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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)	OMB No 1545-0047 2012 Open to Public Inspection
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization Memorial Hermann Community Benefits Corporation		D Employer identification number 68-0511504
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 909 Frostwood Suite 2100	Room/suite	E Telephone number (713) 338-4643
	City or town, state or country, and ZIP + 4 Houston, TX 77024		
			G Gross receipts \$ 5,676,593
F Name and address of principal officer Dan Wolterman 909 Frostwood Suite 2100 Houston, TX 77024		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)	
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ☐ (Insert no) ☐ 4947(a)(1) or ☐ 527	H(c) Group exemption number ☐		
J Website: ☒ N/A			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Provision of programs to improve the utilization of preventive medical services by the underserved population of Harris County		
	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)	3	3
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	0
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	43
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	5,188,659	5,676,593
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	0
		5,188,659	5,676,593
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,714,449	1,431,473
	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)	2,903,702	3,144,993
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ☒ 76,237		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	524,861	602,411
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	5,143,012	5,178,877
	19 Revenue less expenses Subtract line 18 from line 12	45,647	497,716
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	4,931,424	5,482,919
	21 Total liabilities (Part X, line 26)	298,022	351,801
	22 Net assets or fund balances Subtract line 21 from line 20	4,633,402	5,131,118

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			2014-05-15 Date	
	ANTHONY FRANK CHIEF ACCOUNTING OFFICER Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date
	Firm's name ▶ ERNST & YOUNG LLP US			Check ☐ if self-employed	PTIN
	Firm's address ▶ 401 CONGRESS AVE STE 1800 AUSTIN, TX 78701			Phone no (512) 478-9881	

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

Part III

Statement of Program Service Accomplishments

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

☐

1

Briefly describe the organization’s mission

THE MISSION OF MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION (MHCBC) IS TO TEST AND MEASURE INNOVATIVE SOLUTIONS THAT REDUCE THE IMPACT OF THE LACK OF ACCESS TO CARE ON THE INDIVIDUAL, THE HEALTH SYSTEM AND THE COMMUNITY. NEW PROGRAMS ARE PILOTED, AND PROVEN PROGRAMS ARE REPLICATED IN THE COMMUNITY THAT INCLUDE INITIATIVES TO REMOVE BARRIERS TO HEALTHCARE ACCESS, INCREASE AND STRENGTHEN THE PRIMARY AND SPECIALTY CARE INFRASTRUCTURE, PROVIDE EDUCATION AND INCREASE HEALTHCARE AWARENESS, AND IMPROVE THE USE OF PREVENTATIVE MEDICAL SERVICES.

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes

☒ No

If “Yes,” describe these new services on Schedule O.

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes

☒ No

If “Yes,” describe these changes on Schedule O.

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a	(Code) (Expenses \$ 2,678,813 including grants of \$) (Revenue \$)
4A	ADDRESSING THE NEED FOR A "MEDICAL HOME" FOR THE UNINSURED AND UNDERINSURED, MHCBC PARTNERS WITH THREE SCHOOL DISTRICTS, HOUSTON--THE LARGEST IN TEXAS, PASADENA AND LAMAR CONSOLIDATED, FOR ITS HEALTH CENTERS FOR SCHOOLS PROGRAM DESIGNED TO PROVIDE A "MEDICAL HOME" FOR UNINSURED CHILDREN AND A SECONDARY ACCESS POINT FOR INSURED CHILDREN, K-12TH GRADE. THE HEALTH CENTERS PROVIDE PRIMARY HEALTHCARE, MENTAL HEALTHCARE, AND DENTAL CARE TO MEDICALLY UNDERSERVED, AT-RISK CHILDREN. THE PROGRAM BEGAN IN 1996 WITH TWO SCHOOL-BASED HEALTH CENTERS SERVICING THREE SCHOOLS. TODAY, MEMORIAL HERMANN OPERATES HEALTH CENTERS ON-SITE AT SIX CAMPUSES IN THE GREATER HOUSTON AREA PROVIDING ACCESS TO HEALTHCARE FOR MORE THAN 40,000 STUDENTS AT 49 SCHOOLS. THREE ADDITIONAL CLINICS AND ONE REPLACEMENT CLINIC WILL OPEN IN AUGUST 2014 THROUGH FEDERAL FUNDING DISPERSED BY THE STATE THROUGH DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS (DS RIP) AND THROUGH A CAPITAL GRANT FROM THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA). "FEEDER" PATTERNS ARE ACCOMMODATED, MAKING IT POSSIBLE FOR A CHILD TO RECEIVE CONTINUITY OF CARE FROM PRE-KINDERGARTEN THROUGH TWELFTH GRADE. ALL SERVICES ARE PROVIDED FREE OF CHARGE. THE HEALTH CENTERS FOR SCHOOLS OPERATE MONDAY THROUGH FRIDAY, DURING SCHOOL HOURS, 12 MONTHS A YEAR. THE SCOPE OF SERVICES OFFERED INCLUDES IMMUNIZATIONS, GENERAL AND SPORTS PHYSICALS, ACUTE, CHRONIC AND MINOR INJURY CARE, MENTAL HEALTH THERAPY, SOCIAL SERVICE COUNSELING AND REFERRALS, HEALTH EDUCATION, AND NUTRITIONAL GUIDANCE AS WELL AS OTHER SPECIFIC CARE TO MEET STUDENTS' NEEDS. STAFFING AT EACH CENTER CONSISTS OF A NURSE PRACTITIONER, LICENSED CLINICAL SOCIAL WORKER, LVN AND A RECEPTIONIST, WITH MEDICAL OVERSIGHT PROVIDED BY A MEMORIAL HERMANN FAMILY PRACTITIONER. A DIETITIAN AND CERTIFIED COMMUNITY HEALTH WORKER ROTATE AMONG THE SEVEN CENTERS. THE DIETITIAN DELIVERS THE HEALTHY EATING AND LIFESTYLES PROGRAM (HELP) DESIGNED TO EDUCATE HEALTH CENTERS FOR SCHOOLS' STUDENTS AND THEIR FAMILIES ON THE IMPORTANCE OF PROPER NUTRITION AND EXERCISE. THE PROGRAM IS INTENSIVE AND INDIVIDUAL, MEETING THE STUDENT AND FAMILY WHERE THEY ARE. ON THE "STAGE OF CHANGE" CONTINUUM, MEMORIAL HERMANN PARTNERED WITH PROJECT FIT AMERICA, GE, AND FIELDS ELEMENTARY SCHOOL TO INTRODUCE A FITNESS PROGRAM FOR STUDENTS, GRADES 2ND THROUGH 5TH WITHIN THE SCHOOL CURRICULUM. THE TWO MOBILE DENTAL CLINIC VANS ROTATE AMONG THE HEALTH CENTERS FOR SCHOOLS AND ARE STAFFED BY A DENTIST AND TWO DENTAL ASSISTANTS AND PROVIDE SERVICES THAT INCLUDE PERIODIC ORAL EXAMINATIONS, DIAGNOSTIC X-RAYS, PROPHYLAXIS, FLUORIDE TREATMENTS, ORAL HYGIENE INSTRUCTIONS, SEALANTS, AMALGAM AND COMPOSITE FILLINGS, EXTRACTIONS, STAINLESS STEEL CROWNS, PULPATOMIES, AND ROOT CANALS. THIS PROGRAM HAS SERVED AS A "DENTAL HOME" TO UNINSURED STUDENTS FOR MORE THAN TWELVE YEARS. A THIRD VAN IS BEING ADDED IN 2014 THROUGH THE DS RIP FUNDING. THE PRIMARY GOAL OF HEALTH CENTERS FOR SCHOOLS PROGRAM IS TO BRING INCREASED HEALTH CARE TO CHILDREN WHO WILL OTHERWISE NOT OBTAIN IT AND TO KEEP CHILDREN HEALTHY AND IN SCHOOL SO THEY CAN LEARN THE SKILLS THEY WILL NEED FOR A BRIGHTER FUTURE. FIFTY-EIGHT PERCENT OF THE CHILDREN SERVED AT THE CLINICS DO NOT HAVE ANY TYPE OF HEALTHCARE COVERAGE. TWENTY-FOUR PERCENT HAVE SOME FORM OF MEDICAID. THE REMAINING 18% ARE CHILDREN WHO WILL NOT OBTAIN HEALTHCARE DUE TO TRANSPORTATION ISSUES, WORKING PARENTS UNABLE TO AFFORD A DAY OFF, HIGH PRIVATE INSURANCE DEDUCTIBLES OR SIMPLY A LACK OF PARENT INVOLVEMENT. MORE THAN 95% OF STUDENTS SERVED THROUGH THE PROGRAM ARE ON THE FREE/REDUCED LUNCH PROGRAM, 34% ARE MORE COMFORTABLE SPEAKING, READING AND WRITING IN A LANGUAGE OTHER THAN ENGLISH, AND THE MAJORITY OF CHILDREN SERVED ARE WITHOUT ANOTHER PRIMARY CARE PROVIDER. THE SIX HEALTH CENTERS ARE ACCESSIBLE TO MORE THAN 40,000 CHILDREN AT 49 SCHOOLS IN THE GREATER HOUSTON AREA. AN EVIDENCED-BASED PROGRAM, BENCHMARKS ARE DERIVED FROM THE NATIONAL ASSOCIATION OF SCHOOL-BASED HEALTH CENTERS, THE ACADEMY OF PEDIATRICS, AND HEALTHY PEOPLE 2020. IN 2012, 8,605 CHILDREN WERE SERVED IN 20,087 VISITS--87% RETURNED TO THEIR CLASSROOM ON THE SAME DAY. ASTHMA EXACERBATIONS, EMERGENCY ROOM VISITS AND HOSPITALIZATIONS WERE REDUCED BY 84%. 75% OF HEALTH CENTER STUDENTS USED AN ER FOR PRIMARY CARE PURPOSES VERSUS 10.5% OF THE GENERAL PRIMARY CARE PEDIATRIC COMMUNITY. 66.98% OF STUDENTS WITH HIGH CHOLESTEROL REDUCED THEIR CHOLESTEROL, 50% ACHIEVED ACCEPTABLE CHOLESTEROL LEVELS. STUDENTS WHO RECEIVED THERAPY FROM LICENSED CLINICAL SOCIAL WORKERS IMPROVED GPAS 2.9 TO 3.2, REDUCED DAYS ABSENT 1.9 TO 1.3 DAYS, AND REDUCED DETENTION/SUSPENSION INCIDENTS 1.6 TO 7 DAYS. 93.6% OF STUDENTS WITH 3+ CLINIC VISITS FOR ACUTE OR CHRONIC REASONS RECEIVE A BI-ANNUAL PHYSICAL. 94.2% OF SEXUALLY ACTIVE YOUTH DECREASED THEIR HIGH-RISK BEHAVIORS BY ABSTAINING OR CONSISTENT USE OF BIRTH CONTROL. IN 2012, NO MORE THAN 8.1% OF STUDENTS AGE 4-11 AND 6.4% OF STUDENTS AGE 12+ EXPERIENCED CARIES AT RECALL. THESE OUTCOMES ARE SIGNIFICANT GIVEN 80% OF INITIAL PATIENTS ARE DIAGNOSED WITH CARIES, 33% ARE DIAGNOSED WITH FIVE OR MORE CARIES.

