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421707837 10/17/2012 10 36 AM

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning , and ending

Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: Hennepin Healthcare System, Inc

Doing Business As: Hennepin County Medical Center

Number and street (or P O box if mail is not delivered to street address): 701 Park Avenue, Finance P-1

Room/suite:

City or town, state or country, and ZIP + 4: Minneapolis MN 55415

D Employer identification number: 42-1707837

E Telephone number: 612-873-3046

G Gross receipts $: 635,806,778

F Name and address of principal officer:
Larry A. Kryzaniak
701 Park Avenue, Finance P-1
Minneapolis MN 55415

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.hcmed.org

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 2007

M State of legal domicile: MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities.
See Schedule O

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2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)		
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	5404
6	Total number of volunteers (estimate if necessary)	6	521
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,071,281
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-45,382

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	55,618,122	34,429,221
9	Program service revenue (Part VIII, line 2g)	597,152,250	599,343,024
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	593,837	1,487,948
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,385,210	326,133
12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	657,749,419	635,586,326
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,008,754	440,977
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	323,356,779	345,954,982
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	265,464,183	254,586,294
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	589,829,716	600,982,253
19	Revenue less expenses Subtract line 18 from line 12	67,919,703	34,604,073

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	429,395,423	458,763,204
21	Total liabilities (Part X, line 26)	154,539,362	149,303,070
22	Net assets or fund balances Subtract line 21 from line 20	274,856,061	309,460,134

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 11/12/12

▶ Larry A. Kryzaniak — Chief Financial Officer

Type or print name and title

Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
		10/17/12		

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

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

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form **990** (2011)

SCANNED OCT 21 2013

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

See Schedule O

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

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

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 $ 525,918,781 including grants of $ 440,977) (Revenue $ 599,343,024)

HCMC Inc operates Hennepin County Medical Center in downtown Minneapolis and primary care clinics in Minneapolis and in the Whittier Neighborhood and in the suburban communities of Brooklyn Center, Brooklyn Park, Richfield and St. Anthony, as well as retail clinics in the Walmart stores in Bloomington and Eden Prairie.

4b (Code) (Expenses $ including grants of $) (Revenue $)

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

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

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

4e Total program service expenses ▶ 525,918,781

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

			Yes	No
	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	24a		X
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? If "Yes," complete Schedule L, Part I	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? If "Yes," complete Schedule M	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

				Yes	No
	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	626		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	5404		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		3b	X	
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		X
b	If "Yes," enter the name of the foreign country ▶ See instructions for 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		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		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		X
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		X
	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		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		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		X
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			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O				
	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		14b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Did the organization have members or stockholders?		6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ MN

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[ ] Own website [X] Another's website [X] Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Cheryl Koenen, Controller 701 Park Avenue, Finance P-1 Minneapolis MN 55415 612-873-3046

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

Check if Schedule O contains a response to any question in this Part VII ☐

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Arthur A. Gonzalez CEO/Secretary	55.00	X		X				519,392	0	37,410
(2) Janis Callison Director	2.00	X						0	96,301	14,535
(3) Michael Opat Director	2.00	X						0	90,702	26,596
(4) Donald Jacobs, MD Director	2.00	X						0	0	0
(5) Anita Pampusch, PHD Director	2.00	X						0	0	0
(6) David Jones Director/Chair	2.00	X		X				0	0	0
(7) Ray Waldron Director	2.00	X						0	0	0
(8) Atum Azzahir Director	2.00	X						0	0	0
(9) Jan Malcolm Director	2.00	X						0	0	0
(10) Christopher Puto, PHD Director/Treasurer	2.00	X		X				0	0	0
(11) Samuel Carlson, MD Director	2.00	X						0	0	0
(12) Sharon Sayles Belton Director/Vice Chair	2.00	X		X				0	0	0
(13) David Ebel Director	2.00	X						0	0	0
(14) Larry Kryzaniak CFO	55.00			X				334,952	0	30,673

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) Timothy Harlin COO	55.00				X			314,051	0	36,033
(16) Joanne Sunquist CIO	55.00				X			245,815	0	34,815
(17) Kathy Wilde CNO	55.00				X			242,500	0	30,673
(18) William Terry Howell CQO	55.00				X			219,944	0	24,441
(19) Jeanette Taylor Jones VP SUPPORT SERVICES	55.00				X			211,552	0	28,159
(20) Michael Harristhal VP Public Policy & S	55.00				X			198,911	0	31,027
(21) Emily Fuerste VP Philanthropy	55.00					X		189,998	0	17,622
(22) Athittharn Atchawong Nurse Anesthetist	55.00					X		187,153	0	20,038
(23) David Albright Director Finance	55.00					X		175,972	0	19,099
Warren Simpson Director Internal	55.00					X		167,618	0	16,970
(25) Emily Ann Gerber Nurse Anesthetist	55.00					X		166,101	0	16,765
1b Sub-total								3,173,959	187,003	384,856
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,173,959	187,003	384,856

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 ▶ 275

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Hennepin Faculty Associates 600 HFA Bldg Minneapolis MN 55404	Health Services	46,688,814
McKesson Drug 12748 Collections Ctr Dr Chicago IL 60693	Health Services	29,898,397
United Healthcare Insurance Group 9900 Bren Road East Minnetonka MN 55343	Health Services	29,359,592
Gough Construction Inc 2737 Fairview Ave N St Paul MN 55113	Construction	7,603,333
Medline Industries Inc Dept CH 14400 Palatine IL 60055	Health Services	7,334,390

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 261

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				
	e Government grants (contributions)	1e	34,245,989			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	183,232			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a–1f ▶		34,429,221			
Program Service Revenue		Busn. Code				
	2a Medicare / Medicaid Revenue	900099	237,145,684	237,145,684		
	b Inpatient Revenue	900099	170,584,922	170,584,922		
	c Outpatient Revenue	900099	95,814,485	95,814,485		
	d Other State Program Revenue	900099	55,495,584	55,495,584		
	e Pharmacy Revenue	446110	31,744,080	31,744,080		
	f All other program service revenue	900099	8,558,269	1,122,572	1,071,281	6,364,416
	g **Total.** Add lines 2a–2f ▶		599,343,024			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		1,708,400			1,708,400
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less rental exps					
	c Rental inc 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 & sales exps		220,452			
	c Gain or (loss)		-220,452			
	d Net gain or (loss) ▶		-220,452			-220,452
	8a Gross income from fundraising events (not including $ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less. direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less. cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Busn Code				
	11a Miscellaneous Revenue		326,133	326,133		
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d ▶		326,133			
	12 **Total revenue.** See instructions. ▶		635,586,326	592,233,460	1,071,281	7,852,364

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)

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	440,977	440,977		
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	2,426,471	400,403	2,026,068	
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	259,904,193	217,016,196	42,887,997	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	19,175,496	16,011,258	3,164,238	
9 Other employee benefits	45,998,210	38,407,832	7,590,378	
10 Payroll taxes	18,450,612	15,405,991	3,044,621	
11 Fees for services (non-employees):				
a Management				
b Legal	712,898	595,259	117,639	
c Accounting	184,734	154,250	30,484	
d Lobbying	138,751		138,751	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	308,216	257,356	50,860	
g Other	5,247,042	4,381,203	865,839	
12 Advertising and promotion	819,440	684,220	135,220	
13 Office expenses	4,637,575	3,872,307	765,268	
14 Information technology	3,704,365	3,093,091	611,274	
15 Royalties				
16 Occupancy	19,186,407	16,205,610	2,980,797	
17 Travel	484,004	404,136	79,868	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	629,510	525,632	103,878	
20 Interest	535,723	447,321	88,402	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	33,556,162	33,556,162		
23 Insurance	123,012	102,713	20,299	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical Supplies	66,254,760	66,254,760		
b Purch Srv - HFA	35,232,832	35,232,832		
c Bad Debts	20,039,527	20,039,527		
d MN Care and Other Tax	12,674,167	12,674,167		
e All other expenses	50,117,169	39,755,578	10,361,591	
Total functional expenses. Add lines 1 through 24e	600,982,253	525,918,781	75,063,472	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest bearing		88,716,597	1	94,724,210
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		118,822,733	4	131,558,934
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,278,587	8	3,671,901
	9	Prepaid expenses and deferred charges		3,937,867	9	3,697,869
	10a	Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 557,020,830			
	b	Less. accumulated depreciation	10b 333,080,656	211,417,940	10c	223,940,174
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		858,986	12	1,165,091
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		2,362,713	15	5,025
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		429,395,423	16	458,763,204
Liabilities	17	Accounts payable and accrued expenses		144,000,283	17	141,288,851
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		10,539,079	25	8,014,219
	26	**Total liabilities.** Add lines 17 through 25		154,539,362	26	149,303,070
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			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		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		203,416,365	31	238,022,801
	32	Retained earnings, endowment, accumulated income, or other funds		71,439,696	32	71,437,333
	33	Total net assets or fund balances		274,856,061	33	309,460,134
	34	Total liabilities and net assets/fund balances		429,395,423	34	458,763,204

