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Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

Founded as a Christian ministry of healing, Baylor University Medical Center exists to serve all people through exemplary health care, education, research and community service

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 exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 817,883,678 including grants of \$ 24,592,735) (Revenue \$ 1,081,467,877)

See Schedule O Baylor University Medical Center (BUMC), a 1026 bed nonprofit faith based acute care hospital, is the flagship hospital of the nationally acclaimed Baylor Health Care System (BHCS) BUMC is a major patient care, research and medical education center of the Southwest and serves patients in North Texas, from across the nation and internationally BUMC provides inpatient and outpatient medical services to treat individuals with diseases, illnesses and injuries of varying complexities Some of those clinical services are provided despite a financial loss to BUMC Services include all of the comprehensive health care services typical of a quality teaching and research hospital with multidisciplinary interaction among physicians, providing patients with innovative methods of prevention, diagnosis, treatment, education and support These services include comprehensive care for all stages of illness through all stages of life BUMC operates an emergency department and level 1 trauma center encompassing 78,000 square feet with 87 patient rooms, including four major trauma care beds This level 1 trauma center is one of only two providing adult trauma services in Dallas County seeing more than 100,000 patients in FY 2010 South Dallas residents are 30 percent more likely to be admitted to a hospital due to diabetes or a diabetes-related conditions than other city of Dallas residents In an effort to improve these conditions, the Diabetes Health and Wellness Institute at Juanita J Craft Recreation Center (Institute) opened in fiscal year 2010 by Baylor Health Care System BUMC supported the Institute through community wellness initiatives designed to increase access to care, and extend the wellness and quality of life for the residents of South Dallas Events such as Passport to Health screening, KwanzaaFest, Live It Up! Tea and For Women For Life served over 30,000 people in the South Dallas Frazier neighborhood During the fiscal year ended June 30, 2010, BUMC admitted 38,951 total patients resulting in a total of 241,575 days of care, 4,703 babies were delivered and there were 85,374 emergency department visits During the year, BUMC reported community benefits (as reported to the Texas Department of State Health Services, and in accordance with the State of Texas Statutory methodology) of \$212,823,078 BUMC provided community benefits (as reported on the IRS Form 990, Schedule H) of \$56,339,256 during the tax year The Texas Annual Statement of Community Benefit Standard includes approximately \$117,600,000 of unreimbursed cost of Medicare that is not included in the IRS Form 990, Schedule H

4b

(Code) (Expenses \$ 20,677,248 including grants of \$ 0) (Revenue \$ 8,148,921)

See Schedule O Baylor University Medical Center (BUMC) provided medical residency programs for the training of future physicians, nurses and other health professionals in an effort to increase the supply of health care professionals nation-wide During the year, BUMC served 217 medical residency students Assisting with the preparation of future nurses at entry and advanced levels of nursing is critical in establishing a workforce of qualified nurses Baylor strengthened and increased the number of affiliations with schools of nursing, through their work with six Dallas County schools of nursing Dunning the year, BUMC invested 23,757 hours in the training of 709 undergraduate nurses Total unreimbursed cost of these programs is \$12,528,327

4c

(Code) (Expenses \$ 12,192,982 including grants of \$ 12,192,982) (Revenue \$ 0)

See Schedule O Moving scientific theory from the research bench to clinical trials and, ultimately, to the patient’s bedside is central to the Baylor mission of patient-centered medical research During the year, BUMC supported clinical research development costs, research papers, and studies through Baylor Research Institute at a cost of \$12,192,982 At Baylor Research Institute alone, more than 700 patient focused research projects are under way

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses

\$ 850,753,908

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	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes	
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		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
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		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes	
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	◆ 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.			
	◆ 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.			
	◆ 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.			
	◆ Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	◆ 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? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? 	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I 	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II 	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III 	16		No
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	17		No
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		No
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		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 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>	23	Yes	
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 questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
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>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
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>	32		No
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>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	Yes	
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>	36		No
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>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	680	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	5,945	
	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 this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
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)?			4a	No
b If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
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?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
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?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
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?			12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

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

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶	
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Jay Whitfield 3500 Gaston Avenue Suite 220 Dallas, TX 75246 (214) 820-1913	

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

• 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

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

Form 990 (2009)

1b	Total	4,900,587	2,583,953	993,565
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2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶333

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
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? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1

Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Baylor Health Care System 2001 Bryan St Ste 2200 Dallas, TX 75201	Management Services	119,293,203
Aramark Services Inc P O Box 651009 Charlotte, NC 282651009	Engineering/Food Serv	18,030,111
HealthTexas Provider Network 2001 Bryan St Ste 2200 Dallas, TX 75201	Clinical/Admin Services	17,134,638
Baylor Heart & Vascular Center LLP 2001 Bryan St Ste 2200 Dallas, TX 75201	Clinical Services	16,858,325
MEDCO Construction LLC 2001 Bryan St Ste 2200 Dallas, TX 75201	Construction Services	14,147,498

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 ▶108

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	20,372,043				
	e	Government grants (contributions)	1e	4,490,253				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	183,353				
	g	Noncash contributions included in lines 1a-1f \$ 22,000						
	h	Total. Add lines 1a-1f			25,045,649			
Program Service Revenue			Business Code					
	2a	Patient Care Revenue	621,990	1,031,234,302	1,031,234,302			
	b	Affiliate Income	621,990	48,385,867	48,382,759	3,108		
	c	Cafeteria	722,210	9,680,693			9,680,693	
	d	Rent	531,120	7,016,190	7,016,190			
	e	Education	611,600	1,054,323	1,054,323			
	f	All other program service revenue		2,598,957	595,665	141,794	1,861,498	
	g	Total. Add lines 2a-2f			1,099,970,332			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			17,235,469	1,333,559	15,901,910	
	4	Income from investment of tax-exempt bond proceeds . . .						
	5	Royalties			12,267		12,267	
	6a	Gross Rents	(i) Real	(ii) Personal				
		b	Less rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less cost or other basis and sales expenses					
		c	Gain or (loss)					
		d	Net gain or (loss)			18,188,971		18,188,971
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
		b	Less direct expenses					
		c	Net income or (loss) from fundraising events . . .					
	9a	Gross income from gaming activities See Part IV, line 19						
		b	Less direct expenses					
		c	Net income or (loss) from gaming activities . . .					
10a	Gross sales of inventory, less returns and allowances							
	b	Less cost of goods sold						
	c	Net income or (loss) from sales of inventory . . .						
Miscellaneous Revenue		Business Code						
11a								
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d							
12	Total revenue. See Instructions			1,160,452,688	1,089,616,798	144,902	45,645,339	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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 governments and organizations in the U S See Part IV, line 21	36,867,093	36,867,093		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	3,225,027		3,225,027	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	281,324,079	278,086,649	3,237,430	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8,667,000	8,483,153	183,847	
9	Other employee benefits	38,770,207	38,324,426	445,781	
10	Payroll taxes	20,743,219	19,906,686	836,533	
11	Fees for services (non-employees)				
a	Management	222,456	222,456		
b	Legal	589,413		589,413	
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	204,361,242	103,264,563	101,096,679	
12	Advertising and promotion	3,607,201	202,701	3,404,500	
13	Office expenses	198,893,753	197,190,791	1,702,962	
14	Information technology	29,453,639	29,453,639		
15	Royalties				
16	Occupancy	34,041,872	30,449,629	3,592,243	
17	Travel	852,797	792,978	59,819	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,070,118	1,018,019	52,099	
20	Interest	14,135	14,135		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	37,648,999	37,648,999		
23	Insurance	-2,224,649		-2,224,649	
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Bad Debt	67,351,039	67,351,039		
b	Special Functions	575,703	280,117	295,586	
c	Recruiting	488,862	488,862		
d	Dues & Memberships	419,353	338,909	80,444	
e	Federal Income Tax	34,400	34,400		
f	All other expenses	355,109	334,664	20,445	
25	Total functional expenses. Add lines 1 through 24f	967,352,067	850,753,908	116,598,159	0
26	Joint costs. Check here ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			112,588	1	117,705
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			122,460,118	4	109,966,853
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			24,073,382	7	7,354,370
	8	Inventories for sale or use			11,222,566	8	10,738,716
	9	Prepaid expenses and deferred charges			538,754	9	439,852
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	680,488,381	284,836,954		
	b	Less accumulated depreciation	10b	396,928,619		10c	
	11	Investments—publicly traded securities			668,226,902	11	754,137,093
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			129,003,749	13	118,058,789
	14	Intangible assets			2,270,150	14	3,508,166
	15	Other assets. See Part IV, line 11			93,316,411	15	124,301,541
	16	Total assets. Add lines 1 through 15 (must equal line 34)			1,336,061,574	16	1,412,182,847
Liabilities	17	Accounts payable and accrued expenses			61,375,026	17	63,809,314
	18	Grants payable				18	
	19	Deferred revenue			12,475,735	19	16,499,042
	20	Tax-exempt bond liabilities			97,722,176	20	94,801,133
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			344,376	25	1,114,116
	26	Total liabilities. Add lines 17 through 25			171,917,313	26	176,223,605
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			1,077,763,763	27	1,119,250,120
	28	Temporarily restricted net assets			47,655,295	28	61,807,827
	29	Permanently restricted net assets			38,725,203	29	54,901,295
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			1,164,144,261	33	1,235,959,242
	34	Total liabilities and net assets/fund balances			1,336,061,574	34	1,412,182,847