4b	(Code) (Expenses \$ 484,555 including grants of \$) (Revenue \$)
4B	IN 2012, MEMORIAL HERMANN ONCE AGAIN PARTNERED WITH UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER SCHOOL FOR PUBLIC HEALTH IN A HOUSTON HOSPITALS EMERGENCY DEPARTMENT (ED) USE STUDY THAT REVEALED 40.9% OF ALL ER VISITS AND 48.6% OF ALL TREATED AND RELEASED ER VISITS ARE PRIMARY CARE RELATED. IN 2008, MHCBC LAUNCHED THE ER NAVIGATION PROGRAM AT MEMORIAL HERMANN TO ADDRESS THE PROBLEM OF INAPPROPRIATE ED USE. THE ER NAVIGATION PROGRAM PLACES A COMMUNITY HEALTH WORKER (CHW) OR "NAVIGATOR" ON-SITE IN THREE MEMORIAL HERMANN EMERGENCY ROOMS THAT ARE USED HEAVILY BY THE UNINSURED AND UNDERINSURED IN ORDER TO IDENTIFY MORE APPROPRIATE HEALTH FACILITIES FOR THESE PATIENTS. THE NAVIGATORS, TRAINED AND CERTIFIED BY MEMORIAL HERMANN PARTNER, GATEWAY TO CARE, GAIN THE TRUST OF PATIENTS BY BEING FAMILIAR WITH THE COMMUNITY'S CULTURE, LANGUAGE AND VALUES AND BY SHARING THEIR KNOWLEDGE ABOUT LOCAL HEALTHCARE SERVICES AND PROGRAMS. NAVIGATORS IDENTIFY CLINICS THAT ARE THE BEST FIT FOR AN INDIVIDUAL'S LOCATION, INCOME, LANGUAGE, WORK HOURS, BUS ROUTES AND ADDRESS ISSUES THAT MAY PUSH HEALTH CARE DOWN THE PRIORITY LIST--THE NEED FOR FOOD STAMPS, RENTAL SUPPORT AND ASSISTANCE WITH UTILITIES. THEY PROVIDE PATIENTS WITH CLINIC REFERRALS, MAKE APPOINTMENTS, ARRANGE TRANSPORTATION, SHARE INFORMATION AND REFERRALS TO COMMUNITY AND SAFETY NET PROGRAMS, EDUCATE ABOUT QUALIFYING FOR AND USING PUBLIC BENEFITS AND OTHER PAYMENT RESOURCES, SERVE AS A LIAISON BETWEEN THE PATIENT AND PROVIDERS AND TACKLE OTHER CHALLENGES TO APPROPRIATE CARE. WHILE NAVIGATORS INITIALLY MEET WITH PATIENTS DURING THE ER VISIT, MUCH OF THEIR WORK IS DONE IN FOLLOW-UP, ENSURING THAT A CLINIC APPOINTMENT WAS MADE, WAS SUCCESSFUL AND ASSISTING WITH THE PAPERWORK REQUIRED FOR QUALIFICATION FOR MEDICAID, CHIP OR COUNTY INDIGENT PROGRAMS. THE PRIMARY GOAL OF THE ER NAVIGATION PROGRAM IS TO FIND AN APPROPRIATE HEALTH HOME FOR PATIENTS AND PROVIDE THEM WITH THE RESOURCES TO NAVIGATE THROUGH FUTURE MEDICAL CONCERNS. A SECONDARY GOAL IS TO REDUCE THE TIME OF DELIVERY OF SERVICES IN CASES OF CHRONIC AND SERIOUS ILLNESSES. A 6-MONTH, PRE-POST ANALYSIS OF NAVIGATED PATIENTS RESULTED IN A 78.2% DECLINE IN ER VISITS. A 12-MONTH PRE-POST ANALYSIS RESULTED IN A 70% DECLINE. DATA IS ANALYZED IN NUMEROUS WAYS, INCLUDING FREQUENCY OF ER USAGE. 2700 VISITS ARE PROVIDED ANNUALLY WITH A MINIMUM OF THREE FOLLOW-UP CONNECTIONS PER PATIENT. IN 2012, MEMORIAL HERMANN CONDUCTED A SURVEY OF 434 PATIENTS WHO WERE NAVIGATED TO INCREASE KNOWLEDGE ABOUT THE ACTUAL AND PERCEIVED BARRIERS TO UTILIZATION OF OFFICE OR CLINIC-BASED PRIMARY CARE AMONG FREQUENT ER USERS. FINDINGS: PATIENT'S UNCERTAINTY "I NEEDED TO SEE A DOCTOR IMMEDIATELY" (85.9%), PERCEIVED CONVENIENCE OF BOTH HOURS AND LOCATION "NO APPOINTMENT IS NECESSARY" (65.9%), FINANCIAL CONSIDERATIONS "THE ER IS MORE AFFORDABLE THAN OTHER PLACES" (51.6%) AS WELL AS PERCEIVED QUALITY OF CARE "ER DOCTORS PROVIDE BETTER CARE THAN OTHER PLACES" (51.4%) AND "THE ER OFFERS MORE SERVICES THAN OTHER PLACES" (61.8%). ALL INFLUENCED PATIENTS WHO USED THE ER FOR PRIMARY CARE PURPOSES. SIMILAR SUPPORT FOR ALL OF MEMORIAL HERMANN HOSPITALS IS ALSO PROVIDED THROUGH COMMUNITY OUTREACH FOR PERSONAL EMPOWERMENT (COPE) WHICH EMPLOYEES MASTERS LEVEL SOCIAL WORKERS TO FOCUS ON "FREQUENT FLIER" INPATIENTS AS WELL AS ER. THE PROGRAM PROVIDES EMPOWERING SERVICES FOR UNINSURED PATIENTS TO IMPROVE THEIR HEALTH AND WELL-BEING THROUGH EDUCATION ABOUT AND COORDINATION WITH COMMUNITY HEALTH SERVICES. COPE TARGETS PATIENTS WHO HAVE REPETITIVELY BEEN INPATIENTS AND ER PATIENTS AND EXHIBIT THE NEED FOR ONE-ON-ONE SUPPORT TO IDENTIFY, ACCESS, AND OBTAIN SERVICE IN THEIR COMMUNITY. ENROLLING THESE POPULATIONS INTO PUBLIC BENEFITS THROUGH ALL OF THESE VENUES AUTOMATICALLY INCREASED THEIR LIKELIHOOD OF OBTAINING REGULAR PRIMARY AND PREVENTATIVE CARE, THE KIND OF CARE THAT ENSURES HEALTH AND THE POTENTIAL FOR A PROSPEROUS FUTURE WHILE CONCURRENTLY ELIMINATING THE COST BURDEN PRESENTLY EXPERIENCED BY SAFETY-NET PROVIDERS.