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	635,586,326
2	Total expenses (must equal Part IX, column (A), line 25)	2	600,982,253
3	Revenue less expenses. Subtract line 2 from line 1	3	34,604,073
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	274,856,061
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	309,460,134

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ☐

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Hennepin Healthcare System, Inc

Employer identification number
42-1707837

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

☐ 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?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		

h Provide the following information about the supported organization(s)

(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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

ection A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
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 section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15	Public support percentage from 2010 Schedule A, Part II, line 14	15	%

16a **33 1/3% support test—2011.** 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—2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2011.** 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—2010.** 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 III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

ection A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

ection B. Total Support

,endar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2011.** 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—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any 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

2011

Open to Public Inspection

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

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

If the organization answered "Yes" 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, Part V, line 35c (Proxy Tax), then

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

Name of organization	Employer identification number
Hennepin Healthcare System, Inc	42-1707837

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 function activities ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	138,751	
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)	138,751	
d Other exempt purpose expenditures	646,323,000	
e Total exempt purpose expenditures (add lines 1c and 1d)	646,461,751	
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-	0	
i Subtract line 1f from line 1c. If zero or less, enter -0-	0	

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

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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount		1,000,000	1,000,000	1,000,000	3,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					4,500,000
c Total lobbying expenditures		213,175	170,655	138,751	522,581
d Grassroots nontaxable amount		250,000	250,000	250,000	750,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,125,000
f Grassroots lobbying expenditures		160,810	114,523	138,751	414,084

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)).

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

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

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

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

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

Part IV Supplemental Information

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

Schedule C, Part I-A, Line 1

Hennepin Healthcare System, Inc and Hennepin County MN entered into a service agreement with Hennepin County Intergovernmental relations (IGR) to furnish State and Federal lobbying services related to HHS Inc's mission and purpose. Total lobbying expenses $130,000

Part IV Supplemental Information (continued)

HHS Inc pays association dues to the following organizations of which a portion of the dues are for lobbying efforts. The following amounts are the portion that represent lobbying.

Minnesota Hospital Association	$4,086
National Association for Public Hospitals	$4,500
Safety Net Hospitals for Pharmaceutical Access	$ 165
Total	$8,751

Total grass roots lobbying for 2011 $138,751

Schedule C, Part II-A, Explanation of Four Year Averaging Form 5768 Election effective for 2009 return filing.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

Hennepin Healthcare System, Inc

Employer identification number

42-1707837

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ 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 education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

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

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, 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 section 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 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

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

(i) 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

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

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

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

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

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

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

Part V Endowment Funds. Complete if 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	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ %

b Permanent endowment ▶ %

c Temporarily restricted endowment ▶ %

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

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

		Yes	No
(i)	unrelated organizations	3a(i)	
(ii)	related organizations	3a(ii)	
b	If "Yes" 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 Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land		18,993,826		18,993,826
b	Buildings		309,807,185	183,357,978	126,449,207
c	Leasehold improvements		6,382,779	3,772,755	2,610,024
d	Equipment		147,646,077	97,990,291	49,655,786
e	Other		74,190,963	47,959,632	26,231,331
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶					223,940,174

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.) ▶		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Lease Refunding Certificates	8,014,219
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	8,014,219

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	635,586,326
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	600,982,253
	Excess or (deficit) for the year Subtract line 2 from line 1	3	34,604,073
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	34,604,073

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	607,334,861
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	607,334,861
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	28,251,465		
c	Add lines 4a and 4b			4c	28,251,465
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			5	635,586,326

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	572,730,788
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
	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	572,730,788
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	28,251,465		
c	Add lines 4a and 4b			4c	28,251,465
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	600,982,253

Part XIV Supplemental Information

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

Part XI, Line 8 - Reconciliation of Changes - Other

Bad Debt Reclass	$ -20,039,527
IGT2 Reclass	$ -6,792,000
Resident Offset	$ -1,419,938
Bad Debt	$ 20,039,527
IGT2 Reclass	$ 6,792,000
Resident Offset	$ 1,419,938

Part XIV Supplemental Information (continued)

Part XII, Line 4b - Revenue Amounts Included on Return - Other

Bad Debt Reclass	$ 20,039,527
IGT2 Reclass	$ 6,792,000
Resident Offset	$ 1,419,938

Part XIII, Line 4b - Expense Amounts Included on Return - Other

Bad Debt	$ 20,039,527
IGT2 Reclass	$ 6,792,000
Resident Offset	$ 1,419,938

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
2011
Open to Public Inspection

Name of the organization
Hennepin Healthcare System, Inc

Employer identification number
42-1707837

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [X] 300% [ ] 350% [ ] 400% [ ] Other _____ %	X	
c	If the organization did 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 used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
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?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
b	If "Yes," does the organization make it available to the public?	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			21,654,000		21,654,000	3.60
b Medicaid (from Worksheet 3, column a)			240,831,000	214,869,000	25,962,000	4.32
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			262,485,000	214,869,000	47,616,000	7.92
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	20	118,058	2,441,378	8,076	2,433,302	0.40
f Health professions education (from Worksheet 5)	9	4,406	60,763,448	33,003,533	27,759,915	4.62
g Subsidized health services (from Worksheet 6)	2	13,556	374,609		374,609	0.06
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	11	55,308	378,748	1,293	377,455	0.06
j Total. Other Benefits	42	191,328	63,958,183	33,012,902	30,945,281	5.15
k Total. Add lines 7d and 7j	42	191,328	326,443,183	247,881,902	78,561,281	13.07

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	3	2,600,000	1,468,294		1,468,294	0.24
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	7	20,130	17,005	3,120	13,885	
7 Community health improvement advocacy	1		11,066		11,066	
8 Workforce development						
9 Other						
10 Total	11	2,620,130	1,496,365	3,120	1,493,245	0.25

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense	2 9,466,000		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3		
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 a portion of bad debt amounts as community benefit			

Section B. Medicare

	Enter total revenue received from Medicare (including DSH and IME)	5	121,323,000
6	Enter Medicare allowable costs of care relating to payments on line 5	6	161,556,000
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-40,233,000
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	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(List in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

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)
1 Hennepin Healthcare System, Inc Hennepin County Medical Center 701 Park Avenue Minneapolis MN 55415	X	X	X	X		X	X	X	Level 1 Trauma Hospital

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: Hennepin Healthcare System, Inc

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)				
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1	X	
	If "Yes," indicate what the Needs Assessment describes (check all that apply).			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[ ] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[X] Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment. 20 11			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		X
5	Did the hospital facility make its Needs Assessment widely available to the public?	5	X	
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a	[ ] Hospital facility's website			
b	[X] Available upon request from the hospital facility			
c	[ ] Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a	[X] Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b	[X] Execution of the implementation strategy			
c	[X] Participation in the development of a community-wide community benefit plan			
d	[X] Participation in the execution of a community-wide community benefit plan			
e	[X] Inclusion of a community benefit section in operational plans			
f	[X] Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g	[X] Prioritization of health needs in its community			
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	[ ] Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	X	
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 200 %			
	If "No," explain in Part VI the criteria the hospital facility used.			

Part V Facility Information (continued)

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 300 %			
	If "No," explain in Part VI the criteria the hospital facility used.			
11	Explained the basis for calculating amounts charged to patients?	11	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply).			
a	[X] Income level			
b	[X] Asset level			
c	[X] Medical indigency			
d	[X] Insurance status			
e	[X] Uninsured discount			
f	[X] Medicaid/Medicare			
g	[X] State regulation			
h	[ ] Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	X	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	[X] The policy was posted on the hospital facility's website			
b	[X] The policy was attached to billing invoices			
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	[X] The policy was posted in the hospital facility's admissions offices			
e	[X] The policy was provided, in writing, to patients on admission to the hospital facility			
f	[X] The policy was available on request			
g	[X] Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	X	
15	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[X] Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	X	
	If "Yes," check all actions in which the hospital facility or a third party engaged.			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[X] Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply)			
a	[X] Notified patients of the financial assistance policy on admission			
b	[X] Notified patients of the financial assistance policy prior to discharge			
c	[X] Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	[X] Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e	[X] Other (describe in Part VI)			

Part V Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
3	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
	If "No," indicate why		
a	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility's policy was not in writing		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	☒ Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		X
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?		X
	If "Yes," explain in Part VI.		