Part XI Financial Statements and Reporting

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

SCHEDULE A
(Form 990 or 990EZ)

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. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Baylor University Medical Center

Employer identification number
75-1837454

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

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

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. 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		
b 33 1/3% support test—2008. If the organization did not check the 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		
17a 10%-facts-and-circumstances test—2009. 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b 10%-facts-and-circumstances test—2008. 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
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		

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

Section A. Public Support

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

Section B. Total Support

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

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

☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a**33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

b**33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

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

☐

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE 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. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public
Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, 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,” to 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,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization
Baylor University Medical Center

Employer identification number

75-1837454

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
- 2

Political expenditures ▶ \$
- 3

Volunteer hours

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 funtion 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

State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made 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-

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

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 (grass roots 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><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><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></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?		☐ Yes	☐ 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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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)).

		(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?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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 carryover lobbying and political 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) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
		2a	
		2b	
		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

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Part IV, Supplemental Information		Statement Regarding Legislative Activity Health care policy is critical to all Americans, and Baylor University Medical Center ("BUMC") believes that health care providers must participate in forming health care policy by interacting with national, state and local representatives and their staff members to help them better understand the complexities and ramifications of key health care policies including, without limitation, those related to uninsured and indigent patient needs as well as the legislative and regulatory needs to assure the delivery of cost-efficient, quality health care. BUMC has established relationships with persons and industry associations that often communicate BUMC's positions on major health care issues. These contacts may include direct contact, telephone conversations and/or letters. Also, BUMC may attempt to educate the local community on certain legislative initiatives that may impact BUMC's ability to provide quality health care services to the community through direct mailings, media advertising or broadcast statements. The amount of resources (time and money) involved in these activities is insubstantial. BUMC has not intervened in any political campaign.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization Baylor University Medical Center	Employer identification number 75-1837454
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors 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? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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 ☐ Yes ☐ No	

Part II

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) ☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area ☐ Protection of natural habitat ☐ Preservation of a certified historic structure ☐ Preservation of open space											
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
	(ii) Assets included in Form 990, Part X	▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b	Assets included in Form 990, Part X	▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

3a(i)

☐ Yes

☐ No

(ii)

related organizations

3a(ii)

☐

☐

b

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

3b

☐

☐

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,842,901		9,842,901
b Buildings		470,340,596	262,508,407	207,832,189
c Leasehold improvements				
d Equipment		200,304,884	134,420,212	65,884,672
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				283,559,762

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
		FIN 48 Disclosure Statement The filing organization does not have separate individual audited financial statements, however, the organization is included in Baylor Health Care System's combined audited financial statements (System). The System adopted the provisions of ASC 740 "Income Taxes" on July 1, 2007. As of June 30, 2010, there were no gross unrecognized tax benefits related to the filing organization.

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Baylor University Medical Center

Employer identification number

75-1837454

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. 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 For grant makers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States

3 Activities per Region (Use Schedule F-1 (Form 990) if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Central America and the Caribbean	0	0	Program Services	Mission Trip	12,188
North America	0	0	Program Services	Medical Education/Research	6,180
Europe	0	0	Program Services	Medical Education/Research	6,934
Totals ▶	0	0			25,302

[illegible]**Schedule F (Form 990) 2009**

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Schedule F-1 (Form 990) if additional space is needed.

[illegible]

Complete this part to provide the information required in Part I, line 2, and any additional information.

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Baylor University Medical Center

Employer identification number
75-1837454

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☒ Applied uniformly to all hospitals ☐ Generally tailored to individual hospitals ☐ Applied uniformly to most hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other 50000.0000000000 % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	3a	Yes	
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	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?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheets 1 and 2)			43,221,047	3,307,969	39,913,078	4 010 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			77,664,022	120,303,531	-42,639,509	0 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			40,523	28,206	12,317	0 %
d Total Charity Care and Means-Tested Government Programs			120,925,592	123,639,706	-2,714,114	
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			5,174,847	11,879	5,162,968	0 520 %
f Health professions education (from Worksheet 5)			20,706,169	8,148,921	12,557,248	1 260 %
g Subsidized health services (from Worksheet 6)			9,838,989	5,714,638	4,124,351	0 410 %
h Research (from Worksheet 7)			12,192,982	0	12,192,982	1 230 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			25,027,605	11,785	25,015,820	2 520 %
j Total Other Benefits			72,940,592	13,887,223	59,053,369	5 940 %
k Total. Add lines 7d and 7j			193,866,184	137,526,929	56,339,255	5 660 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
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 IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	225,180,950	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	32,518,095	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5263,561,318	
6	Enter Medicare allowable costs of care relating to payments on line 5	6284,252,072	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7-20,690,754	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1Baylor Heart & Vascular Center LLP	Patient Care	51.000 %	0 %	49.000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V

Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Baylor University Medical Center 3500 Gaston Avenue Dallas, TX 75246	X	X		X		X	X		See Part VI
Baylor Heart & Vascular Center LLP 621 N Hall Dallas, TX 75226	X								
Irving Coppell Surgical Hospital LLP 440 West I-35 Irving, TX 75063	X						X		
North Central Surgical Center LLP 9301 North Central Expressway Ste 100 Dallas, TX 75231	X						X		
Trophy Club Medical Center LLP 2800 South Hwy 114 Trophy Club, TX 76262	X						X		
Ft Worth Surgicare Partners Ltd 750 13th Avenue Ft Worth, TX 76104	X						X		
Frisco Medical Center LLP 5601 Warren Parkway Frisco, TX 75034	X						X		
MSH Partners LLP 3515 Howell Street Dallas, TX 75204	X						X		
Arlington Orthopedic and Spine Hospital 707 Highlander Blvd Arlington, TX 76015	X						X		

Part VI

Supplemental Information

Complete this part to provide the following information

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

See additional data

- 2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves

See additional data

- 3 Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

See additional data

- 4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

See additional data

- 5 Community building activities. Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

See additional data

- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

See additional data

- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

TX

Additional Data

Software ID:
Software Version:
EIN: 75-1837454
Name: Baylor University Medical Center

