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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

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

C Name of organization
HENNEPIN HEALTHCARE SYSTEM INC

Doing Business As
HENNEPIN COUNTY MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
701 PARK AVENUE
ROOM/SUITE P-1

City or town, state or province, country, and ZIP or foreign postal code
MINNEAPOLIS, MN 55415

D Employer identification number
42-1707837

E Telephone number
(612)873-6518

G Gross receipts $ 790,022,953

F Name and address of principal officer
LARRY A KRYZANIAK
701 PARK AVENUE
MINNEAPOLIS,MN 55415

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW HCMED ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 2007

M State of legal domicile MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PART III LINE 1 HENNEPIN HEALTHCARE SYSTEM, INC (HHS), D/B/A HENNEPIN COUNTY MEDICAL CENTER CONTINUES TO TRANSFORM THE HEALTH OF THE COMMUNITY WITH EXCEPTIONAL CARE WITHOUT EXCEPTION HHS IS COMMITTED TO PARTNERING WITH ITS COMMUNITY, PATIENTS AND THEIR FAMILIES TO ENSURE ACCESS TO OUTSTANDING CARE FOR EVERYONE, WHILE IMPROVING HEALTH AND WELLNESS THROUGH TEACHING, PATIENT AND COMMUNITY EDUCATION AND RESEARCH HHS CONTINUES TO PROVIDE UNPARALLELED CARE FOR LOW-INCOME, THE UNINSURED, THE INDIGENT AND VULNERABLE POPULATIONS WHILE BEING A MAJOR EMPLOYER AND ECONOMIC ENGINE IN HENNEPIN COUNTY HHS OPERATES COMMUNITY CARE CLINICS AND CONVENIENCE CARE CLINICS IN MINNEAPOLIS AND THE SURROUNDING METROPOLITAN AREA AS OF DECEMBER 31, 2013, HHS OPERATED A HOSPITAL WITH LICENSED CAPACITY OF 894 BEDS AND 65 BASSINETS, OF WHICH 441 BEDS AND 62 BASSINETS WERE AVAILABLE, AS WELL AS 11 PRIMARY CARE CLINICS AND 35 SPECIALTY CARE CLINICS, 6 PHARMACY LOCATIONS, AND EMPLOYED APPROXIMATELY 841 PROVIDERS

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	7,012
6	Total number of volunteers (estimate if necessary)	**6**	635
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	765,403
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	29,945,075	27,642,939
9	Program service revenue (Part VIII, line 2g)	715,674,570	761,060,378
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,587,594	343,476
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	581,916	155,437
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	747,789,155	789,202,230

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	563,617	621,330
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	501,509,164	551,682,571
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	248,079,372	261,146,931
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	750,152,153	813,450,832
19	Revenue less expenses Subtract line 18 from line 12	-2,362,998	-24,248,602

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	488,785,676	480,179,554
21	Total liabilities (Part X, line 26)	169,156,046	184,284,588
22	Net assets or fund balances Subtract line 21 from line 20	319,629,630	295,894,966

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2014-10-24

▶ LARRY A KRYZANIAK CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
		2014-10-29		
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

PART III LINE 1 HENNEPIN HEALTHCARE SYSTEM, INC (HHS), D/B/A HENNEPIN COUNTY MEDICAL CENTER CONTINUES TO TRANSFORM THE HEALTH OF THE COMMUNITY WITH EXCEPTIONAL CARE WITHOUT EXCEPTION HHS IS COMMITTED TO PARTNERING WITH ITS COMMUNITY, PATIENTS AND THEIR FAMILIES TO ENSURE ACCESS TO OUTSTANDING CARE FOR EVERYONE, WHILE IMPROVING HEALTH AND WELLNESS THROUGH TEACHING, PATIENT AND COMMUNITY EDUCATION AND RESEARCH HHS CONTINUES TO PROVIDE UNPARALLELED CARE FOR LOW-INCOME, THE UNINSURED, THE INDIGENT AND VULNERABLE POPULATIONS WHILE BEING A MAJOR EMPLOYER AND ECONOMIC ENGINE IN HENNEPIN COUNTY HHS OPERATES COMMUNITY CARE CLINICS AND CONVENIENCE CARE CLINICS IN MINNEAPOLIS AND THE SURROUNDING METROPOLITAN AREA AS OF DECEMBER 31, 2013, HHS OPERATED A HOSPITAL WITH LICENSED CAPACITY OF 894 BEDS AND 65 BASSINETS, OF WHICH 441 BEDS AND 62 BASSINETS WERE AVAILABLE, AS WELL AS 11 PRIMARY CARE CLINICS AND 35 SPECIALTY CARE CLINICS, 6 PHARMACY LOCATIONS, AND EMPLOYED APPROXIMATELY 841 PROVIDERS

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 $ 673,425,238 including grants of $ 621,330) (Revenue $ 780,743,814)

HENNEPIN HEALTHCARE SYSTEM, INC (HHS), D/B/A HENNEPIN COUNTY MEDICAL CENTER, A COMPONENT UNIT OF HENNEPIN COUNTY, MINNESOTA (THE COUNTY) IS A PUBLIC CORPORATION OPERATING AS A SUBSIDIARY OF HENNEPIN COUNTY OF MINNESOTA HHS, INC ORGANIZES AND DELIVERS HEALTH CARE AND RELATED SERVICES TO THE GENERAL PUBLIC, INCLUDING THE INDIGENT AS DEFINED BY STATE AND FEDERAL LAW AS DETERMINED BY THE HENNEPIN COUNTY BOARD OF COMMISSIONERS, AND TO CONDUCT RELATED PROGRAMS AND RESEARCH HHS, INC IS AN INTEGRATED NETWORK OF PHYSICIANS, HOSPITAL AND AMBULATORY CARE SERVICES THE MAIN CAMPUS IN MINNEAPOLIS, MINNESOTA, INCLUDES LEVEL 1 ADULT AND PEDIATRIC TRAUMA CENTER THAT IS ALSO AN ACADEMIC MEDICAL CENTER AND A PUBLIC HOSPITAL AS WELL AS PRIMARY AND SPECIALTY CARE CLINICS ACUTE DIALYSIS (DAVITA) ACUTE DIALYSIS SERVICES' MAIN PURPOSE AND GOAL IS TO PROVIDE QUALITY CARE TO ALL OUR PATIENTS WE ARE RESPONSIBLE FOR HEMODIALYSIS TREATMENTS AND OTHER NEPHROLOGY NURSING NEEDS OF THE ACUTE AND CHRONIC PATIENTS ADMITTED TO THE HOSPITALS WE PROVIDE THE PATIENT WITH THE SERVICES OF AN EXPERIENCED TEAMMATE AND WORK IN CONJUNCTION WITH THE HOSPITAL TO ENSURE THAT EACH PATIENT REACHES THE HIGHEST LEVEL OF HEALTH, SECURITY AND INDEPENDENCE 24 HOURS A DAY, 7 DAYS A WEEK OUR TEAMMATES WORK WITH THE PATIENTS ON AN INDIVIDUAL BASIS TO PROVIDE QUALITY CARE AND SERVICE EXCELLENCE WITH CONFIDENCE AND TRUST ACUTE PSYCHIATRIC SERVICES (APS) APS IS A PSYCHIATRIC EMERGENCY DEPARTMENT OPEN 24 HOURS A DAY, 7 DAYS A WEEK, FOR ANYONE EXPERIENCING A MENTAL HEALTH OR EMOTIONAL CRISIS WE PROVIDE ASSESSMENT, INTERVENTION AND REFERRAL AUDIOLOGY CLINIC THE AUDIOLOGY CLINIC PROVIDES HIGH QUALITY INPATIENT AND OUTPATIENT SERVICES TO INDIVIDUALS OF ALL AGES, FROM INFANCY TO GERIATRICS WE ARE DEDICATED TO PROVIDING THE MOST UP-TO-DATE TECHNOLOGY AND HEARING HEALTH CARE AVAILABLE TO THE COMMUNITY HENNEPIN BURN CENTER THE HENNEPIN BURN CENTER HAS PROVIDED INPATIENT, ACUTE, AND REHABILITATIVE CARE FOR PATIENTS WITH BURNS, FROSTBITE, AND OTHER COMPLEX WOUNDS FOR MORE THAN 32 YEARS UNIQUE IN ITS ON-SITE ACCESS TO BURN CARE SPECIALISTS 7 DAYS A WEEK, THE BURN CENTER CONTAINS A 17 BED INPATIENT UNIT AND AN AMBULATORY BURN AND WOUND CLINIC FOR OUTPATIENT TREATMENTS THE BURN CENTER HAS RECEIVED VERIFICATION AS A BURN CENTER FROM THE AMERICAN BURN ASSOCIATION AND AMERICAN COLLEGE OF SURGERIES HENNEPIN HEART CENTER THE HENNEPIN HEART CENTER PROVIDES HIGH QUALITY CARDIAC CARE TO PATIENTS BEING EVALUATED AND TREATED FOR CARDIOVASCULAR PROBLEMS THE CARDIOLOGY DIVISION PROVIDES CARE TO PATIENTS IN THE FOLLOWING AREAS CARE UNIT (37 TELEMETRY BEDS), OBSERVATION UNIT (15 BEDS), CARDIAC MEDICAL INTERMEDIATE CARE UNIT (14 BEDS), CARDIAC CLINIC, CARDIAC REHABILITATION, CARDIAC CATHETERIZATION LAB & ELECTROPHYSIOLOGY (EP) LAB, ECHOCARDIOGRAPHY AND NON-INVASIVE LAB, ELECTROCARDIOGRAM (EKG) AND CARDIAC RESEARCH CENTER FOR WOUND HEALING THE CENTER FOR WOUND HEALING IS AN ADVANCED CARE CENTER FOR THE TREATMENT OF DIFFICULT-TO-HEAL WOUNDS OF THE LOWER EXTREMITIES PATIENTS WHO HAVE CHRONIC, NON-HEALING WOUNDS CAUSED BY DIABETES, HYPERTENSION AND OTHER CONDITIONS OFTEN EXPERIENCE A MARKED REDUCTION IN THEIR QUALITY OF LIFE OUR MISSION IS TO PROVIDE THE HIGHEST QUALITY CLINIC SERVICES TO MEET THE INDIVIDUAL NEEDS OF EACH PATIENT CHILD / ADOLESCENT PSYCHIATRY CLINIC THE CHILD / ADOLESCENT PSYCHIATRY CLINIC OFFER A VARIETY OF OUTPATIENT SERVICES TO HELP CHILDREN AND ADOLESCENTS WHO ARE HAVING BEHAVIORAL AND EMOTIONAL PROBLEMS SERVICES INCLUDE PSYCHIATRIC AND PSYCHOLOGICAL EVALUATIONS, THERAPY, PARENTING SKILLS, COUNSELING AND MEDICAL MANAGEMENT HENNEPIN COMPREHENSIVE CANCER CENTER THE HENNEPIN COMPREHENSIVE CANCER CENTER IS COMMITTED TO PROVIDING THE FINEST IN CANCER RELATED SERVICES THROUGH AN INTEGRATED SYSTEM OF HEALTH AND SOCIAL SERVICES THE CONTINUUM OF CARE EXTENDS FROM PREVENTION, DIAGNOSIS, TREATMENT, SYMPTOM CONTROL, AND CURE, THROUGH ALL RELATED ASPECTS OF ADJUSTMENT TO RELAPSE, SURVIVORSHIP, AND BEREAVEMENT COUNSELING THE CANCER CLINIC STAFF INCLUDES MEDICAL, SURGICAL AND RADIATION ONCOLOGISTS, RADIOLOGISTS AND PATHOLOGISTS TRAINED IN CANCER DIAGNOSIS, SPECIALLY TRAINED ONCOLOGY RNS, NURSE PRACTITIONERS, AND CLINICAL NURSE SPECIALIST IN BONE MARROW TRANSPLANT AND COMPLEMENTARY THERAPY THIS TEAM COLLABORATES WITH PHYSICAL THERAPISTS TO PROVIDE CARE TO PATIENTS WITH LYMPHEDEMA AND WITH A GENETICIST WHO PROVIDES GENETIC COUNSELING TO PATIENTS AND FAMILIES THE HENNEPIN COMPREHENSIVE CANCER CENTER ALSO INCLUDES THE NANCY GELTMAN SHILLER CANCER RESOURCE LIBRARY THE COMPREHENSIVE CANCER CENTER IS ACCREDITED BY THE COMMISSION ON CANCER OF THE AMERICAN COLLEGE OF SURGEONS DENTISTRY THE DENTAL & ORAL SURGERY CLINIC CARE RANGES FROM PREVENTIVE AND CHRONIC TO ACUTE, SIMPLE TO COMPLEX SERVICES INCLUDE GENERAL DENTAL CARE, SPECIALTY CARE, ADULT AND PEDIATRIC CARE UNDER GENERAL ANESTHESIA, ORAL AND MAXILLOFACIAL SURGERY, AND SPECIALTY CARE TO PATIENTS WITH COMPROMISING MEDICAL, PHYSICAL, MENTAL AND EMOTIONAL CONDITIONS RECONSTRUCTIVE SERVICES WITH MAXILLOFACIAL PROSTHESES, MANAGEMENT OF TMJ DYSFUNCTION AND CARE OF EMERGENCY AND TRAUMA CASES ARE PROVIDED EEG LAB ROUTINE EEG TESTING (RECORDING OF ELECTRICAL IMPULSES FROM THE BRAIN) IS PERFORMED IN BOTH AN INPATIENT AND OUTPATIENT SETTING PROLONGED MONITORING (1-5 DAYS) AND VIDEO MONITORING CAN ALSO BE PERFORMED TO ASSIST IN DIAGNOSING UNUSUAL SPELLS OR SEIZURES TRAUMATIC BRAIN INJURY CENTER THE TRAUMATIC BRAIN INJURY CENTER AT HENNEPIN COUNTY MEDICAL CENTER OFFERS COMPREHENSIVE, MULTIDISCIPLINARY PATIENT CARE, EDUCATION AND RESEARCH TO SERVE PEOPLE WHO HAVE SUSTAINED A TRAUMATIC BRAIN INJURY WE PROVIDE A FULL RANGE OF STATE-OF-THE-ART MEDICAL AND REHABILITATIVE SERVICES OUR EXPERTISE SPANS THE ENTIRE CONTINUUM OF CARE FOR ADULT AND PEDIATRIC TBI PATIENTS WE ARE A REGIONAL EXPERT IN PROVIDING CARE TO PATIENTS WITH TBI OUR NEUROSURGEONS ARE RENOWNED FOR THEIR NATIONALLY FUNDED RESEARCH IN TBI & HYPERBARIC OXYGEN, AND WE ARE STAFFED 24/7 IN ORDER TO CARE FOR PATIENTS AS QUICKLY AS POSSIBLE "STATE-OF-THE-ART MONITORING IN OUR SURGICAL/TRAUMA/NEUROSCIENCE INTENSIVE UNIT CARE, INCLUDING EQUIPMENT TO MONITOR BRAIN OXYGEN AND TEMPERATURE, IS AVAILABLE AT ALL TIMES NEUROSURGERY SERVICE PHYSICIANS STAY AT THE HOSPITAL 24/7 TO BE ABLE TO RESPOND QUICKLY TO CHANGES IN A PATIENT'S CONDITION "THE PEDIATRIC BRAIN INJURY PROGRAM IS DESIGNED TO MEET THE NEEDS OF CHILDREN AND ADOLESCENTS WITH TRAUMATIC AND OTHER ACQUIRED BRAIN INJURIES, MANY OF WHOM HAVE BEEN TREATED AT OUR LEVEL 1 TRAUMA CENTER "THE MILAND E KNAPP REHABILITATION CENTER, AN ON-SITE, ACUTE REHABILITATION PROGRAM, HAS THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF) ACCREDITATION TO BE AN INPATIENT BRAIN INJURY REHABILITATION PROGRAM FOR ADULTS AND ADOLESCENTS "THE MILD TO MODERATE TRAUMATIC BRAIN INJURY CLINIC AT HENNEPIN COUNTY MEDICAL CENTER OFFERS A UNIQUE SYSTEM OF DIAGNOSING, TREATING AND CARING FOR PATIENTS WHO ARE EXPERIENCING POST-TRAUMATIC EFFECTS OF AN INJURY TO THE BRAIN LEVEL 1 TRAUMA CENTER HCMC WAS THE FIRST HOSPITAL IN MINNESOTA VERIFIED BY THE AMERICAN COLLEGE OF SURGEONS AS A LEVEL I TRAUMA CENTER, THE HIGHEST LEVEL OF TRAUMA CARE IT NOW OPERATES BOTH A LEVEL 1 ADULT TRAUMA CENTER AND LEVEL 1 PEDIATRIC TRAUMA CENTER AND RECEIVES PATIENTS BY AMBULANCE AND HELICOPTER FROM ACROSS MINNESOTA AND SURROUNDING STATES EMERGENCY DEPARTMENT AND URGENT CARE HCMC PROVIDES THE ENTIRE SPECTRUM OF CARE TO ADDRESS THE NEEDS OF INJURED PATIENTS FROM THE PRE-HOSPITAL CARE AND TRANSPORT THROUGH REHABILITATION THE EMERGENCY DEPARTMENT IS THE BUSIEST IN THE STATE WITH OVER 95,000 VISITS IN 2013 BOARD-CERTIFIED EMERGENCY MEDICINE PHYSICIANS PROVIDE 24-HOUR COVERAGE AND OUTSTATE EMERGENCY CONSULTATION NURSES RECEIVE AND PARTICIPATE IN TEACHING SPECIALIZED TRAINING (ACLS, TNCC, APLS) IN HANDLING TRAUMA AND MEDICAL EMERGENCIES HENNEPIN COUNTY MEDICAL CENTER'S EMERGENCY URGENT CARE IS A FAST TRACK UNIT OF THE EMERGENCY DEPARTMENT EMERGENCY URGENT CARE STAFF TREATS PATIENTS WITH MINOR ACUTE ILLNESSES, SIMPLE INJURIES, AND OTHER NON-EMERGENCY CONDITIONS EMERGENCY URGENT CARE IS STAFFED WITH REGISTERED NURSES, NURSE PRACTITIONERS, PHYSICIAN ASSISTANTS, AND PHYSICIANS WHO HAVE EXPERIENCE IN EMERGENCY MEDICINE EMERGENCY MEDICAL SERVICES (EMS) EMS FIELD OPERATIONS HCMC EMS IS LICENSED TO PROVIDE EMERGENCY MEDICAL SERVICES TO ALL OR PART OF THE 14 COMMUNITIES IN HENNEPIN COUNTY IN 2013, EMS PROVIDED OVER 60,000 AMBULANCE RUNS EMS EMERGENCY COMMUNICATION CENTER EMERGENCY MEDICAL DISPATCHERS ARE ALSO WEST METRO MEDICAL RESOURCE CONTROL CENTER (WMRCC) OPERATORS WMRCC ACTS AS THE COORDINATOR AND INFORMATION RESOURCE FOR FIELD PERSONNEL OPERATING IN THE HENNEPIN COUNTY AREA EMS EDUCATION THE EMS EDUCATION DEPARTMENT MISSION IS TO ENHANCE THE QUALITY OF EMERGENCY MEDICAL CARE PROVIDED TO THE COMMUNITY THROUGH TRAINING, EDUCATION AND RESEARCH EMG LAB THE E

