATION</u> | <u>OTHER EXPENSES</u> | <u>ALLOWABLE NET INCOME</u> |
|-----------------|-------------------------|------------------------------------|---------------------------|-------------------------------------|
| RENTAL INCOME | 951,722. | 311,426. | 34,312. | 605,984. |
| TOTALS | <u>951,722.</u> | <u>311,426.</u> | <u>34,312.</u> | <u>605,984.</u> |

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.
▶ Go to www.irs.gov/F1041 for instructions and the latest information.

OMB No. 1545-0092

2020

Name of estate or trust

SHORE MEMORIAL HOSPITAL

Employer identification number

21-0660835

Did you dispose of any investment(s) in a qualified opportunity fund during the tax year?

☐ Yes ☒ No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

Note: Form 5227 filers need to complete **only** Parts I and II.

Part I Short-Term Capital Gains and Losses - Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

| | (d) Proceeds (sales price) | (e) Cost (or other basis) | (g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g) | (h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g) |
|---|----------------------------------|---------------------------------|---|---|
| 1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b. | | | | |
| 1b Totals for all transactions reported on Form(s) 8949 with Box A checked. | | | | |
| 2 Totals for all transactions reported on Form(s) 8949 with Box B checked. | | | | |
| 3 Totals for all transactions reported on Form(s) 8949 with Box C checked. | | | | |
| 4 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 | | | | 4 |
| 5 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts | | | | 5 |
| 6 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2019 Capital Loss Carryover Worksheet. | | | | 6 () |
| 7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). Enter here and on line 17, column (3) on the back | | | | 7 |

Part II Long-Term Capital Gains and Losses - Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

| | (d) Proceeds (sales price) | (e) Cost (or other basis) | (g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g) | (h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g) |
|--|----------------------------------|---------------------------------|--|---|
| 8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b. | | | | |
| 8b Totals for all transactions reported on Form(s) 8949 with Box D checked. | 3,046,608. | | | 3,046,608. |
| 9 Totals for all transactions reported on Form(s) 8949 with Box E checked. | | | | |
| 10 Totals for all transactions reported on Form(s) 8949 with Box F checked. | | | | |
| 11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 | | | | 11 |
| 12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts. | | | | 12 |
| 13 Capital gain distributions. | | | | 13 |
| 14 Gain from Form 4797, Part I. | | | | 14 |
| 15 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2019 Capital Loss Carryover Worksheet. | | | | 15 () |
| 16 Net long-term capital gain or (loss). Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3) on the back | | | | 16 |

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2020

Part III Summary of Parts I and II**Caution:** Read the instructions *before* completing this part.

| | | (1) Beneficiaries' (see instr.) | (2) Estate's or trust's | (3) Total |
|-----------|--|------------------------------------|----------------------------|-----------|
| 17 | Net short-term gain or (loss) | 17 | | |
| 18 | Net long-term gain or (loss): | | | |
| a | Total for year | 18a | | |
| b | Unrecaptured section 1250 gain (see line 18 of the worksheet.) | 18b | | |
| c | 28% rate gain | 18c | | |
| 19 | Total net gain or (loss). Combine lines 17 and 18a. ▶ | 19 | | |

Note: If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Schedule A (Form 990-T), Part I, line 4a). If lines 18a and 19, column (2), are net gains, go to Part V, and **don't** complete Part IV. If line 19, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

| | | | |
|-----------|---|-----------|-----|
| 20 | Enter here and enter as a (loss) on Form 1041, line 4 (or Schedule A (Form 990-T), Part I, line 4c, if a trust), the smaller of: a The loss on line 19, column (3) or b \$3,000 | 20 | () |
|-----------|---|-----------|-----|

Note: If the loss on line 19, column (3), is more than \$3,000, or if Form 1041, page 1, line 23 (or Form 990-T, Part I, line 11), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 23, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 18b, col. (2) or line 18c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, Part I, line 11, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col. (2) or line 18c, col. (2) is more than zero.

| | | | | |
|-----------|---|-----------|--|--|
| 21 | Enter taxable income from Form 1041, line 23 (or Form 990-T, Part I, line 11) | 21 | | |
| 22 | Enter the smaller of line 18a or 19 in column (2) but not less than zero. | 22 | | |
| 23 | Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) | 23 | | |
| 24 | Add lines 22 and 23 | 24 | | |
| 25 | If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶ | 25 | | |
| 26 | Subtract line 25 from line 24. If zero or less, enter -0- | 26 | | |
| 27 | Subtract line 26 from line 21. If zero or less, enter -0- | 27 | | |
| 28 | Enter the smaller of the amount on line 21 or \$2,650 | 28 | | |
| 29 | Enter the smaller of the amount on line 27 or line 28 | 29 | | |
| 30 | Subtract line 29 from line 28. If zero or less, enter -0-. This amount is taxed at 0% ▶ | 30 | | |
| 31 | Enter the smaller of line 21 or line 26 | 31 | | |
| 32 | Subtract line 30 from line 26. | 32 | | |
| 33 | Enter the smaller of line 21 or \$13,150 | 33 | | |
| 34 | Add lines 27 and 30 | 34 | | |
| 35 | Subtract line 34 from line 33. If zero or less, enter -0- | 35 | | |
| 36 | Enter the smaller of line 32 or line 35 | 36 | | |
| 37 | Multiply line 36 by 15% (0.15) ▶ | 37 | | |
| 38 | Enter the amount from line 31 | 38 | | |
| 39 | Add lines 30 and 36 | 39 | | |
| 40 | Subtract line 39 from line 38. If zero or less, enter -0- | 40 | | |
| 41 | Multiply line 40 by 20% (0.20) ▶ | 41 | | |
| 42 | Figure the tax on the amount on line 27. Use the 2020 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) | 42 | | |
| 43 | Add lines 37, 41, and 42 | 43 | | |
| 44 | Figure the tax on the amount on line 21. Use the 2020 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) | 44 | | |
| 45 | Tax on all taxable income. Enter the smaller of line 43 or line 44 here and on Form 1041, Schedule G, Part I, line 1a (or Form 990-T, Part II, line 2). ▶ | 45 | | |

Schedule D (Form 1041) 2020

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

Social security number or taxpayer identification number

SHORE MEMORIAL HOSPITAL

21-0660835

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II

Long-Term. Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☒ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☐ **(F)** Long-term transactions not reported to you on Form 1099-B

| 1 | (a) Description of property (Example: 100 sh. XYZ Co.) | (b) Date acquired (Mo., day, yr.) | (c) Date sold or disposed of (Mo., day, yr.) | (d) Proceeds (sales price) (see instructions) | (e) Cost or other basis. See the Note below and see <i>Column (e)</i> in the separate instructions | Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions. | | (h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g) |
|---|--|---|---|--|--|---|--------------------------------|--|
| | | | | | | (f) Code(s) from instructions | (g) Amount of adjustment | |
| | SECURITIES | VARIOUS | VARIOUS | 3,046,608. | | | | 3,046,608. |
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| | | | | | | | | |
| 2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 8b (if Box D above is checked), line 9 (if Box E above is checked), or line 10 (if Box F above is checked) ► | | | | 3,046,608. | | | | 3,046,608. |

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form **4797**Department of the Treasury
Internal Revenue Service**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2020Attachment
Sequence No. **27**

Name(s) shown on return

SHORE MEMORIAL HOSPITAL

Identifying number

21-0660835

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2020 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year** (see instructions)

| 2 | (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|--|---|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 3 | Gain, if any, from Form 4684, line 39 | | | | | | 3 |
| 4 | Section 1231 gain from installment sales from Form 6252, line 26 or 37 | | | | | | 4 |
| 5 | Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 5 |
| 6 | Gain, if any, from line 32, from other than casualty or theft | | | | | | 6 |
| 7 | Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows | | | | | | 7 |
| Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. | | | | | | | |
| 8 | Nonrecaptured net section 1231 losses from prior years. See instructions | | | | | | 8 |
| 9 | Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions | | | | | | 9 |

Part II Ordinary Gains and Losses (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

| | | | | | | |
|--------------|---|--|--|--|--|-------------|
| ATTACHMENT 1 | | | | | | -83,018. |
| | | | | | | |
| | | | | | | |
| 11 | Loss, if any, from line 7 | | | | | 11 () |
| 12 | Gain, if any, from line 7 or amount from line 8, if applicable. | | | | | 12 |
| 13 | Gain, if any, from line 31 | | | | | 13 |
| 14 | Net gain or (loss) from Form 4684, lines 31 and 38a | | | | | 14 |
| 15 | Ordinary gain from installment sales from Form 6252, line 25 or 36 | | | | | 15 |
| 16 | Ordinary gain or (loss) from like-kind exchanges from Form 8824 | | | | | 16 |
| 17 | Combine lines 10 through 16. | | | | | 17 -83,018. |
| 18 | For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below. | | | | | |
| a | If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions | | | | | 18a |
| b | Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4. | | | | | 18b |

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2020)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|---|--|--------------------------------------|----------------------------------|
| A | | | |
| B | | | |
| C | | | |
| D | | | |

| These columns relate to the properties on lines 19A through 19D. ► | | Property A | Property B | Property C | Property D |
|--|--|------------|------------|------------|------------|
| 20 | Gross sales price (Note: See line 1 before completing.) | 20 | | | |
| 21 | Cost or other basis plus expense of sale | 21 | | | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 | | | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 23 | | | |
| 24 | Total gain. Subtract line 23 from line 20. | 24 | | | |
| 25 | If section 1245 property: | | | | |
| a | Depreciation allowed or allowable from line 22 | 25a | | | |
| b | Enter the smaller of line 24 or 25a. | 25b | | | |
| 26 | If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | | |
| a | Additional depreciation after 1975. See instructions | 26a | | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions | 26b | | | |
| c | Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e | 26c | | | |
| d | Additional depreciation after 1969 and before 1976 | 26d | | | |
| e | Enter the smaller of line 26c or 26d | 26e | | | |
| f | Section 291 amount (corporations only) | 26f | | | |
| g | Add lines 26b, 26e, and 26f | 26g | | | |
| 27 | If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership. | | | | |
| a | Soil, water, and land clearing expenses | 27a | | | |
| b | Line 27a multiplied by applicable percentage. See instructions | 27b | | | |
| c | Enter the smaller of line 24 or 27b | 27c | | | |
| 28 | If section 1254 property: | | | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions | 28a | | | |
| b | Enter the smaller of line 24 or 28a | 28b | | | |
| 29 | If section 1255 property: | | | | |
| a | Applicable percentage of payments excluded from income under section 126. See instructions | 29a | | | |
| b | Enter the smaller of line 24 or 29a. See instructions | 29b | | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | | |
|----|---|----|--|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 | |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 | |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 | |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 Recomputed depreciation. See instructions | 34 | |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 | |