Part V Facility Information (continued)

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

st in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 10

	Name and address	Type of Facility (describe)
1	HCMC-Brooklyn Center Clinic 6601 Shingle Creek Parkway Suite 400 Minneapolis MN 55430	Hospital Based Clinic
2	HCMC-Brooklyn Park Clinic 7650 Zane Ave N Minneapolis MN 55443	Hospital Based Clinic
3	HCMC-Convenience Care at Wal Mart 12195 Single Tree Lane Eden Prairie MN 55344	Free Standing Clinic
4	HCMC-Convenience Care at Wal Mart 715 East 78th Street Bloomington MN 55420	Free Standing Clinic
5	HCMC-East Lake Clinic 2700 East Lake Street Minneapolis MN 55406	Hospital Based Clinic
6	HCMC Richfield Clinic 44 West 66th Street Richfield MN 55423	Hospital Based Clinic
7	HCMC-Whittier Clinic 2810 Nicollet Minneapolis MN 55408	Hospital Based Clinic
8	Neurology & Specialty Clinic Two Twelve Medical Center 111 Hundertmark Road, Ste 480 Chaska MN 55318	Hospital Based Clinic
9	St Anthony Village Clinic 2714 Highway 88 St Anthony MN 55418	Hospital Based Clinic
10	HCMC-Be Well Clinic 300 South Sixth St Government Center - A120 Minneapolis MN 55487	Free Standing Clinic

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

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

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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Part I, Line 7g - Subsidized Health Services Explanation

Part I, Line 7g

One of the major subsidized health services HCMC participates in is the Hennepin EMS Emergency Communication Center. Hennepin EMS is an Urban/Suburban 9-1-1 Emergency Medical Services agency that handles approximately 60,000 calls for service each year from the citizens and visitors of Hennepin County, Minnesota. We are based at Hennepin County Medical Center and serve 14 municipalities, covering 266 square miles and a population of over 700,000. Hennepin EMS deploys ambulances throughout the communities we serve, utilizing an integrated Computer Aided Dispatch system that incorporates Automatic Vehicle Location and Global Positioning Satellites to ensure the closest available ambulance is sent to all emergencies. Hennepin EMS also attends many community events as an emergency medical service provider, such as the Aquatennial and the Marathon

Part 1, Line 6a & 6b

The community benefit report is a footnote disclosure as part of HCMC's annual audited financial statement. HCMC, as an enterprise fund of

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Hennepin County, also appears on Hennepin County's financial statements. The audited financial statements are available to the public and are also filed with the Minnesota Secretary of State.

Part I, Line 7 - Costing Methodology Explanation

HCMC as a public safety net hospital has a "treat first" policy to meet the healthcare needs of all patients regardless of their ability to pay. Consistent with a commitment to charitable purposes and a dedication to serving the healthcare needs of the community, no individual is turned away or denied treatment. For costing purposes, HCMC uses a combination of standard costing, where applicable, and the Federal Poverty Guidelines.

Part 1, Line 7a

Not included in the 990 presentation, but called out in HCMC's financial statements, HCMC pays MN Care Tax ($8,120,787) and MN Care Surcharges Taxes ($4,526,600). These taxes were imposed by Minnesota Statute to cover the cost of providing healthcare for those who cannot afford insurance.

Page 1, Line 7, Column F

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Exclusions from percent of total expense community benefit amounts do not include "Bad Debts" in the amount of $19,720,000. This is computed from HHS, Inc "Epic" AR system and from write-offs, charges forgone and bad debts posted or reserved in the General Ledger. For community benefit reporting, in the notes to the financial statements, the Minnesota Hospital Association includes bad debts as community benefit as all other hsopital report this amount which is separately listed along with other community benefits which are reported to the Minnesote State Legislature.

Part II - Community Building Activities

HCMC provides many community health improvement services. One of its major contributions to community health is the Hennepin Regional Poison Center. The Hennepin Regional Poison Center provides poison information and medical treatment recommendations to public and professional callers by telephone throughout Minnesota, North Dakota and South Dakota. Pharmacists certified as Specialists in Poison Information managed 71,138 calls in 2011. Of those, 61,604 (87%) calls involved human exposure to a potentially harmful substance. There were 9,534 (13%) calls for information pertaining to medications, chemicals, poison prevention, medical, and environmental

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concerns. Other community health programs at HCMC include: EMS training programs, Hispanic youth counseling programs such as Aqui Para Ti and Todos Juntos, teen obesity prevention programs such as Taking Steps Together; Injury Free Coalition for Kids, Safety Camps, Trauma Prevention education and the Addiction Medicine Clinic.

HCMC participates in many community building activities. HCMC coordinated the development of the Metropolitan Hospital Compact, bringing community hospitals together to coordinate disaster preparedness and response. As the Regional Hospital Resource Center for the 7 county Metro Region (2.6 million people) HCMC coordinates 30 hospitals and their affiliated clinics, long term care facilities and the unaffiliated clinics. HCMC is a participant in The Suspected Child Abuse and Neglect Team (SCANT). SCANT is a multi-disciplinary, interdepartmental team of professionals from HCMC, including pediatricians, social workers, nurses, chaplains, and psychologists, as well as individuals from collaborating agencies including the Minneapolis Police Department, Hennepin County Child Protection, the Hennepin County Attorney's Office, and the Hennepin County Medical Examiner's Office. Other community building activities HCMC is

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involved in include: Domestic and Family Violence programs for the surrounding communities and Native American Advocacy and health improvement programs.

Part III, Line 4 - Bad Debt Expense Explanation

The cost of charges written off as bad debt expense totaled $9,466,000 for 2011. This was calculated as the percentage of adjusted patient charges divided by operating expense to achieve a cost to charge ratio. The bad debt amount is the product of the ratio of the cost to charges multiplied by the charges written off. Bad debt expense in the amount of $19,720,000 which is not included in the Community Benefits is the amount recorded during 2011 which is written off or sent to collections net of recoveries and net of book reserves for adjustments to the on-going bad debt allowance on open accounts receivable.

Part III, Line 8 - Medicare Explanation

The shortfall in Medicare is determined by the cost to charge ratio that is computed every year and compared for reasonableness to the shortfall in Medicare payments to computed costs. This represents the net costs that

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the hospital incurs for non-community benefit Medicare expenses absorbed by the hospital.

Part III, Line 9b - Collection Practices Explanation

HCMC uses a combination of discount and collection policies. Patients are screened using established guidelines as set by the hospital's board and approved by the County Board and whenever possible the patient or patient's family can fill out an application for financial assistance. Those that do not qualify for Medical Assistance, charity care or Hennepin Care, or who are uninsured, will be offered an uninsured discount. Patients with self pay balances who are considered able to pay based on financial screening may be turned over to collections if the hospital deems that they have the ability to pay for services. HCMC as a Government entity is allowed to participate in State of Minnesota Revenue Recapture program. This program allows HCMC to submit claims against patient income tax refunds, property tax

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refunds, and lottery winnings to recover past due balances after other collection efforts are exhausted.

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 1j

HCMC has been developing a Health Services Plan each year since the change in governance structure in 2007 that created the Hennepin HealthCare System. The foundation for the Health Services plan is an assessment of the community/regional need for health services.

Minnesota law requires Hennepin County Medical Center/Hennepin Healthcare System, Inc. (HCMC/HHS) to produce an annual "Health Services Plan" for the review and approval by the Hennepin County Board of Commissioners.[1] The purpose of this Health Services Plan is to both assess and respond to the changing health care needs of the community. According to state law, the Health Services Plan will "draw from a population needs assessment, and will delineate the Corporation's role in the community, including education, research and services to improve the health status of the community, including indigent populations." As stated in the HCMC/HHS bylaws, the Health Services Plan must also describe:

"Continued coordination with the County;

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"The principal health services to be provided;

"Significant changes in the patterns of community health needs;

"Significant plans for changes in deployment of resources or sites;

"The primary thrust of workforce plans; and

"The operation and effect of the indigent care formula

The objective of the development process of the Health Services Plan is to focus on activities that are continuous, measurable and occur in areas where HCMC/HHS can influence health status of the community in a meaningful way. Part of this objective is achieved simply by enumerating the unique services HCMC/HHS provides, many of which would not be available in the community if not for HCMC/HHS. HCMC/HHS' historic mission commits it to ensuring access to healthcare for all, regardless of ability to pay. The priority areas and activities highlighted in the Health Services Plan reaffirm that mission and ensure that the health care needs of indigent populations remain central in any initiative undertaken. However, HCMC/HHS recognizes that more and better medical care alone will not improve the community's health status or slow the rising costs of health care. Therefore, HCMC/HHS is committed to building and strengthening

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relationships with community partners, such as public health, community providers, and community nonprofits in order to improve the health status of the community in a more impactful way. Findings from the Health Services Plan are used to inform strategic planning processes and establish priorities for developing programming that aligns with community health needs.

This year, the fundamental Community Needs Assessment in Hennepin County is being conducted under the auspices of the Community Health Improvement Partnership. This process is an initiative that will not only define community health needs but also fosters and strengthens successful partnerships to improve the health of our residents. This initiative will forge alliances across a broad spectrum of Hennepin County entities to work together to improve the health of individuals and the broader community. The CHIP Leadership Group includes community leaders from organizations involved in health-related activities. This group will provide guidance to the CHIP process, help engage participants from the community, and champion the effort and the plan that is developed.

With the context of the CHIP planning process in hand, HCMC will continue to define its role and programs and deliver services in accord with

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addressing the defined community needs, given our capabilities and capacity to do so. "

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 3

The Health Services Plan draws from a population needs assessment which will delineate HCMC's role in the community.

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 13g

HCMC created a web page called "Information for Patients, Family & Visitors". The site allows individuals access to patient resources and a portal to the patient billing site that assists with "Paying for your Health Services" in which the patient is guided through the financial requirements for various financial assistance programs.