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 673,425,238

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		No
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	Yes	
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	Yes	
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		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
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		No
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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		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 or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	1,195		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		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	2a	7,012		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response or note to any line 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	**1a** 13		
	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			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 8		
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	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its 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

▶ CHARLES ESLER CONTROLLER 701 PARK AVENUE P-1
MINNEAPOLIS, MN 55415 (612) 873-6518

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

Check if Schedule O contains a response or note to any line 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) JON L PRYOR MD MBA CEO	40 00	X		X				532,261	0	36,070
(2) DOUGLAS B BRUNETTE MD DIRECTOR	40 00	X						445,618	0	44,673
(3) DAVID B JONES MD FORMER CEO/B	40 00	X		X				252,871	0	0
(4) ANNE PEREIRA MD DIRECTOR	40 00	X						149,305	0	21,979
(5) MICHAEL OPAT DIRECTOR	2 00	X						0	102,645	28,353
(6) JANIS CALLISON DIRECTOR	2 00	X						0	97,330	14,498
(7) CHRISTOPHER PUTO PHD CHAIR, FIN &	2 00	X		X				0	0	0
(8) SHARON SAYLES BELTON BOARD CHAIR	2 00	X						0	0	0
(9) ATUM AZZAHIR CHAIR, GOVER	2 00	X						0	0	0
(10) SAMUEL E CARLSON MD FACP DIRECTOR	2 00	X						0	0	0
(11) SUZANNA DE BACA MBA DIRECTOR	2 00	X						0	0	0
(12) DAVID EBEL DIRECTOR	2 00	X						0	0	0
(13) SHEILA RIGGSDDSDMSC DIRECTOR	2 00	X						0	0	0
(14) RAY WALDRON DIRECTOR	2 00	X						0	0	0
(15) LARRY A KRYZANIAKMS CFO	40 00			X				415,262	0	32,613
(16) DONALD M JACOBS MD CHIEF CLINIC	40 00				X			500,712	0	18,524
(17) MICHAEL B BELZER MD CHIEF MEDICA	40 00				X			390,343	0	29,393

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) STEVE P STERNER MD FACEP VP	40 00				X			358,677	0	29,393
(19) SCOTT WORDELMAN FACHE VP	40 00				X			285,747	0	23,124
(20) KATHY WILDE RN MA CHIEF NURSIN	40 00				X			269,130	0	32,580
(21) NANCY GARRETT PHD CHIEF ANALYT	40 00				X			246,344	0	33,427
(22) JEANETTE T JONES RN JD VP	40 00				X			226,950	0	28,702
(23) CONSTANTIN N STARCHOOK MD PHYSICIAN	40 00					X		677,725	0	44,673
(24) CHARLES L TRUWIT MD PHYSICIAN CH	40 00					X		648,761	0	44,673
(25) MARK D ODLAND MD PHYSICIAN CH	40 00					X		604,731	0	40,172
(26) ASAD IRFANULLAHMD PHYSICIAN	40 00					X		594,786	0	44,673
(27) PRATEEK SAHGAL MD PHYSICIAN	40 00					X		594,786	0	44,673

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	7,194,009	199,975	592,193

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 ▶749

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	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? *If "Yes," complete Schedule J for such person*	**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
STANDARD CONSTRUCTION LLC 2812 ANTHONY LANE SOUTH SUITE 200 ST ANTHONY MN 55418	CONSTRUCTION	7,477,065
UNIVERSITY OF MINNESOTA 1425 UNIVERSITY AVENUE SE MINNEAPOLIS MN 55455	MEDICAL	7,138,339
MEDICA PO BOX 1450 MINNEAPOLIS MN 55485	HLTH PLAN ADMIN	6,131,821
PHILLIPS MEDICAL SYSTEMS NA 3300 MINUTEMAN ROAD ANDOVER MA 01810	RADIOLOGY	4,237,306
MCGOUGH CONSTRUCTION INC 2737 FAIRVIEW AVENUE NORTH ST PAUL MN 55113	CONSTRUCTION	3,977,920

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 ▶303

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	27,109,033			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	533,906			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		27,642,939			
Program Service Revenue			Business Code				
	2a	MEDICARE/ MEDICAID REVENUE	900099	413,443,633	413,443,633		
	b	OTHER PATIENT REVENUE	900099	222,623,495	222,623,495		
	c	OTHER STATE PROGRAM REVENUE	900099	64,235,731	64,235,731		
	d	PHARMACY REVENUE	446110	43,157,954	43,157,954		
	e	CONTRACTED SERVICES	900099	9,108,921			9,108,921
	f	All other program service revenue		8,490,644	2,795,312	765,403	4,929,929
	g	**Total.** Add lines 2a–2f . . . . . ▶		761,060,378			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,130,254			1,130,254
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		33,945			
	b	Less cost or other basis and sales expenses		820,723			
	c	Gain or (loss)		-786,778			
	d	Net gain or (loss) . . . . . ▶			-786,778		-786,778
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . .	a				
	b	Less direct expenses . . .	b				
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
	b	Less direct expenses . . .	b				
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances .	a				
	b	Less cost of goods sold . .	b				
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	MISCELLANEOUS REVENUE	900099	155,437	155,437		
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		155,437			
	12	**Total revenue.** See Instructions . . . . . ▶		789,202,230	746,411,562	765,403	14,382,326

Part IX Statement of Functional Expenses

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

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

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	621,330	621,330		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	4,403,695	1,160,129	3,243,566	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	428,869,090	344,322,689	84,546,401	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	30,324,863	24,180,423	6,144,440	
9 Other employee benefits	60,672,363	48,378,896	12,293,467	
10 Payroll taxes	27,412,560	21,858,212	5,554,348	
11 Fees for services (non-employees)				
a Management				
b Legal	1,304,233	1,039,969	264,264	
c Accounting	185,456		185,456	
d Lobbying	206,597		206,597	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	113,115	90,196	22,919	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	11,557,730	9,221,157	2,336,573	
12 Advertising and promotion	1,036,263	826,295	209,968	
13 Office expenses	6,035,606	4,812,668	1,222,938	
14 Information technology	12,023,514	9,587,303	2,436,211	
15 Royalties . .				
16 Occupancy	12,769,166	10,181,871	2,587,295	
17 Travel	607,738	484,598	123,140	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	907,696	723,778	183,918	
20 Interest	414,539	330,545	83,994	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	36,045,589	28,742,012	7,303,577	
23 Insurance	2,722,072	2,170,524	551,548	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	77,713,905	77,713,905		
b BAD DEBTS	30,145,378	30,145,378		
c CONSULTING FEES	26,941,030	21,575,532	5,365,498	
d MISCELLANEOUS	25,463,732	20,304,256	5,159,476	
e All other expenses	14,953,572	14,953,572		
25 **Total functional expenses.** Add lines 1 through 24e	813,450,832	673,425,238	140,025,594	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		69,083,861	1	41,047,821
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		176,289,865	4	189,815,847
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,680,911	8	4,003,324
	9	Prepaid expenses and deferred charges		4,467,465	9	3,625,536
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 651,034,326			
	b	Less accumulated depreciation	10b 414,607,988	231,164,387	10c	236,426,338
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		4,092,549	12	5,254,050
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		6,638	15	6,638
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		488,785,676	16	480,179,554
Liabilities	17	Accounts payable and accrued expenses		140,718,896	17	150,986,878
	18	Grants payable			18	
	19	Deferred revenue		1,109,882	19	2,422,805
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		27,327,268	25	30,874,905
	26	**Total liabilities.** Add lines 17 through 25		169,156,046	26	184,284,588
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			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		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		247,268,243	31	235,240,618
	32	Retained earnings, endowment, accumulated income, or other funds		72,361,387	32	60,654,348
	33	Total net assets or fund balances		319,629,630	33	295,894,966
	34	Total liabilities and net assets/fund balances		488,785,676	34	480,179,554