Form **4797** (2020)

Supplement to Form 4797 Part II Detail

ATTACHMENT 1

| Description | Date Acquired | Date Sold | Gross Sales Price | Depreciation Allowed or Allowable | Cost or Other Basis | Gain or (Loss) for entire year |
|-------------|------------------|--------------|----------------------|--------------------------------------|------------------------|-----------------------------------|
| EQUIPMENT | VARIOUS | VARIOUS | | | 84,654. | -84,654. |
| SCRAP | VARIOUS | VARIOUS | 1,636. | | | 1,636. |
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| Totals | | | | | | -83,018. |

Consolidated Financial Statements,
Supplementary Information and
Report of Independent Certified
Public Accountants

Shore Memorial Health System and Affiliates

December 31, 2020 and 2019



Contents

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| Combining statement of operations and changes in net assets | 35 |

GRANT THORNTON LLP

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Philadelphia, PA 19103-7065

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Shore Memorial Health System

Report on the financial statements

We have audited the accompanying consolidated financial statements of Shore Memorial Health System and Affiliates (the "System"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Shore Memorial Health System and Affiliates as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating and combining balance sheet as of December 31, 2020 and the related consolidating and combining statement of operations and changes in net assets for the year then ended are presented for purposes of additional analysis, rather than to present the financial position, results of operations, and cash flows of the individual entities, and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Philadelphia, Pennsylvania
April 7, 2021

Shore Memorial Health System and Affiliates

CONSOLIDATED BALANCE SHEETS

December 31,

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 4,097,255 | \$ 3,357,116 |
| Assets limited as to use | 10,225,308 | 63,845 |
| Patient accounts receivable | 21,760,184 | 21,956,603 |
| Supplies | 5,059,720 | 3,165,736 |
| Prepaid expenses and other current assets | 4,167,929 | 6,124,414 |
| Total current assets | 45,310,396 | 34,667,714 |
| Assets limited as to use: | | |
| Internally designated by Board of Trustees | 140,086,599 | 114,865,150 |
| Externally designated by donor | 1,076,572 | 942,233 |
| Property and equipment, net | 116,484,043 | 121,610,181 |
| Other assets | 4,428,102 | 4,195,152 |
| Beneficial interest in perpetual trust | 2,114,916 | 1,939,065 |
| Total assets | <u>\$ 309,500,628</u> | <u>\$ 278,219,495</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 4,630,000 | \$ 6,629,845 |
| Accounts payable, accrued expenses, and other current liabilities | 24,725,130 | 30,022,832 |
| Accrued vacation, holiday, and sick pay | 5,168,072 | 4,755,937 |
| Current portion of accrued retirement benefits | 1,272,804 | 1,297,817 |
| Estimated settlements due to third-party payors | 16,848,724 | 3,946,278 |
| Total current liabilities | 52,644,730 | 46,652,709 |
| Estimated settlements due to third-party payors, less current portion | 16,204,656 | - |
| Accrued retirement benefits, less current portion | 85,392,172 | 78,789,984 |
| Reserve for insurance claims, less current portion | 3,478,725 | 3,576,765 |
| Other long-term liabilities | 6,517,482 | 7,096,760 |
| Long-term debt, less current portion | 39,325,504 | 48,796,321 |
| Total liabilities | 203,563,269 | 184,912,539 |
| Net assets | | |
| Without donor restrictions | 102,369,684 | 90,140,180 |
| With donor restrictions | 3,567,675 | 3,166,776 |
| Total net assets | 105,937,359 | 93,306,956 |
| Total liabilities and net assets | <u>\$ 309,500,628</u> | <u>\$ 278,219,495</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Shore Memorial Health System and Affiliates

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years ended December 31,

| | <u>2020</u> | <u>2019</u> |
|---|------------------------------|-----------------------------|
| Net assets without donor restrictions | | |
| Revenues: | | |
| Patient service revenue | \$ 195,311,079 | \$ 213,878,424 |
| Other revenue | <u>23,949,912</u> | <u>7,758,759</u> |
| Total revenues | 219,260,991 | 221,637,183 |
| Expenses: | | |
| Salaries and wages | 69,653,794 | 73,308,817 |
| Physician salaries and fees | 24,787,601 | 25,524,302 |
| Employee benefits | 16,491,604 | 17,011,860 |
| Contracted services | 39,725,846 | 40,222,343 |
| Supplies and other expenses | 36,605,621 | 37,556,470 |
| Interest | 912,155 | 2,268,061 |
| Depreciation and amortization | <u>11,281,807</u> | <u>11,623,988</u> |
| Total expenses | <u>199,458,428</u> | <u>207,515,841</u> |
| Operating income | 19,802,563 | 14,121,342 |
| Nonoperating gains (losses): | | |
| Investment return, net | 8,650,034 | 7,715,405 |
| Extinguishment of debt costs | - | (983,574) |
| Other accrued retirement costs | 702,252 | (984,359) |
| Change in fair value of interest rate swap | - | 405,150 |
| Other | <u>(524,851)</u> | <u>-</u> |
| Total nonoperating gains, net | <u>8,827,435</u> | <u>6,152,622</u> |
| Excess of revenues and gains over expenses and losses | 28,629,998 | 20,273,964 |
| Other changes in net assets without donor restrictions: | | |
| Other changes in accrued retirement benefits | <u>(16,400,494)</u> | <u>(11,311,421)</u> |
| Increase in net assets without donor restrictions | 12,229,504 | 8,962,543 |
| Net assets with donor restrictions | | |
| Investment return, net | 134,339 | 122,872 |
| Other | 90,709 | (19,273) |
| Change in beneficial interest in perpetual trust | <u>175,851</u> | <u>229,307</u> |
| Increase in net assets with donor restrictions | <u>400,899</u> | <u>332,906</u> |
| Increase in net assets | 12,630,403 | 9,295,449 |
| Net assets, beginning of year | <u>93,306,956</u> | <u>84,011,507</u> |
| Net assets, end of year | <u><u>\$ 105,937,359</u></u> | <u><u>\$ 93,306,956</u></u> |

The accompanying notes are an integral part of these consolidated financial statements.

Shore Memorial Health System and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

| | 2020 | 2019 |
|---|---------------|--------------|
| Cash flows from operating activities | | |
| Increase in net assets | \$ 12,630,403 | \$ 9,295,449 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Other changes in accrued retirement benefits | 16,400,494 | 11,311,421 |
| Change in fair value of interest rate swap | - | (405,150) |
| Depreciation and amortization | 11,281,807 | 11,623,987 |
| Loss (gain) on disposal of property and equipment | 84,652 | (148,523) |
| Change in beneficial interest in perpetual trust | (175,851) | (229,307) |
| Extinguishment of debt costs | - | 983,574 |
| Net realized and unrealized (gains) losses on investments | (8,033,818) | (6,299,189) |
| Changes in assets and liabilities: | | |
| Patient accounts receivable | 196,419 | (45,099) |
| Supplies | (1,893,984) | (180,787) |
| Prepaid and other assets | 1,723,535 | (1,039,244) |
| Accounts payable, accrued expenses, and other liabilities | (5,507,486) | 3,008,766 |
| Accrued vacation, holiday, and sick pay | 412,135 | 21,498 |
| Estimated settlements due to third-party payors | 29,107,102 | (2,207,409) |
| Accrued retirement benefits | (9,823,319) | (3,312,607) |
| Reserve for insurance claims | (467,534) | (1,083,603) |
| Net cash provided by operating activities | 45,934,555 | 21,293,777 |
| Cash flows from investing activities | | |
| Net purchases of assets limited as to use | (27,483,433) | (4,581,114) |
| Cash received on disposal of property and equipment | 19,551 | 175,650 |
| Additions to property and equipment | (6,175,714) | (4,699,926) |
| Net cash used in investing activities | (33,639,596) | (9,105,390) |
| Cash flows from financing activities | | |
| Proceeds from long-term debt | - | 49,075,000 |
| Cash paid for extinguishment of debt costs | - | (868,983) |
| Principal payments on long-term debt | (11,554,820) | (61,084,542) |
| Net cash used in financing activities | (11,554,820) | (12,878,525) |
| Increase (decrease) in cash and cash equivalents | 740,139 | (690,138) |
| Cash and cash equivalents, beginning of year | 3,357,116 | 4,047,254 |
| Cash and cash equivalents, end of year | \$ 4,097,255 | \$ 3,357,116 |
| Supplemental disclosures of cash flow information | | |
| Cash paid for interest | \$ 996,315 | \$ 2,438,020 |
| Assets acquired under capital lease obligations | \$ - | \$ 1,092,480 |

The accompanying notes are an integral part of these consolidated financial statements.

Shore Memorial Health System and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE A - ORGANIZATION AND BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Shore Memorial Health System and its affiliates (the System): Shore Memorial Hospital d/b/a Shore Medical Center, Shore Health Services Corporation, Brighton Bay LLC, Shore Memorial Physicians Group, P.C., Shore Urgent Care, P.A., Shore Hospitalists Associates, P.A., Shore Specialty Consultants, P.A., Shore Pathology Associates, P.C., Shore Quality Partners LLC, and Shore Health Enterprises, Inc.

Shore Memorial Hospital d/b/a Shore Medical Center (the Medical Center) is a 203-bed not-for-profit, acute-care, tax-exempt hospital located in Somers Point, New Jersey. The Medical Center provides general health care services to residents within its geographic location for a wide range of inpatient and outpatient services, including medical, surgical, obstetrical, gynecological, pediatric, emergency, and ambulatory care.

Shore Health Services Corporation (Health Services), is a not-for-profit, tax-exempt controlled affiliate of the Medical Center, and maintains certain property for future development.

Brighton Bay LLC (Brighton Bay), a controlled affiliate of the Medical Center, is a for-profit limited liability corporation established to hold title and manage a medical office building.

Shore Memorial Physicians Group, P.C. (the Physicians Group), a controlled affiliate of the Medical Center, is a for-profit professional corporation established for the purpose of developing an employed physician network. The Physicians Group is designed to achieve a more integrated approach to the delivery of medical care for the community served by the Medical Center.

Shore Urgent Care, P.A. (Urgent Care), a controlled affiliate of the Physicians Group, is a for-profit professional corporation established for the purpose of operating urgent care centers in the community served by the Medical Center.

Shore Pathology Associates, P.C. (the Pathology Group), a controlled affiliate of the Medical Center, is a for-profit professional corporation established for the purpose of employing pathologists that work at the Medical Center.

Shore Specialty Consultants, P.A. (the Specialists Group), a controlled affiliate of the Medical Center, is a for-profit professional association established for the purpose of developing an employed specialty physician network to service the medical needs of the community.