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 3c and Line 3b In addition to providing free care to financially indigent patients at 200% of the federal poverty guidelines ("FPG"), the organization provides discounted care to the medically indigent which is based on both the FPG (up to 500%) and the percentage of the patient's total bills from all providers in relation to the patient's annual income Pursuant to the charity care policy, a patient's total balance due will not exceed 10% of total annual income if the patient qualifies as medically indigent The organization also provides discounted care to those individuals whose amount of total bills, after all payments from third parties, exceeds 50% of the patient's annual income (regardless of the level of income) if the patient is unable to pay the remaining bill

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 6a The organization's annual community benefit report is contained in a system wide report prepared by Baylor Health Care System, the organization's sole member Also, the organization prepares and files an Annual Report of Community Benefit Plan with the Texas Department of State Health Services These reports are made available through the organization's website at www.baylorhealth.com

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7 A ratio of patient care cost to charges, as determined in Worksheet 2, was used to report the amounts in Part I, Lines 7 a - 7d For amounts reported on lines 7 e - 7k, actual expenses for each community benefit activity are tracked and reported using both community benefit software and/or the organization's cost accounting system Part I, Line 7 b, Column (d) Includes payments from the State Medicaid Private Upper Payment Limit Program, which funds are to be used to expand indigent care

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7g The organization provides palliative care services and operates community senior health centers despite a financial loss after removing the unreimbursed cost of providing charity care and Medicaid These services are provided to meet an identified community need and otherwise may not be available if not provided by the organization in these underserved areas of the community Part I, Line 7i, Column (c) Includes charity care payments of \$20,967,735 that are made directly to or on the behalf of a local public hospital and/or other nonprofit organizations for the treatment of indigent patients of those organizations Part I, Line 7, Column (f) The tax software used to prepare and file electronically the Form 990 for the organization may not properly print the percentages in Part 1, Lines 7a-7k, column (f) if the product results in a negative percentage

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7f The amount of bad debt expense included on Form 990, Part IX, line 25, but removed for Schedule H, Part I, Line 7, Column (f) totaled \$67,351,039

Additional Data

Software ID:

Software Version:

EIN: 75-1837454

Name: Baylor University Medical Center

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Albert Black Jr Chairman	1 00	X						0	255	0
Roy Lamkin Trustee	1 00	X						0	2,144	0
Paul Madeley MD Trustee	1 00	X						0	574,891	74,837
George McCleskey Trustee	1 00	X						0	0	0
Timothy Owens Trustee	1 00	X						0	0	0
John McWhorter President	40 00			X				727,393	0	136,682
James Thaxton Chief Operating Officer	40 00			X				528,977	0	55,345
Jason Whitfield VP Finance/Hosp Fin Off	40 00			X				280,675	0	52,545
William Boyd Secretary	1 00			X				0	818,993	105,650
Janeene Jones VP Transplant	40 00				X			336,145	0	41,886
Gail Maxwell VP Administration	40 00				X			252,678	0	37,272
Claudia Wilder VP/Chief Nursing Officer	40 00				X			248,886	0	43,277
Christopher York VP Surgical Services/ORs	40 00				X			247,091	0	44,534
Liz Youngblood VP Patient Support Svcs	40 00				X			0	278,431	32,167
Donna Bowers VP Administration	40 00				X			0	296,067	44,540
Irving Pregler MD VP Medical Affairs	40 00					X		563,414	0	83,514
Michael Ramsay MD Chief Anesth /Pres BRI	40 00					X		545,312	0	69,449
Ronald Jones MD Chief of Surgery	40 00					X		506,477	0	24,091
Michael Emmett MD Chief of Internal Med	40 00					X		435,898	0	67,197
Alan Miller MD Chief of Oncology	32 00					X		227,641	303,543	31,779
Janie Wade Former Officer	0 00						X	0	309,629	48,800

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Patient Care Revenue	621,990	1,031,234,302	1,031,234,302		
Affiliate Income	621,990	48,385,867	48,382,759	3,108	
Cafeteria	722,210	9,680,693			9,680,693
Rent	531,120	7,016,190	7,016,190		
Education	611,600	1,054,323	1,054,323		

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Bad Debt	67,351,039	67,351,039		
Special Functions	575,703	280,117	295,586	
Recruiting	488,862	488,862		
Dues & Memberships	419,353	338,909	80,444	
Federal Income Tax	34,400	34,400		

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 4 As stated in the combined audited financial statements, the organization maintains allowances for uncollectible accounts for estimated losses resulting from a payor's inability to make payments on accounts The organization assesses the reasonableness of the allowance account based on the historical write-offs, cash collections, and the aging of the accounts Accounts are written off when collection efforts have been exhausted Management continually monitors and adjusts its allowance associated with its receivable Bad debt does not include amounts for patients who are known to qualify under the organizations charity care policy The amount of bad debt at cost was calculated using Worksheet A from Schedule H instructions The amount of bad debt attributable to patient's accounts is net of contractual allowance, payments received and recoveries of bad debt previously written off Based on prior experience and certain demographics and other information obtained during admission, the organization believes a portion of the bad debt expenses at cost would be attributable to patients that would otherwise qualify for charity care Despite all of the effort and ways the organization educates patients about qualifying for its charity care program as demonstrated in Part IV , question 3 below, many uninsured patients either refuse or fail to complete a charity care application or provide sufficient information at the time of admission, during their stay or after being discharged to qualify for assistance under the organization's charity care policy The amount reported on Part III, Line 3 was determined by taking the average acceptance rate for all charity care applications received during the year multiplied by the number of denials that were attributable to insufficient information

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 8 The amount reported on Part III, Section B, line 6 was calculated in accordance with the Schedule H instructions utilizing the organization's allowable cost reported in the Medicare cost report based on a cost to charge ratio. However, the allowable costs in the Medicare cost report do not reflect the actual cost of providing care to patients since the Medicare cost report excludes many direct patient care costs that are essential to providing quality care to these patients. For example, certain coverage fees to physicians, cost of Medicare C and D, and other similar direct patient care expenses are specifically excluded as allowable cost in the cost reports. Using the same methodology to calculate the unreimbursed cost of providing charity care and Medicaid (using applicable Schedule H Worksheets) would result in a shortfall of \$44,183,148 which is \$18,739,757 higher than the shortfall reported on Part III, Section B, Line 7. The organization believes that all of the shortfall should be considered as a community benefit for the following reasons. First, the IRS Community Benefit Standard includes the provision of care to the elderly and Medicare patients. IRS Revenue Ruling 69-545 provides, in part, that hospitals serving patients with governmental health benefits, including for example Medicare, is an indication that the hospital operates for the promotion of health in the community. Second, the organization provides care to Medicare patients regardless of this shortfall, i.e., loss, and thereby relieves the state and federal government of the burden of paying the full cost for the care of Medicare beneficiaries. Medicare does not provide sufficient reimbursement to cover the entire cost of providing care to these patients causing the organization to use other surplus funds to cover the shortfall. It is expected that reimbursement under the Medicare program will continue to decline and therefore may further limit access to care due to the anticipated reduction of participating Medicare providers in the community. As a result, the care for these patients will likely continue to increase, and rest on the shoulders of, nonprofit hospitals and/or county hospital districts. Third, many of the Medicare participants have low fixed incomes and therefore would qualify for charity care or other means tested government programs absent being enrolled in the Medicare program. Fourth, Texas nonprofit hospitals must provide a minimum level of community benefit in order to obtain exemption from state and local taxes. According to the current Texas Health and Safety Code, the unreimbursed cost of Medicare is considered to be a community benefit in determining these state statutory requirements as it helps relieve a governmental burden of providing this care that would otherwise be provided through the county hospital system in Texas.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 9b The organization's debt collection policy and procedures prohibit any collection efforts for the portion of the patient account balance that qualifies for financial assistance under the organization's charity care policy