4c	(Code) (Expenses \$ 1,311,271 including grants of \$ 1,020,969) (Revenue \$)
4C	THE MEMORIAL HERMANN NEIGHBORHOOD HEALTH CENTERS ARE LOW-COST CLINICS OPEN EXTENDED HOURS, AND STRATEGICALLY LOCATED NEAR BUSY EMERGENCY CENTERS, DESIGNED TO SERVE AS A "MEDICAL HOME" TO UNINSURED WORKING FAMILIES WHO DO NOT QUALIFY FOR OTHER PROGRAMS, THE CENTERS ACCEPT CASH AND MEDICAID. THE GOAL IS TO PROVIDE THIS POPULATION WITH A MEDICAL HOME FOR ROUTINE CARE, AND PREVENT THESE CASES FROM ESCALATING TO EMERGENCIES. AT \$48/VISIT, WITH LOW-COST LABS AND PRESCRIPTIONS, SEVEN-DAY-A-WEEK ACCESS, AND THE PROVISION OF PREVENTIVE, ACUTE, AS WELL AS CHRONIC CARE, THEY ARE AN AFFORDABLE MEDICAL HOME FOR NEWBORNS TO THE ELDERLY. THE CONTINUITY OF CARE AND IMPROVED HEALTH IS EVIDENT FROM THESE CLINICS WHERE INDIVIDUALS CAN DECREASE THEIR HYPERTENSION, MANAGE THEIR DIABETES, AND WOMEN CAN FEEL COMFORTABLE RETURNING FOR THEIR ANNUAL WELL-WOMAN EXAMS. THE CENTERS PROVIDE 12,606 MEDICAL VISITS ANNUALLY AND INCLUDE TREATMENT OF ROUTINE ACUTE PROBLEMS, PREVENTATIVE CARE AND CHRONIC CONDITIONS. SIXTY-FIVE PERCENT OF PATIENTS ARE ESTABLISHED. MHCBC HAS PLAYED NUMEROUS AND CRITICAL ROLES--FINANCIAL AS WELL AS OPERATIONAL--WITH A GRASS-ROOTS HOUSTON COLLABORATIVE, GATEWAY TO CARE AND ITS PROVIDER HEALTH NETWORK (PHN) TO RECRUIT PHYSICIANS, HOSPITALS, AND ANCILLARY PROVIDERS TO PROVIDE SPECIALTY CARE TO UNINSURED PATIENTS. THE PRIMARY GOAL OF THE PHN IS TO INCREASE THE HOUSTON AREA'S CAPACITY FOR CHARITABLE CARE BY RECRUITING NEW SPECIALTY PROVIDERS AND MAINTAINING EXISTING PROVIDERS. THE SECONDARY GOAL IS TO CONNECT UNINSURED, INDIGENT PATIENTS TO NEEDED "JUST-IN-TIME" SPECIALTY CARE TO SUPPORT THEIR MEDICAL HOME. WITH ONE IN EVERY FOUR MEDICAL VISITS REQUIRING A REFERRAL TO A SPECIALIST, THE HOUSTON COMMUNITY WAS IN DESPERATE NEED OF A PHN TO CONNECT UNINSURED PERSONS TO THE SPECIALTY CARE THEY NEED TO GET WELL. TIMELY ACCESS TO SPECIALIZED CARE IMPROVES CLINICAL OUTCOMES AND OVER THE LONG TERM IS LESS COSTLY FOR THE COMMUNITY. PATIENTS ELIGIBLE FOR RECEIVING PHN SERVICES INCLUDE THOSE WHOSE INCOME IS AT 150% OR BELOW THE FEDERAL POVERTY LEVEL, HAVE NO OTHER FORM OF HEALTH INSURANCE OR HEALTH BENEFITS AND HAVE BEEN REFERRED BY A PARTICIPATING VOLUNTEER PHYSICIAN OR HOUSTON AREA SAFETY NET COMMUNITY CLINIC. MHCBC FUNDS ONE-THIRD OF THE PHN'S ANNUAL OPERATING BUDGET AND PLAYS A SIGNIFICANT ROLE IN RECRUITING VOLUNTEER PHYSICIANS IN ALL ASPECTS OF DELIVERING CHARITY CARE. CHRISTUS HEALTH SYSTEM, HOSPITAL CORPORATION OF AMERICA (HCA), THE METHODIST HOSPITAL AND ST. LUKE'S EPISCOPAL HEALTH SYSTEM HAVE JOINED MEMORIAL HERMANN AS PROVIDERS OF INPATIENT AND OUTPATIENT SERVICES IN THIS REGION-WIDE EFFORT TO MEET THE SPECIALIZED CARE NEEDS OF THE UNINSURED INDIVIDUALS AND FAMILIES. THE PHN RELIES ON THE DEDICATION OF 807 PROVIDERS, 32 HOSPITALS AND 105 ANCILLARY PROVIDERS. SINCE NOVEMBER 2006, THE PHN HAS PROVIDED PHYSICIAN, HOSPITAL, DIAGNOSTIC, LABS, RADIOLOGY, PRESCRIPTION ASSISTANCE AND NAVIGATION SERVICES TO MORE THAN 4,700 PATIENTS AMOUNTING TO \$19.3 MILLION IN CHARITY CARE. THE PHN IS GENERATING \$11 IN MEDICAL SERVICES FOR EVERY \$1.00 OF PROGRAM COSTS. THE PHN IS SAVING LIVES AND GETTING PEOPLE BACK TO WORK.

	(Code) (Expenses \$ 254,004 including grants of \$ 254,004) (Revenue \$)
	Physicians of Sugar Creek

	(Code) (Expenses \$ 156,500 including grants of \$ 156,500) (Revenue \$)
	Support of Community Health Centers

4d	Other program services (Describe in Schedule O)
	(Expenses \$ 410,504 including grants of \$ 410,504) (Revenue \$)
4e	Total program service expenses
	4,885,143

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
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	No
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	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
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	No
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 Yes	
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	No
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	No
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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e	No
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 Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, 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	No
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	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
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.		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds 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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

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	3	
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			
1b	Enter the number of voting members included in line 1a, above, who are independent	0	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
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	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	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	Yes
11b	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	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
16b	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
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	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 ANTHONY FRANK 909 FROSTWOOD SUITE 2100 Houston, TX (713) 338-4643