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 15e

see PART III SECTION C LINE 9B

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 16e

see PART III SECTION C LINE 9B

Part VI Supplemental Information

Complete this part to provide the following information.

Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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

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

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

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

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

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 17e

see PART III SECTION C LINE 9B

Hennepin Healthcare System, Inc, Line Number 1 - Part V, Line 19d

HCMC collections/customer service areas process discount adjustments to patient accounts subject to proper adjustment approvals and guidelines. Patients are eligible for discounts based on patient household size and income in relation to Federal Poverty Guidelines. Patients who may be eligible for government programs are required to apply for those programs. If benefits are denied, the applicable discount shall apply. Financial counselors collect and record the patient's net and gross income and family size to determine the appropriate discount. HCMC uses federal guidelines for determining discounts and charity care.

Needs Assessment

As required by Minnesota Law, HCMC is required to perform an annual needs assessment for the surrounding Metro Twin Cities area entitled "Health Services Plan". The report is annually approved by the HHS, Inc Board and

Part VI Supplemental Information

Complete this part to provide the following information.

Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

the Hennepin County Health and Human Services Committee. The report is also submitted to the Minnesota Department of Health. HCMC uses a variety of community needs assessments (e.g. SHAPE) and health service planning documents to develop a profile of the health status of the community. Currently, there are no comprehensive and widely accessible accepted documents that provide a defensible baseline as a means for longitudinal estimates for improvement. HCMC uses studies or initiatives being conducted by public health departments, healthcare systems and other agencies and entities focused on specific conditions or specific geographical regions. Improvements include the identification of datasets to create and syndicate baseline data and engage in collaborative discussions among and between public health departments and healthcare systems. HCMC conducted exploratory discussion sessions that include all of the Hennepin County healthcare systems, open community forum and the three largest public health departments. HCMC data show that profound health disparities exist in Minnesota. At HCMC, 60-65% of services are provided to persons belonging to racial and ethnic minorities. HCMC administers Press Ganey patient satisfaction surveys in five languages and has begun to stratify results by race and ethnicity thus allowing for

Part VI Supplemental Information

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Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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greater awareness and the opportunity for focused intervention.

Patient Education of Eligibility for Assistance

Patients can request to see financial counselors who can help determine eligibility for many financial assistance programs. Upon registration, patients are screened using established guidelines as set by HCMC and whenever possible, the patient or patient's family can fill out an application for Medical Assistance and/or Hennepin Care. For those that do not qualify for charity care, Hennepin Care may be eligible for an uninsured discount. HCMC has issued a new brochure "What's Your Plan" that assists patient's navigate the programs available. These brochures are available throughout the campus. Another tool for patients is on the HCMC website - "Patient Billing Portal" functions as an online "What's Your Plan" brochure. Patients who have a past due balance and based on a financial assistance screening are considered able to pay, may be turned over to collections if HCMC deems that the patient has the ability to pay for services.

Community Information

Part VI Supplemental Information

Complete this part to provide the following information

Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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HCMC is a public corporation safety net hospital engaged in the delivery of healthcare and related services to the general public in the state of Minnesota including the indigent as defined by the state and federal law as determined by the Hennepin County Board of Commissioners. It has a "treat first" policy regardless of a patient's ability to pay.

Health of Community in Relation to Exempt Purpose

HCMC provides more care to Minnesota Health Care Program (MHCP) recipients and the uninsured than do our non-teaching counterparts' nearly 50% of HCMC's volume is provided to low income populations. HCMC is the state's largest provider of service to the poor by a substantial margin. HCMC treats the County's and the region's more severely ill patients, such as those referred from other hospitals and those requiring extensive support services. HCMC physicians and alumni are integral to the region's emergency preparedness and stand-by capabilities. HCMC provides many specialized inpatient and outpatient services such as organ transplantation, intensive neonatal care, oncology services and sophisticated reconstructive surgery to the region's population. HCMC facilitates the transitions of new services and technologies into the

Part VI Supplemental Information

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Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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mainstream and helps to raise the regional standards.

Additional Information

List of States where Community Benefit Report is filed - Minnesota

Part 1, Line 7f Health Professional Education

Public hospitals are special places that help the underserved and provide comprehensive and unique services for the general population. HCMC is a premier teaching hospital and clinic system. From the training of tomorrow's doctors to ensuring physicians throughout Minnesota remain current on the latest medical advances. HCMC has long been and continues to be a nationally recognized public health system and medical education resource.

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

2011

Open to Public Inspection

Name of the organization: **Hennepin Healthcare System, Inc**

Employer identification number: **42-1707837**

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? [X] 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. Part II can be duplicated if additional space is needed ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Allina - Phillips Eye Institute 2215 Park Ave Minneapolis MN 55404	36-3261413	501c3	5,250				Emergency & Prepard
(2) Children's Hospital - St Paul 345 N Smith Avenue St Paul MN 55102	41-1754276	501c3	23,398				Emergency & Prepard
(3) Children's Hospital - Minneapolis 2525 Chicago Avenue Minneapolis MN 55404	41-1754276	501c3	25,284				Emergency & Prepard
(4) Fairview University of Minnesota Am 2450 Riverside Avenue Minneapolis MN 55454	41-0991680	501c3	92,695				Emergency & Prepard
(5) Gillette Children's Speciality Heal 200 University Ave E St Paul MN 55101	36-3379150	501c3	5,250				Emergency & Prepard
(6) HealthEast Care System-Bethesda Hos 559 Capitol Boulevard St Paul MN 55103	36-3517697	501c3	7,550				Emergency & Prepard
(7) HealthEast Care System-St Joseph's 45 West 10th Street St Paul MN 55102	41-0693880	501c3	27,250				Emergency & Prepard
(8) Lakeview Memorial Hospital 927 Churchill Street West Stillwater MN 55082	41-0811697	501c3	19,897				Emergency & Prepard
(9) Maple Grove Hospital Association 9875 Hospital Dr Maple Grove MN 55369	20-8316475	501c3	30,563				Emergency & Prepard

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 14

3 Enter total number of other organizations listed in the line 1 table ▶ 14

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

2011

Open to Public Inspection

Name of the organization

Hennepin Healthcare System, Inc

Employer identification number

42-1707837

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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. Part II can be duplicated if additional space is needed ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) North Memorial Medical Center 3300 Oakdale Ave N Robbinsdale MN 55422	41-0729979	501c3	39,450				Emergency & Prepard
(2) Mayo Clinic-Queen of Peace Hospital 301 Second Street NE New Prague MN 56071	41-0723639	501c3	18,925				Emergency & Prepard
(3) Regions Hospital 640 Jackson Street St Paul MN 55101	41-0956618	501c3	80,700				Emergency & Prepard
(4) Ridgeview Hospital 500 South Maple Street Waconia MN 55387	31-1667875	501c3	44,193				Emergency & Prepard
(5) St Francis Regional Medical Center 1455 St Francis Ave Shakopee MN 55379	41-0907986	501c3	20,572				Emergency & Prepard
(6)							
(7)							
(8)							
(9)							

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

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

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

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

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Part IV - Additional Information

Hennepin Healthcare Systems, Inc has a Grant Management Department that works in cooperation with Finance, Program Directors and Hennepin County, MN to monitor grant receipts and grant disbursements, (whether Federal, State, Local or Individual) that the Organization has received and expended and monitors compliance, if any, with such grant requirements.

SCHEDULE J
(Form 990)

tment of the Treasury
al Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

Hennepin Healthcare System, Inc

Employer identification number

42-1707837

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 indemnification 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 on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
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		
3	Indicate which, if any, of the following the filing organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.			
	☒ 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		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	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	X	
b	Any related organization?	6b		X
	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		X
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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

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

For each individual whose compensation must be reported 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	Arthur A. Gonzalez	(i)	519,392	0	0	24,500	12,910	556,802	0
		(ii)	0	0	0	0	0	0	0
2	Larry Kryzaniak	(i)	334,952	0	0	17,763	12,910	365,625	0
		(ii)	0	0	0	0	0	0	0
3	Timothy Harlin	(i)	314,051	0	0	18,843	17,190	350,084	0
		(ii)	0	0	0	0	0	0	0
4	Joanne Sunquist	(i)	245,815	0	0	17,625	17,190	280,630	0
		(ii)	0	0	0	0	0	0	0
5	Kathy Wilde	(i)	242,500	0	0	17,763	12,910	273,173	0
		(ii)	0	0	0	0	0	0	0
6	William Terry Howell	(i)	219,944	0	0	13,197	11,244	244,385	0
		(ii)	0	0	0	0	0	0	0
7	Jeanette Taylor Jones	(i)	211,552	0	0	15,252	12,907	239,711	0
		(ii)	0	0	0	0	0	0	0
8	Michael Harristhal	(i)	198,911	0	0	14,411	16,616	229,938	0
		(ii)	0	0	0	0	0	0	0
9	Emily Fuerste	(i)	189,998	0	0	10,742	6,880	207,620	0
		(ii)	0	0	0	0	0	0	0
10	Athittharn Atchawong	(i)	187,153	0	0	13,569	6,469	207,191	0
		(ii)	0	0	0	0	0	0	0
11	David Albright	(i)	175,972	0	0	12,758	6,341	195,071	0
		(ii)	0	0	0	0	0	0	0
12	Warren Simpson	(i)	167,618	0	0	10,045	6,925	184,588	0
		(ii)	0	0	0	0	0	0	0
13	Emily Ann Gerber	(i)	166,101	0	0	9,966	6,799	182,866	0
		(ii)	0	0	0	0	0	0	0
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

Part III Supplemental Information

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

Part I, Line 3 - Related Org Methods Used for Compensation Explanation

As part of its annual board approval items, a line item motion is done.