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part V Description of Other Facilities - 1 Asthma Center, 3 Senior/Geriatric Centers, 3 Imaging Centers, 3 Diagnostic Centers, 1 Wound Care Center, 1 Weight Loss Center, 3 Pain Centers, 1 Sleep Center, 1 Rehabilitation Clinic, 1 Diabetes Center, 1 Cancer Center, 1 Spine Center, 1 CHF Clinic, and 20 Ambulatory Surgery Centers

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Part VI, Line 2 Like many other nonprofit hospitals in the 12 county North Texas region, the organization has elected to base their service area needs on a report generated by the local county hospital district The annual Our Community Health Checkup 2008 for the Dallas/Fort Worth Combined Metropolitan Statistical Area ("Checkup") is a collaborative effort of 16 member hospitals of the Dallas Fort Worth Hospital Council ("DFWHC") The preparation (including support, research and analysis) of the report was provided by the staffs of the Strategic Planning and Population Medicine Department of the Parkland Health & Hospital System also known as the Dallas County Hospital District, Baylor Health Care System and other health care providers The Checkup was developed to address issues relative to health pertaining to individuals, families, and communities for use by the residents of the community and the institutions serving them The Checkup provides a framework by which health needs can be joined with the assets or investments made by the community in its social and physical infrastructure Overall coordination of this collaboration is under the auspices of the DFWHC These documents can be found online at www.dfwhc.org

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Part VI, Line 3 The organization is committed to promoting health in the community including providing or finding financial assistance programs to assist patients Patients who may qualify for financial assistance through the organization's charity care program or other federal, state and local government programs are informed and educated about their eligibility in several ways including, but not limited to, the following 1) posting signs and notices regarding the charity care policy in the emergency departments, admitting areas and business offices located throughout the organization, 2) annual posting regarding the organization's charity care program in the local newspapers, 3) information regarding financial assistance, including the organization's charity care policy, is posted on the organization's website, 4) notices about the organization's financial assistance policies are posted on each bill sent to patients including providing a phone number to access the customer service unit dedicated to answering patients billing questions, as well as provide information regarding financial assistance, and 5) the organization provides free financial counselors to help patients determine how to meet their financial obligations for services provided Specifically financial counselors assist patients in applying for government assistance programs such as Medicaid or the organization's charity care program Any patient may request to speak to a financial counselor when being treated at the organization Uninsured patients who are admitted to the hospital will automatically receive help from a financial counselor These services are provided in writing and through interpretation services in the primary language of the patient requesting assistance Though the most often needed alternate language is Spanish, the organization can accommodate multiple languages including American Sign Language

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Line 4 The organization's primary patient service area includes parts of the North Texas counties of Dallas, Rockwall, Van Zandt and Kaufman. The population of over 4.2 million in the combined primary and secondary service areas has an average household income of \$76,740, and 28% have some college education. The organization also treats patients from the surrounding 82 counties, as well as patients from many other states and countries. The largest segment of the population is between 35-54 years of age, with 49.3% White, 28.5% Hispanic and 15.1% Black. During the FY 2010 year, approximately 22% of the total patient encounters were uninsured or Medicaid recipients. More specifically, the organization provides much needed community benefit activities throughout the city of Dallas, including providing a significant amount of unreimbursed care to inner city residents in East Dallas and South Dallas near the organization's primary campus. Residents of this area are often financially and medically indigent and are at highest risk for many diseases due to their social and/or economic conditions. East Dallas, where the organization is located, is an older community inhabited by a diverse racial population with the greatest percentage being Hispanic (42.4%), then White (40.3%), followed by Black (12.8%), Asian and other (4.5%). In the area of health, the most chronic conditions are (1) Mental Health, (2) High Cholesterol, (3) High Blood Pressure, (4) Asthma, (5) Obesity, and (6) Diabetes. The prevalence of chronic conditions - asthma and depression/anxiety - is higher for East Dallas than for Dallas County. The majority of the Dallas County population (51%) is privately insured, 26% are uninsured, 9.8% receive Medicare coverage and 12.7% receive Medicaid coverage. South Dallas is the second targeted community service area and one of the poorest areas in Dallas County with the majority of the population being Black (74.5%), followed by Hispanic (19.1%). The majority of Black residents are female senior adults (65 and older) and small children. This area has a very high unemployment rate. In 2008, more than 60 percent of households in South Dallas earned less than \$25,000 and nearly 50 percent of the population over the age of 25 did not graduate from high school. According to the 2008 Checkup, in the area of health, the mortality rates in South Dallas were twice the rate of the county's for heart disease, cancer and stroke. Chronic diseases in this area are high blood pressure, obesity, depression/anxiety, and asthma, and occur at a much higher rate in South Dallas than the entire Dallas County, the State of Texas, or the United States. The three highest rates for hospitalization discharge were for adult diabetes with long term complications, congestive heart failure, and bacterial pneumonia. In addition to the three top reasons for death, the mortality rates of HIV/AIDS and chronic kidney disease were high enough to move them into the top six causes of death for South Dallas residents. The South Dallas area has the highest rate of infectious conditions and injuries (including injuries from homicide), in the Dallas area. Low-weight newborns are a growing concern, and the rate continues to increase each year. The rate increased from 3.4% in 2000 to 7.7% in 2007. The most important statistic among Dallas County's birth outcomes every year is infant mortality rates. In 2004, South Dallas had an infant mortality rate of 26.4 deaths per 1,000 live births, which is considerably higher when compared to the Dallas County rate of 6.7.

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Part VI, Line 6 With the oversight of an independent volunteer community board and Baylor Health Care System, the organization's sole member, the organization has promoted health and benefited the community by providing access to more than 20 specialty centers designed to treat a range of medical conditions The organization's governing body is comprised of volunteer community representatives that provide leadership and governance for the organization The members of the governing body contribute their wisdom, insights, and expertise to ensure the organization is fulfilling its mission and charitable purpose while providing efficient administrative support services and direction for the System The members are well respected residents and/or own businesses in the organization's primary or secondary service area and understand the needs of the community The medical staff of the organization is open to all physicians in the community who meet membership and clinical privileges requirements Surplus funds are continuously utilized to maintain access to limited patient services or expand access points of care to patients throughout the community including, but not limited to, the following The organization provides a comprehensive Level I trauma center, one of only two adult trauma centers in Dallas/Fort Worth, covering 15 counties and 6.5 million residents The trauma services division has dedicated trauma and stroke teams, providing 24-hour coverage of emergency services The recently renovated Riggs Emergency Department has more than 75,000 square feet, 85 patient treatment rooms, with dedicated areas specifically for trauma care and minor emergency care The organization spent more than \$45.5 million on this expansion The organization operates a Level III neonatal intensive care unit ("NICU") which is the highest level of care This provides advanced life-support services and technologies for premature and seriously ill newborns Staffed by specialized nurses, neonatal nurse practitioners, neonatologists and many other skilled staff, the NICU is designed to promote optimal developmental care for sick infants Medical education is a crucial part of the organization's mission During a residency, a physician trains in a particular medical specialty, developing clinical skills and professional competencies and taking on increasing responsibility for patient care As one of the nation's largest private teaching hospitals, the organization annually trains 151 residents and 34 fellows in eight specialties and 13 subspecialties Quality teaching programs add many dimensions to the organization's ability to serve patients As a renowned teaching hospital, the organization attracts first-rate medical specialists who help improve the level of medical care for the entire community Teaching programs also aid attending physicians in keeping their own knowledge current Upon completion of their residency programs at the organization, most physicians remain in North Texas, providing a continuous supply of well-trained medical professionals for the region Having the designation of a medically underserved area, the organization partners with other organizations to provide access to health care services for an underserved population, those living in poverty, in areas where infant mortality is high and where the ratio of primary care physicians per 1,000 population is low For example, the organization has teamed with the City of Dallas to improve care for people with diabetes by creating a new care model focused on health care, education and research in South Dallas By providing financial support, the Diabetes Health and Wellness Institute at Juanita J Craft Recreation Center (Institute) is the cornerstone of the organization's care model to treat patients in the South Dallas region which opened during the year to address the region's health care needs relative to diabetes The goal of the center is to weave diabetes prevention into the fabric of the community so that it is a natural and convenient part of life in this neighborhood The center provides access to medical care and preventative health education to a historically underserved and low-income community experiencing disparate health outcomes relative to the most commonly-encountered health conditions associated with diabetes During the year, construction and development continued on a new 467,000 square foot outpatient cancer center - the largest in Texas, offering a patient navigation system, advanced technology and integrative therapies for the treatment of every kind of cancer With the organization's new cancer center will come expanded cancer research benefitting all patients of means and those of none, including top-tier healthcare providers The center will educate tomorrow's cancer specialists The expanded center will include outpatient radiation and chemotherapy as well as expanded support groups, and educational resources and programs