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, or 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Caldwell Kirbyjon H Member	1 0 0 0	X						0	0	0
(2) Cannon Deborah M Member	1 0 0 0	X						0	0	0
(3) Collie Robert M Jr Member	1 0 0 0	X						0	0	0
(4) Farris George R Member	1 0 0 0	X						0	0	0
(5) Garcia Roland Jr Member	1 0 0 0	X						0	0	0
(6) Lee Ethel Kaye Member	1 0 0 0	X						0	0	0
(7) Love Jeff B Member	1 0 0 0	X						0	0	0
(8) Manning Ramon Member	1 0 0 0	X						0	0	0
(9) Martinez Diana Davila Member	1 0 0 0	X						0	0	0
(10) Mir Gasper R III Member	1 0 0 0	X						0	0	0
(11) Nishikawa Akira MD Member	1 0 50 0	X						0	513,283	5,095
(12) Perrin Melinda H Member	1 0 0 0	X						0	0	0
(13) Wolterman Daniel J Member, President & CEO	1 0 50 0	X		X				0	3,399,400	1,839,882
(14) Duco Bernard A Jr Member, CLO & Secr/Treas	1 0 50 0	X		X				0	1,144,673	118,423
(15) Laraway Dennis L Member, CFO & Treasurer	1 0 50 0	X		X				0	1,337,764	81,212
(16) McVeigh Dennis P Chief Accounting Officer, Asst	0 0 50 0			X				0	554,834	78,273
(17) Paret Carol J Chief Community Benefit Office	0 0 50 0			X				0	461,536	85,635

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Reimer P Renee Chief Risk Officer & Assistant	0 0 50 0			X				0	481,299	57,797
(19) Stokes Charles D Chief Operating Officer	0 0 50 0			X				0	1,364,931	267,855
(20) Chalajour Mahasti Dentist	50 0 0 0					X		145,647	0	13,527
(21) Furtado Albert Dentist	50 0 0 0					X		109,655	0	19,709
(22) Harris Teresa A NP/PA MANAGER	50 0 0 0					X		103,018	0	8,390
(23) Kimmey-Walker Lisa L NP/PA MANAGER	50 0 0 0					X		110,668	0	15,325
(24) Scott Ashley E NP/PA MANAGER	50 0 0 0					X		108,748	0	4,807
(25) Aulbaugh Carrol E Former Chief Financial Officer	0 0 0 0						X	0	1,231,273	5,171
(26) Beckstett Douglas G Former Key EE-Chief Human Reso	0 0 0 0						X	0	805,097	8,962
(27) Garman Jim Former Key EE - Chief Human Re	0 0 50 0						X	0	729,184	57,876
(28) Shabot M Michael MD Former Key EE - Chief Medical	0 0 50 0						X	0	1,029,317	132,181

1b	Sub-Total	▶			
c	Total from continuation sheets to Part VII, Section A	▶			
d	Total (add lines 1b and 1c)	▶	577,736	13,052,591	2,800,120

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶6

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
(A) Name and business address		(B) Description of services	(C) Compensation
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶0		

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 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	5,533,437		
	e	Government grants (contributions)	1e	136,387		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	6,769		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		5,676,593		
Program Service Revenue	2a		Business Code			
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		0		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		0	
4		Income from investment of tax-exempt bond proceeds . .		0		
5		Royalties		0		
6a		Gross rents	(i) Real	(ii) Personal		
b		Less rental expenses				
c		Rental income or (loss)	0	0		
d		Net rental income or (loss)			0	
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
b		Less cost or other basis and sales expenses				
c		Gain or (loss)				
d		Net gain or (loss)			0	
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
b		Less direct expenses	b			
c		Net income or (loss) from fundraising events . . .			0	
9a		Gross income from gaming activities See Part IV, line 19	a			
b		Less direct expenses	b			
c		Net income or (loss) from gaming activities . . .			0	
10a		Gross sales of inventory, less returns and allowances .	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory . . .			0	
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d		0			
12	Total revenue. See Instructions		5,676,593			

Part IX

Statement of Functional Expenses

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

Check if Schedule O contains a response 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 United States. See Part IV, line 21.	1,431,473	1,431,473		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	0			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	2,621,259	2,448,223	112,422	60,614
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	115,938	106,374	6,214	3,350
9	Other employee benefits.	217,530	199,585	11,659	6,286
10	Payroll taxes.	190,266	174,570	10,198	5,498
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	0			
c	Accounting.	0			
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	0			
12	Advertising and promotion.	131	131		
13	Office expenses.	112,534	112,170	364	
14	Information technology.	0			
15	Royalties.	0			
16	Occupancy.	43,398	43,398		
17	Travel.	19,830	19,830		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	5,922	5,922		
20	Interest.	0			
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	220,039	220,039		
23	Insurance.	7,673	7,673		
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	PROFESSIONAL FEES	118,360	72,557	45,803	
b	EQUIPMENT RENTAL & MAINTENANCE	35,822	32,085	3,737	
c	OTHER EXPENSES	33,995	6,406	27,100	489
d	PUBLICATIONS & SUBSCRIPTIONS	2,745	2,745		
e	All other expenses	1,962	1,962		
25	Total functional expenses. Add lines 1 through 24e.	5,178,877	4,885,143	217,497	76,237
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

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

					(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			0	1	5,430
	2	Savings and temporary cash investments			0	2	0
	3	Pledges and grants receivable, net			0	3	23,348
	4	Accounts receivable, net			0	4	0
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			0	5	0
	6	Loans and other 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) Complete Part II of Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			0	8	0
	9	Prepaid expenses and deferred charges			0	9	0
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,804,864			
	b	Less accumulated depreciation	10b	707,839	639,617	10c	1,097,025
	11	Investments—publicly traded securities			0	11	0
	12	Investments—other securities See Part IV, line 11			0	12	0
	13	Investments—program-related See Part IV, line 11			0	13	0
	14	Intangible assets			0	14	0
	15	Other assets See Part IV, line 11			4,291,807	15	4,357,116
	16	Total assets. Add lines 1 through 15 (must equal line 34)			4,931,424	16	5,482,919
Liabilities	17	Accounts payable and accrued expenses			298,022	17	351,801
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D			0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			0	25	0
	26	Total liabilities. Add lines 17 through 25			298,022	26	351,801
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			4,633,402	27	5,131,118
	28	Temporarily restricted net assets			0	28	0
	29	Permanently restricted net assets			0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			4,633,402	33	5,131,118
	34	Total liabilities and net assets/fund balances			4,931,424	34	5,482,919

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	5,676,593
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,178,877
3	Revenue less expenses Subtract line 2 from line 1	3	497,716
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,633,402
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,131,118

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 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?		No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
Memorial Hermann Community Benefits Corporation

Employer identification number
68-0511504

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 33¹/₃% 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 33¹/₃% 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 - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U S ? | | (vii) Amount of monetary support |
|------------------------------------|----------|---|--|----|---|----|--|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14		
15 Public support percentage for 2011 Schedule A, Part II, line 14	15		
16a 33 1/3% support test—2012. 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—2011. 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—2012. 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—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			▶

Part IIISupport Schedule for Organizations Described in 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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	5,029,425	5,026,500	5,133,760	5,188,659	5,676,593	26,054,937
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						0
3Gross receipts from activities that are not an unrelated trade or business under section 513						0
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5The value of services or facilities furnished by a governmental unit to the organization without charge						0
6Total. Add lines 1 through 5	5,029,425	5,026,500	5,133,760	5,188,659	5,676,593	26,054,937
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						0
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
cAdd lines 7a and 7b						0
8Public support (Subtract line 7c from line 6.)						26,054,937

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9Amounts from line 6	5,029,425	5,026,500	5,133,760	5,188,659	5,676,593	26,054,937
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
cAdd lines 10a and 10b						0
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
13Total support. (Add lines 9, 10c, 11, and 12.)	5,029,425	5,026,500	5,133,760	5,188,659	5,676,593	26,054,937
14First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage

15Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	100.000 %
16Public support percentage from 2011 Schedule A, Part III, line 15	16	100.000 %

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	0 %
18Investment income percentage from 2011 Schedule A, Part III, line 17	18	0 %

- 19a33 1/3% support tests—2012. 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. ▶
- b33 1/3% support tests—2011. 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. ▶
- 20Private 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).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

Memorial Hermann Community Benefits Corporation

Employer identification number

68-0511504

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)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

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

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" 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 XIII, 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

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

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 XIII

5

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

☐ Yes

☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" 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 XIII and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (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

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b

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

4

Describe in Part XIII 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				
b Buildings		224,784	91,040	133,744
c Leasehold improvements		1,116,923	392,588	724,335
d Equipment		396,866	224,211	172,655
e Other		66,291		66,291
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				1,097,025