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	789,202,230
2	Total expenses (must equal Part IX, column (A), line 25)	2	813,450,832
3	Revenue less expenses Subtract line 2 from line 1	3	-24,248,602
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	319,629,630
5	Net unrealized gains (losses) on investments	5	513,938
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	295,894,966

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☐ Accrual ☑ Other ENTERPRISE If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	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			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - 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?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

Part IV **Supplemental Information.** 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		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
HENNEPIN HEALTHCARE SYSTEM INC	42-1707837

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	206,597	
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)	206,597	
d Other exempt purpose expenditures	813,244,235	
e Total exempt purpose expenditures (add lines 1c and 1d)	813,450,832	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	170,655	138,751	134,460	206,597	650,463
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	114,523	138,751	134,460	206,597	594,331

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

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

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
SCHEDULE C, PART IV	SCHEDULE C, PART 1-A, LINE 1 THE MAJORITY OF HENNEPIN HEALTHCARE SYSTEM INC 'S (HHS INC) LOBBYING EXPENDITURES RELATE TO A SERVICE AGREEMENT THAT HHS INC AND HENNEPIN COUNTY MN ENTERED INTO WITH HENNEPIN COUNTY INTERGOVERNMENTAL RELATIONS (IGT) TO FURNISH STATE AND FEDERAL GRASS ROOT LOBBYING SERVICES RELATED TO HHS INC 'S MISSION AND PURPOSE IN ADDITION, HHS INC SUBSCRIBES TO ASSOCIATIONS PRIMARILY MINNESOTA HOSPITAL ASSOCIATION WHICH ENGAGE IN LOBBYING ACTIVITIES ON BEHALF OF ITS MEMBER ENTITIES THE LOBBYING EXPENSES ARE MADE UP AS BELOW HENNEPIN COUNTY IGR PAYMENTS 200,000 MINNESOTA HOSPITAL ASSOCIATION 6,423 SAFETY NET HOSPITALS PHARMACEUTICAL ACCESS 174 TOTAL GRASSROOTS LOBBYING EXPENDITURE 206,597

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ 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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

9 In Part 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 ▶ $ _____

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

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

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

b If "Yes," explain the arrangement in Part 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	2,187,882				
b Contributions					
c Net investment earnings, gains, and losses	566,450				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	2,754,332				

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 ▶ 68 350 %
- c Temporarily restricted endowment ▶ 31 650 %

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

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		19,320,377		19,320,377
b Buildings		353,989,810	214,049,006	139,940,804
c Leasehold improvements		11,706,940	8,055,881	3,651,059
d Equipment		193,196,826	130,129,089	63,067,737
e Other		72,820,373	62,374,012	10,446,361
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				236,426,338

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
RELATED PARTY PAYABLES	16,139,717
TAXES	8,671,603
LEASE REVENUE REFUNDING CERTIFICATES	6,063,585
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	30,874,905

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	751,096,313
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	513,938		
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	513,938
3	Subtract line **2e** from line **1**			3	750,582,375
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	38,619,855		
c	Add lines **4a** and **4b**			4c	38,619,855
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	789,202,230

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	774,830,977
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	774,830,977
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	38,619,855		
c	Add lines **4a** and **4b**			4c	38,619,855
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	813,450,832

Part XIII Supplemental Information

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

Return Reference	Explanation
SCHEDULE D, PAGE 2, PART V, LINE 4	THE BEGINNING BALANCE OF ENDOWMENT FUNDS WAS TRANSFERRED OVER FROM HENNEPIN FACULTY ASSOCIATES FOLLOWING THE INTEGRATION OF HENNEPIN FACULTY ASSOCIATES WITH HENNEPIN HEALTHCARE SYSTEM, INC IN DECEMBER 2012 THE ENDOWMENT CONSISTS OF A FUND ESTABLISHED TO SUPPORT RESEARCH ACTIVITIES AND THE NON-SURGERY ENDOWMENT THE ENDOWMENT CONSISTS ENTIRELY OF DONOR-RESTRICTED FUNDS HHS, INC POLICY PROVIDES FOR THE ABILITY TO APPROPRIATE FOR DISTRIBUTION EACH YEAR AN AGREED PROPORTION PLUS RELATED ACCUMULATED EARNINGS BASED UPON BALANCES OF THE PRECEDING YEAR AND MAINTAINING A RECOMMENDED PURCHASING POWER OF THE ENDOWMENT DISTRIBUTIONS ARE NOT MADE IN PERIODS SUBSEQUENT TO A DETERMINATION THAT THE FAIR MARKET VALUE OF THE PERMANENTLY RESTRICTED NET ASSETS FALLS BELOW CORPUS
SCHEDULE D, PAGE 4, PART XI, LINE 4B	BAD DEBT RECLASS 30,297,713 LOSS ON SALE/DISPOSAL OF ASSETS -786,779 SALARY OFFSET 9,108,921
SCHEDULE D, PAGE 4, PART XII, LINE 4B	BAD DEBT RECLASS 30,297,713 LOSS ON SALE/DISPOSAL OF ASSETS -786,779 SALARY OFFSET 9,108,921

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493302001354

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			26,651,095		26,651,095	3 280 %
b Medicaid (from Worksheet 3, column a)			291,680,352	253,405,720	38,274,632	4 710 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			318,331,447	253,405,720	64,925,727	7 980 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		84,412	2,932,531	2,447,500	485,031	0 060 %
f Health professions education (from Worksheet 5)			64,808,142	33,204,027	31,604,115	3 890 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			53,136		53,136	0 010 %
j **Total.** Other Benefits		84,412	67,793,809	35,651,527	32,142,282	3 950 %
k **Total.** Add lines 7d and 7j		84,412	386,125,256	289,057,247	97,068,009	11 930 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	3	2,600,074	1,663,875	1,339,293	324,582	0 040 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	2	40	19,484		19,484	
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**	5	2,600,114	1,683,359	1,339,293	344,066	0 040 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 12,718,474			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	148,227,898
6	Enter Medicare allowable costs of care relating to payments on line 5	6	201,889,014
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-53,661,116
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group HENNEPIN HEALTHCARE SYSTEM INC

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW HCMED ORG			
b	☑ Other website (list url) WWW MNHOSPITALS ORG			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**	Yes	
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY 1, HENNEPIN HEALTHCARE SYSTEM, INC - PART V, LINE 1J	PART V SECTION B LINE 3, PART VI LINE 2 AS LEGISLATED BY MINNESOTA STATUTE 383B 918, HCMC IS REQUIRED TO PREPARE "A HEALTH SERVICES PLAN THAT DRAWS FROM A POPULATION HEALTH NEEDS ASSESSMENT AND DELINEATES THE ORGANIZATION'S ROLE IN THE COMMUNITY, INCLUDING EDUCATION, RESEARCH, AND PATIENT CARE SERVICES TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY INCLUDING INDIGENT POPULATIONS " THE HEALTH SERVICES PLAN IS APPROVED ANNUALLY BY THE HHS, INC BOARD AND THE HENNEPIN COUNTY BOARD OF COMMISSIONERS 2013 WAS THE FIRST YEAR IN WHICH A COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED IN THE FORMAT REQUIRED BY THE IRS, WITH A THREE YEAR IMPLEMENTATION PLAN AND MEASUREABLE OUTCOMES TO PLAN
FACILITY 1, HENNEPIN HEALTHCARE SYSTEM, INC - PART V, LINE 3	QUANTITATIVE AND QUALITATIVE DATA WAS COLLECTED IN ORDER TO IDENTIFY COMMUNITY HEALTH NEEDS THE PRIMARY QUANTITATIVE DATA SOURCE WAS THE 2010 SURVEY OF THE HEALTH OF ALL THE POPULATION AND THE ENVIRONMENT (SHAPE), CONDUCTED BY THE HENNEPIN COUNTY HUMAN SERVICES AND PUBLIC HEALTH DEPARTMENT THE ADULT SURVEY COLLECTED RESPONSES FROM MORE THAN 7000 HENNEPIN COUNTY RESIDENTS, AND THE CHILD SURVEY COLLECTED RESPONSES FROM NEARLY 2200 HENNEPIN COUNTY RESIDENTS THE RESULTS WERE REPORTED FOR HENNEPIN COUNTY AS A WHOLE AND FOR LOCAL GEOGRAPHIC AREAS WITHIN THE COUNTY THE DATA WAS EPORTED BY DEMOGRAPHIC VARIABLES INCLUDING GENDER, AGE, GRADE LEVEL (WHERE APPLICABLE), AND HOUSEHOLD INCOME HCMC STAFF REVIEWED HENNEPIN COUNTY'S PUBLIC HEALTH ASSESSMENT ON-LINE COMMUNITY HEALTH ASSESSMENT INDICATORS, WHICH INCLUDE DATA FROM SHAPE, THE MINNESOTA STUDENT SURVEY, AND VITAL RECORDS INFORMATION ADDITIONAL DATA SOURCES INCLUDED STATE- AND COUNTY-LEVEL MORBIDITY AND MORTALITY DATA FROM THE CENTER FOR DISEASE CONTROL AND MINNESOTA DEPARTMENT OF HEALTH, AS WELL AS 2012 MINNESOTA LGBT SURVEY DATA COLLECTED FROM 1867 RESPONDENTS BY THE RAINBOW HEALTH INITIATIVE KEY INFORMANT INTERVIEWS WERE CONDUCTED DURING SUMMER 2013 TO GATHER QUALITATIVE DATA AND CONSULT WITH COMMUNITY MEMBERS AND EXPERTS HCMC STAFF MET WITH REPRESENTATIVES FROM THE FOLLOWING ORGANIZATIONS -ANDREW RESIDENCE -CITY OF MINNEAPOLIS HEALTH DEPARTMENT -ELLIOT PARK NEIGHBORHOOD, INC -HENNEPIN COUNTY HUMAN SERVICES AND PUBLIC HEALTH DEPARTMENT -MINNESOTA DEPARTMENT OF HEALTH, OFFICE OF MINORITY AND MULTICULTURAL HEALTH -MINNESOTA VISITING NURSE AGENCY / HOSPICE OF THE TWIN CITIES -NORTHWEST HENNEPIN FAMILY SERVICE COLLABORATIVE -PORTICO HEALTHNET -RAINBOW HEALTH INITIATIVE -UNIVERSITY OF MINNESOTA, DEPARTMENT OF PRIMARY DENTAL CARE INFORMATION WAS ALSO OBTAINED FROM THE 2012 COMMUNITY HEALTH IMPROVEMENT PARTNERSHIP (CHIP) COLLABORATION CONVENED BY HENNEPIN COUNTY HUMAN SERVICES AND PUBLIC HEALTH THE CHIP PROJECT ENGAGED COMMUNITY STAKEHOLDER ORGANIZATIONS TO IDENTIFY HEALTH NEEDS, OPPORTUNITIES AND PARTNERS FOR CHANGE, AND THE TOP FIVE STRATEGIC HEALTH ISSUES FOR HENNEPIN COUNTY THE PROCESS INVOLVED A SURVEY COMPLETED BY 239 COMMUNITY ORGANIZATIONS DOING HEALTH-RELATED WORK AND THREE CHIP FORUM SESSIONS ATTENDED BY 110 INDIVIDUALS FROM MULTIPLE SECTORS SERVING HENNEPIN COUNTY FINALLY, HCMC STAFF PRESENTED THE DRAFT HEALTH SERVICES PLAN DOCUMENT TO PATIENTS AND THE COMMUNITY DURING TWO COMMUNITY HEALTH OPEN HOUSE EVENTS IN FALL 2013 FEEDBACK FROM PARTICIPANTS WAS INCORPORATED INTO THE FINAL DOCUMENT
FACILITY 1, HENNEPIN HEALTHCARE SYSTEM, INC - PART V, LINE 14G	PART VI LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE PATIENTS CAN REQUEST TO SEE FINANCIAL COUNSELORS WHO CAN HELP DETERMINE ELIGIBILITY FOR MANY FINANCIAL ASSISTANCE PROGRAMS UPON REGISTRATION, PATIENTS ARE SCREENED USING ESTABLISHED GUIDELINES AS SET BY HCMC AND WHENEVER POSSIBLE, THE PATIENT OR PATIENT'S FAMILY CAN FILL OUT AN APPLICATION FOR MEDICAL ASSISTANCE AND/OR HENNEPIN CARE FOR THOSE THAT DO NOT QUALIFY FOR CHARITY CARE, HENNEPIN CARE MAY BE ELIGIBLE FOR AN UNINSURED DISCOUNT HCMC HAS ISSUED A NEW BROCHURE "WHAT'S YOUR PLAN" THAT ASSISTS PATIENTS NAVIGATE THE PROGRAMS AVAILABLE THESE BROCHURES ARE AVAILABLE THROUGHOUT THE CAMPUS ANOTHER TOOL FOR PATIENTS IS ON THE HCMC WEBSITE - "PATIENT BILLING PORTAL" FUNCTIONS AS AN ONLINE "WHAT'S YOUR PLAN" BROCHURE
FACILITY 1, HENNEPIN HEALTHCARE SYSTEM, INC - PART V, LINE 20D	PART III SECTION C LINE 9B HCMC USES A COMBINATION OF DISCOUNT AND COLLECTION POLICIES PATIENTS ARE SCREENED USING ESTABLISHED GUIDELINES AS SET BY THE HOSPITAL AND WHENEVER POSSIBLE THE PATIENT OR PATIENT'S FAMILY CAN FILL OUT AN APPLICATION FOR FINANCIAL ASSISTANCE THOSE THAT DO NOT QUALIFY FOR MEDICAL ASSISTANCE, HENNEPIN HEALTH, CHARITY CARE OR HENNEPIN CARE, OR WHO ARE UNINSURED, WILL BE OFFERED AN UNINSURED DISCOUNT PATIENTS WITH SELF PAY BALANCES WHO ARE CONSIDERED ABLE TO PAY BASED ON FINANCIAL SCREENING MAY BE TURNED OVER TO COLLECTIONS IF THE HOSPITAL DEEMS THAT THEY HAVE THE ABILITY TO PAY FOR SERVICES HCMC AS A GOVERNMENT ENTITY IS ALLOWED TO PARTICIPATE IN STATE OF MINNESOTA REVENUE RECAPTURE PROGRAM THIS PROGRAM ALLOWS HCMC TO SUBMIT CLAIMS AGAINST PATIENT INCOME TAX REFUNDS, PROPERTY TAX REFUNDS, AND LOTTERY WINNINGS TO RECOVER PAST DUE BALANCES AFTER OTHER COLLECTION EFFORTS ARE EXHAUSTED HCMC USES THE FEDERAL POVERTY GUIDELINES TO CALCULATE BOTH FREE AND DISCOUNTED CARE