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

Part VI, Line 7 The organization is part of a large faith based integrated health care delivery system ("System") serving the health care needs of the ten county Dallas-Fort Worth metroplex area. The System exists to serve all people through exemplary health care, education, research and community service. Community benefits are provided through the provision of charity care, governmental sponsored programs (such as Medicaid and Medicare), medical research, medical education, community health improvement services, donations to other nonprofit health care providers, and many other community service activities. During the year, the affiliated nonprofit hospitals reported community benefits (as reported to the Texas Department of State Health Services, and in accordance with the State of Texas Statutory methodology) in excess of \$493,000,000. The System's nonprofit hospitals provided community benefits (as reported on the IRS Form 990, Schedule H) in excess of \$122,000,000 during the tax year. The Texas Annual Statement of Community Benefit Standard includes approximately \$311,000,000 of unreimbursed cost of Medicare that is not included in the IRS Form 990, Schedule H. The System is comprised of separate legal entities including philanthropic foundations, a research institute, a physician network, acute care hospitals, short-stay hospitals, specialty hospitals, ambulatory surgery centers and other health care providers all which fall under the common control of Baylor Health Care System, the organization's sole member. As part of the System, certain affiliates make grants and/or contributions to other related nonprofit affiliates to help financially support and/or fund worthy community benefits activities. The System has also established a patient transfer system among the affiliated hospitals allowing patients needing a particular level of care to be transferred as needed to a related hospital that can provide that service in an efficient and effective manner. As part of the System, all hospitals and other affiliated health care providers are required to adhere to high standards for medical quality, patient safety and patient satisfaction. These standards are set forth by Baylor Health Care System, the organization's sole member, which helps ensure consistency across the System.

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Baylor University Medical Center

Employer identification number
75-1837454

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 Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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 non-cash assistance	(h) Purpose of grant or assistance
Southern Sector Health Initiative4500 Spring Avenue Dallas, TX 75210	263087442	501(c)(3)	3,625,000		N/A	N/A	Community Benefit
Baylor Research Institute 3310 Live Oak Ste 501 Dallas, TX 75204	751921898	501(c)(3)	12,192,982		N/A	N/A	Research
Dallas Academy of Medicine dba Project Access Dallas 140 E 12th Street Dallas, TX 75203	750223610	501(c)(3)	675,345		N/A	N/A	Indigent Care
Dallas County Indigent Care CorporationPO Box 655999 Dallas, TX 75265	260610562	501(c)(3)	20,292,390		N/A	N/A	Indigent Care
Texas Baptist Men5351 Catron Dallas, TX 75227	752873370	501(c)(3)	0	81,376	FMV	Medic Supplies	Haiti Disaster Relief

2

Enter total number of section 501(c)(3) and government organizations ▶

5

3

Enter total number of other organizations ▶

0

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Baylor University Medical Center

Employer identification number
75-1837454

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use		
	☒ Travel for companions ☐ Payments for business use of personal residence		
	☒ Tax idemnification and gross-up payments ☒ Health or social club dues or initiation fees		
	☒ Discretionary spending account ☒ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☒ Compensation committee ☐ Written employment contract		
	☒ Independent compensation consultant ☒ Compensation survey or study		
	☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

[illegible]

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	Travel for companions - The organization reimburses eligible employees and board members certain reasonable travel expenses associated with spousal travel where the spouse's presence is important to the event. These events may include, for example, board meetings, business meetings, and award ceremonies approved by the organization's governing body and/or President. All spousal travel reimbursements are treated as taxable compensation. One person listed in the Form 990, Part VII, Section A, received this benefit during the tax year.
	Part I, Line 1a	Tax indemnification and gross up payments - The organization provides tax indemnification where an authorized member of management determines there is justification to reimburse an individual for the tax impact on certain taxable, non-cash benefits provided to them. All tax indemnification payments provided are treated as taxable compensation. Two of the persons listed in the Form 990, Part VII, Section A, received this benefit during the tax year.
	Part I, Line 1a	Discretionary spending account - The organization provides eligible employees who travel frequently in their personal vehicle an auto expense allowance in lieu of reimbursement for business mileage under the organization's business travel and expense reimbursement policy. All auto expense allowances are treated as taxable compensation. Two of the persons listed in the Form 990, Part VII, Section A, received this benefit during the tax year.
	Part I, Line 1a	Health or social club dues or initiation fees - The organization may reimburse eligible employees for dues for a health club and/or a social club where there is a bona fide business need for the membership. For example, as part of the organization's promotion of health, the organization will cover a portion of any employees' fitness center club membership dues paid to an affiliated entity that owns and operates a fitness center. All employees are eligible for this benefit. Such reimbursements are treated as taxable compensation to the extent any part of the membership is used for personal use. Two of the persons listed in the Form 990, Part VII, Section A, received this benefit during the tax year.
	Part I, Line 1a	Personal services (financial planning)- The organization does not provide benefits such as a maid, chauffeur or chef, however, the organization does provide eligible senior officers financial planning benefits as part of their total compensation. All financial planning benefits provided to any individual are treated as taxable compensation. One person listed in the Form 990, Part VII, Section A, received this benefit during the tax year.
	Part I, Line 4a	In order to recruit and retain key talent, Baylor Health Care System ("BHCS") offers a supplemental non qualified retirement plan to eligible employees. The plan provides an annual benefit (based on a percentage of compensation) to the employee that is paid to the employee on a future date upon vesting in the plan. The following individual(s) participated in and/or received payments (noted in parenthesis) from BHCS' supplemental non qualified retirement plan during the tax year: Christopher York, Claudia Wilder, Gail Maxwell (\$9,075), Irving Prengler (\$35,567), James Thaxton (\$21,628), Janeene Jones (\$13,338), Janie Wade (\$18,683), Jason Whitfield, John McWhorter (\$57,320), Michael Emmett, M D (\$21,471), Michael Ramsay, M D, Paul Madeley, M D, Elizabeth Youngblood (\$9,622), Donna Bowers (\$13,418) and William Boyd. Also, certain senior officers, as designated by the organization's governing body, are eligible to participate in a Long Term Incentive Plan that is designed to recognize the senior leaders' value and contribution to the organization as well as align their compensation to the long term strategy of the organization. Performance targets are based upon a percentage of the participant's base salary and are developed by independent third party expert(s) using market competitive data within the guides of reasonableness. The plan is based on organization's three-year performance against its peers, determined based on peer rankings or percentile rankings in quality, patient satisfaction and financial performance. At the end of three years, awards are determined by the organization's governing body for participants. Payouts are partially made in cash and the remainder vests over an additional two year period. John McWhorter participated in this plan during the tax year.
	Part I, Line 7	The organization has adopted and implemented BHCS's, the organization's sole member, Performance Award Program to provide a market competitive total cash compensation incentive program that is designed to attract and retain key leaders and establish greater individual accountability and alignment to business performance. Payout targets are based upon a percentage of base pay and are developed by independent third party expert(s) using comparable market competitive data within the bounds of reasonableness and that are reviewed and approved by BHCS's governing body. Payout levels are based upon a combination of system, entity, and individual performance using various metrics related to quality, patient satisfaction, employee retention, and financial stewardship. BHCS's governing body may approve modifications to annual incentive awards provided under the program consistent with market comparability data.
Supplemental Information	Part III	Supplemental Information: Governing Body Compensation. The members of the governing body serve on a voluntary basis and receive no cash compensation from the organization for these duties as a member of the governing body. Some, but not all, members have received modest benefits incident to their service on the board and/or multiple board committees or received compensation as an employee of a related organization. These benefits include reimbursement for certain reasonable expenses paid on behalf of the member's spouse while accompanying the member on business travel on behalf of the related organization and/or a wellness physical. All such benefits are treated as taxable compensation to the extent required by law and are reported in the Form 990 where applicable.