Shore Hospitalists Associates, P.A. (the Hospitalists Group), a controlled affiliate of the Medical Center, is a for-profit professional association established for the purpose of developing an employed physician network to service inpatients at the Medical Center.

Shore Quality Partners LLC (Quality Partners), a controlled affiliate of the Medical Center, is a for-profit limited liability corporation established for the purpose of developing an integrated physician network that does not employ physicians.

Shore Health Enterprises, Inc. (Enterprises) is a for-profit corporation and is a Management Services Organization (MSO) that provides services to the Physicians Group.

Shore Memorial Health System (the Parent), a not-for-profit, tax-exempt corporation, functions as the parent corporation and provides leadership and coordination activities for its affiliates.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingencies at the date of and during the reporting period of the consolidated financial statements. Actual results could differ from those estimates. The most significant management estimates and assumptions are used in recording patient accounts receivable and patient service revenue, settlements with third-party payors, useful lives of property and equipment, actuarial estimates for the postretirement benefit plans, self-insured reserves, interest rate swap, and the reported fair values of certain assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly-liquid debt instruments with original maturities of three months or less, other than amounts classified as assets limited as to use.

Patient Accounts Receivable

Patient accounts receivable for which the System receives payment under cost reimbursement, prospective payment formulas, or negotiated rates, which cover the majority of patient services, are stated at the estimated net amounts receivable from payers, which are generally less than the established billing rates of the System.

The System recognizes a receivable when there is an unconditional right to payment, subject only to the passage of time. Patient accounts receivable, including billed accounts and unbilled accounts, which have the unconditional right to payment, and estimated amounts due from third-party payers for retroactive adjustments, are recorded as receivables since the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. The estimated uncollectible amounts are generally considered implicit price concessions that are recorded as a direct reduction to patient accounts receivable.

Supplies

Supplies are stated at the lower of cost, determined by the average cost method, or market.

Assets Limited as to Use

Assets internally designated by the Board of Trustees are resources over which the Board of Trustees retains control and that have been designated for future acquisition of property and equipment, deferred compensation plans, and other purposes, determined at the discretion of the Board of Trustees.

Assets externally designated by donor are permanent trusts to be held by the System, with the income to be used in accordance with the donor intentions.

Amounts required to meet current liabilities have been classified as current assets in the consolidated balance sheets.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Assets Limited as to Use (continued)

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Fair values are based on quoted market prices. Investment income and realized and unrealized gains and losses are recorded as nonoperating gains and losses.

Property and Equipment

Property and equipment are recorded at cost. Donated assets are recorded at their fair value at the date of donation. Assets acquired under capitalized leases are recorded at the present value of the lease payments at the inception of the lease. Depreciation is computed on the straight-line method based on the following estimated useful lives:

| | |
|-------------------------|-------------|
| Buildings | 15-40 years |
| Building improvements | 10-15 years |
| Fixed equipment | 10-20 years |
| Major movable equipment | 3-10 years |

Equipment under capital leases is amortized on a straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trust (Craven Estate) is stated at fair value. The trust is perpetual in nature, and the original corpus cannot be expended. The trust and changes in the System's beneficial interest are reported within net assets with donor restrictions.

Reserve for Insurance Claims

The System maintains a claims-made malpractice insurance coverage through a commercial insurance carrier and participates in a group trust for workers' compensation coverage. Estimated liabilities relating to asserted and unasserted claims are recorded by the System as reserve for insurance claims in the accompanying consolidated balance sheets. The estimate for unreported incidents and losses is actuarially determined based on System-specific and industry-experience data. Receivables for expected insurance recoveries are included in other assets on the accompanying consolidated balance sheets.

Advertising Costs

The System expenses advertising costs as incurred. For the years ended December 31, 2020 and 2019, advertising costs are \$682,212 and \$715,944, respectively, which is included in contracted services on the accompanying consolidated statements of operations and changes in net assets.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Assets with Donor Restrictions

Certain net assets are temporarily restricted and whose use by the System has been limited by donors to a specific time period or purpose. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified into net assets without donor restrictions and reported as net assets released from restrictions.

Certain net assets have been permanently restricted by donors to be maintained by the System or outside trustees in perpetuity. As specified by donor, the income earned on these investments is expendable for nursing scholarships and capital acquisitions.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions if for operating purposes and as other changes in net assets without donor restrictions if for capital purposes in the consolidated statements of operations and changes in net assets.

Patient Service Revenue

Patient service revenue is reported at the amounts that reflect the consideration to which the System is expected to be entitled to in exchange for providing patient care for both the Medical Center and any employed physicians. These amounts are due from patients, third-party payors (including managed care organizations and government programs, i.e., Medicare and Medicaid) and others and they include variable consideration for retroactive adjustments due to settlement of future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Generally, patients and third-party payors are billed several days after the services are performed or shortly after discharge. Patient service revenue is recognized in the period in which the performance obligations are satisfied under contracts by transferring services to patients.

Performance obligations are determined based on the nature of the services provided. The System recognizes revenues for performance obligations satisfied over time based on actual charges incurred in relation to total expected charges. The System believes that this method provides an appropriate depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations. Generally, performance obligations are satisfied over time related to patients receiving inpatient acute care services. The System measures performance obligations from admission to the point when there are no further services required for the patient, which is generally the time of discharge. The System recognizes revenues for performance obligations satisfied at a point in time, which generally relate to patients receiving outpatient services, when: (1) services are provided; and (2) when it is believed the patient does not require additional services.

The System has agreements with third-party payors that provide for payments to the System at amounts different from established charges. Inpatient acute care services for Medicare and Medicaid beneficiaries and outpatient services for Medicare beneficiaries are paid primarily at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Patient Service Revenue (continued)

Certain outpatient services for Medicaid beneficiaries are paid based on a cost-reimbursement methodology, subject to certain limitations. The System is reimbursed for cost reimbursable and other items at a tentative rate, with final settlement determined after submission of annual cost reports by the System and audits thereof, by the programs' fiscal intermediary. Provisions for estimated adjustments resulting from audit and final settlements have been recorded. Differences between the estimated adjustments and the amounts settled are recorded in the year of settlement. The System's cost reports have not been settled by the fiscal intermediaries for the years ended December 31, 2017 through December 31, 2020.

In the opinion of management, adequate provision has been made in the accompanying consolidated financial statements for any adjustments that may result from the final settlement of the System's cost reports. For the years ended December 31, 2020 and 2019, patient service revenue includes revenue of approximately \$557,000 and \$5,698,000, respectively, related to final settlements of prior year cost reports.

Revenues from the Medicare and Medicaid programs accounted for approximately 37% and 7% and 38% and 8% of the System's patient service revenue for the years ended December 31, 2020 and 2019, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material adverse effect on the accompanying consolidated financial statements. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The System has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. These agreements have retrospective audit clauses allowing the payor to review and adjust claims subsequent to initial payment.

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of the contractual rates for the services rendered. For uninsured patients that do not qualify for the State Charity Care Assistance program, the System recognizes revenue on the basis of discounted rates under the Uninsured Self Pay Patient Discount Policy. Under this policy, uninsured patients that are ineligible for any government assistance program are billed at reduced charges comparable to the cost of providing care based upon the System-specific Medicare cost to charge ratio. The impact of this Uninsured Self Pay Discount Policy on the consolidated financial statements is lower patient service revenue, as the discount is considered a pricing constraint.

Patient service revenue for years ended December 31, 2020 and 2019, is 95% and 98%, respectively, from third-party payors and is 5% and 2%, respectively, from self-pay based on primary insurance designation.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Patient Service Revenue (continued)

Deductibles and copayments under third-party payment programs within the third-party payor amounts above are the patients' responsibility, and the System considers these amounts in its determination of the implicit price concessions based on collection experience.

Excess of Revenues and Gains Over Expenses and Losses

The accompanying consolidated statements of operations and changes in net assets include the excess of revenues and gains over expenses and losses as the performance indicator. Changes in unrestricted net assets, which are excluded from the excess of revenues and gains over expenses and losses, include other changes in accrued retirement benefit liabilities.

Income Taxes

The Parent, the Medical Center and the Health Services are not-for-profit corporations and have been recognized as tax-exempt for federal income tax purposes pursuant to Section 501(c)(3) of the Internal Revenue Code. The Parent, the Medical Center and the Health Services are also exempt from state income taxes. Brighton Bay, the Physicians Group, Urgent Care, the Pathology Group, the Specialists Group, the Hospitalists Group, Quality Partners, and Enterprises are taxable entities. The System follows the accounting guidance for uncertainties in income tax positions, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The System does not believe its consolidated financial statements include any uncertain tax positions.

Pending Accounting Pronouncement

Leases

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases*, which requires that most leased assets be recognized on the balance sheet as assets and liabilities for the rights and obligations created by these leases. ASU 2016-02 as amended is effective for fiscal years beginning after December 15, 2021. An entity is required to apply the amendments in ASU 2016-02 under the modified retrospective transition approach. This approach includes a number of optional practice expedients, which are described in the final standard. Under these practical expedients, an organization will continue to account for leases that commence before the effective date in accordance with current U.S. GAAP, unless the lease is modified. However, lessees are required to recognize, on the balance sheet, leased assets and liabilities for operating leases at each reporting date. The System has not determined the impact of 2016-02 at this time.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE C - IMPACT OF THE COVID-19 PANDEMIC

In March 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a pandemic, which started to and continues to spread throughout the United States of America. As a result of the COVID-19 pandemic, the System experienced a decline in patient visits, admissions, and medical procedures performed. Elective medical procedures were suspended by state and local governments at varying time periods beginning in mid-March through late May 2020, contributing to a significant decline in patient service revenue due to COVID-19 when compared to historic and forecasted results for that period. Additionally, in response to the pandemic, the System incurred additional costs for testing, personal protective equipment, third-party contract services and other operating costs associated with ensuring employee and patient safety while operating during a pandemic. Since late May, the System has begun to see increases in its patient visits, admissions, and medical procedures, however, volumes have not returned to pre-pandemic levels. Management is actively monitoring operating revenues and expenses and based on the continuing uncertainties of COVID-19, it is unable to determine if it will have a material impact on its operations for the year ending December 31, 2021.

The System received grant payments, which are considered nonexchange transactions, from the federal government distributed under the Coronavirus Aid, Recovery and Economic Security ("CARES") Act. For the year ended December 31, 2020, the System received total payments of \$14,852,000. While the federal regulations have not yet been finalized, the System believes it has met the conditions to retain these payments, which are included in other revenue in the consolidated statement of operations and changes in net assets. The CARES Act payments are subject to audit and compliance with federal regulations and future grant payments are uncertain at this time.