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **4**

	Name and address	Type of Facility (describe)
1	HCMC CLINICS - 43 CLINICS OUTPATIENT SPECIALTY CARE SERVICE 701 PARK AVENUE MINNEAPOLIS,MN 55415	HOSPITAL-BASED UNDER NPI 1407897309
2	HCMC PHARMACIES - 6 LOCATIONS 701 PARK AVENUE MINNEAPOLIS,MN 55415	PHARMACY SERVICES
3	HCMC-BE WELL CLINIC 300 SOUTH SIXTH STREET GOVERNMENT CENTER - A120 MINNEAPOLIS,MN 55487	FREE STANDING CLINIC
4	HCMC-CONVENIENCE CARE AT WALMART 715 EAST 78TH STREET BLOOMINGTON,MN 55420	FREE STANDING CLINIC
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7 - COSTING METHODOLOGY EXPLANATION	HCMC IS COMMITTED TO PROVIDING MEDICALLY NECESSARY CARE TO ALL PERSONS INCLUDING THOSE WHO ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR A GOVERNMENTAL PROGRAM OR OTHERWISE UNABLE TO PAY FOR COSTING PURPOSES, HCMC USES A COMBINATION OF STANDARD COSTING, WHERE APPLICABLE, AND THE FEDERAL POVERTY GUIDELINES
PART II - COMMUNITY BUILDING ACTIVITIES	HCMC PARTICIPATES IN SEVERAL COMMUNITY BUILDING ACTIVITIES HCMC COORDINATED THE DEVELOPMENT OF THE METROPOLITAN HOSPITAL COMPACT, BRINGING COMMUNITY HOSPITALS TOGETHER TO COORDINATE DISASTER PREPAREDNESS AND RESPONSE AS THE REGIONAL HOSPITAL RESOURCE CENTER FOR THE 7 COUNTY METRO REGION (2 6 MILLION PEOPLE) HCMC COORDINATES 30 HOSPITALS AND THEIR AFFILIATED CLINICS, LONG TERM CARE FACILITIES AND THE UNAFFILIATED CLINICS HCMC IS A PARTICIPANT IN THE SUSPECTED CHILD ABUSE AND NEGLECT TEAM (SCANT) SCANT IS A MULTI-DISCIPLINARY, INTERDEPARTMENTAL TEAM OF PROFESSIONALS FROM HCMC, INCLUDING PEDIATRICIANS, SOCIAL WORKERS, NURSES, CHAPLAINS, AND PSYCHOLOGISTS, AS WELL AS INDIVIDUALS FROM COLLABORATING AGENCIES INCLUDING THE MINNEAPOLIS POLICE DEPARTMENT, HENNEPIN COUNTY CHILD PROTECTION, THE HENNEPIN COUNTY ATTORNEY'S OFFICE, AND THE HENNEPIN COUNTY MEDICAL EXAMINER'S OFFICE HCMC IS A SITE FOR THE SUMMER MEALS PROGRAMS THROUGH THE US DEPARTMENT OF AGRICULTURE APPROXIMATELY 42 CHILDREN A DAY RECEIVE FREE BREAKFAST OR LUNCH DURING THE SUMMER

Form and Line Reference	Explanation
PART III, LINE 2 - BAD DEBT EXPENSE METHODOLOGY	BAD DEBT IS CALCULATED AS THE PERCENTAGE OF ADJUSTED PATIENT CHARGES DIVIDED BY OPERATING EXPENSES THE BAD DEBT EXPENSE AMOUNT IS THE PRODUCT OF THE RATIO OF THE COST TO CHARGES MULTIPLIED BY THE BAD DEBT PROVISION
PART III, LINE 3 BAD DEBT EXPENSE, PATIENTS ELIGIBLE FOR ASSISTANCE	HHS, INC COLLECTIONS/CUSTOMER SERVICE AREAS PROCESS DISCOUNT ADJUSTMENTS TO PATIENT ACCOUNTS SUBJECT TO PROPER ADJUSTMENT APPROVALS AND GUIDELINES PATIENTS ARE ELIGIBLE FOR DISCOUNTS BASED ON PATIENT HOUSEHOLD SIZE AND INCOME IN RELATION TO FEDERAL POVERTY GUIDELINES PATIENTS WHO MAY BE ELIGIBLE FOR GOVERNMENT PROGRAMS ARE REQUIRED TO APPLY FOR THOSE PROGRAMS IF BENEFITS ARE DENIED, THE APPROPRIATE APPLICABLE DISCOUNT SHALL APPLY FINANCIAL COUNSELORS COLLECT AND RECORD THE PATIENTS' NET AND GROSS INCOME AND FAMILY SIZE TO DETERMINE THE APPROPRIATE DISCOUNT HHS, INC USES FEDERAL GUIDELINES FOR DETERMINING DISCOUNTS AND CHARITY CARE

Form and Line Reference	Explanation
PART VI, LINE 2 - NEEDS ASSESSMENT	SEE PART V SECTION B DETAILED DESCRIPTION IN PART V SECTION C
PART VI, LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SEE PART V LINE 9

Form and Line Reference	Explanation
PART VI, LINE 4 - COMMUNITY INFORMATION	HCMC/HHS IS A PUBLIC CORPORATION SAFETY NET HOSPITAL AND CLINIC SYSTEM ENGAGED IN THE DELIVERY OF HEALTHCARE AND RELATED SERVICES TO THE GENERAL PUBLIC IN THE STATE OF MINNESOTA INCLUDING THE INDIGENT AS DEFINED BY THE STATE AND FEDERAL LAW AS DETERMINED BY THE HENNEPIN COUNTY BOARD OF COMMISSIONERS IT HAS A "TREAT FIRST" POLICY REGARDLESS OF A PATIENT'S ABILITY TO PAY FOR MEDICAL NECESSITY
PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH	HCMC PROVIDES MORE CARE TO MINNESOTA HEALTH CARE PROGRAM (MHCP) RECIPIENTS AND THE UNINSURED THAN DO OUR NON-TEACHING COUNTER PARTS, NEARLY 50% OF HCMC'S VOLUME IS PROVIDED TO LOW INCOME POPULATIONS HCMC IS MINNESOTA'S LARGEST PROVIDER OF SERVICE TO THE POOR BY A SUBSTANTIAL MARGIN HCMC TREATS HENNEPIN COUNTY'S AND THE REGION'S MORE SEVERELY ILL PATIENTS, SUCH AS THOSE REFERRED FROM OTHER HOSPITALS AND THOSE REQUIRING EXTENSIVE SUPPORT SERVICES HCMC PHYSICIANS AND ALUMNI ARE INTEGRAL TO THE REGION'S EMERGENCY PREPAREDNESS AND STAND-BY CAPABILITIES HCMC PROVIDES MANY SPECIALIZED INPATIENT AND OUTPATIENT SERVICES SUCH AS ORGAN TRANSPLANTATION, INTENSIVE NEONATAL CARE, ONCOLOGY SERVICES AND SOPHISTICATED RECONSTRUCTIVE SURGERY TO THE REGION'S POPULATION HCMC FACILITATES THE TRANSITIONS OF NEW SERVICES AND TECHNOLOGIES INTO THE MAINSTREAM AND HELPS TO RAISE THE REGIONAL STANDARDS