Software ID:
Software Version:
EIN: 75-1837454
Name: Baylor University Medical Center

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Paul Madeley MD	(i)	0	0	0	0	0	0	0
	(ii)	561,206	7,417	6,268	49,566	25,271	649,728	0
John McWhorter	(i)	408,936	301,108	17,349	108,205	28,477	864,075	57,320
	(ii)	0	0	0	0	0	0	0
James Thaxton	(i)	370,108	144,532	14,337	43,392	11,953	584,322	21,628
	(ii)	0	0	0	0	0	0	0
Jason Whitfield	(i)	218,554	60,792	1,329	19,970	32,575	333,220	0
	(ii)	0	0	0	0	0	0	0
William Boyd	(i)	0	0	0	0	0	0	0
	(ii)	518,416	278,851	21,726	71,005	34,645	924,643	0
Janeene Jones	(i)	240,253	93,995	1,897	23,278	18,608	378,031	13,338
	(ii)	0	0	0	0	0	0	0
Gail Maxwell	(i)	175,862	74,733	2,083	16,568	20,704	289,950	9,075
	(ii)	0	0	0	0	0	0	0
Claudia Wilder	(i)	184,978	53,324	10,584	17,267	26,010	292,163	0
	(ii)	0	0	0	0	0	0	0
Christopher York	(i)	192,331	53,324	1,436	17,267	27,267	291,625	0
	(ii)	0	0	0	0	0	0	0
Liz Youngblood	(i)	0	0	0	0	0	0	0
	(ii)	201,905	75,990	536	19,231	12,936	310,598	9,622
Donna Bowers	(i)	0	0	0	0	0	0	0
	(ii)	204,766	90,250	1,051	19,910	24,630	340,607	13,418
Irving Pregler MD	(i)	407,262	150,548	5,604	47,532	35,982	646,928	35,567
	(ii)	0	0	0	0	0	0	0
Michael Ramsay MD	(i)	464,893	69,997	10,422	55,350	14,099	614,761	0
	(ii)	0	0	0	0	0	0	0
Ronald Jones MD	(i)	437,612	44,850	24,015	0	24,091	530,568	0
	(ii)	0	0	0	0	0	0	0
Michael Emmett MD	(i)	405,350	21,471	9,077	40,946	26,251	503,095	21,471
	(ii)	0	0	0	0	0	0	0
Alan Miller MD	(i)	220,284	0	7,357	0	21,014	248,655	0
	(ii)	220,284	83,259	0	0	10,765	314,308	0
Janie Wade	(i)	0	0	0	0	0	0	0
	(ii)	214,678	94,437	514	20,448	28,352	358,429	18,683

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

► Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Baylor University Medical Center

Employer identification number
75-1837454

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) 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) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ► \$ _____										

Part III Grants or Assistance Benefitting 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 grant or type of assistance

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
Baylor Health Enterprises LP (BHE)	See Schedule O	574,024	Purchased Services		No
Baylor Heart & Vascular Center LLP (BHVC)	See Schedule O	2,612,224	Rental of real property, management services, provision of charity care to BUMC		No
Baylor Heart & Vascular Center LLP (BHVC)	See Schedule O	15,799,896	Clinical Services		No
Baylor Heart & Vascular Center LLP (BHVC)	See Schedule O	2,612,224	Rental of real property, management services, provision of charity care to BUMC		No
Baylor Heart & Vascular Center LLP (BHVC)	See Schedule O	15,799,896	Clinical Services		No

Additional Data

Software ID:
Software Version:
EIN: 75-1837454
Name: Baylor University Medical Center

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493132028741
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SCHEDULE O (Form 990) Department of the Treasury Internal Revenue Service	Supplemental Information to Form 990 Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990.	OMB No 1545-0047
		2009
		Open to Public Inspection
Name of the organization Baylor University Medical Center	Employer identification number 75-1837454	

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Members or stockholders The organization is a Texas nonprofit membership organization in w hich BHCS, a tax exempt, Texas nonprofit corporation, is the sole member

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Election of members of governing body by members, stockholders, or other persons The sole member, BHCS, elects and removes the members of the governing body

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Governing body decisions subject to approval All rights and pow ers are reserved to the sole member, BHCS, except only those rights and pow ers expressly set forth in the bylaw s, required by state or federal law , or to meet the requirements and standards promulgated by joint commission For example, the member's reserved rights and pow ers include, without limtation, approval of the organization's articles of incorporation and bylaw s and amendments thereto, appointment and removal of members of the organization's governing body, approval of dissolutions and mergers, and other similar decisions over the organization

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Process used to review the Form 990 The Form 990 is prepared and review ed by BHCS's tax department w ith assistance from a national public accounting firm During the return preparation process the tax department w orks w ith other functional areas including finance, accounting, treasury, legal, human resources, and corporate compliance for advice, information and assistance to prepare a complete and accurate return Upon completion, the Form 990 is review ed by the organization's President, financial officer and/or other key officers The Form 990 is then review ed by the organization's governing body and a complete final copy of the return is provided to the organization's governing body prior to filing w ith the IRS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		Process used to monitor and enforce compliance w ith the organization's conflict of interest policy Persons w ith the actual or perceived ability to influence the organization have the duty to disclose annually and otherw ise promptly as potential conflicts are identified, any famial, professional or financial relationships w ith entities or individuals that do, or seek to do business w ith the organization or that compete w ith the organization These individuals include the organization's officers, governing body, management, physicians w ith administrative services agreements and other key personnel w ho interact w ith outside organizations or businesses on behalf of the organization The BHCS Board of Trustees Audit and Compliance Committee and the BHCS Corporate Compliance Committee review all relevant disclosures submitted by these individuals to determ ine w hether a conflict of interest exists and to determ ine an appropriate resolution, if necessary The BHCS Compensation and Governance Committee also review s all relevant disclosures by individuals serving on BHCS's governing body Any individual w ith a perceived or potential conflict is prohibited from voting or participating in the decision making process regarding such transaction w ith that individual