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return					
1	Total revenue, gains, and other support per audited financial statements		1	5,676,593	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		2e		
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 XIII)	2d			
e	Add lines 2a through 2d		2e		
3	Subtract line 2e from line 1		3	5,676,593	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		4c		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b				
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	5,676,593	
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements		1	5,178,877	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		2e		
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines 2a through 2d		2e		
3	Subtract line 2e from line 1		3	5,178,877	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		4c		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b				
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	5,178,877	

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

Identifier	Return Reference	Explanation
Audit Financial Statement Footnote Disclosure for ASC 740	Form 990, Schedule D, Part X Line 2	The Community Benefits Corporation does have an annual financial audit conducted although the financial accounts of the Community Benefits are also included in the financial statements that are audited by an independent public accounting firm of the consolidated Memorial Hermann Health System entities and its related affiliates. The paragraph included in the last issued audited financial statements of the Community Benefits was: "Income Taxes: The Community Benefit is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and did not conduct unrelated business activities during the years ended June 30, 2013 and 2012. Therefore, the Community Benefit has made no provisions for federal income taxes in the accompanying financial statements. The Community Benefit applies the provisions of FASB ASC Topic 740, Income Taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Community Benefit believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements."

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

2012

Open to Public
Inspection

Name of the organization
Memorial Hermann Community Benefits
Corporation

Employer identification number
68-0511504

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes

☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Spring Branch Community Health Center 1615 Hillendahl 100 Houston,TX 77055	30-0198705	501(C)(3)	20,000				Funding of healthcare services
(2) South County Community Clinic 101 Pine Manor Dr Oak Ridge North,TX 77385	75-2634623	501(c)(3)	100,000				Funding of Healthcare Services
(3) Texas One Voice 5120 Woodway Dr Suite 6000 Houston,TX 77056	26-3643763	501(c)(3)	10,000				Funding of healthcare services
(4) Tomagwa Healthcare Ministries 455 School Suite 30 Tomball,TX 77375	76-0280324	501(c)(3)	20,000				Funding of healthcare services
(5) Memorial Hermann Health System 909 Frostwood Suite 2100 Houston,TX 77024	74-1152597	501(C)(3)	1,274,973				Funding of healthcare services

2

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

5

3

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

0

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

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Monitoring the use of Grants and Awards Funding	Schedule I, Part I, Line 2	Community agencies can request funds from Memorial Hermann by completing a Proposal Submission Packet which details the agency's mission, services, existing collaborators, and realized and proposed goals. Missions and goals that support Memorial Hermann's community benefit mission of increasing and strengthening the primary and specialty care infrastructure for the uninsured and underinsured community receive high priority. Often a site visit is performed by Memorial Hermann Community Benefit Corporation staff and recommendations are made to the President,CEO and the community relations committee for the ultimate decision.

OMB No 1545-0047

Open to Public Inspection

▶ Attach to Form 990. ▶ See separate instructions.

68-0511504

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 and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

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.

Identifier	Return Reference	Explanation
Severance Payments	Form 990 Schedule J Line 4a - Severance Payments	Aulbaugh 624,998 Beckstett 494,998
Non-qualified Retirement plans	Form 990, Schedule J, Line 4-b	Memorial Hermann Health System (of which this filer is a part) sponsors two nonqualified retirement plans for certain executives who are part of a select group of highly compensated or management employees. The first plan is called the Memorial Hermann Supplemental Executive Retirement Plan (SERP). It is a make-up plan and provides for an annual payment (upon achieving full vesting in the qualified retirement plan) equivalent to the amount of the accrual from the employer that is lost to the employee due to the limits on compensation and benefits in the Internal Revenue Code. The second plan is called the Memorial Hermann Health System Select Group 457(b) Deferred Compensation Plan (457). It allows for deferral of base salary for those executives who work for a tax exempt entity of Memorial Hermann and whose base salary is above the qualified plan limit. Contributions to this plan are subject to the IRS federal limit. No matching contributions are made on any deferrals under this plan. Applicable SERP amounts accrued per person: Aulbaugh 37,845 Beckstett 27,688 Duco 17,494 McVeigh 13,869 Paret 15,858 Reimer 9,556 Shabot 22,395 Stokes 32,039 Wolterman 102,134. Applicable 457 amounts distributed per person: Aulbaugh 103,978.

Software ID:
Software Version:
EIN: 68-0511504
Name: Memorial Hermann Community Benefits Corporation

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Nishikawa Akira MD	(i)	0	0	0	0	0	0	0
	(ii)	396,468	0	116,815	0	5,095	518,378	0
Wolterman Daniel J	(i)	0	0	0	0	0	0	0
	(ii)	1,106,756	1,231,649	1,060,995	1,824,754	15,128	5,239,282	953,958
Duco Bernard A Jr	(i)	0	0	0	0	0	0	0
	(ii)	458,912	320,977	364,784	108,507	9,916	1,263,096	345,152
Laraway Dennis L	(i)	0	0	0	0	0	0	0
	(ii)	675,916	456,556	205,292	67,824	13,388	1,418,976	0
McVeigh Dennis P	(i)	0	0	0	0	0	0	0
	(ii)	289,078	195,128	70,628	73,266	5,007	633,107	32,260
Paret Carol J	(i)	0	0	0	0	0	0	0
	(ii)	247,148	167,064	47,324	76,599	9,036	547,171	25,658
Reimer P Renee	(i)	0	0	0	0	0	0	0
	(ii)	285,552	185,505	10,242	52,750	5,047	539,096	0
Stokes Charles D	(i)	0	0	0	0	0	0	0
	(ii)	705,690	575,836	83,405	256,179	11,676	1,632,786	44,189
Chalajour Mahasti	(i)	144,748	721	178	4,725	8,802	159,174	0
	(ii)	0	0	0	0	0	0	0
Aulbaugh Carrol E	(i)	0	0	0	0	0	0	0
	(ii)	99,979	111,295	1,019,999	1,744	3,427	1,236,444	107,307
Beckstett Douglas G	(i)	0	0	0	0	0	0	0
	(ii)	24,602	66,557	713,938	6,929	2,033	814,059	86,005
Garman Jim	(i)	0	0	0	0	0	0	0
	(ii)	479,923	246,907	2,354	49,215	8,661	787,060	0
Shabot M Michael MD	(i)	0	0	0	0	0	0	0
	(ii)	504,050	383,787	141,480	119,215	12,966	1,161,498	92,531