Part I, Line 6a - Compensation Contingent upon Net Earnings of Organization

Hennepin Healthcare System, Inc has two incentive programs designed to reward eligible employees with a financial payout if established organizational goals (focused on customer service and patient safety) are met. The objectives of the plans are to align compensation practices with organizational goals and objectives and reward individuals based on performance-based criteria. Individuals are not allowed to participate in both plans and both are subject to modification by the Board of Directors including the right to not pay any amount. For example, unforeseen or catastrophic circumstances that would make it difficult to justify paying in a given year. Each plan has qualifications that must be met in order for the discretionary payment to be considered.

Part III - Other Additional Information

Part II

Part III Supplemental Information

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

Key Employees - Additions

Included as HHS, Inc Key Employees are the following Hennepin Faculty Associates (HFA) employees. They are not compensated by HHS, Inc or any related organization, but are paid through a shared services agreement with HFA. This agreement is included as part of Form 990, Part VII, Section B, Independent Contractors.

Name / Title	Compensation	Deferred Compensation	Non-Taxable Benefits
Michael Belzer, MD Chief Medical Officer	$346,315	$31,152	$18,838
Gregory Lutz VP Ambulatory Care	$21,206	$619	$0.00
Steven Sterner, MD Chief of Ambulatory Care	$285,223	$31,152	$24,894

SCHEDULE O
(Form 990 or 990-EZ)
tment of the Treasury
al Revenue Service

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
Hennepin Healthcare System, Inc

Employer identification number
42-1707837

Form 990 - Organization's Mission or Most Significant Activities

Form 990, Part I, Line 1 and Form 990, Part III, Line 1

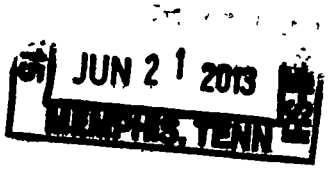
Hennepin Healthcare System, Inc is committed:

-to provide the best possible care to every patient we serve today,

-search for new ways to improve the care we will provide tomorrow,

-educate health care providers for the future and

-ensure access to healthcare for all.



Form 990, Part III, Line 4a - First Accomplishment

As a safety net hospital, HCMC receives supplemental Medicaid payments, also known as Upper payment Limit payments (UPL) for inpatient and outpatient services through Intergovernmental transfers in accordance with specific state statues subject to Federal regulations and approval. During 2009, Minnesota state legislation created several new supplemental Medicaid payment statutes. Upon Federal approval in 2010, the Medical Center received nonrecurring payments of approximately $17 million under these statutes related to the 2009 Federal fiscal year. HCMC also receives amounts from Hennepin County for Capital Asset additions. These capital contributions totaled approximately $14 Million and $22 Million in 2011 and 2010, respectively. Net of these amounts, Part 1, Line "Revenue less Expenses" would be $20.4 Million and $28.5 Million for 2011 and 2010, respectively.

HHS Inc, doing business as, Hennepin County Medical Center (HCMC) operates

pproximately 462 beds as a Level One Trauma Center, Acute & Tertiary Care, Public Teaching Hospital system. The downtown Minneapolis campus includes a 462 bed hospital and primary and specialty care clinics. HCMC also operates community care clinics and convenience care clinics in Minneapolis and the surrounding metropolitan area. We are an essential teaching hospital for doctors who go on to practice throughout the state. We are a safety net hospital providing care for low-income, the uninsured and vulnerable populations and a major employer and economic engine in Hennepin County.

Form 990, Part III, Line 4a

Acute Dialysis (Davita)

Acute Dialysis Services' main purpose and goal is to provide quality care to all our patients. We are responsible for hemodialysis treatments and other nephrology nursing needs of the nursing needs of the acute and chronic patients admitted to the hospitals. We provide the patient with the services of an experienced teammate and work in conjunction with the hospital to ensure that each patient reaches the highest level of health, security and independence 24 hrs. a day, 7 days a week. Our teammates work with the patients on an individual basis to provide quality care and service excellence with confidence and trust.

Form 990, Part III, Line 4a

Acute Psychiatric Services (APS)

APS is a Psychiatric emergency department open 24 hrs. a day, 7 days a week, for anyone experiencing a mental health or emotional crisis. We provide assessment, intervention and referral.

Name of the organization: Hennepin Healthcare System, Inc

Employer identification number: 42-1707837

Form 990, Part III, Line 4a

Audiology Clinic

The Audiology Clinic provides high quality inpatient and outpatient services to individuals of all ages, from infancy to geriatrics. We are dedicated to providing the most up-to-date technology and hearing health care available for the community.

Form 990, Part III, Line 4a

Hennepin Burn Center

The Hennepin Burn Center has provided inpatient, acute, and rehabilitative care for patients with burns, frostbite, and other complex wounds for more than 30 years. Unique in its on-site access to burn care specialists 7 days a week, the Burn Center contains a new 17 bed inpatient unit and an Ambulatory Burn and Wound Clinic for outpatient treatments. The Burn Center has received verification as a Burn Center from the American Burn Association and American College of Surgeries.

Form 990, Part III, Line 4a

Cardiac Services (Hennepin Heart Center)

The Hennepin Heart Center provides high quality cardiac care to patients being evaluated and treated for cardiovascular problems. The Cardiology Division provides care to patients in the following areas: CaRe Unit (37 telemetry beds), R5 Observation Unit (15 beds), Cardiac Medical Intermediate Care Unit (14 beds), Cardiac Clinic, Cardiac Rehabilitation, Cardiac Catheterization Lab & Electrophysiology (EP) Lab, Echocardiography and Non-Invasive Lab, Electrocardiogram (EKG) and Cardiac Research.

Name of the organization: Hennepin Healthcare System, Inc

Employer identification number: 42-1707837

Form 990, Part III, Line 4a

Center for Wound Healing

The Center for Wound Healing is an advanced care center for the treatment of difficult-to-heal wounds of the lower extremities. Our mission is to provide the highest quality clinic services to meet the individual needs of each patient. Patients who have chronic, non-healing wounds caused by diabetes, hypertension and other conditions often experience a marked reduction in their quality of life.

Form 990, Part III, Line 4a

Child / Adolescent Psychiatry Clinic

The Child / Adolescent Psychiatry Clinic offer a variety of outpatient services to help children and adolescents who are having behavioral and emotional problems. Services include psychiatric and psychological evaluations, therapy, parenting skills, counseling and medical management.

Form 990, Part III, Line 4a

Hennepin Comprehensive Cancer Center

The Hennepin Comprehensive Cancer Center is committed to providing the finest in cancer related services through an integrated system of health and social services. The continuum of care extends from prevention, diagnosis, treatment, symptom control, and cure, through all related aspects of adjustment to relapse, survivorship, and bereavement counseling. The Cancer Clinic staff includes medical, surgical and radiation oncologists, radiologists and pathologists trained in cancer diagnosis, specially trained oncology RNs, nurse practitioners, and clinical nurse

pecialist in bone marrow transplant and complementary therapy. This team collaborates with physical therapists to provide care to patients with lymphedema and with a geneticist who provides genetic counseling to patients and families. The Hennepin Comprehensive Cancer Center also includes the Nancy Geltman Shiller Cancer Resource Library. The Comprehensive Cancer Center is accredited by the Commission on Cancer of the American College of Surgeons.

Form 990, Part III, Line 4a

Dentistry

The Dental & Oral Surgery Clinic care ranges from preventive and chronic to acute, simple to complex. Services include general dental care, specialty care, adult and pediatric care under general anesthesia, oral and maxillofacial surgery, and specialty care to patients with compromising medical, physical, mental and emotional conditions. Reconstructive services with maxillofacial prostheses, management of TMJ dysfunction and care of emergency and trauma cases are provided.

Form 990, Part III, Line 4a

EEG Lab

Routine EEG testing (recording of electrical impulses from the brain) is performed in both an inpatient and outpatient setting. Prolonged monitoring (1-5 days) and video monitoring can also be performed to assist in diagnosing unusual spells or seizures.

