 <p>JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM</p>	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN095	
		<i>Effective Date</i>	01-01-08	
	<i>Subject</i>	JHHS AFFILIATE TARGETS FOR EXCESS OPERATING REVENUE OVER EXPENSES	<i>Page</i>	1 of 2
			<i>Supersedes</i>	10-01-06

POLICY

This policy applies to The Johns Hopkins Health System Corp. (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), Howard County General Hospital (HCGH), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Medical Services Corporation (JHMSC), Johns Hopkins Medicine International (JHMI), Ophthalmology Associates (OA), Johns Hopkins Employer Health Programs (EHP), Johns Hopkins Medical Management Corporation (JHMMC), Priority Partners (PP), Johns Hopkins Pharmaquip, Inc. (JHPQ), Johns Hopkins Home Health Services, Inc. (JHHHS), Johns Hopkins Pediatrics Home, Inc. (JHPAHI), Johns Hopkins HealthCare (JHHC), Johns Hopkins Home Care Group (JHHCG), Suburban Health Center (SHC), Broadway Acquisition and Development, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN)

Purpose

The purpose of this policy is to ensure the application of a consistent and appropriate process to establish JHHS and affiliate annual targets for excess operating revenue over expenses. Such targets are designed to provide adequate levels of income to fund capital programs and to maintain adequate access to public capital markets.


Annual targets for excess operating revenue over expenses are subject to the review and approval of the Executive Vice President/Chief Operating Officer (COO), JHHS. In general, the annual targets for excess operating revenue over expenses for each JHHS affiliate will be a three percent (3.0%) margin computed on the base of Net Operating Revenue. Each affiliate's actual target for excess operating revenue over expenses will be determined during the development of the affiliate Annual Operating Plan and may vary from the three (3.0%) percent general target described above.

It is imperative that appropriate staff from respective affiliate Finance Departments and the following representatives participate in the annual process of developing targets for excess operating revenue over expenses.

<u>Affiliate</u>	<u>Representative</u>
All Affiliates	President and Chief Executive Officer (CEO) Vice President of Finance/Chief Financial Officer (CFO)
JHHS	President and CEO Executive Vice President/Chief Operating Officer (COO) Vice President of Finance/CFO and Treasurer

RESPONSIBILITIES

Vice President of Finance/CFO and Treasurer, JHH/JHHS	Determine appropriate annual affiliate targets for excess operating revenue over expenses.
President/CEO, JHHS	Review and approve annual affiliate targets for excess operating revenue over expenses.

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SPONSOR

Vice President of Finance/CFO and Treasurer, JHHS

REVIEW CYCLE

Three (3) years

APPROVAL

President, JHHS

Date