The CARES Act also provided for an expansion of the Medicare Accelerated and Advance Payment Program (Medicare Advances) for patient services. Under the program, the System received \$26,430,000 in April 2020, and recorded these payments in estimated settlements due to third-party payors in the consolidated balance sheet. Prior to the beginning of the recoupment period (which begins 12 months from the date the first advance payment was issued), the System continued to bill for services provided to Medicare patients and was paid by Medicare, as usual. Once the recoupment period begins, amounts billed to Medicare for services provided will be offset against the advance payments received until the advance is fully recouped by the Medicare program. During the first 11 months when such payment offsets are made, a total of 25% of the amount will be due (\$10,225,000); during the succeeding 6 months, 50% of the amount will be due; and the System will have 24 months before the outstanding balance will be required to be paid in full. If the advance has not been entirely offset by claims at the end of this period, the System will be required to repay the remaining amount.

In 2020, the System obtained a \$2,780,000 loan through a bank for the Small Business Administration Paycheck Protection Program. This loan was designed to provide a direct incentive for small businesses to keep their workers on payroll and could be used to pay for mortgage interest, rent, utilities, and worker protection costs related to the effect of the COVID-19 pandemic. The loan accrues interest at 1.0%. The forgiveness of the loan is uncertain at this time. The loan is included in estimated settlements due to third-party payors in the consolidated balance sheet.

NOTE D - LIQUIDITY AND AVAILABILITY

As of December 31, 2020 and 2019, the adjusted working capital was \$116,547,573 and \$102,944,000, respectively, and the adjusted average days of cash on hand was 249 and 220 days, respectively, both of which include the internally designated assets limited as to use, excluding the Medicare Advances (Note C) of \$26,430,000 as this amount needs to be offset by future Medicare reimbursements.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE D - LIQUIDITY AND AVAILABILITY - CONTINUED

Financial assets available for general expenditure within one year of the consolidated balance sheet date consist of the following:

| | December 31, | |
|--|-----------------------|-----------------------|
| | 2020 | 2019 |
| Cash | \$ 4,097,255 | \$ 3,357,116 |
| Patient accounts receivable | 21,760,184 | 21,956,603 |
| Assets limited as to use, internally designated by Board of Trustees | 123,881,907 | 114,928,995 |
| | <u>149,739,346</u> | <u>140,242,714</u> |
| Available line of credit | 15,000,000 | 5,000,000 |
| | <u>\$ 164,739,346</u> | <u>\$ 145,242,714</u> |

Assets limited as to use excludes Medicare Advances (Note C).

Excess cash is invested in accordance with the Board of Trustees' investment policy and there are no investments with purchase commitments at December 31, 2020.

NOTE E - UNCOMPENSATED CARE

The System provides charity care to patients who meet certain financial criteria established by the State of New Jersey. The cost of services provided and supplies furnished under its charity care policy is estimated using internal data and is calculated based on the System's cost to charge ratio. The total direct and indirect amount of charity care provided, determined on the basis of cost, was approximately \$1,285,000 and \$1,273,000 for the years ended December 31, 2020 and 2019, respectively.

The System's patient acceptance policy is based on its mission statement and is charitable purposes. Accordingly, the System accepts all patients regardless of their ability to pay. This policy results in the assumption of higher-than-normal patient accounts receivable credit risks. To the extent the System realizes additional losses resulting from such higher credit risk or patients who are not identified or do not meet the previously described charity definition, such additional losses are considered implicit price concessions.

Additionally, the System sponsors certain other charitable programs, which provide substantial benefit to the broader community. Such programs include services to needy and elderly populations that require special support, as well as health promotion and education for the general community welfare.

The New Jersey Health Care Reform Act of 1992, Chapter 160, established the Health Care Subsidy Fund to provide a mechanism and funding source to compensate certain hospitals for charity care. For the years ended December 31, 2020 and 2019, the System recognized \$114,409 and \$164,276, respectively, as subsidies for charity care, which is included in patient service revenue. The Health Care Subsidy Fund amounts are subject to change from year to year based on available state budget amounts and allocation methodologies.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE F - ASSETS LIMITED AS TO USE

The composition of assets limited as to use is set forth in the following table. Investments are stated at fair value.

| | December 31, 2020 | 2019 |
|---|-----------------------|-----------------------|
| Internally designated by Board of Trustees: | | |
| Cash and cash equivalents | \$ 80,699,362 | \$ 58,086,368 |
| Certificates of deposit | 16,585,089 | 15,924,347 |
| Equity mutual funds | 51,074,483 | 39,144,733 |
| Fixed income mutual funds | 748,252 | 747,495 |
| U.S. equity securities | 1,036,233 | 862,472 |
| Insurance contracts | 168,488 | 163,580 |
| | <u>150,311,907</u> | <u>114,928,995</u> |
| Less current portion | <u>(10,225,308)</u> | <u>(63,845)</u> |
| | <u>\$ 140,086,599</u> | <u>\$ 114,865,150</u> |
| Externally designated by donor: | | |
| Cash and cash equivalents | \$ 3,227 | \$ 7,079 |
| Certificates of deposit | 57,165 | 57,165 |
| Equity mutual funds | 1,016,180 | 877,989 |
| | <u>\$ 1,076,572</u> | <u>\$ 942,233</u> |

Investment income, gains and losses for assets limited as to use are comprised of the following:

| | Year ended December 31, 2020 | 2019 |
|--|---------------------------------|---------------------|
| Other revenue: | | |
| Interest and dividend income | \$ - | \$ 22,533 |
| Change in unrealized gains and losses on investments | 30,989 | 51,505 |
| | <u>\$ 30,989</u> | <u>\$ 74,038</u> |
| Nonoperating investment return, net: | | |
| Interest and dividend income | \$ 647,205 | \$ 1,467,721 |
| Net realized gains on sales of investments | 1,936,243 | 2,511,898 |
| Change in unrealized gains and losses on investments | 6,066,586 | 3,735,786 |
| | <u>\$ 8,650,034</u> | <u>\$ 7,715,405</u> |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE G - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. A valuation framework has been outlined that creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures.

The System uses the fair value hierarchy as its valuation methodology and it is broken down into three levels based on the source of inputs as follows:

- Level 1 Valuations are based on unadjusted quoted market prices for identical assets.
- Level 2 Valuations are based on observable inputs and quoted market prices for similarly structured assets and liabilities.
- Level 3 Valuations are based on unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

A financial instrument categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

In determining fair value, the System uses quoted prices and observable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. The fair values of perpetual trusts were determined based on the System's beneficial interest in the investments held in the trust which are measured at fair value. Fair value for pooled separate accounts and collective fund trusts within the defined benefit plan assets (Note J) is based upon the net asset value (NAV) per share of the investment.

The following fair value hierarchy tables present information about each major category of the System's financial assets, excluding assets invested in the System's defined benefit plan (see Note J), measured at fair value on a recurring basis as of:

| <u>December 31, 2020</u> | <u>Fair Value Measurements at Reporting Date Using</u> | | | |
|--|--|-----------------------|-------------------|---------------------|
| | <u>Total</u> <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Assets | | | | |
| Cash and cash equivalents | \$ 84,799,844 | \$ 84,799,844 | \$ - | \$ - |
| Certificates of deposit | 16,642,254 | 16,642,254 | - | - |
| Equity mutual funds | 52,090,663 | 52,090,663 | - | - |
| Fixed income mutual funds | 748,252 | 748,252 | - | - |
| U.S. equity securities | 1,036,233 | 1,036,233 | - | - |
| Insurance contracts | 168,488 | - | 168,488 | - |
| Beneficial interest in perpetual trust | 2,114,916 | - | - | 2,114,916 |
| | <u>\$ 157,600,650</u> | <u>\$ 155,317,246</u> | <u>\$ 168,488</u> | <u>\$ 2,114,916</u> |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE G - FAIR VALUE MEASUREMENTS - CONTINUED

| <u>December 31, 2019</u> | Fair Value Measurements at Reporting Date Using | | | |
|--|---|-----------------------|-------------------|---------------------|
| | Total Fair Value | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Cash and cash equivalents | \$ 61,450,563 | \$ 61,450,563 | \$ - | \$ - |
| Certificates of deposit | 15,981,512 | 15,981,512 | - | - |
| Equity mutual funds | 40,022,722 | 40,022,722 | - | - |
| Fixed income mutual funds | 747,495 | 747,495 | - | - |
| U.S. equity securities | 862,472 | 862,472 | - | - |
| Insurance contracts | 163,580 | - | 163,580 | - |
| Beneficial interest in perpetual trust | 1,939,065 | - | - | 1,939,065 |
| | <u>\$ 121,167,409</u> | <u>\$ 119,064,764</u> | <u>\$ 163,580</u> | <u>\$ 1,939,065</u> |

The following table sets forth the change in the fair value of the beneficial interest in perpetual trust measured using unobservable inputs (Level 3):

| | |
|----------------------|---------------------|
| At December 31, 2018 | \$ 1,709,758 |
| Net unrealized gain | <u>229,307</u> |
| At December 31, 2019 | 1,939,065 |
| Net unrealized gain | <u>175,851</u> |
| At December 31, 2020 | <u>\$ 2,114,916</u> |

NOTE H - PROPERTY AND EQUIPMENT

| | December 31, 2020 | 2019 |
|--|-----------------------|-----------------------|
| Land | \$ 7,940,231 | \$ 7,940,231 |
| Land improvements | 1,399,571 | 1,399,571 |
| Buildings and improvements | 214,791,126 | 214,824,047 |
| Fixed equipment | 29,412,305 | 28,995,828 |
| Major movable equipment | 129,772,834 | 124,843,615 |
| | 383,316,067 | 378,003,292 |
| Less accumulated depreciation and amortization | <u>(267,706,595)</u> | <u>(257,218,264)</u> |
| | 115,609,472 | 120,785,028 |
| Construction in progress | <u>874,571</u> | <u>825,153</u> |
| | <u>\$ 116,484,043</u> | <u>\$ 121,610,181</u> |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE H - PROPERTY AND EQUIPMENT - CONTINUED

Included in property and equipment are assets under capital leases of \$24,129,934 and accumulated amortization of \$10,140,668, at December 31, 2019. There were no capital leases in effect as of December 31, 2020.

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$11,197,649 and \$11,527,732, respectively. Included in depreciation and amortization expense are amounts related to assets under capital leases of \$1,306,373 and \$1,610,132 for the years ended December 31, 2020 and 2019, respectively.

Other assets in the consolidated balance sheets include \$1,243,653 and \$1,376,652 of commercial property held for sale on December 31, 2020 and 2019, respectively.