Form 990, Part III, Line 4a

Emergency Department and Express Care

n 1989, HCMC was the first hospital in Minnesota verified by the American College of Surgeons as a Level I Trauma Center. It now operates both a Level 1 Adult Trauma Center and Level 1 Pediatric Trauma Center and receives patients by ambulance and helicopter from across Minnesota and surrounding states. HCMC provides the entire spectrum of care to address the needs of injured patients from the pre-hospital care and transport through rehabilitation. The Emergency Department is the busiest in the state with over 97,000 visits in 2011. Board-certified emergency medicine physicians provide 24-hour coverage and outstate emergency consultation. Nurses receive and participate in teaching specialized training (ACLS, TNCC, APLS) in handling trauma and medical emergencies.

Hennepin County Medical Center's Emergency Express Care is a fast track unit of the Emergency Department. Emergency Express Care staff treats patients with minor acute illnesses, simple injuries, and other non-emergency conditions. Emergency Express Care is staffed with registered nurses, nurse practitioners, physician assistants, and physicians who have experience in Emergency Medicine.

Form 990, Part III, Line 4a
Emergency Medical Services (EMS)
EMS includes the following service areas: EMS Field Operations, EMS Emergency Communication Center, and EMS Education.

EMS Field Operations: HCMC EMS is licensed to provide emergency medical services to all or part of the 14 communities in Hennepin County. In 2011, EMS provided over 58,000 ambulance runs.

EMS Emergency Communication Center: Emergency Medical Dispatchers are also West Metro Medical Resource Control Center (WMRCC) Operators. WMRCC acts as the coordinator and information resource for field personnel operating in the Hennepin County area.

EMS Education: the EMS Education Department mission is to enhance the quality of emergency medical care provided to the community through training, education and research.

Form 990, Part III, Line 4a

EMG Lab

The EMG Laboratory provides Nerve Conduction Studies (NCS), Needle Electromyography, Autonomic Nervous System Testing, Botulinium Toxin and Phenol Injections on adult and pediatric inpatients (ambulatory or portable) and outpatients from all ethnic and socio-economic groups. The EMG Laboratory is fully accredited with exemplary status through the American Association of Neuromuscular and Electrodiagnostic Medicine (AANEM). HCMC EMG Laboratory is one of only two accredited laboratories in Minnesota and the first in the state to achieve accreditation with exemplary status.

Form 990, Part III, Line 4a

ENT Clinic

The ENT Clinic is a specialty clinic that provides a wide range of surgical, diagnostic and postoperative management of patients with ear, nose and throat conditions.

Name of the organization: Hennepin Healthcare System, Inc

Employer identification number: 42-1707837

Form 990, Part III, Line 4a

Family Medicine Department

The vision of Department of Family and Community Medicine is to use high quality medical education and patient care to create excellent family physicians who are skilled in caring for people of diverse cultures, committed to serving their community, and competent to practice in multiple settings.

Form 990, Part III, Line 4a

G3 Orthopedics

G3 is a 37-bed, all-private room unit that serves medical and surgical patients, with an emphasis on orthopedics and hospitalist services.

Form 990, Part III, Line 4a

Hennepin Specialty Clinics include the following service areas:

Hennepin Bariatric Center

HCMC has established a world-class team of health care providers to help patients achieve weight loss goals. Many centers boast a comprehensive weight loss program, but few actually deliver all of the following under one roof: expert full-time obesity surgeons, a full-time dedicated obesity internal medicine doctor, a core team of dedicated obesity nutritionists, top-notch obesity psychologists, obesity program nurses, obesity support groups and exercise physiologist. The Hennepin Bariatric Center is recognized as a Center of Excellence by the American Society for Metabolic and Bariatric Surgery.

ennepin Center for Diabetes and Endocrinology

The Hennepin Center for Diabetes and Endocrinology (HCDE) provides comprehensive services to adults with hormonal disorders such as diabetes. Treatment includes clinical care, education, nutrition, and weight management, insulin administration, blood glucose monitoring and diabetes support groups. Patient care focuses on preventing complications associated with diabetes.

Extended Care - Senior Care Clinic

The primary purpose of Extended Care is to provide primary care to HCMC patients residing in nursing homes.

Form 990, Part III, Line 4a

Women's Mental Health Program

The Hennepin Women's Mental Health Program provides these services:

"Excellent evidence-based mental health care for women with depression, anxiety, and other psychiatric concerns before, during or after pregnancy or during other reproductive changes (e.g. premenstrual or around menopause).

"Broadens the network of qualified providers in Minnesota to assess and treat women with reproductive-related psychiatric conditions.

"Minimizes the stigma of depression, anxiety, and other psychiatric conditions.

Form 990, Part III, Line 4a

Hyperbaric Medicine

The Center for Hyperbaric Medicine is an outpatient clinic and an emergency

n-call service that provides 100% oxygen to patients while inside a chamber at increased atmospheric pressure for specific medical conditions. A new, state-of-the-art Center for Hyperbaric Medicine was in construction in 2011, comprised of three multiplace chambers and one monoplace chamber. HCMC currently has the only multi-chamber hyperbaric oxygen facility in the state that is used 24/7/365 for emergency treatment of critically ill patients, often victims of carbon monoxide exposure. Hyperbaric oxygen therapy is also used for outpatient treatments of radiation injuries, diabetic ulcers, chronic wound healing and air embolism. The HCMC chamber will also be used for research that shows promise for improving the outcome of patients with traumatic brain injury. The Hyperbaric Medicine program is accredited by the Undersea Hyperbaric Medicine Society "with distinction".

Form 990, Part III, Line 4a

Inpatient Psychiatry

Inpatient Psychiatry is a 102 bed unit for patients who are experiencing acute psychiatric illness. Patients receive multi-disciplinary therapeutic treatment, provided by psychiatrists, advanced practice nurses, physician assistants, mental health workers, occupational therapists, therapeutic recreation therapists, and social workers.

Form 990, Part III, Line 4a

Interventional Radiology Clinic

Interventional Radiologists are board-certified physicians who specialize in minimally invasive, targeted treatments. They use x-rays, CT scans, ultrasounds and other imaging to advance a catheter in the body, to treat

at the source of the disease non-surgically.

Form 990, Part III, Line 4a

Hennepin County Jail Medical Clinic

Hennepin County contracts nursing services from HCMC for operation of the medical clinic for the adult detention facility. The scope of the initial assessment ranges from identifying pre-existing medical conditions and verifying current medications to triaging of acute medical needs and injuries.

Form 990, Part III, Line 4a

Knapp Rehabilitation Center

The Knapp Rehabilitation Center is a 30-bed acute rehabilitation program for adolescents and adults. Services include inpatient and outpatient programs for patients with physical and neurological diagnoses. Rehabilitation professionals help patients regain skills needed for maximum independence and a successful return to the community. The Knapp Rehabilitation Center is accredited by the Commission on Accreditation of Rehabilitation Facilities as a comprehensive rehabilitation program with a specialty in brain injury for adults and adolescents and a specialty in stroke rehabilitation for adults. The Center was the first in Minnesota to be accredited as an inpatient brain injury treatment center.

Form 990, Part III, Line 4a

Laboratories

HCMC laboratories support diagnosis, treatment, and follow-up of patient problems and clinical conditions. Testing of patient blood, urine,

issues, and other samples is performed by technologists and technicians. The phlebotomy team collects about 7,000 blood samples per month. The laboratory performs about 3 million lab tests per year.

Form 990, Part III, Line 4a

Critical Care (Intensive Care Units)

HCMC houses state-of-the-art medical, pediatric, newborn and surgical Intensive Care Units (ICU's) and provide premier medical and surgical care, with outcomes that exceed national benchmarks. National outcome data show that HCMC adult ICU patients have much shorter overall hospital lengths of stay and lower mortality rates. HCMC patients have a 40-50 percent better chance of survival than national standards predict. Units include:

Medical Intensive Care Unit (MICU)

The MICU is a 22 bed unit, specializing in caring for adults experiencing serious or life threatening disruptions in usual states of health.

Newborn Intensive Care Unit (NICU)- See Birth Center

Pediatric Intensive Care Unit (PICU) - See Pediatrics

Surgical-Neuro Intensive Care Unit (SICU)

The SICU is an 18 bed unit specifically equipped and designed to care for seriously or critically ill adult patients including cardiovascular and open heart, surgical, trauma and neuroscience patients. The patient population is diverse in regards to age, gender, ethnic background, economic status, illness, and lifestyle.

'orm 990, Part III, Line 4a

Surgical Trauma Neuroscience Unit

The Surgical Trauma Neuroscience and Intermediate Care Unit is a 44-bed acute care unit with an ADC of 33. The unit provides holistic care to patients for General Surgery, Neurosurgery, Renal Transplant Surgery, Cardiovascular / Pulmonary Surgery, Bariatric, ENT, Oral Surgery, Dentistry, Ophthalmology, Urology and Neurology Services.

Form 990, Part III, Line 4a

Neurology Clinic

The Neurology Clinic offers an experienced, objective and systematic approach to the diagnosis and treatment of neurological disorders in adults and adolescents. Within the Neurology Clinic are:

Huntington's Disease (HD) Center of Excellence which has provided care in the Upper Midwest for patients and families with HD since 1978. The multidisciplinary HD team of care providers, in addition to providing patient care, has provided educational services for a number of students. The clinic is affiliated with University Good Samaritan Long Term Care Facility and has close interactions with the Minnesota Chapter of the HDSA.