2012

Open to Public Inspection

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

Name of the organization
Memorial Hermann Community Benefits
Corporation

Employer identification number

68-0511504

Identifier	Return Reference	Explanation
Assessment of Community Needs for Healthcare Services	Form 990, Part III, Line 1	IN THE GREATER HOUSTON AREA WHERE A STAGGERING 30% ARE UNINSURED, MEMORIAL HERMANN, THROUGH ITS SUBSIDIARY , THE MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION (MHCBC) ESTABLISHED IN 2007, IMPLEMENTS PROGRAMS TO WORK WITH OTHER HEALTHCARE PROVIDERS, GOVERNMENT AGENCIES, BUSINESS LEADERS AND COMMUNITY STAKEHOLDERS TO ENSURE THAT ALL RESIDENTS OF THE GREATER HOUSTON AREA HAVE ACCESS TO THE CARE THEY NEED TO IMPROVE THEIR QUALITY OF LIFE AND THE OVERALL HEALTH OF THE COMMUNITY THE MISSION OF MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION IS TO TEST AND MEASURE INNOVATIVE SOLUTIONS THAT REDUCE THE IMPACT OF THE LACK OF ACCESS TO CARE ON THE INDIVIDUAL, THE HEALTH SYSTEM AND THE COMMUNITY NEW PROGRAMS ARE PILOTED, AND PROVEN PROGRAMS ARE REPLICATED IN THE COMMUNITY THAT INCLUDES INITIATIVES TO REMOVE BARRIERS TO HEALTHCARE ACCESS, INCREASE AND STRENGTHEN THE PRIMARY AND SPECIALTY CARE INFRASTRUCTURE, PROVIDE EDUCATION AND INCREASE HEALTHCARE AWARENESS, AND IMPROVE THE USE OF PREVENTATIVE MEDICAL SERVICES COMMUNITY BENEFIT CORPORATION FUNDING TENENTS INCLUDE PROVISION OF PRIMARY AND/OR SPECIALTY CARE FOR THE UNINSURED AND UNDERINSURED, CONTRIBUTION TO THE EXISTING INFRASTRUCTURE OF NON-PROFIT CLINICS AND FQHC'S, COMMITMENT TO MEASUREMENT, EXISTENCE OF COLLABORATIVE PARTNERS, PROGRAMMATIC INCLUSION OF HEALTH EDUCATION AND LITERACY, STRIVE TOWARDS SUSTAINABILITY EACH DECISION MADE BY MEMORIAL HERMANN TO INVEST ITS PEOPLE, RESOURCES AND TALENTS IN COMMUNITY BENEFIT EFFORTS IS DATA DRIVEN AS A RESULT OF THE STAGGERING 30% UNINSURED, NUMEROUS NEEDS ASSESSMENTS CENTER AROUND THE UNIVERSITY OF TEXAS SCHOOL OF PUBLIC HEALTH'S HOUSTON AREA HOSPITAL'S EMERGENCY DEPARTMENT USE STUDY MEMORIAL HERMANN HAS PARTICIPATED IN THIS STUDY SINCE 2003 THE STUDY MONITORS HOSPITAL EMERGENCY DEPARTMENT USE IN HOUSTON HOSPITALS AND IS A DATA SOURCE FOR NUMEROUS ASSESSMENTS TO UNDERSTAND PRIMARY CARE-RELATED ER USE INCLUDING THE CHARACTERISTICS OF THESE PATIENTS, PARTICULARLY THOSE WHO ARE CHILDREN, WHO ARE UNINSURED, AND WHO HAVE MEDICAID THE STUDY CONDUCTED IN 2012 SHOWS THAT 40.9% OF ALL ER VISITS AND 48.6% OF ALL TREATED AND RELEASED ER VISITS ARE PRIMARY CARE RELATED MHCBC'S PROGRAMS ARE DESIGNED TO REDUCE THE NUMBER OF ER VISITS IN COMMUNITIES SERVED BY MEMORIAL HERMANN ACUTE CARE HOSPITALS IN ADDITION TO BEING RESPONSIVE TO THE EMERGENCY ROOM STUDY, AS REQUIRED BY THE COMMUNITY HEALTH NEEDS ASSESSMENT-SECTION 501(C)(3)-REQUIREMENT OF THE ACA, MEMORIAL HERMANN CONDUCTED COMMUNITY NEEDS ASSESSMENTS FOR EACH OF ITS 11 HOSPITALS THE STUDIES INCLUDED DEMOGRAPHIC DATA OF HARRIS, FORT BEND, MONTGOMERY , AND BRAZORIA COUNTIES (COUNTIES THAT COMPOSE 89% OF MEMORIAL HERMANN DISCHARGES, A DESCRIPTION OF THE PROCESSES AND METHODOLOGIES, SURVEYS AND INTERVIEWS WITH PUBLIC HEALTH OFFICIALS WHERE PARTICIPANTS WERE GIVEN THE OPPORTUNITY TO PRIORITIZE COMMUNITY HEALTH NEEDS AND RATE THE IMPORTANCE OF HEALTH CARE INITIATIVES, AND, IDENTIFICATION OF ALL COLLABORATING ORGANIZATIONS AND EXISTING HEALTH CARE FACILITIES AND OTHER RESOURCES WITHIN THE COMMUNITY AVAILABLE TO MEET THE NEEDS IDENTIFIED IN EACH OF THE COMMUNITY NEEDS ASSESSMENTS THE ANALYSIS INCLUDED A CAREFUL REVIEW OF THE MOST CURRENT HEALTH DATA AVAILABLE AND INPUT FROM NUMEROUS COMMUNITY REPRESENTATIVES WITH SPECIAL KNOWLEDGE OF PUBLIC HEALTH FINDINGS INDICATED THAT THERE WERE EIGHT MAIN NEEDS IN THE COMMUNITIES SERVED BY MEMORIAL HERMANN THE COMMUNITY HEALTH NEEDS ASSESSMENT TEAM, CONSISTING OF LEADERSHIP FROM MEMORIAL HERMANN HEALTH SYSTEM (MEMORIAL HERMANN), PRIORITIZED THOSE EIGHT NEEDS BY STUDYING THEM WITHIN THE CONTEXT OF THE HOSPITAL'S OVERALL STRATEGIC PLAN AND THE AVAILABILITY OF FINITE RESOURCES, WITH THE FOLLOWING PRIORITIZATION, IN DESCENDING ORDER, RESULTING 1) EDUCATION AND PREVENTION FOR DISEASES AND CHRONIC CONDITIONS, 2) ADDRESS ISSUES WITH SERVICE INTEGRATION, SUCH AS COORDINATION AMONG PROVIDERS AND THE FRAGMENTED CONTINUUM OF CARE, 3) ADDRESS BARRIERS TO PRIMARY CARE, SUCH AS AFFORDABILITY AND SHORTAGE OF PROVIDERS, 4) ADDRESS UNHEALTHY LIFESTYLES AND BEHAVIORS, 5) ADDRESS BARRIERS TO MENTAL HEALTHCARE, SUCH AS ACCESS TO SERVICES AND SHORTAGE OF PROVIDERS, 6) DECREASE HEALTH DISPARITIES BY TARGETING SPECIFIC POPULATIONS, 7) INCREASE ACCESS TO AFFORDABLE DENTAL CARE, 8) INCREASE ACCESS TO TRANSPORTATION FOLLOWING THE COMMUNITY NEEDS ASSESSMENT, EACH MEMORIAL HERMANN HOSPITAL ALONG WITH THE SUPPORT OF MEMORIAL HERMANN COMMUNITY BENEFIT DEPARTMENT DEVELOPED AN IMPLEMENTATION PLAN WITH SUPPORTING OBJECTIVES, AND IMPLEMENTATION ACTIVITIES AND METRICS THE PROCESS WILL BE REPORTED TO THE BOARD IN MARCH 2014

Identifier	Return Reference	Explanation
Assessment of Community Needs for Healthcare Services 2	Form 990, Part III, Line 4d	MHCBC'S PROGRAMS ARE DESIGNED TO PROVIDE CARE FOR UNINSURED AND UNDERINSURED CHILDREN, TO REACH THOSE HOUSTONIANS NEEDING LOW COST CARE, TO SUPPORT THE EXISTING INFRASTRUCTURE OF NON-PROFIT CLINICS AND FQHCs, AND TO EDUCATE INDIVIDUALS AND THEIR FAMILIES ON HOW TO ACCESS THE HEALTHCARE AVAILABLE TO THEM. COMMITTED TO MAKING THE GREATER HOUSTON AREA A HEALTHIER AND MORE VITAL PLACE TO LIVE, MHCBC SUPPORTS THE FOLLOWING INITIATIVES as well as those stated in attachments 2,3 and 4: CHILDREN AT RISK - SUPPORT OF A POLICY COORDINATOR FOR A FOOD IN SCHOOLS INITIATIVE, WITH THE GOAL OF INCREASING SCHOOL PARTICIPATION IN THE UNIVERSAL FREE BREAKFAST PROGRAM BY CONNECTING AN ADDITIONAL 3,610 STUDENTS TO 649,728 MEALS INTERFAITH COMMUNITY CLINIC - OPERATIONAL FUNDING FOR THIS PRIVATE NOT-FOR-PROFIT VOLUNTEER BASED HEALTH CARE CLINIC. ITS MISSION IS TO PROVIDE SHORT-TERM MEDICAL CARE, DENTAL CARE, AND SOCIAL SERVICE REFERRALS FOR INDIGENT PERSONS WHO DO NOT HAVE PRIVATE HEALTH INSURANCE AND ARE NOT ELIGIBLE FOR MEDICAID. OPENED IN 1966, THE CLINIC SPECIFICALLY CONCENTRATES ON PROVIDING SERVICES TO MONTGOMERY COUNTY RESIDENTS WHO ARE NOT ELIGIBLE FOR OTHER PROGRAMS AND HAVE NOWHERE ELSE TO TURN. MEMORIAL HERMANN HAS SUPPORTED THE CLINIC SINCE INCEPTION, WITH MEMORIAL HERMANN-THE WOODLANDS PROVIDING AN ADDITIONAL \$60,000/MO IN ANCILLARY SERVICES. PHYSICIANS OF SUGAR CREEK - FUNDING OF THE DIFFERENCE BETWEEN COSTS AND SLIDING FEE SCALE PAYMENTS OF CARE PROVIDED BY THIS MEMORIAL FAMILY PRACTICE RESIDENCY TRAINING SITE TO THE WORKING POOR OF FORT BEND COUNTY. PARTNERS FOR COMMUNITY HEALTH - INTERIM COO SERVICES FOR PARTNERS FOR COMMUNITY HEALTH NETWORK, A NEWLY FORMED ORGANIZATION WHICH CONSISTS OF THE AREA FEDERALLY QUALIFIED HEALTH CENTERS AND CHARITY CLINICS. FUNDING AN INTERIM CEO ENSURED IMPLEMENTATION OF THE NEEDED CHANGES TO ESTABLISH THE NEW CORPORATE STRUCTURE. OBESITY RESEARCH CONTRACT SUPPORT TO ANALYZE THE POTENTIAL FOR A DEFINED VISION/ROLE FOR MEMORIAL HERMANN IN THE HOUSTON AREA CHILDHOOD OBESITY ARENA. THE WORK INCLUDED A STUDY OF EXISTING EVIDENCE BASED RESEARCH. SPRING BRANCH COMMUNITY HEALTH CENTER - SUPPORT OF NEWLY ESTABLISHED PREVENTIVE AND MINOR RESTORATIVE DENTAL SERVICES AT THE SPRING BRANCH COMMUNITY HEALTH CENTER'S SATELLITE PITNER CLINIC. THE PITNER CLINIC DOES NOT RECEIVE ANY FEDERAL FUNDING TO SUPPORT SERVICES PROVIDED TO THE SURROUNDING AREA'S 6,000 UNITS OF LOW INCOME HOUSING ALL WITHIN A QUARTER MILE OF THE CLINIC.