NOTE I - LONG-TERM DEBT

| | December 31, 2020 | 2019 |
|--|----------------------|----------------------|
| New Jersey Health Care Facilities Financing Authority Revenue Bonds - Series 2019 | \$ 44,510,000 | \$ 49,075,000 |
| Bank loans payable | - | 2,430,148 |
| Capital lease obligations | - | 4,559,672 |
| | <u>44,510,000</u> | <u>56,064,820</u> |
| Less current portion of long-term debt | (4,630,000) | (6,629,845) |
| Less deferred financing costs, net | <u>(554,496)</u> | <u>(638,654)</u> |
| | <u>\$ 39,325,504</u> | <u>\$ 48,796,321</u> |

Pursuant to the Master Trust Indenture (MTI), the Medical Center is the sole member of an Obligated Group.

In December 2019, the Medical Center issued \$49,075,000 of tax-exempt revenue bonds (2019 Bonds) through the New Jersey Health Care Facilities Financing Authority as a bank qualified private placement issue with a financial institution. The proceeds of the 2019 Bonds were used to: (i) refinance the Series 2009, 2010, 2011, and 2013 Bonds; and (ii) pay certain costs incidental to the issuance of the 2019 Bonds. The 2019 Bonds bear interest at 0.79% of the 30-day London InterBank Offered Rate (LIBOR) rate plus 83 basis points, due monthly. The interest rate was 0.96% and 2.21% at December 31, 2020 and 2019, respectively. Monthly principal payments range from \$105,000 to \$1,100,000 through 2039. The 2019 Bonds are callable by the financial institution in 2029. Costs of \$461,162 associated with the issuance of the 2019 Bonds and extinguishment of the 2009, 2010, 2011, 2013 Bonds were included as extinguishment of debt costs in the 2019 consolidated statements of operations and changes in net assets.

The Bonds are secured by the mortgaged properties and all revenues of the Obligated Group, as well as certain deposits with a trustee. The MTI also places limits on the occurrence of additional borrowings and requires the Obligated Group to satisfy certain measures of financial performance as long as the Bonds are outstanding. At December 31, 2020 and 2019, the Obligated Group has complied with the financial covenants related to the Bonds.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE I - LONG-TERM DEBT - CONTINUED

The System had several bank loans and capital leases that were paid off in full during 2020 and 2019. At December 31, 2019, these bank loans and capital leases had interest rates that ranged from 2.1% to 4.7%. For the year ended December 31, 2019, certain deferred financing costs and premiums paid of \$272,962, related to the bank loans paid off in 2019, were included as a component of the extinguishment of debt costs in the 2019 consolidated statement of operations and changes in net assets.

The System uses quoted market prices and other valuation considerations in estimating the fair value for the Bonds, and the bank loans carrying amounts approximate fair value. The fair value of the System's long-term debt at December 31, 2020 and 2019, is approximately \$44,510,000 and \$51,505,000, respectively, and is classified in Level 2 of the fair value hierarchy.

At December 31, 2020, principal payments on long-term debt during the next five years and thereafter are as follows:

| | |
|------------|----------------------|
| 2021 | \$ 4,630,000 |
| 2022 | 4,035,000 |
| 2023 | 3,415,000 |
| 2024 | 1,415,000 |
| 2025 | 1,470,000 |
| Thereafter | <u>29,545,000</u> |
| | <u>\$ 44,510,000</u> |

Interest Rate Swap Agreement

The Medical Center had an interest rate swap agreement with the intent of mitigating cash flow risk relating to changes in the variable interest rates of the Series 2009 Bonds. Under the swap agreement, the Medical Center paid interest at a fixed rate of 3.2434% and received interest at a variable rate of 70% of USD-LIBOR-BBA. The interest rate swap was terminated during 2019 incurring a termination fee of \$249,450, which is included in the extinguishment of debt costs in the 2019 consolidated statement of operations and changes in net assets. The change in the fair value of the swap agreement for the year ended December 31, 2019, was \$405,150 and is included in nonoperating gains and losses on the accompanying 2019 consolidated statements of operations and changes in net assets.

Line of Credit

In December 2019, the Medical Center entered into a revolving line of credit for an amount up to \$15,000,000 and at the same time executed only \$5,000,000 of the line of credit for general purposes. The interest rate on this \$5,000,000 was equal to one month LIBOR plus 1.25% (1.38% and 3.01% at December 31, 2020 and 2019, respectively). Interest was payable monthly with any principal for this portion of the line of credit due in December 2021. On April 29, 2020, the Medical Center exercised the remaining \$10,000,000 of the line of credit. The interest rate on this \$10,000,000 was equal to one month LIBOR (floor of 1.0%) plus 2.0% (3.0% at December 31, 2020). Interest was payable monthly with any principal for this portion of the line of credit due in April 2021. No amounts were outstanding on the lines of credit at December 31, 2020 and 2019. On March 31, 2021, the Medical Center entered into a new revolving line of credit for \$20,000,000 and terminated the two existing lines. The interest rate on this line is LIBOR plus 1.25% and line of credit expires March 31, 2023. At the date of this report, no amounts were outstanding on the line of credit.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE J - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The System, through the Medical Center, has a noncontributory defined benefit pension plan covering employees who meet prescribed eligibility requirements and also sponsors a supplemental executive retirement plan. In addition, the Medical Center sponsors a defined benefit health care plan (the Plan) that provides postretirement medical benefits to full-time employees who have worked 15 years and attain age 62 while employed with the Medical Center (collectively, the Plans). Employees hired after January 1, 1995 are not eligible for the postretirement medical benefits.

The Plan contains cost-sharing features such as deductibles, coinsurance, and retiree contributions. The accounting for the Plan anticipates future cost-sharing changes to the Plan that are consistent with the Medical Center's expressed intent to increase the retiree contribution rate annually for the expected general inflation rate for that year. The Medical Center's policy is to fund the cost of medical benefits on a pay-as-you-go basis.

The mortality table used for projecting the benefit obligations for both years is the Pri-2012, modified with the annual updates for projected improvements to the MP-2020 and RP-2014 Generational Mortality Tables for December 31, 2020 and 2019, respectively.

Included in accrued retirement benefits are amounts related to the defined benefit pension plan, the other postretirement benefit plan, the supplemental executive retirement plan, and a deferred compensation plan.

The following table presents a reconciliation of the beginning and ending balances of the projected obligations, the fair value of plan assets, and the funded status of the Plans:

| | Pension Benefits | | Other Benefits | |
|---|------------------|----------------|----------------|---------------|
| | December 31, | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Accumulated benefit obligation | \$ 232,166,586 | \$ 217,637,597 | N/A | N/A |
| Change in benefit obligations | | | | |
| Benefit obligation at beginning of year | \$ 217,827,009 | \$ 201,118,259 | \$ 21,310,975 | \$ 19,761,771 |
| Service cost | 852,855 | 682,818 | 522,163 | 478,500 |
| Interest cost | 6,439,041 | 8,006,562 | 575,242 | 748,023 |
| Actuarial loss | 22,419,608 | 25,971,169 | 1,374,604 | 1,581,832 |
| Contributions by participants | - | - | 570,749 | 593,507 |
| Benefits paid | (14,996,484) | (17,951,799) | (1,657,632) | (1,852,658) |
| Benefit obligation at end of year | \$ 232,542,029 | \$ 217,827,009 | \$ 22,696,101 | \$ 21,310,975 |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE J - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS - CONTINUED

| | Pension Benefits | | Other Benefits | |
|--|------------------------|------------------------|------------------------|------------------------|
| | December 31, | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Changes in plan assets | | | | |
| Fair value of plan assets at beginning of year | \$ 160,013,768 | \$ 149,662,605 | \$ - | \$ - |
| Actual return on plan assets | 15,110,253 | 24,008,962 | - | - |
| Contributions by participants | - | - | 1,086,883 | 1,259,151 |
| Contributions by the Medical Center | 9,566,000 | 4,294,000 | 570,749 | 593,507 |
| Benefits paid | (14,996,484) | (17,951,799) | (1,657,632) | (1,852,658) |
| Fair value of plan assets at end of year | 169,693,537 | 160,013,768 | - | - |
| | <u>\$ (62,848,492)</u> | <u>\$ (57,813,241)</u> | <u>\$ (22,696,101)</u> | <u>\$ (21,310,975)</u> |
| Amount recognized in consolidated balance sheets consist of: | | | | |
| Current liability | \$ - | \$ - | \$ (1,272,804) | \$ (1,297,817) |
| Noncurrent liability | (62,848,492) | (57,813,241) | (21,423,297) | (20,013,158) |
| Amount recognized end of year | <u>\$ (62,848,492)</u> | <u>\$ (57,813,241)</u> | <u>\$ (22,696,101)</u> | <u>\$ (21,310,975)</u> |
| Amounts recognized in other changes in net assets without donor restrictions consist of: | | | | |
| Net actuarial loss | \$ 89,267,819 | \$ 76,672,010 | \$ 4,339,455 | \$ 3,126,671 |
| Prior service (credit) cost | (10,589,999) | (13,237,427) | 18,941 | 74,468 |
| | <u>\$ 78,677,820</u> | <u>\$ 63,434,583</u> | <u>\$ 4,358,396</u> | <u>\$ 3,201,139</u> |

The prior service (credit) cost and actuarial loss included in other changes in net assets without donor restriction at December 31, 2020 and expected to be recognized in net periodic pension (credit) cost during the year ending December 31, 2021 are as follows:

| | Pension Benefits | Other Benefits |
|--|------------------|----------------|
| Unrecognized prior service (credit) cost | \$ (2,649,000) | \$ 19,000 |
| Unrecognized actuarial loss | 7,485,000 | 677,652 |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE J - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS - CONTINUED

The following table sets forth the components of net periodic benefit (credit) cost for both the defined benefit plan and other postretirement benefit plan:

| | Pension Benefits | | Other Benefits | |
|--|-------------------------|---------------|----------------|--------------|
| | Year ended December 31, | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Components of net periodic benefit cost recognized in employee benefits: | | | | |
| Service cost | \$ 852,855 | \$ 682,818 | \$ 522,163 | \$ 478,500 |
| Components of net periodic benefit cost recognized in nonoperating and losses: | | | | |
| Interest cost | 6,439,041 | 8,006,562 | 575,242 | 748,023 |
| Expected return on assets | (11,285,013) | (10,422,525) | - | - |
| Amortization of: | | | | |
| Unrecognized net loss | 5,998,559 | 5,214,155 | 161,820 | 17,782 |
| Unrecognized prior service (credit) cost | (2,647,428) | (2,647,428) | 55,527 | 67,790 |
| | (1,494,841) | 150,764 | 792,589 | 833,595 |
| Net periodic benefit cost (credit) | (641,986) | 833,582 | 1,314,752 | 1,312,095 |
| Other changes in accrued retirement benefits recorded in net assets without donor restrictions consist of: | | | | |
| Current-year actuarial loss | 12,595,809 | 7,170,577 | 1,212,784 | 1,561,206 |
| Amortization of prior-service credit (cost) | 2,647,428 | 2,647,428 | (55,527) | (67,790) |
| Total recorded in net assets without donor restrictions | 15,243,237 | 9,818,005 | 1,157,257 | 1,493,416 |
| Total recognized as net benefit cost (credit) and recorded in net assets without donor restrictions | \$ 14,601,251 | \$ 10,651,587 | \$ 2,472,009 | \$ 2,805,511 |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE J - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS - CONTINUED

Weighted-average assumptions used to determine benefit obligations were:

| | Pension Benefits | | Other Benefits | |
|-------------------------------|-------------------------|-------|----------------|-------|
| | Year ended December 31, | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate | 2.19% | 3.01% | 2.01% | 2.87% |
| Rate of compensation increase | 0.75 | 0.75 | 0.75 | 0.75 |

Weighted-average assumptions used to determine net periodic benefit cost were:

| | Pension Benefits | | Other Benefits | |
|--|-------------------------|-------|----------------|-------|
| | Year ended December 31, | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate | 3.01% | 4.06% | 2.87% | 3.96% |
| Expected long-term return on plan assets | 7.10 | 7.10 | - | - |
| Rate of compensation increase | 0.75 | 0.75 | 0.75 | 0.75 |

To develop the expected long-term rate of return on assets assumption, the Medical Center considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

Health care rate trends are 6.75% for 2020 and reflect plan provisions limiting costs to the January 1, 2000 costs.