Form and Line Reference	Explanation
ADDITIONAL INFORMATION	PART I LINE 3C HCMC USES THE FEDERAL POVERTY GUIDELINES TO CALCULATE BOTH FREE AND DISCOUNTED CARE PART I LINE 6 THE COMMUNITY BENEFIT REPORT IS A FOOTNOTE DISCLOSURE AS PART OF HCMC'S ANNUAL AUDITED FINANCIAL STATEMENT HCMC, AS AN ENTERPRISE FUND OF HENNEPIN COUNTY, ALSO APPEARS ON HENNEPIN COUNTY'S FINANCIAL STATEMENTS THE AUDITED FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC AND ARE ALSO FILED WITH THE MINNESOTA ATTORNEY GENERAL'S OFFICE PART I LINE 7F HCMC HELPS TO TRAIN THE NURSES TAKING CARE OF YOU, THE DENTIST AND DENTAL ASSISTANT FILLING YOUR TEETH, THE COUNSELORS AND PHYSICIAN ASSISTANTS AND SPEECH PATHOLOGISTS, AND THE TECHNICIANS DRAWING BLOOD, TAKING X-RAYS, AND WORKING IN THE LAB HCMC HELPS TRAIN PRACTITIONERS IN MORE THAN 50 DIFFERENT HEALTH PROFESSIONS TO PROVIDE MEDICAL CARE ACROSS MINNESOTA IN 2013, HCMC TRAINED OVER 700 MEDICAL STUDENTS FROM THE UNIVERSITY OF MINNESOTA AND 21 OTHER INSTITUTIONS IN THE U S AND ABROAD HCMC ALSO TRAINS RESIDENT PHYSICIANS IN 15 HCMC-BASED RESIDENCY AND FELLOWSHIP PROGRAMS AND TRAINS ROTATING RESIDENTS FROM 44 PROGRAMS AT THE UNIVERSITY OF MINNESOTA IN 2013, HCMC TRAINED OVER 500 RESIDENT PHYSICIANS, INCLUDING APPROXIMATELY 200 IN HCMC-BASED RESIDENCIES AND 430 ROTATING RESIDENTS FROM THE UNIVERSITY OF MINNESOTA, REGIONS HOSPITAL, AND THE MAYO SCHOOL OF GRADUATE MEDICAL EDUCATION HCMC TRAINS OVER 1000 NURSING STUDENTS PER YEAR PROVIDING OVER 35,000 CLINICAL HOURS OF TRAINING, 70 NURSE PRACTITIONERS AND PHYSICIAN ASSISTANT TRAINEES, 11 PHARMACY RESIDENTS WITH TOXICOLOGY ROTATIONS IN THE HENNEPIN REGIONAL POISON CENTER HCMC ALSO TRAINS APPROXIMATELY 6-8 OPHTHALMIC TECHNICIANS, 8 MEDICAL LABORATORY SCIENTISTS AND 4-6 PHLEBOTOMY TECHNICIANS PER YEAR HCMC OUTREACH TRAINING PROGRAMS ARE OFFERED IN CITIES AND COMMUNITIES ACROSS THE STATE BY THE HENNEPIN REGIONAL POISON CENTER, TRAUMA OUTREACH STAFF, EMERGENCY PREPAREDNESS STAFF, EMERGENCY MEDICAL SERVICES, AND FACULTY FROM DIVERSE CLINICAL DEPARTMENTS HCMC IS THE LARGEST CME PROVIDER ACCREDITED BY THE MINNESOTA MEDICAL ASSOCIATION IN 2013, DIVERSE CONTINUING EDUCATION OPPORTUNITIES INCLUDED MORE THAN 500 HOURS OF CONTINUING MEDICAL EDUCATION (CME) INSTRUCTION FOR PHYSICIANS AND NON- PHYSICIANS IN COURSES AND REGULARLY SCHEDULED SERIES AT HCMC AS WELL AS ONLINE HCMC ALSO PROVIDES CONTINUING NURSING EDUCATION, INCLUDING PROGRAMS SUCH AS THE TRAUMA & CRITICAL CARE EDUCATION SERIES (TRA-CCS), OFFERED THROUGH TRAUMA SERVICES PART III SECTION A LINE 2 THE COST OF CHARGES WRITTEN OFF AS BAD DEBT EXPENSE TOTALED 12,718,474 FOR 2013 THIS WAS CALCULATED AS THE PERCENTAGE OF ADJUSTED PATIENT CHARGES DIVIDED BY OPERATING EXPENSE TO ACHIEVE A COST TO CHARGE RATIO THE BAD DEBT AMOUNT IS THE PRODUCT OF THE RATIO OF THE COST TO CHARGES MULTIPLIED BY THE BAD DEBT EXPENSE BAD DEBT EXPENSE IN THE AMOUNT OF 30,145,378 WHICH IS NOT INCLUDED IN THE COMMUNITY BENEFITS, IS THE AMOUNT RECORDED DURING 2013 WHICH IS WRITTEN OFF OR SENT TO COLLECTIONS NET OF RECOVERIES AND NET OF BOOK RESERVES FOR ADJUSTMENTS TO THE ON-GOING BAD DEBT ALLOWANCE ON OPEN ACCOUNTS RECEIVABLE PART III LINE 4 HCMC INCLUDES DISCUSSION OF ACCOUNTS RECEIVABLE AND BAD DEBT EXPENSE IN THE AUDITED FINANCIAL STATEMENTS ON PAGE 9, 10 AND 15 PART III LINE 8 MEDICARE IN THE COMMUNITY BENEFIT FOOTNOTE TO THE AUDITED FINANCIAL STATEMENTS, MEDICARE SHORTFALL IS CONSIDERED AN ADDITIONAL COMMUNITY CONTRIBUTION, NOT INCLUDED IN COMMUNITY BENEFIT THE SHORTFALL IS CALCULATED BY SUBTRACTING MEDICARE REVENUE FROM MEDICARE ALLOWABLE COSTS MEDICARE ALLOWABLE COSTS ARE DETERMINED BY MULTIPLYING ALL MEDICARE CHARGES BY THE 2013 COST TO CHARGE RATIO PART III SECTION C LINE 9B HCMC USES A COMBINATION OF DISCOUNT AND COLLECTION POLICIES PATIENTS ARE SCREENED USING ESTABLISHED GUIDELINES AS SET BY THE HOSPITAL AND WHENEVER POSSIBLE THE PATIENT OR PATIENT'S FAMILY CAN FILL OUT AN APPLICATION FOR FINANCIAL ASSISTANCE THOSE THAT DO NOT QUALIFY FOR MEDICAL ASSISTANCE, HENNEPIN HEALTH, CHARITY CARE OR HENNEPIN CARE, OR WHO ARE UNINSURED, WILL BE OFFERED AN UNINSURED DISCOUNT PATIENTS WITH SELF PAY BALANCES WHO ARE CONSIDERED ABLE TO PAY BASED ON FINANCIAL SCREENING MAY BE TURNED OVER TO COLLECTIONS IF THE HOSPITAL DEEMS THAT THEY HAVE THE ABILITY TO PAY FOR SERVICES HCMC AS A GOVERNMENT ENTITY IS ALLOWED TO PARTICIPATE IN STATE OF MINNESOTA REVENUE RECAPTURE PROGRAM THIS PROGRAM ALLOWS HCMC TO SUBMIT CLAIMS AGAINST PATIENT INCOME TAX REFUNDS, PROPERTY TAX REFUNDS, AND LOTTERY WINNINGS TO RECOVER PAST DUE BALANCES AFTER OTHER COLLECTION EFFORTS ARE EXHAUSTED

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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**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ 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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 25

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 2

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

Return Reference	Explanation
SCHEDULE I, PAGE 1, PART I, LINE 2	HENNEPIN HEALTHCARE SYSTEM, INC HAS A GRANT MANAGEMENT DEPARTMENT TASKED WITH MONITORING GRANT RECEIPTS AND GRANT DISBURSEMENTS FROM FEDERAL, STATE, LOCAL OR INDIVIDUAL TO BENEFICIARIES THE GRANT MANAGEMENT DEPARTMENT WORKS CLOSELY WITH FINANCE TO ENSURE PROPER CONTROLS ARE IN PLACE BY USE OF RECONCILIATIONS AND COMPLIANCE MONITORING AND REPORTING

Additional Data

Software ID:
Software Version:
EIN: 42-1707837
Name: HENNEPIN HEALTHCARE SYSTEM INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
PHILLIPS EYE INSTITUTE 2215 PARK AVENUE MINNEAPOLIS,MN 55404	36-3261413	501C3	5,930				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CENTRO INC 1915 CHICAGO AVENUE SOUTH MINNEAPOLIS,MN 55404	41-1290349	501C3	6,375				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RIDGEVIEW MEDICAL CENTER 500 SOUTH MAPLE STREET WACONIA,MN 55387	31-1667875	501C3	7,746				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MINNEAPOLIS COMMUNITY & TECHNICAL 1501 HENNEPIN AVENUE MINNEAPOLIS, MN 55403	41-1288502		8,289				EDUCATION & RESEARCH

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HEALTHEAST CARE SYSTEM 559 CAPITAL BOULEVARD ST PAUL,MN 55103	36-3517697	501C3	13,835				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MAYO CLINIC HEALTH SYSTEM NEW PRAGU 301 SECOND STREET NE NEW PRAGUE,MN 56071	41-0723639	501C3	16,588				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ST FRANCIS REGIONAL MEDICAL CENTER 1455 ST FRANCIS AVENUE SHAKOPEE,MN 55379	41-0907986	501C3	16,959				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FAIRVIEW HEALTH SERVICES 6401 FRANCE AVENUE SOUTH EDINA,MN 55435	41-0991680	501C3	17,359				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
LAKEVIEW MEMORIAL HOSPITAL ASSOCIAT 927 CHURCHILL STREET WEST STILLWATER, MN 55082	41-0811697	501C3	18,673				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HEALTHEAST WOODWINDS HOSPITAL 1925 WOODWINDS DRIVE WOODBURY,MN 55125	41-1592761	501C3	18,751				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NORTHFIELD HOSPITAL & CLINICS 2000 NORTH AVENUE NORTHFIELD,MN 55057	41-6038368	501C3	18,751				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNITY HOSPITAL 550 OSBORNE ROAD FRIDLEY,MN 55432	36-3261413	501C3	19,991				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FORWARD HEALTH GROUP INC 44 EAST MIFFLIN STREET SUITE 601 MADISON,WI 53703			20,000				POPULATION MGMT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
REGINA MEDICAL CENTER 1175 NININGER ROAD HASTINGS,MN 55033	41-0740678	501C3	20,027				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
REGIONS HOSPITAL 640 JACKSON STREET ST PAUL,MN 55101	41-0956618	501C3	20,267				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HEALTHEAST ST JOHN'S HOSPITAL 1575 BEAM AVENUE MAPLEWOOD,MN 55109	41-1456897	501C3	20,717				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HEALTHEAST ST JOSEPH'S HOSPITAL 45 WEST 10TH STREET ST PAUL,MN 55102	41-0693880	501C3	20,717				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MAPLE GROVE HOSPITAL CORPORATION 9875 HOSPITAL DR MAPLE GROVE,MN 55369	20-8316475	501C3	20,717				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MERCY HOSPITAL 4050 COON RAPIDS BLVD COON RAPIDS, MN 55433	36-3261413	501C3	20,717				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
PARK NICOLLET METHODIST HOSPITAL 6500 EXCELSIOR BLVD ST LOUIS PARK,MN 55426	45-5023260	501C3	23,470				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNITED HOSPITAL 333 NORTH SMITH AVENUE SAINT PAUL,MN 55102	36-3261413	501C3	23,470				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NORTH MEMORIAL HEALTH CARE 3500 FRANCE AVENUE NORTH SUITE 106 ROBBINSDALE,MN 55422	41-0729979	501C3	24,158				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CHILDREN'S HOSPITALS & CLINICS OF M 2525 CHICAGO AVENUE MINNEAPOLIS, MN 55404	41-1754276	501C3	25,733				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
STATE OF SOUTH DAKOTA SAD 133 BOX 2201 BROOKINGS,SD 57007	46-6000364		46,581				EDUCATION & RESEARCH

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ABBOTT NORTHWESTERN HOSPITAL 800 E 29TH STREET MINNEAPOLIS, MN 55407	36-3261413	501C3	48,518				EMERGENCY PREP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MINNEAPOLIS MEDICAL RESEARCH FOUNDA 914 SOUTH 8TH STREET MINNEAPOLIS, MN 55404	41-1677920	501C3	58,051				EDUCATION & RESEARCH

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNIVERSITY OF MINNESOTA MEDICAL CEN 2450 RIVERSIDE AVENUE MINNEAPOLIS, MN 55454	41-0991680	501C3	58,940				EDUCATION & RESEARCH

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

Part I Questions Regarding Compensation

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

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

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

Return Reference	Explanation
SCHEDULE J, PAGE 1, PART I, LINE 6A	HHS, INC HAS INCENTIVE PROGRAMS (NAMELY SHARING SUCCESS, LONGEVITY AND STABILITY) DESIGNED TO REWARD ELIGIBLE EMPLOYEES WITH A FINANCIAL PAYOUT IF ESTABLISHED ORGANIZATIONAL GOALS ARE MET ELIGIBLE AND QUALIFYING EMPLOYEES ARE COMPENSATED BASED ON PERFORMANCE AND ACHIEVEMENT OF THE CUSTOMER SERVICE AND PATIENT CARE CENTERED GOALS THE CONTINGENT COMPENSATION TO ELIGIBLE EMPLOYEES MAY BE PEGGED ON FINANCIAL MEASURES EMPLOYEES ARE LIMITED TO PARTICIPATION IN ONE OF THE TWO INCENTIVE PLANS THE BOARD OF DIRECTORS RETAINS THE RIGHT TO DETERMINE AND AWARD ANY INCENTIVE PAYOUTS

Additional Data

Software ID:
Software Version:
EIN: 42-1707837
Name: HENNEPIN HEALTHCARE SYSTEM INC

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				
JON L PRYOR MD MBA CEO	(I) (II)	532,261			25,500	10,570	568,331	
DOUGLAS B BRUNETTE MD DIRECTOR	(I) (II)	445,618			22,440	22,233	490,291	
DAVID B JONES MD FORMER CEO/BOARD	(I) (II)	252,871					252,871	
ANNE PEREIRA MD DIRECTOR	(I) (II)	149,305			13,128	8,851	171,284	
LARRY A KRYZANIAKMS CFO	(I) (II)	414,582	680		18,520	14,093	447,875	
DONALD M JACOBS MD CHIEF CLINICAL	(I) (II)	500,032	680			18,524	519,236	
MICHAEL B BELZER MD CHIEF MEDICAL	(I) (II)	389,663	680		15,300	14,093	419,736	
STEVE P STERNER MD FACEP VP	(I) (II)	357,997	680		15,300	14,093	388,070	
SCOTT WORDELMAN FACHE VP	(I) (II)	285,577	170		15,300	7,824	308,871	
KATHY WILDE RN MA CHIEF NURSING	(I) (II)	268,450	680		18,487	14,093	301,710	
NANCY GARRETT PHD CHIEF ANALYTICS	(I) (II)	246,344			14,781	18,646	279,771	
JEANETTE T JONES RN JD VP	(I) (II)	226,270	680		14,646	14,056	255,652	
CONSTANTIN N STARCHOOK MD PHYSICIAN	(I) (II)	677,725			22,440	22,233	722,398	
CHARLES L TRUWIT MD PHYSICIAN CHIEF	(I) (II)	648,761			22,440	22,233	693,434	
MARK D ODLAND MD PHYSICIAN CHIEF	(I) (II)	604,731			22,440	17,732	644,903	
ASAD IRFANULLAHMD PHYSICIAN	(I) (II)	594,786			22,440	22,233	639,459	
PRATEEK SAHGAL MD PHYSICIAN	(I) (II)	594,786			22,440	22,233	639,459	