Identifier	Return Reference	Explanation
Payroll Record Keeping	Form 990, Part V, Line 2a	The employees of Memorial Hermann Community Benefits are record-kept and paid through the payroll system of Memorial Hermann Health System and reported under the Memorial Hermann Community Benefits EIN for Form 941 and Form W-2 purposes. All costs of the compensation and benefits of the Community Benefits employees are reimbursed to the Health System. Corporate officers are employees of Memorial Hermann Health System and their salaries and benefits are not allocated amongst the various corporate entities for which they conduct employment activities.

Identifier	Return Reference	Explanation
Members or Stockholders	Form 990, Part VI, Section A, Line 6	Memorial Hermann Community Benefits has as its sole member Memorial Hermann Health System, both of which are 501(c)(3) non-profit entities

Identifier	Return Reference	Explanation
Elect Governing Body	Form 990, Part VI, Section A, Line 7A	The member has the authority to annually elect the board members of the organization and to terminate and replace them at its discretion

Identifier	Return Reference	Explanation
Decisions of Governing Body	Form 990, Part VI, Section A, Line 7B	The member has approval authority over the decisions of the board for amendments to the bylaws and articles of incorporation, annual operating and capital budget, the purchase or sale of substantial assets, and the merger or dissolution of the organization

Identifier	Return Reference	Explanation
Review of Form 990	Form 990, Part VI, Section B, Line 11b	Memorial Hermann Community Benefits PROVIDES A COPY OF THE FORM 990 TO ALL MEMBERS OF THE GOVERNING BODY VIA A WEBSITE SET UP SPECIFICALLY FOR BOARD MEMBERS TO ACCESS VARIOUS BOARD MEMBER DOCUMENTS THE FORM 990 IS REVIEWED BY MEMORIAL HERMANN FINANCIAL ACCOUNTING STAFF, BY SPECIFIC DEPARTMENTS INVOLVED IN RELATED SECTIONS OF THE RETURN, BY THE MEMORIAL HERMANN CHIEF ACCOUNTING OFFICER, and by Memorial Hermann's public accounting firm Ernst & Young, PRIOR TO ITS FILING

Identifier	Return Reference	Explanation
Conflict of Interest Policy	Form 990, Part VI, Section B, Line 12c	Memorial Hermann Community Benefits utilizes a conflict of interest survey and has codified its procedure in a policy. The policy is monitored by our Corporate Compliance Department through annual surveys of board members, corporate officers, management level employees, and other selected employees, physicians and vendors for all of its entities and related affiliates. In addition to responding to the survey, each recipient affirms that they have received a copy of the policy, has read and understood it, has agreed to comply with it, and understands that Memorial Hermann is a charitable organization that must engage in primarily tax-exempt purpose activities. The Corporate Compliance Department, Chief Legal Officer and the Corporate Audit Committee, consisting of independent board members, receive a report of all items disclosed. The Audit Committee Chair reports the existence of any conflicts to the Corporate Board of Directors.

Identifier	Return Reference	Explanation
Whistle Blower Policy	Form 990, Part VI, Section B, Line 13	Memorial Hermann Community Benefits Corp (MHCBC) is committed to complying with all applicable laws and regulations. We support the efforts of federal and state authorities in identifying incidents of fraud and/or abuse and we have the necessary policies and procedures in place to prevent, detect, report and correct incidents of fraud and/or abuse in accordance with contractual, regulatory and statutory requirements. Recognizing the complexity of the various federal, state, and local laws regulating health care, MHCBC has adopted a Corporate Compliance Program. This Program is designed to assist the Board, the Health System and its employees, medical staff members, and independent contractors to maintain compliance through responsive educational programs, internal monitoring and reporting mechanisms, and compliance Standards of Conduct. Corporate Compliance is "Doing the Right Thing by following government regulations and the law." The MHCBC Compliance Program includes these 7 elements: A Compliance Officer and Committee, to oversee and advise the Compliance Program; Compliance Policies and Procedures, to provide written guidance to help you do your job and demonstrate our commitment to compliance; Compliance Training and Education, to ensure appropriate education on areas of legal and regulatory compliance; Auditing and Monitoring, to conduct periodic and ongoing auditing and monitoring of high-risk areas and adherence to policies and procedures; Corrective Action, to develop plans to resolve identified issues, prevent them from happening again and avoid the risk of the same or similar issues occurring in other areas, departments or facilities; Disciplinary Guidelines, may be necessary to encourage prompt reporting of Compliance concerns, to ensure non-retaliation for reporting concerns and to encourage cooperation with compliance investigations; Open Lines of Communication, to establish an open environment for reporting compliance concerns - a hotline is available to all employees to call to report compliance concerns and non-retaliation for reporting a compliance concern in good faith. Available 24 hours a day, 7 days a week. Anonymous and Confidential Callers making reports in good faith are protected from any form of retaliation or adverse action.