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		Process for determining compensation The organiazation, a controlled affiliate of BHCS, recognizes that those chosen to lead the organization are vital to its ongoing success and grow th Thus, it must attract, retain and engage the highest quality officers and key employees to lead the organization and help BHCS maintain its national reputation for achieving high targets for medical quality, patient safety, and patient satisfaction A significant portion of the organization's officers' and key employees' total compensation is based on significant performance achievements This strategy, know n as the Performance Award Program, works to put a greater emphasis on the importance of the organization achieveing targeted imporvements in the areas of people, quality, patient satisfaction and financial stew ardship, annually Total Executive compensation is part of an integrated talent management strategy developed by the BHCS Board of Trustees and its Compensation and Governance Committee (Committee) to attract, motivate, and retain the best leadership resources for the organization Executive compensation is determined pursuant to guidelines outlined in the intermediate sanction rules under IRC Section 4958 including taking steps to meet the rebuttable presumption standard of reasonableness under Treasury Regulation 53 4958-6, as summarized below When making compensation decisions, the organization compares itself to similar-sized, and structured businesses including other integrated health care service systems and other similar-sized organizations, both locally and nationally The BHCS Board of Trustees and Committee, on behalf of the organization, work directly w ith an independent compensation expert(s) to identify reasonable and competitive market rates as well as provide an annual review of the total compensation of the organization's top management officials and key employees The Committee is made up of members of the BHCS Board of Trustees, w ho are independent, community volunteers Guided by the information provided by the independent compensation expert(s), the Committee approves and recommends to the BHCS Board of Trustees salary increases, earned incentives, and benefit offerings for the organization's President, other officers and/or key employees to be comparable to similar organizations for similar services and/or positions Furthermore, the Committee is charged w ith the responsibility of review ing annually the major elements of the executive compensation program to assure designs remain consistent w ith the business needs, market practices, and compensation philosophy As part of the decision making process, the Committee w ill often meet in executive session to discuss and review recommendations made by the independent compensation expert(s) During the executive session no officer or key employee w hose compensation is being review ed is present during these discussions All decisions are contemporaneously documented in the Committee mnutes w hich are timely review ed and approved by the Committee

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		Process for making governing documents, conflict of interest policy, & financial statements available to the public The organization's articles of incorporation and amendments thereto are made available to the public by the filing of those documents w ith the Texas Secretary of State Also, the organization is included w thin the combined financial statements of BHCS that are made available to the public by the posting of those documents through DAC Bond The organization's other governing documents and conflicts of interest policy are not made available to the public

Identifier	Return Reference	Explanation
Form 990, Part VII Hours devoted to related organizations		The persons listed below also serve either as a voluntary member of the governing body, an employed officer, or an employee of a related organization The average hours per week devoted to the related organizations are listed below William Boyd (40 Hours) Albert Black, Jr (10 Hours) Roy Lamkin (10 Hours) Liz Youngblood (40 Hours) Paul Madeley, MD (40 Hours) Janie Wade (40 Hours) Alan Miller, MD transferred to a related organization during the year He worked an average of 32 hours per week both before and after the transfer

Identifier	Return Reference	Explanation
		Form 990, Schedule L, Part IV, Column B Description of relationships betw een interested persons and the organization John McWhorter, organization's President, serves as a Board Member of BHE BHE is a w holly controlled affiliate of BHCS John McWhorter, organization's President, serves as a board member of BHVC BHVC is a controlled affiliate of the organization John McWhorter, organization's President, serves as a board member of BHVC BHVC is a controlled affiliate of the organization Tim Ow ens, organization's board member, serves as a board member of BHVC BHVC is a controlled affiliate of the organization Tim Ow ens was appointed by the organization to serve as a community board representative of BHVC Tim Ow ens, organization's board member, serves as a board member of BHVC BHVC is a controlled affiliate of the organization Tim Ow ens was appointed by the organization to serve as a community board representative of BHVC

Identifier	Return Reference	Explanation
Form 990, Part I, Line 4 and Part VI, Line 1b Number of Independent Board	Members	One of the organization's members of the governing body also serves as a board member of a related partnership that is controlled by the organization Based on the Form 990 instructions, this relationship results in a reportable transaction on Schedule L since the organization and the related partnership has entered into business transactions in excess of certain thresholds This member was appointed by BHCS, the organization's sole member, to serve as a community board representative of the related partnership to ensure the partnership is operated in a charitable manner and in accordance w ith BHCS' and the organization's tax exempt status The appointment of this member to serve on the governing body of the related partnership is consistent w ith IRS guidance such as Revenue Ruling 98-15 and other related rulings requiring the exempt organization to maintain control of partnerships and joint ventures The board member does not have a financial interest in the organization or the related partnership, does not receive any financial benefit from transactions betw een the organization and the related partnership, and serves only in a voluntary capacity as an independent community board member Therefore, this member is reflected as an independent board member on Part I, Line 4 and Part VI, Line 1b of the Form 990

Identifier	Return Reference	Explanation
Supplemental Information IRC Section 6038 Statement		BUMC is controlled by BHCS, employer identification number 75-1812652 BHCS also ow ns Church University Insurance Company, Ltd (CUIC) and Health Care Insurance Company of Texas, Ltd (HCIC) CUIC and HCIC are controlled foreign corporations BHCS furnishes all information required of BUMC by IRC Section 6038 and the regulations thereunder w ith respect to CUIC and HCIC Therefore, pursuant to Treasury Regulation Sec 1 6038-2(J)(2), BUMC is excepted from providing such information BHCS files its Return of Organization Exempt from Income Tax in Ogden, Utah

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Baylor University Medical Center

Employer identification number
75-1837454

Part I

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

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

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
See Additional Data Table					

Part III

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

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

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
See Additional Data Table							

Part V

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

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

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 (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a Yes

1b Yes

1c Yes

1d

1e

1f

1g

1h

1i

1j Yes

1k Yes

1l Yes

1m

1n

1o Yes

1p Yes

1q

1r Yes

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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.

[illegible]

Software ID:

Software Version:

EIN: 75-1837454

Name: Baylor University Medical Center

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Baylor Health Care System (BHCS) 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1812652	Management Services	TX	501(c)(3)	11, Type III	N/A
Baylor Medical Center at Garland 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1037591	Acute Care	TX	501(c)(3)	3	BHCS
Baylor Medical Center at Irving 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2586857	Acute Care	TX	501(c)(3)	3	BHCS
Baylor Medical Center at Waxahachie 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1844139	Acute Care	TX	501(c)(3)	3	BHCS
Baylor Regional Medical Center at Plano 2001 Bryan Street Suite 2200 Dallas, TX75201 82-0551704	Acute Care	TX	501(c)(3)	3	BHCS
Baylor Regional Medical Center at Grapevine 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1777119	Acute Care	TX	501(c)(3)	3	BHCS
BIR at Gaston Episcopal Hospital 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1037226	Rehabilitation Hospital	TX	501(c)(3)	3	BHCS
Baylor Specialty Health Centers 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1765385	Long Term Care Hospital	TX	501(c)(3)	3	BHCS
Baylor All Saints Medical Center (BASMC) 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1008430	Acute Care	TX	501(c)(3)	3	BHCS
Baylor Health Care System Foundation 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1606705	Fundraising	TX	501(c)(3)	7	BHCS
All Saints Health Foundation 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1947007	Fundraising	TX	501(c)(3)	7	BASMC
HealthTexas Provider Network 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2536818	Physicians Practice	TX	501(c)(3)	3	BHCS
Baylor Health Services 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1917311	Holds interests in Ambulatory Surgery Centers/ Short Stay Hospitals	TX	501(c)(3)	3	BHCS
Baylor Research Institute 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1921898	Research	TX	501(c)(3)	4	BHCS
Southern Sector Health Initiative 2001 Bryan Street Suite 2200 Dallas, TX75201 26-3087442	Diabetic Health	TX	501(c)(3)	11, Type I	N/A
Baylor Medical Center at McKinney 2001 Bryan Street Suite 2200 Dallas, TX75201 26-3604064	Acute Care	TX	501(c)(3)	3	BHCS
BHCS Employee Benefit Trust 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1848557	VEBA	TX	501(c)(9)		BHCS
Irving Healthcare Foundation 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1570933	Fundraising	TX	501(c)(3)	7	Baylor Medical Center at Irving
Careflite 3110 S Great Southwest Pkwy Grand Prairie, TX75052 75-1657155	Emergency Transport	TX	501(c)(3)	11, Type III-Other	N/A