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

Return Reference	Explanation
FORM 990 - ORGANIZATION'S MISSION	PART III LINE 1 HENNEPIN HEALTHCARE SYSTEM, INC (HHS), D/B/A HENNEPIN COUNTY MEDICAL CENTER CONTINUES TO TRANSFORM THE HEALTH OF THE COMMUNITY WITH EXCEPTIONAL CARE WITHOUT EXCEPTION HHS IS COMMITTED TO PARTNERING WITH ITS COMMUNITY, PATIENTS AND THEIR FAMILIES TO ENSURE ACCESS TO OUTSTANDING CARE FOR EVERYONE, WHILE IMPROVING HEALTH AND WELLNESS THROUGH TEACHING, PATIENT AND COMMUNITY EDUCATION AND RESEARCH HHS CONTINUES TO PROVIDE UNPARALLELED CARE FOR LOW-INCOME, THE UNINSURED, THE INDIGENT AND VULNERABLE POPULATIONS WHILE BEING A MAJOR EMPLOYER AND ECONOMIC ENGINE IN HENNEPIN COUNTY HHS OPERATES COMMUNITY CARE CLINICS AND CONVENIENCE CARE CLINICS IN MINNEAPOLIS AND THE SURROUNDING METROPOLITAN AREA AS OF DECEMBER 31, 2013, HHS OPERATED A HOSPITAL WITH LICENSED CAPACITY OF 894 BEDS AND 65 BASSINETS, OF WHICH 441 BEDS AND 62 BASSINETS WERE AVAILABLE, AS WELL AS 11 PRIMARY CARE CLINICS AND 35 SPECIALTY CARE CLINICS, 6 PHARMACY LOCATIONS, AND EMPLOYED APPROXIMATELY 841 PROVIDERS AS A SAFETY NET HOSPITAL, HCMC RECEIVES SUPPLEMENTAL MEDICAID PAYMENTS, ALSO KNOWN AS UPPER PAYMENT LIMIT PAYMENTS (UPL) FOR INPATIENT, OUTPATIENT AND PHYSICIAN SERVICES THROUGH INTERGOVERNMENTAL TRANSFERS IN ACCORDANCE WITH SPECIFIC STATE STATUES SUBJECT TO FEDERAL REGULATIONS AND APPROVAL THESE UPL REVENUES ARE REPORTED IN THE STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION ESTIMATED UPL RECEIPTS DUE TO HHS A DECEMBER 31, 2013 AND 2012 WERE APPROXIMATELY 71 2 MILLION AND 49 4 MILLION, RESPECTIVELY THESE ARE REPORTED AS ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS IN THE BALANCE SHEET

Return Reference	Explanation
FORM 990, PAGE 1, PART I, LINE 6	VOLUNTEERING AT HHS, INC GIVES THE VOLUNTEERS THE OPPORTUNITY TO WORK WITHIN OUR COMMUNITY OF DIVERSE VOLUNTEERS, STAFF, VISITORS AND PATIENTS VOLUNTEERS HELP SUPPLEMENT AND ENHANCE HOSPITAL SERVICES AND PROGRAMS MOST VOLUNTEERS SCHEDULE A 3-4 HOUR SHIFT ONCE PER WEEK FOR 3-6 MONTHS A COORDINATOR WILL WORK WITH A VOLUNTEER TO FIND A POSITION THAT FITS THEIR SCHEDULE AND INTERESTS FROM AMONG VARIOUS OPENINGS DAYTIME, EVENING AND WEEKEND HOURS ARE AVAILABLE

Return Reference	Explanation	
	FORM 990, PAGE 2, PART III, LINE 4A	ACUTE DIALYSIS (DAVITA) ACUTE DIALYSIS SERVICES' MAIN PURPOSE AND GOAL IS TO PROVIDE QUAL ITY CARE TO ALL OUR PATIENTS WE ARE RESPONSIBLE FOR HEMODIALYSIS TREATMENTS AND OTHER NEP HROLOGY NURSING NEEDS OF THE ACUTE AND CHRONIC PATIENTS ADMITTED TO THE HOSPITALS WE PROV IDE THE PATIENT WITH THE SERVICES OF AN EXPERIENCED TEAMMATE AND WORK IN CONJUNCTION WITH THE HOSPITAL TO ENSURE THAT EACH PATIENT REACHES THE HIGHEST LEVEL OF HEALTH, SECURITY AND INDEPENDENCE 24 HOURS A DAY, 7 DAYS A WEEK OUR TEAMMATES WORK WITH THE PATIENTS ON AN IN DIVIDUAL BASIS TO PROVIDE QUALITY CARE AND SERVICE EXCELLENCE WITH CONFIDENCE AND TRUST A CUTE PSYCHIATRIC SERVICES (APS) APS IS A PSYCHIATRIC EMERGENCY DEPARTMENT OPEN 24 HOURS A DAY, 7 DAYS A WEEK, FOR ANYONE EXPERIENCING A MENTAL HEALTH OR EMOTIONAL CRISIS WE PROVI DE ASSESSMENT, INTERVENTION AND REFERRAL AUDIOLOGY CLINIC THE AUDIOLOGY CLINIC PROVIDES HIGH QUALITY INPATIENT AND OUTPATIENT SERVICES TO INDIVIDUALS OF ALL AGES, FROM INFANCY TO GERIATRICS WE ARE DEDICATED TO PROVIDING THE MOST UP-TO-DATE TECHNOLOGY AND HEARING HEAL TH CARE AVAILABLE TO THE COMMUNITY HENNEPIN BURN CENTER THE HENNEPIN BURN CENTER HAS PRO VIDED INPATIENT, ACUTE, AND REHABILITATIVE CARE FOR PATIENTS WITH BURNS, FROSTBITE, AND OT HER COMPLEX WOUNDS FOR MORE THAN 32 YEARS UNIQUE IN ITS ON-SITE ACCESS TO BURN CARE SPECI ALISTS 7 DAYS A WEEK, THE BURN CENTER CONTAINS A 17 BED INPATIENT UNIT AND AN AMBULATORY B URN AND WOUND CLINIC FOR OUTPATIENT TREATMENTS THE BURN CENTER HAS RECEIVED VERIFICATION AS A BURN CENTER FROM THE AMERICAN BURN ASSOCIATION AND AMERICAN COLLEGE OF SURGERIES HEN NEPIN HEART CENTER THE HENNEPIN HEART CENTER PROVIDES HIGH QUALITY CARDIAC CARE TO PATIEN TS BEING EVALUATED AND TREATED FOR CARDIOVASCULAR PROBLEMS THE CARDIOLOGY DIVISION PROVID ES CARE TO PATIENTS IN THE FOLLOWING AREAS CARE UNIT (37 TELEMETRY BEDS), OBSERVATION UNI T (15 BEDS), CARDIAC MEDICAL INTERMEDIATE CARE UNIT (14 BEDS), CARDIAC CLINIC, CARDIAC REH ABILITATION, CARDIAC CATHETERIZATION LAB & ELECTROPHYSIOLOGY (EP) LAB, ECHOCARDIOGRAPHY AN D NON-INVASIVE LAB, ELECTROCARDIOGRAM (EKG) AND CARDIAC RESEARCH CENTER FOR WOUND HEALING THE CENTER FOR WOUND HEALING IS AN ADVANCED CARE CENTER FOR THE TREATMENT OF DIFFICULT-T O-HEAL WOUNDS OF THE LOWER EXTREMITIES PATIENTS WHO HAVE CHRONIC, NON-HEALING WOUNDS CAUS ED BY DIABETES, HYPERTENSION AND OTHER CONDITIONS OFTEN EXPERIENCE A MARKED REDUCTION IN T HEIR QUALITY OF LIFE OUR MISSION IS TO PROVIDE THE HIGHEST QUALITY CLINIC SERVICES TO MEE T THE INDIVIDUAL NEEDS OF EACH PATIENT CHILD / ADOLESCENT PSYCHIATRY CLINIC THE CHILD / ADOLESCENT PSYCHIATRY CLINIC OFFER A VARIETY OF OUTPATIENT SERVICES TO HELP CHILDREN AND A DOLESCENTS WHO ARE HAVING BEHAVIORAL AND EMOTIONAL PROBLEMS SERVICES INCLUDE PSYCHIATRIC AND PSYCHOLOGICAL EVALUATIONS, THERAPY, PARENTING SKILLS, COUNSELING AND MEDICAL MANAGEMEN T HENNEPIN COMPREHENSIVE CANCER CENTER THE HENNEPIN COMPREHENSIVE CANCER CENTER IS COMMI TTED TO PROVIDING THE FINEST IN CANCER RELATED SERVICES THROUGH AN INTEGRATED SYSTEM OF HE ALTH AND SOCIAL SERVICES THE CONTINUUM OF CARE EXTENDS FROM PREVENTION, DIAGNOSIS, TREATM ENT, SYMPTOM CONTROL, AND CURE, THROUGH ALL RELATED ASPECTS OF ADJUSTMENT TO RELAPSE, SURV IVORSHIP, AND BEREAVEMENT COUNSELING THE CANCER CLINIC STAFF INCLUDES MEDICAL, SURGICAL A ND RADIATION ONCOLOGISTS, RADIOLOGISTS AND PATHOLOGISTS TRAINED IN CANCER DIAGNOSIS, SPECI ALLY TRAINED ONCOLOGY RNS, NURSE PRACTITIONERS, AND CLINICAL NURSE SPECIALIST IN BONE MARR OW TRANSPLANT AND COMPLEMENTARY THERAPY THIS TEAM COLLABORATES WITH PHYSICAL THERAPISTS T O PROVIDE CARE TO PATIENTS WITH LYMPHEDEMA AND WITH A GENETICIST WHO PROVIDES GENETIC COUN SELING TO PATIENTS AND FAMILIES THE HENNEPIN COMPREHENSIVE CANCER CENTER ALSO INCLUDES TH E NANCY GELTMAN SHILLER CANCER RESOURCE LIBRARY THE COMPREHENSIVE CANCER CENTER IS ACCRED ITED BY THE COMMISSION ON CANCER OF THE AMERICAN COLLEGE OF SURGEONS DENTISTRY THE DENTA L & ORAL SURGERY CLINIC CARE RANGES FROM PREVENTIVE AND CHRONIC TO ACUTE, SIMPLE TO COMPLE X SERVICES INCLUDE GENERAL DENTAL CARE, SPECIALTY CARE, ADULT AND PEDIATRIC CARE UNDER GE NERAL ANESTHESIA, ORAL AND MAXILLOFACIAL SURGERY, AND SPECIALTY CARE TO PATIENTS WITH COMP ROMISING MEDICAL, PHYSICAL, MENTAL AND EMOTIONAL CONDITIONS RECONSTRUCTIVE SERVICES WITH MAXILLOFACIAL PROSTHESES, MANAGEMENT OF TMJ DYSFUNCTION AND CARE OF EMERGENCY AND TRAUMA C ASES ARE PROVIDED EEG LAB ROUTINE EEG TESTING (RECORDING OF ELECTRICAL IMPULSES FROM THE BRAIN) IS PERFORMED IN BOTH AN INPATIENT AND OUTPATIENT SETTING PROLONGED MONITORING (1- 5 DAYS) AND VIDEO MONITORING CAN ALSO BE PERFORMED TO ASSIST IN DIAGNOSING UNUSUAL SPELLS OR SEIZURES TRAUMATIC BRAIN INJURY CENTER THE TRAUMATIC BRAIN INJURY CENTER AT HENNEPIN COUNTY MEDICAL CENTER OFFERS COMPREHENSIVE, MULTIDISCIPLINARY PATIENT CARE, EDUCATION AND RESEARCH TO SERVE PEOPLE WHO HAVE SUSTAINED A TRAUMATIC BRAIN INJURY WE PROVIDE A FULL RA NGE OF STATE-OF-THE-ART MEDICAL AND REHABILITATIVE