Plan Assets

The defined benefit plan's weighted-average asset allocations by asset category are as follows:

| Asset Category | Target | December 31, | |
|-------------------|------------|--------------|------|
| | Allocation | 2020 | 2019 |
| Equity securities | 30% - 70% | 53% | 52% |
| Fixed income | 30% - 60% | 39 | 38 |
| Real estate | 0% - 15% | 8 | 10 |
| | | 100% | 100% |

The investment policy and strategy for the defined benefit plan assets have established guidelines for an asset mix that provides diversification to absorb risk while not sacrificing investment returns. The guidelines are developed as ranges for each asset class.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE J - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS - CONTINUED

Cash Flows

Contributions

Based on the funded status of the defined benefit plan as of December 31, 2020, the Medical Center expects to contribute \$6,951,000 for the year ending December 31, 2021. This will be evaluated on a quarterly basis and is subject to change.

The Medical Center expects to contribute \$1,272,804 to the other benefits for the year ending December 31, 2021.

Estimated Future Benefit Payments

The following benefit payments which reflect expected future service, as appropriate, are expected to be paid:

| | Pension Benefits | Other Benefits |
|-----------|---------------------|-------------------|
| 2021 | \$ 9,847,985 | \$ 1,272,804 |
| 2022 | 10,217,055 | 1,290,872 |
| 2023 | 10,842,907 | 1,318,181 |
| 2024 | 11,398,625 | 1,719,646 |
| 2025 | 11,651,419 | 1,687,559 |
| 2026-2030 | 60,136,698 | 8,025,704 |

The following tables set forth the plan assets in the defined benefit pension plan measured at fair value and those plan assets at NAV, which is used as a practical expedient to estimate fair value by input level as defined in Note G, excluding plan assets at NAV, at December 31, 2020 and 2019:

| December 31, 2020 | | | | |
|---|-----------------------|---------------------|---------------------|-------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | \$ 2,046,758 | \$ 2,046,758 | \$ - | \$ - |
| Certificates of deposit | 5,723,955 | 5,723,955 | - | - |
| Insurance contracts | 8,812,187 | - | 8,812,187 | - |
| | 16,582,900 | <u>\$ 7,770,713</u> | <u>\$ 8,812,187</u> | <u>\$ -</u> |
| Pooled separate accounts and collective fund trusts (at NAV): | | | | |
| U.S. equity securities | 71,843,603 | | | |
| International equity securities | 18,233,855 | | | |
| Corporate debt obligations | 49,548,856 | | | |
| Real estate | 13,484,323 | | | |
| | <u>\$ 169,693,537</u> | | | |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE J - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS - CONTINUED

| | December 31, 2019 | | | |
|---|-----------------------|---------------------|---------------------|-------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | \$ 2,549,867 | \$ 2,549,867 | \$ - | \$ - |
| Certificates of deposit | 4,614,353 | 4,614,353 | - | - |
| Insurance contracts | 8,534,896 | - | 8,534,896 | - |
| | 15,699,116 | <u>\$ 7,164,220</u> | <u>\$ 8,534,896</u> | <u>\$ -</u> |
| Pooled separate accounts and collective fund trusts (at NAV): | | | | |
| U.S. equity securities | 66,462,381 | | | |
| International equity securities | 16,572,462 | | | |
| Corporate debt obligations | 44,960,556 | | | |
| Real estate | 16,319,253 | | | |
| | <u>\$ 160,013,768</u> | | | |

Defined Contribution

The System also offers a 401(k) defined contribution savings plan to all full-time and part-time employees of the System. The System matches participant contributions for active participants as of December 31 who have completed at least 1,000 hours of service during the calendar year. The match is 50% of the first 6% of compensation for union employees and 50% of the first 4% of compensation for nonunion employees. In addition to the match, the System makes a discretionary qualified non-elective contribution of 2.5% of compensation to all eligible employees annually. Effective October 2020, the ratified union contract increased, for new hires only, the match to 50% of the first 8% of compensation. Also, these new union employees will no longer participate in the discretionary qualified non-elective contribution. The System's expense for this plan for the years ended December 31, 2020 and 2019 was \$1,184,223 and \$1,466,227, respectively.

Also included in the balance of accrued retirement benefits is deferred compensation of \$1,120,383 and \$963,585 at December 31, 2020 and 2019, respectively.

NOTE K - CONTINGENCIES

Litigation

The System is a defendant in civil actions for alleged medical malpractice and general liability. These actions are being defended by the System's medical malpractice insurance carrier. In the opinion of management, the System's potential liability in these actions is within the limits of its medical malpractice liability and comprehensive general liability insurance.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE K - CONTINGENCIES - CONTINUED

Lease and Other Agreements

The System acts as lessor for certain office space under operating lease agreements with initial lease terms expiring at various dates through 2027. In addition, the leases generally contain renewal options that give the lessees the right to extend the leases for varying additional periods. The System has received lease prepayments related to two leases that are recorded as deferred revenue for \$2,306,359 and \$2,745,140 as of December 31, 2020 and 2019, respectively, and are included in other current and long-term liabilities in the consolidated balance sheets. Revenue will be recognized over the lease term. Rental revenue under operating leases where the System acts as lessor for the years ended December 31, 2020 and 2019 was \$613,762 and \$628,867, respectively, and is recorded as other revenue in the consolidated statements of operations and changes in net assets.

The five-year future minimum rental income and amortization of the rental prepayment are as follows for the years ended December 31:

| | <u>Prepaid Leases</u> | <u>Other Leases</u> | <u>Total</u> |
|------|---------------------------|-------------------------|--------------|
| 2021 | \$ 437,342 | \$ 185,877 | \$ 623,219 |
| 2022 | 433,477 | 188,651 | 622,128 |
| 2023 | 429,540 | 103,664 | 533,204 |
| 2024 | 423,497 | 87,659 | 511,156 |
| 2025 | 421,474 | - | 421,474 |

During 2015, the System entered into an agreement with an area health system. The agreement provides the other health system with the right of first refusal for future affiliations or mergers of the System for seven years through August 2022. In exchange, the System received \$5,000,000. The payment is recorded as deferred revenue and is included in other long-term liabilities in the consolidated balance sheets.

NOTE L - FUNCTIONAL EXPENSES

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

| <u>For the year ended December 31, 2020</u> | <u>Healthcare Services</u> | <u>General and Administrative</u> | <u>Total</u> |
|---|--------------------------------|---------------------------------------|-----------------------|
| Salaries and wages | \$ 56,154,889 | \$ 13,498,905 | \$ 69,653,794 |
| Physician salaries and fees | 19,980,945 | 4,806,656 | 24,787,601 |
| Employee benefits | 13,295,531 | 3,196,073 | 16,491,604 |
| Contracted services | 32,026,977 | 7,698,869 | 39,725,846 |
| Supplies and other expenses | 29,511,450 | 7,094,171 | 36,605,621 |
| Interest | 735,380 | 176,775 | 912,155 |
| Depreciation and amortization | 9,095,391 | 2,186,416 | 11,281,807 |
| | <u>\$ 160,800,563</u> | <u>\$ 38,657,865</u> | <u>\$ 199,458,428</u> |

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE L - FUNCTIONAL EXPENSES - CONTINUED

| <u>For the year ended December 31, 2019</u> | <u>Healthcare Services</u> | <u>General and Administrative</u> | <u>Total</u> |
|---|--------------------------------|---------------------------------------|-----------------------|
| Salaries and wages | \$ 59,306,833 | \$ 14,001,984 | \$ 73,308,817 |
| Physician salaries and fees | 20,649,160 | 4,875,142 | 25,524,302 |
| Employee benefits | 13,762,595 | 3,249,265 | 17,011,860 |
| Contracted services | 35,539,876 | 7,682,467 | 40,222,343 |
| Supplies and other expenses | 30,383,184 | 7,173,286 | 37,556,470 |
| Interest | 1,834,861 | 433,200 | 2,268,061 |
| Depreciation and amortization | 9,403,805 | 2,220,183 | 11,623,988 |
| | <u>\$ 167,880,314</u> | <u>\$ 39,635,527</u> | <u>\$ 207,515,841</u> |

The consolidated financial statements report certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest, and other occupancy costs, are allocated to a function based on a square footage basis.

NOTE M - CONCENTRATIONS OF CREDIT RISK

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of accounts receivable from patients and third-party payors was as follows:

| | <u>December 31,</u> <u>2020</u> | <u>2019</u> |
|-----------------------------|------------------------------------|-------------|
| Medicare and Medicaid | 47% | 48% |
| Commercial and managed care | 15 | 13 |
| Blue Cross | 29 | 27 |
| Other third-party payors | 7 | 10 |
| Self pay | 2 | 2 |
| | <u>100%</u> | <u>100%</u> |

In addition, the System invests its cash and cash equivalents primarily with banks and financial institutions. These deposits may be in excess of federally insured limits. Management believes that the credit risk related to these deposits is minimal.