Physical Medicine & Rehabilitation Clinic where functional assessments and treatments for physiatrist patients are evaluated and treated.

Form 990, Part III, Line 4a

Birth Center (OB/GYN)

The Birth Center at Hennepin County Medical Center helps bring more than

:,700 babies into the world each year and provides a full spectrum of care for parents and growing babies. Highly-experienced, caring staff can assists throughout a pregnancy. From the prenatal care in clinics, through the educational offerings and classes to the birth of a new child, the Birth Center consists of:

Labor and Delivery

Labor and Delivery provides care for patients who are laboring, have pregnancy related problems or who need pregnancy related surgery. We serve several HCMC clinics and community clinics and those women who have had no prenatal care.

Newborn Intensive Care Unit (NICU)

The NICU is a 21 bed Level II - III neonatal intensive care unit that provides care to neonates who require medical care beyond that which is considered normal newborn care. Services are provided to neonates by our multi-disciplinary health care team, which consists of Neonatologists, Neonatal Nurse Practitioners, Registered Nurses, Support Staff, Social Workers, Occupational, Physical Respiratory and Speech Therapists, and Public Health Nurses, along with any other services needed to meet the family's needs. Our unit follows the philosophy of family-centered care.

Nurse-Midwife Service

The Nurse-Midwife Service is a practice of 15 certified nurse-midwives (CNM). The CMN's see patients in six clinics throughout the metro area and deliver babies at HCMC. CNM's provide prenatal care, labor and delivery, care after birth, yearly gynecological exams, newborn care, assistance with

family planning decisions, preconception care, menopausal management and counseling in health care management and disease prevention.

Obstetrics/Gynecology Clinic

The Ob-Gyn Clinic provides care for women, including Pap smears, pelvic exams, diagnosis and treatment of vaginal infections, family planning, management of normal and high-risk pregnancies, diagnosis and treatment of abnormalities of the vagina, uterus or ovaries and surgical follow-up.

Form 990, Part III, Line 4a

Occupational Therapy

The Occupational Therapy Department provides a continuum of services, newborn through geriatric, including evaluation, education and treatment of patients with complex diagnoses in regards to limitations in performing daily living tasks, that may have resulted from a congenital or developmental disability, aging, a medical illness, trauma, surgery or secondary to other medical conditions.

Form 990, Part III, Line 4a

Ophthalmology (Eye) Clinic

The Eye Clinic is a multi-specialty clinic providing complete surgical services and vision care for all ages.

Form 990, Part III, Line 4a

Orthopedic Clinic

The HCMC Orthopedic Specialty Clinic is a full service orthopedic clinic, providing comprehensive care for patient with a wide variety of

musculoskeletal conditions. This includes trauma and fracture care, as well as general orthopedic issues including total joint replacement surgery, hand surgery and sports injuries.

Form 990, Part III, Line 4a

Partial Hospital Program

The HCMC Adult Partial Hospital Program is a time-limited, structured program of psychotherapy and other therapeutic services specifically designed to meet the mental health needs of persons in an acute crisis. The program provides short-term intensive mental health treatment as an alternative to inpatient hospitalization or as an option following inpatient hospitalization.

Form 990, Part III, Line 4a

Pediatrics

Hennepin County Medical Center (HCMC) has been serving the needs of children for over a century. Services are provided through Pediatric Clinic as well as primary care clinics and a wide variety of specialty clinics. Multidisciplinary case management is used when appropriate. Comprehensive inpatient care has extended from treating the tiniest of neonates in our Newborn Nursery and Newborn Intensive Care Unit to teenagers and young adults up to age 21 in our clinics, Inpatient Unit, and Pediatric Intensive Care Unit. This includes the care we have provided to critically ill and injured children as a Level I Trauma Center, a designation we have held since 1989 and reinforced in 2010 with our verification as a Level I Pediatric Trauma Center. This separate pediatric verification recognizes our distinctive expertise in caring for children in emergency situations.

Pediatric Inpatient

The Inpatient Pediatric Unit is a 15 bed pediatric acute care area dedicated to meeting the acute care needs of infant, children, adolescents and their families through family centered interdisciplinary care. The inpatient pediatric specializes in pediatric trauma and respiratory illness.

Pediatric Intensive Care Unit (PICU)

The PICU is a seven bed critical care unit that focuses on meeting the needs of infant child and adolescents and their families through family centered interdisciplinary. The PICU specializes in Pediatric trauma, traumatic brain injury as well as respiratory and infectious disease.

Form 990, Part III, Line 4a

Pharmacy

The Pharmacy Department provides service to HCMC inpatients and outpatients, employees and County affiliated agencies.

Form 990, Part III, Line 4a

Physical Therapy

Physical Therapy is the skilled service that works on functional mobility and activities. Services are provided to inpatients and outpatients with physical, cognitive or developmental impairments, ages birth to 100+.

Form 990, Part III, Line 4a

Hennepin Regional Poison Center

he Hennepin Regional Poison Control Center is available 24/7 for calls from the community and health care professionals from across Minnesota, North Dakota and South Dakota. In 2011, the Poison Center received 71,000 calls. The Poison Center provides all Minnesota residents with top quality treatment of toxic exposures, education and prevention services, helps individuals avoid unnecessary medical visits and costs, and aids in the detection of public health threats across Minnesota.

Form 990, Part III, Line 4a

Positive Care Clinic

The Positive Care Center is staffed by a multi-disciplinary team committed to providing quality, comprehensive health and psychosocial services to those living with HIV. The program provides education, serves as a community and family resource, and contributes extensively to the advancement of HIV-related knowledge. Each year, more than 1400 people are seen at the Positive Care Center for expert assessment and treatment of HIV and AIDS, Hepatitis C, human papilloma virus, and other conditions, making it one of the largest clinical and research centers in the Upper Midwest.

Form 990, Part III, Line 4a

Pulmonary Function Lab

Pulmonary Function Lab provides pulmonary function cardiopulmonary testing, bronchoscopy assist, patient education and other therapeutic and diagnostic procedures to inpatients and ambulatory patients throughout the medical center.

Form 990, Part III, Line 4a

adiology Department

Radiology provides diagnostic imaging services to HCMC inpatients, outpatients, emergency patients, patients from community clinics and a variety of other referral sources.

Form 990, Part III, Line 4a

Respiratory Care Services

The Respiratory Care department provides a variety of services ranging from simple diagnostics and therapeutic procedures and patient education to sophisticated critical care procedures, such as ventilator management.

Form 990, Part III, Line 4a

Sexual Assault Resource Service (SARS)

The Sexual Assault Resource Services (SARS) developed in 1977 at HCMC was one of the first Sexual Assault Nurse Examiner (SANE) programs in the US. SARS provides competent forensic-medical services to all sexual assault survivors who come to HCMC and seven additional hospital sites in Hennepin County.

Form 990, Part III, Line 4a

Minnesota Regional Sleep Disorders Center

The Minnesota Regional Sleep Disorders Center is a full-service sleep disorders center comprised of two key areas: Sleep Clinic and Sleep Laboratory. The center offers an experienced, objective &systematic approach to the diagnosis and treatment of sleep / wake disorders in adults and children. The Center is accredited by the American Academy of Sleep Medicine.

Name of the organization: Hennepin Healthcare System, Inc

Employer identification number: 42-1707837

Form 990, Part III, Line 4a

Speech-Language Pathology Services

The Speech Language Pathology Department provide a continuum of services for individuals, newborn through geriatric, including prevention, identification, diagnosis, consultation, education and treatment of persons with communication and/or swallowing disorders.

Form 990, Line III, Line 4a

Stroke Center

The Hennepin Stroke Center is a national leader in the treatment of ischemic and hemorrhagic strokes with some of the fastest clot-busting drug delivery times in the U.S. and nationally recognized rehabilitative care after a stroke occurs. Specialties with team members in-house 24/7 include neurology, vascular neurology, interventional neurology (fellow), and radiology. Stroke team members who are on pager 24/7 include an interventional neurologist and neurosurgeon. A "door-to-IV-tPA" time beats the national best practice and delivery of tPA to 17% of ischemic stroke patients. Within the Neurology Clinic, a Neurovascular Rapid Assessment Clinic provides same-day or next-day appointments for evaluation by stroke experts. State-of-the-art procedures are performed in a state-of-the-art Catheterization Lab by leading interventional neurologists who have pioneered several endovascular techniques. Full range of acute, inpatient, and after-care services are available for patients who have experienced a stroke. Intensive inpatient rehabilitative care is provided during day and evening shifts during inpatient care. A multi-service outpatient care service provided several times per week with various rehabilitation

pecialists grouped for convenience with all care provided on a single floor of the hospital. Single-service outpatient care program, such as speech pathology or occupational therapy appointments, can be accessed by patients who need it. The Hennepin Stroke Center is a certified as a Primary Stroke Center by Joint Commission.

Form 990, Part III, Line 4a

Surgery Clinic

The Surgery Clinic is a multispecialty clinic which provides a wide range of surgical, diagnostic, and postoperative management.