Return Reference	Explanation	
	FORM 990, PAGE 2, PART III, LINE 4A	SERVICES OUR EXPERTISE SPANS THE ENTIRE CONTINUUM OF CARE FOR ADULT AND PEDIATRIC TBI PA TIENTS WE ARE A REGIONAL EXPERT IN PROVIDING CARE TO PATIENTS WITH TBI OUR NEUROSURGEONS ARE RENOWNED FOR THEIR NATIONALLY FUNDED RESEARCH IN TBI & HYPERBARIC OXYGEN, AND WE ARE STAFFED 24/7 IN ORDER TO CARE FOR PATIENTS AS QUICKLY AS POSSIBLE "STATE-OF-THE-ART MONIT ORING IN OUR SURGICAL/TRAUMA/NEUROSCIENCE INTENSIVE UNIT CARE, INCLUDING EQUIPMENT TO MONI TOR BRAIN OXYGEN AND TEMPERATURE, IS AVAILABLE AT ALL TIMES NEUROSURGERY SERVICE PHYSICIA NS STAY AT THE HOSPITAL 24/7 TO BE ABLE TO RESPOND QUICKLY TO CHANGES IN A PATIENT'S CONDI TION "THE PEDIATRIC BRAIN INJURY PROGRAM IS DESIGNED TO MEET THE NEEDS OF CHILDREN AND AD OLESCENTS WITH TRAUMATIC AND OTHER ACQUIRED BRAIN INJURIES, MANY OF WHOM HAVE BEEN TREATED AT OUR LEVEL 1 TRAUMA CENTER "THE MILAND E. KNAPP REHABILITATION CENTER, AN ON-SITE, ACU TE REHABILITATION PROGRAM, HAS THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIE S (CARF) ACCREDITATION TO BE AN INPATIENT BRAIN INJURY REHABILITATION PROGRAM FOR ADULTS A ND ADOLESCENTS "THE MILD TO MODERATE TRAUMATIC BRAIN INJURY CLINIC AT HENNEPIN COUNTY MED ICAL CENTER OFFERS A UNIQUE SYSTEM OF DIAGNOSING, TREATING AND CARING FOR PATIENTS WHO ARE EXPERIENCING POST-TRAUMATIC EFFECTS OF AN INJURY TO THE BRAIN LEVEL 1 TRAUMA CENTER HCM C WAS THE FIRST HOSPITAL IN MINNESOTA VERIFIED BY THE AMERICAN COLLEGE OF SURGEONS AS A LE VEL I TRAUMA CENTER, THE HIGHEST LEVEL OF TRAUMA CARE. IT NOW OPERATES BOTH A LEVEL 1 ADUL T TRAUMA CENTER AND LEVEL 1 PEDIATRIC TRAUMA CENTER AND RECEIVES PATIENTS BY AMBULANCE AND HELICOPTER FROM ACROSS MINNESOTA AND SURROUNDING STATES EMERGENCY DEPARTMENT AND URGENT CARE. HCMC PROVIDES THE ENTIRE SPECTRUM OF CARE TO ADDRESS THE NEEDS OF INJURED PATIENTS F ROM THE PRE-HOSPITAL CARE AND TRANSPORT THROUGH REHABILITATION THE EMERGENCY DEPARTMENT I S THE BUSIEST IN THE STATE WITH OVER 95,000 VISITS IN 2013 BOARD-CERTIFIED EMERGENCY MEDI CINE PHYSICIANS PROVIDE 24-HOUR COVERAGE AND OUTSTATE EMERGENCY CONSULTATION NURSES RECEI VE AND PARTICIPATE IN TEACHING SPECIALIZED TRAINING (ACLS, TNCC, APLS) IN HANDLING TRAUMA AND MEDICAL EMERGENCIES HENNEPIN COUNTY MEDICAL CENTER'S EMERGENCY URGENT CARE IS A FAST TRACK UNIT OF THE EMERGENCY DEPARTMENT EMERGENCY URGENT CARE STAFF TREATS PATIENTS WITH M INOR ACUTE ILLNESSES, SIMPLE INJURIES, AND OTHER NON-EMERGENCY CONDITIONS EMERGENCY URGEN T CARE IS STAFFED WITH REGISTERED NURSES, NURSE PRACTITIONERS, PHYSICIAN ASSISTANTS, AND P HYSICIANS WHO HAVE EXPERIENCE IN EMERGENCY MEDICINE EMERGENCY MEDICAL SERVICES (EMS) EMS FIELD OPERATIONS HCMC EMS IS LICENSED TO PROVIDE EMERGENCY MEDICAL SERVICES TO ALL OR PA RT OF THE 14 COMMUNITIES IN HENNEPIN COUNTY IN 2013, EMS PROVIDED OVER 60,000 AMBULANCE R UNS EMS EMERGENCY COMMUNICATION CENTER EMERGENCY MEDICAL DISPATCHERS ARE ALSO WEST METRO MEDICAL RESOURCE CONTROL CENTER (WMRCC) OPERATORS WMRCC ACTS AS THE COORDINATOR AND INFO RMATION RESOURCE FOR FIELD PERSONNEL OPERATING IN THE HENNEPIN COUNTY AREA EMS EDUCATION THE EMS EDUCATION DEPARTMENT MISSION IS TO ENHANCE THE QUALITY OF EMERGENCY MEDICAL CARE PROVIDED TO THE COMMUNITY THROUGH TRAINING, EDUCATION AND RESEARCH EMG LAB THE EMG LABOR ATORY PROVIDES PATIENTS WITH NERVE CONDUCTION STUDIES (NCS), NEEDLE ELECTROMYOGRAPHY, AUTO NOMIC NERVOUS SYSTEM TESTING, BOTULINIUM TOXIN AND PHENOL INJECTIONS ON ADULT AND PEDIATRI C INPATIENTS (AMBULATORY OR PORTABLE) AND OUTPATIENTS FROM ALL ETHNIC AND SOCIO-ECONOMIC G ROUPS THE EMG LABORATORY IS FULLY ACCREDITED WITH EXEMPLARY STATUS THROUGH THE AMERICAN A SSOCIATION OF NEUROMUSCULAR AND ELECTRODIAGNOSTIC MEDICINE (AANEM) HCMC EMG LABORATORY IS ONE OF ONLY TWO ACCREDITED LABORATORIES IN MINNESOTA AND THE FIRST IN THE STATE TO ACHIEV E ACCREDITATION WITH EXEMPLARY STATUS ENT CLINIC THE ENT CLINIC IS A SPECIALTY CLINIC TH AT PROVIDES A WIDE RANGE OF SURGICAL, DIAGNOSTIC AND POSTOPERATIVE MANAGEMENT OF PATIENTS WITH EAR, NOSE AND THROAT CONDITIONS FA

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 6	AS PER THE CORPORATE BYLAWS, THE CORPORATION SHALL HAVE ONE CLASS OF MEMBERS, A GOVERNING MEMBER THE GOVERNING MEMBER OF THE CORPORATION IS THE COUNTY OF HENNEPIN MINNESOTA AND IS REPRESENTED BY THE HENNEPIN COUNTY BOARD OF COMMISSIONERS

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 7A	THE GOVERNING MEMBER, HENNEPIN COUNTY OF MN HAS RETAINED ALL THE RIGHTS, DUTIES AND PRIVILEGES AS TO ALL MATTERS SPECIFIED UNDER THE BYLAWS OF HHS, INC HENNEPIN COUNTY OF MN RETAINS ITS AUTHORITY TO APPOINT THE DIRECTORS OF HHS, INC THE HHS, INC BOARD OF DIRECTORS IS EMPOWERED TO EXECUTE THE RIGHTS, DUTIES AND PRIVILEGES OF THE CORPORATION TO THE EXTENT AS SPECIFIED IN HHS, INC BYLAWS

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 7B	AS EXPLAINED IN PART VI LINE 7A, THE GOVERNING MEMBER, HENNEPIN COUNTY OF MN RETAINS THE APPROVAL RIGHTS TO APPOINTING THE HHS, INC BOARD OF DIRECTORS, THE HHS INC BUDGET, ANY ADDITIONAL INDEBTEDNESS, FINANCE COMMITTEE RECOMMENDATIONS AND EXECUTIVE COMMITTEE AS WELL AS APPROVING THE ANNUAL HHS INC HEALTH SERVICES PLAN WHICH IS REQUIRED BY STATE LAW

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 11B	FORM 990 IS COMPLETED AND REVIEWED INTERNALLY FOR ACCURACY, COMPLETENESS AND VALIDITY THE FORM 990 IS THEN REVIEWED BY THE HHS, INC BOARD OF DIRECTORS AND THE FINANCE COMMITTEE ANY QUESTIONS THAT THE BOARD HAS ARE ANSWERED BY THE NEXT MEETING BEFORE APPROVAL AT THE OCTOBER MONTHLY BOARD MEETING, THE FORM 990 IS FORMALLY APPROVED VIA A LINE ITEM MOTION IT IS THE SIGNED AND FILED ELECTRONICALLY AS REQUIRED BY THE IRS

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 12C	HHS, INC HAS A POLICY ON CONFLICT OF INTEREST AND CONFIDENTIALITY WHICH REQUIRES THAT AN INTERESTED PERSON WHO IS A DIRECTOR, OFFICER, OR MEMBER OF A COMMITTEE WITH BOARD-DELEGATED POWERS MUST DISCLOSE IN WRITING WHEN POSSIBLE, OR ORALLY WHEN TIME DOES NOT ALLOW FOR WRITTEN DISCLOSURE THE EXISTENCE AND NATURE OF HIS/HER RELATIONSHIP OR MATERIAL FINANCIAL INTEREST TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH BOARD-DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AT OR PRIOR TO THE MEETING OF THE BOARD OR COMMITTEE CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AN INTERESTED PERSON SHALL NOT ATTEMPT TO EXERT HIS OR HER PERSONAL INFLUENCE WITH RESPECT TO THE MATTER EITHER AT OR OUTSIDE THE MEETING COPIES OF DISCLOSURES ARE MAINTAINED BY CORPORATE LEGAL COUNSEL WHO ALSO DOES MONITORING EVERY YEAR THE ORGANIZATION IS AUDITED SEPARATELY FROM HENNEPIN COUNTY, MN AND A SEPARATE AUDIT REPORT IS PREPARED AND PRESENTED TO THE BOARD OF DIRECTORS AND TO THE HENNEPIN COUNTY, MN BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 15A	HHS, INC BOARD OF DIRECTORS ENGAGES AN INDEPENDENT CONSULTING FIRM EXPERT, SULLIVAN COTTER TO EVALUATE THE BASE AND TOTAL CASH COMPENSATION FOR THE CEO AND OTHER TOP OFFICIALS THE COMPARABLE DATA COLLECTED BY SULLIVAN COTTER RELEVANTLY APPLIES REVENUE, EMPLOYEE SIZE AND GEOGRAPHIC LOCATION IN DELINEATING THE COMPARISON GROUP THE DATA IS REVIEWED BY THE COMPENSATION SUBCOMMITTEE AND FURTHER SUBMITTED FOR DISCUSSION AND APPROVAL BY THE HHS, INC BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 15B	SEE EPLANATION IN PART VI LINE 15A

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 19	FORM 990 DISCLOSING THAT THE GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY AND FINANCIAL STATEMENTS OF THE TAX YEAR ARE AVAILABLE ON THE OFFICE OF ATTORNEY GENERAL WEBSITE AT WWW AG STATE MN US/CHARITIES AUDITED FINANCIAL STATEMENTS AND FORMS 1023, 990/990-T INCLUDING THE GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY ARE AVAILABLE UPON REQUEST DURING NORMAL BUSINESS HOURS THE TAX RETURN IS AVAILABLE FOR PUBLIC INSPECTION AT WWW GUIDESTAR ORG WEBSITE

Return Reference	Explanation
FORM 990, PAGE 12, PART XII, LINE 1	THERE WAS NO CHANGE IN ACCOUNTING METHOD IN THE YEAR HOWEVER, PER THE GOVERNMENT ACCOUNTING STANDARD BOARD (GASB), HHS USES ENTERPRISE FUND ACCOUNTING REVENUES AND EXPENSES ARE RECOGNIZED ON THE ACCRUAL BASIS, USING THE ECONOMIC RESOURCES MEASUREMENT FOCUS

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HENNEPIN HEALTHCARE SYSTEM INC

Employer identification number
42-1707837

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) HENNEPIN COUNTY 300 SOUTH 6TH STREET MINNEAPOLIS, MN 55487 41-6005801	GOV'T UNIT	MN		6	NA		No
(2) METROPOLITAN HEALTH PLAN 400 SOUTH FOURTH STREET SUITE 201 MINNEAPOLIS, MN 55415	GOV'T UNIT	MN		5	NA		No
(3) HENNEPIN HEALTH FOUNDATION 701 PARK AVENUE MINNEAPOLIS, MN 55415 41-0845733	PUB SUPPT	MN	501C3	11A	HHS INC	Yes	
(4) MINNEAPOLIS MED RESEARCH FOUNDATION 701 PARK AVENUE PP7700 MINNEAPOLIS, MN 55415 41-1677920	RESEARCH	MN	501C3	4	HHS INC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) HENNEPIN COUNTY	C	33,003,679	CASH
(2) METROPOLITAN HEALTH PLAN	Q	46,367,841	CASH
(3) HENNEPIN HEALTH FOUNDATION	Q	493,599	CASH
(4) MINNEAPOLIS MED RESEARCH FOUNDATION	B	3,216,593	CASH

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) 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		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation

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Form **4562**
Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2013

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
HENNEPIN HEALTHCARE SYSTEM INC	HOSPITAL	42-1707837

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	31,872,853
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property		729,557	3 0	HY	S/L	291,875
b	5-year property		7,015,483	5 0	HY	S/L	1,049,534
c	7-year property		8,766,971	7 0	HY	S/L	973,978
d	10-year property		850,058	10 0	HY	S/L	130,435
e	15-year property		24,797,820	15 0	HY	S/L	1,726,914
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27 5 yrs	MM	S/L	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
					MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year			12 yrs	S/L	
c	40-year			40 yrs	MM	S/L

Part IV **Summary** (see instructions.)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	36,045,589
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions)					
43 Amortization of costs that began before your 2013 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

McGladrey LLP

[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

March 13, 2014

Mr Larry Kryzaniak, Chief Financial Officer
Hennepin Healthcare System, Inc
d/b/a Hennepin County Medical Center
701 Park Avenue
Minneapolis, MN 55415

Dear Larry

In accordance with your request, we are attaching the accompanying PDF file, which contains an electronic final version of the financial statements of Hennepin Healthcare System, Inc , d/b/a Hennepin County Medical Center, a component unit of Hennepin County, Minnesota, as of December 31, 2013 and 2012 We understand that your request for the electronic copy has been made as a matter of convenience You understand that electronic transmissions are not entirely secure and that it is possible for confidential financial information to be intercepted by others