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31:

| | December 31, 2020 | December 31, 2019 |
|---|----------------------|----------------------|
| Subject to expenditure for specific purpose: | | |
| Purchase of property and equipment | \$ 376,187 | \$ 285,477 |
| Investment in perpetuity whose income is expendable to support: | | |
| Scholarships and other | 3,191,488 | 2,881,299 |
| | <u>\$ 3,567,675</u> | <u>\$ 3,166,776</u> |

The System follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted in New Jersey as they relate to its endowments. Prior to the enactment of UPMIFA, the System followed the requirements of the Uniform Management of Institutional Funds Act. The System's endowments consist of two individual funds established for the above-mentioned purposes and consist solely of donor-restricted endowment funds. As required by the U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The System has interpreted UPMIFA, which did not have a significant effect on the endowment policies prior to the enactment, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets: (1) the original value of gifts donated to the permanent endowment; (2) the original value of subsequent gifts to the permanent endowment; and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the fund
- The purposes of the System and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the System
- The investment policies of the System

Shore Memorial Health System and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

The System has adopted investment policies for its endowment assets that are consistent with the policies and objectives of their overall investments. The assets are invested in a manner that is intended to produce a positive rate of return while assuming a low level of risk.

The following table sets forth the changes to assets as they relate to the System's endowments for the years ended December 31, 2020 and 2019:

| | |
|---|---------------------|
| Endowment net assets, December 31, 2018 | \$ 819,362 |
| Investment return, net | (6,727) |
| Change in unrealized gains and losses | <u>129,599</u> |
| Endowment net assets, December 31, 2019 | 942,234 |
| Investment return, net | (7,880) |
| Change in unrealized gains and losses | <u>142,218</u> |
| Endowment net assets, December 31, 2020 | <u>\$ 1,076,572</u> |

NOTE O - SUBSEQUENT EVENTS

The System evaluated its December 31, 2020 consolidated financial statements for subsequent events through April 7, 2021, the date the consolidated financial statements were available to be issued. The System is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements, except as noted elsewhere in the notes to consolidated financial statements.

SUPPLEMENTARY INFORMATION

Shore Memorial Health System and Affiliates

CONSOLIDATING BALANCE SHEET

December 31, 2020

| | Shore Medical Center | Shore Health Services Corporation | Brighton Bay | Shore Memorial Physician Services Combined | Shore Memorial Health System | Totals before Eliminations | Eliminating Entries | Totals |
|---|-------------------------|---|---------------------|--|------------------------------------|----------------------------------|------------------------|-----------------------|
| ASSETS | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | \$ 619,067 | \$ - | \$ - | \$ 3,400,013 | \$ 78,175 | \$ 4,097,255 | \$ - | \$ 4,097,255 |
| Assets limited as to use | 9,322,340 | - | - | 902,968 | - | 10,225,308 | - | 10,225,308 |
| Patient accounts receivable | 19,738,543 | - | - | 2,021,641 | - | 21,760,184 | - | 21,760,184 |
| Supplies | 5,059,720 | - | - | - | - | 5,059,720 | - | 5,059,720 |
| Prepaid expenses and other current assets | 3,062,666 | - | 157,329 | 940,609 | 7,325 | 4,167,929 | - | 4,167,929 |
| Total current assets | 37,802,336 | - | 157,329 | 7,265,231 | 85,500 | 45,310,396 | - | 45,310,396 |
| Assets limited as to use: | | | | | | | | |
| Internally designated by Board of Trustees | 139,435,024 | - | - | 651,575 | - | 140,086,599 | - | 140,086,599 |
| Externally designated by donor | 1,076,572 | - | - | - | - | 1,076,572 | - | 1,076,572 |
| Investment in affiliates | (6,679,447) | - | - | - | (1,860,448) | (8,539,895) | 8,539,895 | - |
| Due from affiliates | 16,746,889 | - | (1,565,100) | (3,092,293) | - | 12,089,496 | (12,089,496) | - |
| Property and equipment, net | 108,245,344 | 1,200,000 | 4,273,317 | 2,631,382 | 134,000 | 116,484,043 | - | 116,484,043 |
| Other assets | 3,016,271 | - | 168,177 | 1,243,654 | - | 4,428,102 | - | 4,428,102 |
| Beneficial interest in perpetual trust | 2,114,916 | - | - | - | - | 2,114,916 | - | 2,114,916 |
| Total assets | <u>\$ 301,757,905</u> | <u>\$ 1,200,000</u> | <u>\$ 3,033,723</u> | <u>\$ 8,699,549</u> | <u>\$ (1,640,948)</u> | <u>\$ 313,050,229</u> | <u>\$ (3,549,601)</u> | <u>\$ 309,500,628</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| Current liabilities | | | | | | | | |
| Current portion of long-term debt | \$ 4,630,000 | \$ - | \$ - | \$ - | \$ - | \$ 4,630,000 | \$ - | \$ 4,630,000 |
| Accounts payable, accrued expenses, and other current liabilities | 19,830,535 | 4,450 | 481,212 | 3,815,803 | 593,130 | 24,725,130 | - | 24,725,130 |
| Accrued vacation, holiday, and sick pay | 5,168,072 | - | - | - | - | 5,168,072 | - | 5,168,072 |
| Current portion of accrued retirement benefits | 1,272,804 | - | - | - | - | 1,272,804 | - | 1,272,804 |
| Estimated settlements due to third-party payors | 13,067,651 | - | - | 3,781,073 | - | 16,848,724 | - | 16,848,724 |
| Due to affiliates | - | 1,792,035 | - | 9,225,623 | 1,071,837 | 12,089,495 | (12,089,495) | - |
| Total current liabilities | 43,969,062 | 1,796,485 | 481,212 | 16,822,499 | 1,664,967 | 64,734,225 | (12,089,495) | 52,644,730 |
| Estimated settlements due to third-party payors, less current portion | 15,553,079 | - | - | 651,577 | - | 16,204,656 | - | 16,204,656 |
| Accrued retirement benefits, less current portion | 85,392,172 | - | - | - | - | 85,392,172 | - | 85,392,172 |
| Reserve for insurance claims, less current portion | 3,478,725 | - | - | - | - | 3,478,725 | - | 3,478,725 |
| Other long-term liabilities | 4,211,123 | - | 2,306,359 | - | - | 6,517,482 | - | 6,517,482 |
| Long-term debt, less current portion | 39,325,504 | - | - | - | - | 39,325,504 | - | 39,325,504 |
| Total liabilities | 191,929,665 | 1,796,485 | 2,787,571 | 17,474,076 | 1,664,967 | 215,652,764 | (12,089,495) | 203,563,269 |
| Shareholder's equity (deficit) | | | | | | | | |
| Common stock | - | - | - | 500 | - | 500 | (500) | - |
| Additional paid-in capital | - | - | 624,479 | 97,786,733 | - | 98,411,212 | (98,411,212) | - |
| Retained (deficit) earnings | - | (596,485) | (378,327) | (106,561,760) | - | (107,536,572) | 107,536,572 | - |
| Total shareholder's equity (deficit) | - | (596,485) | 246,152 | (8,774,527) | - | (9,124,860) | 9,124,860 | - |
| Net assets | | | | | | | | |
| Without donor restrictions | 106,260,565 | - | - | - | (3,305,915) | 102,954,650 | (584,966) | 102,369,684 |
| With donor restrictions | 3,567,675 | - | - | - | - | 3,567,675 | - | 3,567,675 |
| Total net assets | 109,828,240 | - | - | - | (3,305,915) | 106,522,325 | (584,966) | 105,937,359 |
| Total liabilities and net assets | <u>\$ 301,757,905</u> | <u>\$ 1,200,000</u> | <u>\$ 3,033,723</u> | <u>\$ 8,699,549</u> | <u>\$ (1,640,948)</u> | <u>\$ 313,050,229</u> | <u>\$ (3,549,601)</u> | <u>\$ 309,500,628</u> |

Shore Memorial Physician Services

COMBINING BALANCE SHEET

December 31, 2020

| | Shore Memorial Physicians Group | Shore Urgent Care | Shore Pathology Associates | Shore Specialty Consultants | Shore Hospitalists Associates | Shore Quality Partners | Shore Health Enterprises | Shore Memorial Physician Services Combined |
|---|--|-------------------------|----------------------------------|-----------------------------------|-------------------------------------|------------------------------|-----------------------------|--|
| ASSETS | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | \$ 3,816,774 | \$ 9,827 | \$ (1) | \$ (528,110) | \$ (231,615) | \$ 302,031 | \$ 31,107 | \$ 3,400,013 |
| Assets limited as to use | 285,796 | 12,891 | - | 401,556 | 202,725 | - | - | 902,968 |
| Patient accounts receivable | 325,398 | 207,711 | 48,146 | 900,285 | 540,101 | - | - | 2,021,641 |
| Supplies | - | - | - | - | - | - | - | - |
| Prepaid expenses and other current assets | 307,895 | - | - | - | - | 557,084 | 75,630 | 940,609 |
| Total current assets | 4,735,863 | 230,429 | 48,145 | 773,731 | 511,211 | 859,115 | 106,737 | 7,265,231 |
| Assets limited as to use: | | | | | | | | |
| Internally designated by Board of Trustees | 239,431 | 6,878 | - | 318,804 | 86,462 | - | - | 651,575 |
| Externally designated by donor | - | - | - | - | - | - | - | - |
| Investment in affiliates | - | - | - | - | - | - | - | - |
| Due from affiliates | - | - | - | - | - | (3,092,293) | - | (3,092,293) |
| Property and equipment, net | - | - | - | - | - | 3,316 | 2,628,066 | 2,631,382 |
| Other assets | - | - | - | - | - | - | 1,243,654 | 1,243,654 |
| Beneficial interest in perpetual trust | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 4,975,294</u> | <u>\$ 237,307</u> | <u>\$ 48,145</u> | <u>\$ 1,092,535</u> | <u>\$ 597,673</u> | <u>\$ (2,229,862)</u> | <u>\$ 3,978,457</u> | <u>\$ 8,699,549</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| Current liabilities | | | | | | | | |
| Current portion of long-term debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable, accrued expenses, and other current liabilities | 3,093,524 | - | - | - | 3,740 | 436,302 | 282,237 | 3,815,803 |
| Accrued vacation, holiday, and sick pay | - | - | - | - | - | - | - | - |
| Current portion of accrued retirement benefits | - | - | - | - | - | - | - | - |
| Estimated settlements due to third-party payors | 3,132,896 | 42,921 | - | 401,556 | 202,725 | 975 | - | 3,781,073 |
| Due to affiliates | (47,295,280) | 6,645,136 | 3,362,125 | 27,218,544 | 13,738,430 | - | 5,556,668 | 9,225,623 |
| Total current liabilities | (41,068,860) | 6,688,057 | 3,362,125 | 27,620,100 | 13,944,895 | 437,277 | 5,838,905 | 16,822,499 |
| Estimated settlements due to third-party payors, less current portion | 239,433 | 6,878 | - | 318,804 | 86,462 | - | - | 651,577 |
| Accrued retirement benefits, less current portion | - | - | - | - | - | - | - | - |
| Reserve for insurance claims, less current portion | - | - | - | - | - | - | - | - |
| Other long-term liabilities | - | - | - | - | - | - | - | - |
| Long-term debt, less current portion | - | - | - | - | - | - | - | - |
| Total liabilities | (40,829,427) | 6,694,935 | 3,362,125 | 27,938,904 | 14,031,357 | 437,277 | 5,838,905 | 17,474,076 |
| Shareholder's equity (deficit) | | | | | | | | |
| Common stock | - | - | - | - | - | - | 500 | 500 |
| Additional paid-in capital | 90,053,162 | 484,071 | - | - | - | - | 7,249,500 | 97,786,733 |
| Retained deficit | (44,248,441) | (6,941,699) | (3,313,980) | (26,846,369) | (13,433,684) | (2,667,139) | (9,110,448) | (106,561,760) |
| Total shareholder's equity (deficit) | 45,804,721 | (6,457,628) | (3,313,980) | (26,846,369) | (13,433,684) | (2,667,139) | (1,860,448) | (8,774,527) |
| Net assets | | | | | | | | |
| Without donor restrictions | - | - | - | - | - | - | - | - |
| With donor restrictions | - | - | - | - | - | - | - | - |
| Total net assets | - | - | - | - | - | - | - | - |
| Total liabilities and net assets | <u>\$ 4,975,294</u> | <u>\$ 237,307</u> | <u>\$ 48,145</u> | <u>\$ 1,092,535</u> | <u>\$ 597,673</u> | <u>\$ (2,229,862)</u> | <u>\$ 3,978,457</u> | <u>\$ 8,699,549</u> |