Form 990, Part III, Line 4a

Surgical Services

The Department of Surgical Services provides the full spectrum of surgical care to include pre-, intra- and peri-operative services to a wide variety of patients at HCMC. Surgical Services includes:

Operating Room

The Operating Room (OR) has 17 full service OR suites capable of providing service to a variety surgical specialties including General, Pediatric, Neurosurgical, Orthopedic / Podiatric, Ophthalmologic, Gynecological, Ear Nose and Throat, Oral / Maxillofacial, Dental, Reconstructive Plastic /Burn, Cardiovascular, Urologic and Trauma.

Anesthesia Services

General, monitored anesthesia care and regional anesthesia are provided by Anesthesiologists and Certified Registered Nurse Anesthetists in a Level

One Trauma and Teaching Hospital.

Post Anesthesia Care Unit

The Post Anesthesia Care Unit provides critical care to immediate post-op and post-procedure patients of all ages. PACU provides evaluation, monitoring and treatment to patients emerging from anesthesia and annually cares for 10,300 patients. The primary purpose of the PACU is critical evaluation of postoperative patients, with an emphasis on anticipation and prevention of complications resulting from anesthesia or the operative procedure.

Form 990, Part III, Line 4a

The Traumatic Brain Injury Center at Hennepin County Medical Center offers comprehensive, multidisciplinary patient care, education and research to serve people who have sustained a traumatic brain injury. We provide a full range of state-of-the-art medical and rehabilitative services. Our expertise spans the entire continuum of care for Adults & Pediatrics TBI patients including:

Level 1 Trauma Center

Hennepin County Medical Center is Minnesota's first verified Level 1 Trauma Center, the highest level of trauma care. We are a regional expert in providing care to patients with TBI. Our neurosurgeons are renowned for their nationally funded research in TBI & hyperbaric oxygen, and we are staffed 24/7 in order to care for patients as quickly as possible.

State-of-the-art monitoring in our Surgical/Trauma/Neuroscience Intensive Unit Care, including equipment to monitor brain oxygen and temperature, is available at all times. Neurosurgery Service Physicians stay at the hospital 24/7 to be able to respond quickly to changes in a patient's condition.

"The Pediatric Brain Injury Program is designed to meet the needs of children and adolescents with traumatic and other acquired brain injuries, many of whom have been treated at our Level 1 Trauma Center.
"The Miland E. Knapp Rehabilitation Center, an on-site, acute rehabilitation program, has the Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation to be an inpatient brain injury rehabilitation program for adults and adolescents.
"The Mild to Moderate Traumatic Brain Injury Clinic at Hennepin County Medical Center offers a unique system of diagnosing, treating and caring for patients who are experiencing post-traumatic effects of an injury to the brain.

Form 990, Part III, Line 4a
Hennepin Kidney Transplant Program
HCMC was the first kidney transplant center in the Upper Midwest. Established in 1963, our transplant program has played a vital role in the treatment of chronic kidney disease with kidney transplantation. We currently perform approximately 80 kidney transplants per year. At HCMC, we have performed more than 2,500 kidney transplants, with an increasing ercentage involving living donors. Our experience, along with our use of new therapies, diagnostic tools, and surgical procedures, allow us to give

our transplant patients and living donors the best possible care. Our transplant program is a collaborative effort among professionals who specialize in the re-transplant, operative, and long-term follow-up care of ESRD patients, in partnership with their primary physician or nephrologist. HCMC's Renal Transplant Program was selected as one of three "top performers" in the most recent Transplant Services Benchmarking Project conducted by University HealthSystem Consortium (UHC). It is a designated Adult Renal Transplant Center, CMS-certified and Organ Procurement and Transplantation Network/United Network of Organ Sharing member in good standing.

Form 990, Part III, Line 4a

Vein Care Clinic

Vein Care is a specialty medical practice devoted to treating patients with cosmetic and medical venous programs. The mission is to provide the most comprehensive, high quality and effective care for our patients with superior service and experience.

Form 990, Part III, Line 4a

William W Jepson Day Treatment Program

The William W Jepson Day Treatment Program at HCMC is an intensive outpatient program serving the needs of adults living with serious mental illness.

Form 990, Part VI, Line 6 - Classes of Members or Stockholders

s per the corporate bylaws, the organization shall have one class of members: A governing member. The governing member of the organization is

he County of Hennepin Minnesota and is represented by the Hennepin County Board of Commissioners.

Form 990, Part VI, Line 7a - Election of Members and Their Rights
Hennepin County, MN has retained all the rights , duties and privileges as to all matters specified under the Bylaws of HHS, Inc. HHS, Inc. Board of Directors is empowered to carry out rights, duties and privileges of the Organization to the extent as specified in HHS, Inc. Bylaws. Hennepin County, MN retains its authority to appoint HHS, Inc board members, approve HHS, Inc annual budgets, approve any additional indebtedness, and approve the Annual HHS, Inc Health Services Plan which is required by state law.

Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members
Hennepin County, MN authority is set in the bylaws of the organization. This includes appoint HHS, Inc board members, approve HHS, Inc annual budgets, approve any additional indebtedness, approval of the finance committee recommendations and executive committee and approve the Annual HHS, Inc Health Services Plan which is required by state law.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990
The 990 is completed and reviewed internally for finalization and is then mailed to the HHS, Inc Board of Directors for review. Any questions that the board has are answered by the next meeting before approval. At the October monthly Board meeting it is formally approved via a line item motion. It is then signed and mailed by the due date.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

HHS, Inc has a policy on conflict of interest and confidentiality which requires an interested person who is a director, officer or member of a committee with Board-Delegated powers must disclose in writing when possible, or orally when time does not allow for written disclosure. The existence and nature of his/her relationship or material financial interest to the directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement at or prior to the meeting of the Board or committee considering the proposed transaction or arrangement. An interest person shall not attempt to exert his or her personal influence with respect to the matter either at or outside the meeting. Copies of disclosures are maintained by corporate legal counsel who also does monitoring. Every year the organization is audited separately from Hennepin County, MN and a separate audit report is prepared and presented to the Board of Directors and to the Hennepin County, MN Board of Directors.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

HHS, Inc Board of Directors engages an independent consulting firm expert, RSM McGladrey to evaluate the base and total cash compensation for the CEO and other qualified executives. McGladrey gathered comparability data according to the assumptions outlined in HHS' compensation philosophy, including data relevant to other academic and public hospitals. The data takes into consideration the scope of the comparison group, including factors such as revenue, employee size and geographic region. McGladrey compiled this data first for consideration by the Compensation Subcommittee f the Board who then discusses and submits for approval by the HHS, Inc Board of Directors.

Name of the organization Hennepin Healthcare System, Inc

Employer identification number 42-1707837

Arthur A. Gonzalez, Chief Executive Officer has an employment contract with the hospital which was approved by the HHS, Inc Board.

Form 990, Part VI, Line 15b - Compensation Process for Officers

See above explanation in Line 15a.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

Governing Documents Disclosure Explanation Information from the organization annual Form 990 Tax Return is available on the Office of Attorney General website at www.ag.state.mn.us/charities. Audited Financial Statements and Form 1023, Form 990 & Form 990-T Tax Return are available upon request during normal business hours. Items described within are available upon request during normal business hours. Hennepin Healthcare System is a component unit of Hennepin County, Minnesota a political subdivision of the State of Minnesota and as such the above listed documents are available to public inspection. The tax return is available for public inspection at www.guidestar.org website.

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

2011

Open to Public Inspection

Name of the organization

Hennepin Healthcare System, Inc

Employer identification number

42-1707837

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to 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
(1)						
(2)						
(3)						
(4)						
(5)						

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

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1)	Hennepin Health Foundation 701 Park Avenue 41-0845733 Minneapolis MN 55415	Pub Suppt	MN	501c3	11a	HHS, Inc		X
(2)								
(3)								
(4)								
(5)								

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Dispro-portionate alloc ? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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
(1)								
(2)								
(3)								
(4)								

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

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

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Sale of assets to related organization(s)	1f		X
g	Purchase of assets from related organization(s)	1g		X
h	Exchange of assets with related organization(s)	1h		X
i	Lease of facilities, equipment, or other assets to related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from related organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations by related organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		X
n	Sharing of paid employees with related organization(s)	1n		X
o	Reimbursement paid to related organization(s) for expenses	1o		X
p	Reimbursement paid by related organization(s) for expenses	1p	X	
q	Other transfer of cash or property to related organization(s)	1q		X
r	Other transfer of cash or property from related organization(s)	1r		X

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

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	Hennepin County	c	33,849,989	Cash
(2)	Hennepin Health Foundation	p	263,371	Cash
(3)	Metropolitan Health Plan	k	29,425,000	Cash
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Schedule R - Additional Information

Schedule R - Additional Information

HHS, Inc is related to the following organizations through common board member relationship and are disclosed in the HHS, Inc annual audit financial report.

1. **Hennepin County, MN**
2. **Hennepin Health Foundation**
3. **Metropolitan Health Plan**