Identifier	Return Reference	Explanation
Compensation Determination	Form 990, Part VI, Section B, Line 15a & 15b	The process for determining compensation for the Organization's CEO and other top management is described below in the following four sections: Compensation Philosophy; Components of Executive Compensation; Roles of Compensation Decision Makers; Summary Compensation Philosophy. The Compensation Committee has established the following compensation philosophy: Accountable for Business Performance: Compensation should be tied to our long-term and short-term business strategies of each dimension of our business including, but not limited to, Quality & Safety, Service & Satisfaction, Operational Excellence, and Growth & People. Attract, Retain and Motivate: Compensation should reflect the competitive marketplace so the Company can attract, retain and motivate talented executives. Accountable for Individual & Business Unit Performance: Compensation should be tied to our individual and business unit performance. Comply with IRC Section 4958: Compensation programs and pay levels should be "Reasonable" within the definition of IRC Section 4958. Balanced Approach: We should balance any potential strategic, financial, operational and reputational risk with our pay-for-performance philosophy. Components of Executive Compensation Compensation Component: Base Salary Description: Fixed compensation component. Objectives: Attract, retain, and motivate executives by providing a competitive level of fixed compensation based on the executive's responsibilities. Compensation Component: Management Incentive Plan Description: Variable and annual performance-based compensation component. Target amounts: for each executive are set by the Compensation Committee. Actual payouts may be less than or greater than the target amounts based on the Company's performance against its short-term goals. Goals are set at a significant "stretch" level such that target performance results in above median payouts. Objectives: Align short-term performance with the goals of the Company. Ensure cost-effective and efficient use of Company assets by offering the appropriate amounts and mix of compensation. Compensation Component: Long-Term Incentive Plan Description: Variable and three-year performance-based compensation component. Target amounts: for each executive are set by the Compensation Committee. Actual payouts may be less than or greater than the target amounts based on the Company's performance against its long-term goals. Goals are set at a significant "stretch" level such that target performance results in above median payouts. Objectives: Promote retention, advance pay-for-performance, and reinforce the link between the interests of the executive and the overall long-term success of the Company. Ensure cost-effective and efficient use of Corporate assets by offering the appropriate amounts and mix of compensation. Compensation Component: Deferred Compensation Plan Description: Program designed to promote retention and long-term success of Memorial Hermann by acting as a backstop for our performance-based programs. Objectives: Promote retention by tying the executive to Memorial Hermann for the vesting period. As part of his compensation package, the Compensation Committee presented the CEO and President, Mr. Wolterman, with a retention agreement. Per the terms of this agreement, he will receive a lump sum payment in July 2016. This lump sum payment is being accrued over the life of the retention agreement (July 2009 to July 2016). The 2012 accrual is included in Column C of Part II on the attached Form 990 Schedule J. If Mr. Wolterman voluntarily leaves prior to July 2016, he does not receive any portion of this lump sum payment. Under certain circumstances (e.g., death or disability), Mr. Wolterman, or his beneficiary, would be entitled to a prorated portion of this lump sum payment. All employees are paid by the Corporation or an affiliate health system entity and no time or salary is allocated. Corporate officers perform administrative activities for multiple related entities for which no inter-unit allocation of time or salary is made. The Directors of the Board are voluntary citizens of the community who perform their duties without compensation for hours devoted to Board work. Roles of Compensation Decision Makers Role of Compensation Committee: The Compensation Committee, which currently consists of ten independent persons, is responsible for the development of the philosophy, policy and objectives that guide our executive pay programs as well as establishing our performance standards and determining the compensation of our senior executives, namely our President's Council. The Compensation Committee retains Towers Watson as their independent compensation consultant to assist the Compensation Committee in the continued development and evaluation of the Company's compensation policies and practices and the Committee's determination of compensation. The Compensation Committee has the sole authority to retain and terminate the independent compensation

Identifier	Return Reference	Explanation
Compensation Determination	Form 990, Part VI, Section B, Line 15a & 15b	in consultant and to review and approve the consultant's fees and other retention terms. Role of Board of Directors: The Board has retained the authority to approve new executive compensation plans and material amendments to existing executive compensation plans. It has delegated its authority with respect to other executive compensation matters to the Compensation Committee. The Board receives reports from the Compensation Committee on its actions and recommendations following every Compensation Committee meeting. Role of Management: Management provides data, analysis and recommendations for the Compensation Committee's consideration regarding the Company's executive compensation programs and policies and assists the Compensation Committee in carrying out its responsibilities. Management also provides information to the Compensation Committee's independent compensation consultant in connection with the consultant's role in advising the Compensation Committee. The CEO, CHRO and VP Compensation and Benefits typically attend the Committee meetings. The Compensation Committee also meets regularly in executive session outside the presence of management. While the Compensation Committee considers the recommendations of the CEO and the input received from its independent compensation consultant, all compensation decisions for our executives are made by the Compensation Committee. Role of Independent Compensation Consultant: The Committee retains an independent compensation consultant to perform the following duties: Conduct a comprehensive review of the total compensation provided to our executives related to competitive and comparable market practices. Ensure that our compensation programs provide total compensation opportunities that are reasonable for purposes of Intermediate Sanctions (IRC Section 4958). Assess competitiveness of our compensation programs with respect to Healthcare and general industry peer companies. Assist the Compensation Committee with its charter review. Review annual disclosures. Review compensation of "disqualified persons" whose compensation is subject to a reasonableness review under IRC Section 4958. Provide a letter to the Committee regarding the reasonableness of the compensation of our executives and other "disqualified persons" helping to create a rebuttable presumption of reasonableness with regard to executive compensation. Summary: In summary, the process for determining compensation for our CEO and other top management balances input from various sources and ensures a focus on performance, risk management, compliance with IRC Section 4958 and our ability to attract, retain and motivate our executives.

Identifier	Return Reference	Explanation
Disclosure of Organizational Documents	Form 990, Part VI, Section C, Line 19	The articles of incorporation, corporate bylaws, conflict of interest policy and financial statements of Memorial Hermann Health System and its affiliates are generally not made available to the public. If the inquirer provided a valid reason for desiring a copy of the documents that are related to the business interests of any of the Memorial Hermann Health System corporate entities, we would consider doing so.

Identifier	Return Reference	Explanation
Audited Financial Statement Oversight	Form 990, Part XII, Line 2c	Memorial Hermann Health System has independent committees for audits, governance, and compensation which perform their respective functions on a consolidated basis for all corporate entities. The audit committee hires the independent accountants and oversees all audits that are conducted within all affiliated entities for financial information, grants and awards, and qualified plans.

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Memorial Hermann Community Benefits Corporation

Employer identification number
68-0511504

Part I

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

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

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	No
(1) Memorial Hermann Foundation 909 Frostwood Suite 2100 Houston, TX 77024 74-1653640	Fund raising	TX	501(c)3	11a I	MHHS	Yes	
(2) Memorial Hermann Health System 909 Frostwood Suite 2100 Houston, TX 77024 74-1152597	Healthcare	TX	501(c)3	3	na		No
(3) Memorial Hermann Medical Group 909 Frostwood Suite 2100 Houston, TX 77024 20-4923281	Healthcare	TX	501(c)3	3	MHHS	Yes	
(4) MHS Physicians of Texas 909 Frostwood Suite 2100 Houston, TX 77024 76-0385980	Healthcare	TX	501(c)3	3	MHHS	Yes	
(5) Memorial Hermann Information Exchange 909 Frostwood Suite 2100 Houston, TX 77024 02-0684202	Healthcare	TX	501(c)3	3	MHHS	Yes	

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) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) The Woodlands POB III LP 909 Frostwood Suite 2100 Houston, TX 77024 20-2184543	Managed Med Build	TX	na	related or exempt	0	0		No	0		No	0 %
(2) Memorial HermannUSP Surgery Ctr III LP 15305 Dallar Parkway Suite 1600 LB Addison, TX 75001 20-0707543	Surgery Center	TX	na	related or exempt	0	0		No	0		No	0 %
(3) Memorial Hermann Surgery Center Katy LLP 15305 Dallas Parkway Suite 1600 LB Addison, TX 75001 20-3360737	Surgery Cente	TX	na	related or exempt	0	0		No	0		No	0 %
(4) MH Katy Rehab Hospital LLC 909 Frostwood suite 2100 houston, TX 77024 26-3896057	medical servi	TX	na	related or exempt	0	0		No	0		No	0 %

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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) MHMD 909 Frostwood Suite 2100 Houston, TX 77024 76-0074819	Claims Admin	TX	NA	C Corp	0	0	0 %	Yes	
(2) Memorial Hermann Health Solutions 909 Frostwood suite 2100 Houston, TX 77024 26-4419989	Insurance	TX	NA	C Corp	0	0	0 %	Yes	
(3) Memorial Hermann Health Insurance 909 Frostwood Suite 2100 Houston, TX 77024 76-0646301	Insurance	TX	NA	C Corp	0	0	0 %	Yes	
(4) Memorial Hermann Accountable Care Org 909 Frostwood Suite 2100 Houston, TX 77024 80-0778181	Insurance	TX	NA	C Corp	0	0	0 %	Yes	
(5) The Health Professionals Ins Company LTD Barclays House 3rd Floor Grand Cayman CJ	Insurance	CJ	NA	Foreign	0	0	0 %	Yes	
(6) Memorial Hermann Health Plan Inc 909 Frostwood Suite 2100 Houston, TX 77024 46-2707092	Insurance	TX	na	C corp	0	0	0 %	Yes	

Part V

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

Yes

1i

No

1j

No

1k

No

1l

No

1m

No

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

No

1s

No

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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) NA			

Schedule R (Form 990) 2012

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

[illegible]

Software ID:
Software Version:
EIN: 68-0511504
Name: Memorial Hermann Community Benefits Corporation

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
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