Shore Memorial Health System and Affiliates

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31, 2020

| | Shore Medical Center | Shore Health Services Corporation | Brighton Bay | Shore Memorial Physician Services Combined | Shore Memorial Health System | Totals before Eliminations | Eliminating Entries | Totals |
|---|-------------------------|---|-----------------|--|---------------------------------------|----------------------------------|------------------------|----------------|
| Net assets without donor restrictions | | | | | | | | |
| Revenues: | | | | | | | | |
| Patient service revenue | \$ 177,913,402 | \$ - | \$ - | \$ 17,397,677 | \$ - | \$ 195,311,079 | \$ - | \$ 195,311,079 |
| Other revenue | 8,372,261 | - | 613,762 | 6,380,726 | (240,488) | 15,126,261 | 8,823,651 | 23,949,912 |
| Total revenues | 186,285,663 | - | 613,762 | 23,778,403 | (240,488) | 210,437,340 | 8,823,651 | 219,260,991 |
| Expenses: | | | | | | | | |
| Salaries and wages | 63,035,800 | 2,400 | - | 6,559,511 | 56,083 | 69,653,794 | - | 69,653,794 |
| Physician salaries and fees | 9,576,125 | - | - | 16,459,242 | - | 26,035,367 | (1,247,766) | 24,787,601 |
| Employee benefits | 13,975,955 | 600 | - | 2,510,849 | 4,200 | 16,491,604 | - | 16,491,604 |
| Contracted services | 33,594,642 | 1,950 | 24,322 | 6,526,754 | 285,010 | 40,432,678 | (706,832) | 39,725,846 |
| Supplies and other expenses | 34,437,799 | - | 1,621 | 2,166,201 | - | 36,605,621 | - | 36,605,621 |
| Interest | 893,793 | - | - | 18,362 | - | 912,155 | - | 912,155 |
| Depreciation and amortization | 10,538,628 | - | 310,542 | 888,497 | - | 11,737,667 | (455,860) | 11,281,807 |
| Total expenses | 166,052,742 | 4,950 | 336,485 | 35,129,416 | 345,293 | 201,868,886 | (2,410,458) | 199,458,428 |
| Operating income (loss) | 20,232,921 | (4,950) | 277,277 | (11,351,013) | (585,781) | 8,568,454 | 11,234,109 | 19,802,563 |
| Nonoperating gains and (losses); | | | | | | | | |
| Investment return, net | 9,103,827 | - | - | (455,770) | (433,293) | 8,214,764 | 435,270 | 8,650,034 |
| Other accrued retirement cost | 702,252 | - | - | - | - | 702,252 | - | 702,252 |
| Other | - | - | - | (524,851) | (384,979) | (909,830) | 384,979 | (524,851) |
| Total nonoperating gains (losses), net | 9,806,079 | - | - | (980,621) | (818,272) | 8,007,186 | 820,249 | 8,827,435 |
| Excess of (deficiency in) revenues and gains over expenses and losses | 30,039,000 | (4,950) | 277,277 | (12,331,634) | (1,404,053) | 16,575,640 | 12,054,358 | 28,629,998 |
| Other changes in net assets without donor restrictions | | | | | | | | |
| Transfers (to) from affiliates | - | - | - | 9,400,000 | - | 9,400,000 | (9,400,000) | - |
| Other changes in accrued retirement benefits | (16,400,494) | - | - | - | - | (16,400,494) | - | (16,400,494) |
| Increase (decrease) in net assets without donor restrictions | 13,638,506 | (4,950) | 277,277 | (2,931,634) | (1,404,053) | 9,575,146 | 2,654,358 | 12,229,504 |
| Net assets with donor restrictions | | | | | | | | |
| Investment return, net | 134,339 | - | - | - | - | 134,339 | - | 134,339 |
| Other | 90,709 | - | - | - | - | 90,709 | - | 90,709 |
| Change in beneficial interest in perpetual trust | 175,851 | - | - | - | - | 175,851 | - | 175,851 |
| Increase in net assets with donor restrictions | 400,899 | - | - | - | - | 400,899 | - | 400,899 |
| Increase (decrease) in net assets | 14,039,405 | (4,950) | 277,277 | (2,931,634) | (1,404,053) | 9,976,045 | 2,654,358 | 12,630,403 |
| Net assets, beginning of year | 95,788,835 | (591,535) | (31,125) | (5,842,893) | (1,901,862) | 87,421,420 | 5,885,536 | 93,306,956 |
| Net assets, end of year | \$ 109,828,240 | \$ (596,485) | \$ 246,152 | \$ (8,774,527) | \$ (3,305,915) | \$ 97,397,465 | \$ 8,539,894 | \$ 105,937,359 |

Shore Memorial Physician Services

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31, 2020

| | Shore Memorial Physicians Group | Shore Urgent Care | Shore Pathology Associates | Shore Specialty Consultants | Shore Hospitalists Associates | Shore Quality Partners | Shore Health Enterprises | Shore Memorial Physician Services Combined |
|--|--|----------------------------------|---|--|--|---------------------------------------|-------------------------------------|---|
| Net assets without donor restrictions | | | | | | | | |
| Revenues: | | | | | | | | |
| Patient service revenue | \$ 5,986,936 | \$ 1,164,968 | \$ 474,707 | \$ 7,181,872 | \$ 2,589,194 | \$ - | \$ - | \$ 17,397,677 |
| Other revenue | <u>1,887,370</u> | <u>77,866</u> | <u>12,979</u> | <u>1,839,163</u> | <u>165,718</u> | <u>1,638,105</u> | <u>759,525</u> | <u>6,380,726</u> |
| Total revenues | 7,874,306 | 1,242,834 | 487,686 | 9,021,035 | 2,754,912 | 1,638,105 | 759,525 | 23,778,403 |
| Expenses: | | | | | | | | |
| Salaries and wages | 4,722,792 | 136,454 | - | 1,462,438 | 58,165 | 179,662 | - | 6,559,511 |
| Physician salaries and fees | 3,345,818 | 674,176 | 676,773 | 7,847,134 | 3,915,341 | - | - | 16,459,242 |
| Employee benefits | 1,899,091 | 16,068 | 31,894 | 393,782 | 158,922 | 11,092 | - | 2,510,849 |
| Contracted services | (659,184) | 467,705 | 188,865 | 3,889,490 | 847,356 | 1,184,496 | 608,026 | 6,526,754 |
| Supplies and other expenses | 786,315 | 44,264 | 14,683 | 1,203,314 | 115,624 | 2,001 | - | 2,166,201 |
| Interest | 18,362 | - | - | - | - | - | - | 18,362 |
| Depreciation and amortization | <u>349,627</u> | <u>8,486</u> | <u>-</u> | <u>54,114</u> | <u>854</u> | <u>19,556</u> | <u>455,860</u> | <u>888,497</u> |
| Total expenses | <u>10,462,821</u> | <u>1,347,153</u> | <u>912,215</u> | <u>14,850,272</u> | <u>5,096,262</u> | <u>1,396,807</u> | <u>1,063,886</u> | <u>35,129,416</u> |
| Operating (loss) income | (2,588,515) | (104,319) | (424,529) | (5,829,237) | (2,341,350) | 241,298 | (304,361) | (11,351,013) |
| Nonoperating gains and (losses): | | | | | | | | |
| Investment return, net | (18,500) | - | (2,000) | - | - | - | (435,270) | (455,770) |
| Other accrued retirement cost | - | - | - | - | - | - | - | - |
| Other | <u>(139,872)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(384,979)</u> | <u>(524,851)</u> |
| Total nonoperating losses, net | <u>(158,372)</u> | <u>-</u> | <u>(2,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(820,249)</u> | <u>(980,621)</u> |
| Deficiency in revenues and gains over expenses and losses | (2,746,887) | (104,319) | (426,529) | (5,829,237) | (2,341,350) | 241,298 | (1,124,610) | (12,331,634) |
| Other changes in net assets without donor restrictions: | | | | | | | | |
| Transfers from affiliates | 9,400,000 | - | - | - | - | - | - | 9,400,000 |
| Other changes in pension and other postretirement benefits | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net assets without donor restrictions | 6,653,113 | (104,319) | (426,529) | (5,829,237) | (2,341,350) | 241,298 | (1,124,610) | (2,931,634) |
| Net assets with donor restrictions | | | | | | | | |
| Investment return, net | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Change in beneficial interest in perpetual trust | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Decrease in net assets with donor restrictions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net assets | 6,653,113 | (104,319) | (426,529) | (5,829,237) | (2,341,350) | 241,298 | (1,124,610) | (2,931,634) |
| Net assets, beginning of year | <u>39,151,608</u> | <u>(6,353,309)</u> | <u>(2,887,451)</u> | <u>(21,017,132)</u> | <u>(11,092,334)</u> | <u>(2,908,437)</u> | <u>(735,838)</u> | <u>(5,842,893)</u> |
| Net assets, end of year | <u>\$ 45,804,721</u> | <u>\$ (6,457,628)</u> | <u>\$ (3,313,980)</u> | <u>\$ (26,846,369)</u> | <u>\$ (13,433,684)</u> | <u>\$ (2,667,139)</u> | <u>\$ (1,860,448)</u> | <u>\$ (8,774,527)</u> |