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Dispropportionate allocations?		(i) Code V - UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?	
							Yes	No		Yes	No
MEDCO Construction LLC 2001 Bryan Street Suite 2200 Dallas, TX75201 20-5965871	Construction	TX	N/A								
Baylor Affiliated Services LLC 2001 Bryan Street Suite 2200 Dallas, TX75201 26-0614730	Benefit Plans	TX	N/A								
Baylor Heart & Vascular Center LLP 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2834135	Specialty Hospital	TX	N/A	Related	20,470,689	27,417,746		No	3,108	Yes	
Texas Heart Hospital of the Southwest LLP 2001 Bryan Street Suite 2200 Dallas, TX75201 41-2101361	Specialty Hospital	TX	N/A								
HealthTexas Provider Network-Gastro Serv LLP 2001 Bryan St Ste 2200 Dallas, TX75201 73-1697736	Ambulatory Surgery Center	TX	N/A	Related	1,001,564	628,593		No		Yes	
Trinity MC LLC 2001 Bryan Street Suite 2200 Dallas, TX75201 20-8889358	Acute Care Hospital	TX	N/A								
Texas Health Ventures Group LLC 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2696845	Holds interests in Ambulatory Surgery Centers/ Short Stay Hospitals	TX	N/A	Related	29,097,770	140,219,233		No		Yes	
Dallas Surgical Partners LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 72-2183815	Ambulatory Surgery Center	TX	N/A								
Valley View Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2900902	Ambulatory Surgery Center	TX	N/A								
Denton Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2708579	Ambulatory Surgery Center	TX	N/A								
Bellaire Outpatient Surgery Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 56-2297308	Ambulatory Surgery Center	TX	N/A								
Grapevine Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2854711	Ambulatory Surgery Center	TX	N/A								
Lewisville Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2862263	Ambulatory Surgery Center	TX	N/A								
North Garland Surgery Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 56-2399993	Ambulatory Surgery Center	TX	N/A								
Garland Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2764855	Ambulatory Surgery Center	TX	N/A								
Arlington Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2748040	Ambulatory Surgery Center	TX	N/A								
Rockwall Ambulatory Surgery Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 20-5506447	Ambulatory Surgery Center	TX	N/A								
Metroplex Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 20-5506447	Ambulatory Surgery Center	TX	N/A								
Baylor Surgicare at Plano LLC 15305 Dallas Pkwy Ste 1600 Addison, TX75001 26-0308454	Ambulatory Surgery Center	TX	N/A								
RockwallHeath Surgery Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 20-0334166	Ambulatory Surgery Center	TX	N/A								
Irving Coppell Surgical Hospital LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 54-2086863	Short Stay Hospital	TX	N/A								
North Central Surgical Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 20-1508140	Short Stay Hospital	TX	N/A								
Trophy Club Medical Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 48-1260190	Short Stay Hospital	TX	N/A								
Ft Worth Surgicare Partners Ltd 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2658178	Short Stay Hospital	TX	N/A								
Frisco Medical Center LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2865177	Short Stay Hospital	TX	N/A								
MSH Partners LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 75-2829613	Short Stay Hospital	TX	N/A								
Arlington Ortho & Spine Hospital LLC 15305 Dallas Pkwy Ste 1600 Addison, TX75001 26-1578178	Short Stay Hospital	TX	N/A								
Univ Surg Partners of Dallas LLP 15305 Dallas Pkwy Ste 1600 Addison, TX75001 55-0823809	Ambulatory Surgery Center	TX	N/A								
Baylor Surgicare at Granbury LLC 15305 Dallas Pkwy Ste 1600 Addison, TX75001 26-3896477	Ambulatory Surgery Center	TX	N/A								
Baylor Surgicare at Mansfield LLC 15305 Dallas Parkway Suite 1600 Addison, TX75001 27-1835675	Ambulatory Surgery Center	TX	N/A								

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
Baylor Health Enterprises 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1997378	Fitness, Pharmacy	TX	N/A	C			
Baylor Health Network Inc 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2463251	Billing/Collecting	TX	N/A	C			
BMP Inc 2001 Bryan Street Suite 2200 Dallas, TX75201 75-1436779	Post Office	TX	N/A	C			
Church University Insurance Company Ltd 41 Cedar Avenue Hamilton BD 98-0352108	Investments	BD	N/A	C			
Health Care Insurance Company of Texas Ltd PO Box GT 720 W Bay Rd Grand Cayman CJ 98-0403182	Investments	CJ	N/A	C			
BMC at Grapevine Condo Owner's Association Inc 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2747555	Condo Association	TX	N/A	C			
BUMCRoberts Building Condo Owners Association Inc 2001 Bryan Street Suite 2200 Dallas, TX75201 75-2897806	Condo Association	TX	N/A	C			100 000 %
BASMC at Ft Worth Condo Owners Association Inc 2001 Bryan Street Suite 2200 Dallas, TX75201 26-1661900	Condo Association	TX	N/A	C			
ODC Therapy Inc 2001 Bryan Street Suite 2200 Dallas, TX75201 20-0749021	Research	DE	N/A	C			

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1)	Baylor Health Care Sytem	A	122,388
(2)	Baylor Health Enterprises LP	A	167,646
(3)	Baylor Heart & Vascular Center LLP	A	1,298,509
(4)	Baylor Medical Center at Garland	A	1,237,209
(5)	Baylor Research Institute	A	166,116
(6)	HealthTexas Provider Network	A	64,487
(7)	Baylor Health Care Sytem	B	210,000,000
(8)	Baylor Research Institute	B	12,192,982
(9)	Texas Health Ventures Group LLP	B	3,944,383
(10)	Southern Sector Health Initiative	B	3,625,000
(11)	Baylor Health Care Sytem Foundation	C	11,642,095
(12)	Baylor Heart & Vascular Center LLP	C	1,957,260
(13)	Baylor Regional Medical Center at Grapevine	C	1,637,978
(14)	Baylor Regional Medical Center at Plano	C	2,144,708
(15)	Texas Health Ventures Group LLP	C	41,533,934
(16)	Texas Heart Hospital of the Southwest LLP	C	2,990,002
(17)	Baylor Health Care Sytem	J	2,777,338
(18)	Baylor All Saints Medical Center	K	1,107,545
(19)	Baylor Health Care Sytem	K	583,476
(20)	Baylor Heart & Vascular Center LLP	K	1,313,715
(21)	Baylor Institute for Rehabilitation at Gaston Episcopal Hospital	K	3,070,192
(22)	Baylor Medical Center at Garland	K	759,910
(23)	Baylor Medical Center at Irving	K	614,591
(24)	Baylor Medical Center at Waxahachie	K	495,424
(25)	Baylor Regional Medical Center at Grapevine	K	842,753
(26)	Baylor Regional Medical Center at Plano	K	436,629
(27)	Baylor Research Institute	K	1,153,360
(28)	Baylor Specialty Health Centers	K	3,420,330
(29)	HealthTexas Provider Network	K	206,579
(30)	Texas Heart Hospital of the Southwest LLP	K	113,106
(31)	Baylor Health Care Sytem	L	121,863,365
(32)	Baylor Health Enterprises LP	L	362,235
(33)	Baylor Heart & Vascular Center LLP	L	15,799,896
(34)	Baylor Medical Center at Garland	L	106,447
(35)	Baylor Research Institute	L	190,453
(36)	HealthTexas Provider Network	L	18,536,089
(37)	MEDCO Construction LLC	L	18,170,399
(38)	Baylor Health Care Sytem	O	1,222,693
(39)	Baylor Health Care Sytem	P	2,663,204
(40)	Baylor Heart & Vascular Center LLP	R	20,667,955
(41)	HealthTexas Provider Network-Gastroenterology Services LLP	R	1,409,830