These financial statements and our report(s) on them are not to be modified in any manner This final version supersedes all prior drafts Any preliminary draft version of the financial statements previously provided to you in an electronic format should be deleted from your computer, and all printed copies of any superseded preliminary draft versions should likewise be destroyed

Professional standards and our firm policies require that we perform certain additional procedures whenever our reports are included, or we are named as accountants, auditors or "experts," in a document used in a public or private offering of equity or debt securities Accordingly, as provided for and agreed to in the terms of our arrangement letter, Hennepin Healthcare System, Inc , d/b/a Hennepin County Medical Center, a component unit of Hennepin County, Minnesota, will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our consent Any request to consent is also a matter for which separate arrangements will be necessary After obtaining our consent, Hennepin Healthcare System, Inc , d/b/a Hennepin County Medical Center, a component unit of Hennepin County, Minnesota, also agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed In the event our auditor/client relationship has been terminated when Hennepin Healthcare System, Inc , d/b/a Hennepin County Medical Center, a component unit of Hennepin County, Minnesota, seeks such consent, we will be under no obligation to grant such consent or approval

Thank you for the opportunity to serve you

Sincerely,

James B Spreitzer, Partner
218 336 3104

wpd
Attachment

Hennepin Healthcare System, Inc. d/b/a Hennepin County Medical Center A Component Unit of Hennepin County, Minnesota

Financial Report
With Supplemental Schedules
(With Independent Auditor's Report)
December 31, 2013

McGladrey

Assurance • Tax • Consulting

Contents

McGladrey

Independent Auditor's Report

To the Board of Directors
Hennepin Healthcare System, Inc
d/b/a Hennepin County Medical Center
Minneapolis, Minnesota

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Hennepin Healthcare System, Inc (HHS), d/b/a Hennepin County Medical Center, a component unit of Hennepin County, Minnesota, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise HHS' basic financial statements as listed in the table of contents

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audits We did not audit the financial statements of the aggregate discretely presented component units, which statements represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

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

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

Opinions
In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of HHS as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America

Emphasis of Matter
The financial statements present only HHS and do not purport to, and do not, present fairly the financial statements of Hennepin County, Minnesota

Other Matters
Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context Our opinion on the basic financial statements is not affected by this missing information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise HHS' basic financial statements The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, by us and by other auditors In our opinion, based on our audits, the procedures performed as described above, and the reports of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole

McGladrey LLP

Minneapolis, Minnesota
March 13, 2014

Hennepin Healthcare System, Inc.
d/b/a Hennepin County Medical Center
A Component Unit of Hennepin County, Minnesota

Statements of Net Position
December 31, 2013 and 2012
(In Thousands)

Assets	2013	2012	Component Units 2013
Current Assets			
Cash and cash equivalents (Note 3)	**$ 40,380**	$ 68,253	$ 7,397
Accounts receivable			
Patient accounts receivable, net of estimated uncollectibles of $35,571 and $37,582 in 2013 and 2012, respectively	**102,544**	111,146	-
Other	**13,532**	14,106	4,491
Estimated third-party payor settlements	**73,080**	51,052	-
Inventories	**4,003**	3,681	99
Prepaid expenses and other current assets	**3,626**	4,467	1,655
Total current assets	**237,165**	252,705	13,642
Investments	**3,456**	3,053	26,750
Equity Interest in Component Units	**39,964**	35,074	-
Capital Assets, net of accumulated depreciation (Note 4)	**236,426**	231,164	2,604
Other Assets	**2,473**	1,878	376
Total assets	**$ 519,484**	$ 523,874	$ 43,372

See Notes to Financial Statements

Liabilities and Net Position	2013	2012	Component Units 2013
Current Liabilities			
Current maturities of long-term debt (Note 5)	**$ 2,972**	$ 3,032	$ -
Accounts payable	**10,082**	16,020	813
Due to related party, net	**13,355**	7,090	-
Estimated third-party payor settlements	**3,121**	1,060	-
Accrued expenses			
Salaries, wages and benefits	**69,823**	63,362	-
Other	**31,806**	27,797	2,595
Total current liabilities	**131,159**	118,361	3,408
Employee Benefits (Note 7)			
Retiree health care program	**37,514**	34,430	-
Other employee benefits	**11,863**	10,448	-
Long-Term Debt, net of current maturities (Note 5)	**3,091**	5,931	-
Total liabilities	**183,627**	169,170	3,408
Commitments and Contingencies (Note 9)			
Net Position			
Net investment in capital assets	**230,363**	222,201	2,587
Restricted			
Expendable	**1,573**	1,170	8,098
Nonexpendable	**1,883**	1,883	15,482
Unrestricted	**62,074**	94,376	13,797
Unrestricted—equity interest in component units	**39,964**	35,074	-
Total net position	**335,857**	354,704	39,964
Total liabilities and net position	**$ 519,484**	$ 523,874	$ 43,372

Hennepin Healthcare System, Inc.
d/b/a Hennepin County Medical Center
A Component Unit of Hennepin County, Minnesota

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2013 and 2012
(In Thousands)

	2013	2012	Component Units 2013
Operating revenues			
Net patient service revenue, net of provision for bad debts of $30,145 and $27,581 in 2013 and 2012, respectively	**$ 716,844**	$ 679,733	$ -
Other operating revenue			
Grants	**13,074**	13,382	32,754
Other	**16,419**	17,396	6,854
Net operating revenues	**746,337**	710,511	39,608
Operating expenses			
Salaries and benefits	**554,730**	505,412	19,158
Supplies and services	**134,740**	127,574	13,981
Depreciation and amortization	**36,044**	36,267	577
Utilities and maintenance	**25,892**	26,073	1,234
Taxes and surcharges	**14,954**	15,733	14
Hennepin County allocated costs	**1,766**	1,682	-
Other	**6,292**	7,040	2,270
Total operating expenses	**774,418**	719,781	37,234
Income (loss) from operations	**(28,081)**	(9,270)	2,374
Nonoperating revenue (expense)			
Interest expense	**(415)**	(470)	-
Contributions, net	**6**	91	-
Investment income	**1,644**	1,919	2,516
Change in equity interest in component units	**4,890**	4,417	-
Total nonoperating revenue	**6,125**	5,957	2,516
Income (loss) before related-party contributions	**(21,956)**	(3,313)	4,890
Capital contributions from related parties	**3,109**	5,614	-
Increase (decrease) in net position	**(18,847)**	2,301	4,890
Total net position, beginning of year	**354,704**	352,403	35,074
Total net position, end of year	**$ 335,857**	$ 354,704	$ 39,964

See Notes to Financial Statements

Hennepin Healthcare System, Inc.
d/b/a Hennepin County Medical Center
A Component Unit of Hennepin County, Minnesota

Statements of Cash Flows
Years Ended December 31, 2013 and 2012
(In Thousands)

	2013	2012
Cash Flows From Operating Activities		
Receipts from third-party payors and patients	**$ 705,479**	$ 655,967
Government grants	**13,074**	13,500
Other receipts	**16,993**	21,392
Payments to employees for salaries, wages and fringe benefits	**(543,770)**	(499,270)
Payments to suppliers	**(158,958)**	(159,851)
Other payments	**(19,003)**	(20,004)
Net cash provided by operating activities	**13,815**	11,734
Cash Flows From Noncapital Financing Activities		
Gifts and bequests, net	**6**	91
Net cash provided by noncapital financing activities	**6**	91
Cash Flows From Capital and Related Financing Activities		
Contributions from related parties	**3,109**	5,614
Purchases of capital assets	**(41,993)**	(43,442)
Principal payments on long-term debt	**(3,051)**	(2,947)
Interest paid on long-term debt	**(395)**	(498)
Other	**636**	1,213
Net cash used in capital and related financing activities	**(41,694)**	(40,060)
Net decrease in cash and cash equivalents	**(27,873)**	(28,235)
Cash and Cash Equivalents, beginning of year	**68,253**	96,488
Cash and Cash Equivalents, end of year	**$ 40,380**	$ 68,253

(Continued)

Hennepin Healthcare System, Inc.
d/b/a Hennepin County Medical Center
A Component Unit of Hennepin County, Minnesota

Statements of Cash Flows (Continued)
Years Ended December 31, 2013 and 2012
(In Thousands)

	2013	2012
Reconciliation of Income (Loss) From Operations to Net Cash Provided by Operating Activities		
Income (loss) from operations	**$ (28,081)**	$ (9,270)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities		
Depreciation and amortization	**36,044**	36,267
Provision for bad debts	**30,145**	27,581
Loss on disposal of capital assets	**853**	-
Changes in assets and liabilities related to operations		
Accounts receivable	**(20,969)**	(37,244)
Prepaid expenses and inventories	**519**	(672)
Accounts payable	**(5,110)**	1,584
Due to Hennepin County, net	**6,265**	(7,116)
Accrued expenses and estimated third-party settlements	**(5,851)**	604
Net cash provided by operating activities	**$ 13,815**	$ 11,734
Noncash Investing, Capital and Financing Activities		
Capital assets financed through payables	**$ 166**	$ 994

See Notes to Financial Statements

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies

Nature of organization: Hennepin Healthcare System, Inc (HHS), d/b/a Hennepin County Medical Center, a component unit of Hennepin County, Minnesota (the County), is a public corporation operating as a subsidiary of Hennepin County The purpose of HHS is to engage in the organization and delivery of health care and related services to the general public, including the indigent as defined by state and federal law as determined by the Hennepin County Board of Commissioners, and to conduct related programs and research

HHS is an integrated network of physicians, hospital and ambulatory care services The main campus in Minneapolis, Minnesota, includes a Level 1 Adult and Pediatric Trauma Center and is also an academic medical center and public hospital, as well as primary and specialty care clinics HHS also operates community and convenience care clinics in Minneapolis and the surrounding metropolitan area As of December 31, 2013, HHS operated a hospital with licensed capacity of 894 beds and 65 bassinets, 475 of which were available, as well as 11 primary care clinics and 34 specialty care clinics, and employed approximately 841 providers

HHS is governed by a 13-member Board of Directors that is responsible for oversight of operating activities The Hennepin County Board of Commissioners retains certain ownership and governing rights and obligations, including oversight of the safety net mission and the review and approval of the Board members, annual operating budget, health service plan and capital budget

HHS has been recognized as tax-exempt pursuant to Section (501)(c)(3) of the Internal Revenue Code

On January 1, 2012, Hennepin Faculty Associates (HFA), a multispecialty physician group practicing primarily at HHS, became fully integrated with HHS in an effort to align the organization strategically and operationally The integration was accounted for under the concept of pooling of interests

In accordance with Governmental Accounting Standards Board (GASB) Statement No 61, *The Financial Reporting Entity—Omnibus,* HHS has included Hennepin Health Foundation and Minneapolis Medical Research Foundation as discretely presented component units within the financial statements

The Hennepin Health Foundation (HHF) is a 501(c)(3) and a 509(a)(3) Type 1 supporting organization of HHS HHF exists to support the mission of HHS and to raise and administer philanthropic support in the following functional areas innovations in patient care, trauma and critical care, and educating the workforce of tomorrow HHF reports under Financial Accounting Standards Board (FASB) guidance, and their separately issued, audited financial statements can be obtained from HHS

The Minneapolis Medical Research Foundation (MMRF) is a 501(c)(3) organization MMRF is organized to engage in charitable, educational and scientific activities in support of HHS A major portion of MMRF's contributions and support is derived from restricted basic and clinical research grants and contracts from private donors and federal agencies MMRF reports under FASB guidance, and their separately issued, audited financial statements can be obtained from HHS

Notes to Financial Statements (In Thousands)

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

Reporting entity: Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete The financial statements present only HHS and its discretely presented component units, and do not purport to, and do not, present fairly the financial position of Hennepin County, Minnesota, as of December 31, 2013, the changes in its financial position, or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America

Accounting basis and standards: HHS uses enterprise fund accounting Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus

Management estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Patient service revenue and accounts receivable: Patient service revenue is recorded when services are provided at HHS' established rates, with contractual adjustments deducted to arrive at net patient service revenue HHS has agreements with third-party payors, which provide for reimbursement to HHS at amounts that differ from its established rates Payment arrangements include prospectively determined rates per discharge, discounted charges, per diem payments, and a risk-sharing contract Net patient service revenue, as reflected in the accompanying statements of revenues, expenses and changes in net position for the years ended December 31, 2013 and 2012, consisted of the following

	2013	2012
Gross patient charges	$ 1,790,672	$ 1,673,910
Deductions from gross patient charges	(1,108,302)	(1,027,153)
Intergovernmental transfers	40,619	36,557
Uncompensated care reimbursement from Hennepin County	24,000	24,000
Provision for bad debts	(30,145)	(27,581)
Net patient service revenue	$ 716,844	$ 679,733

As a safety net hospital, HHS receives supplemental Medicaid payments, also known as Upper Payment Limit payments (UPL), for inpatient, outpatient, and physician services through intergovernmental transfers in accordance with specific state statutes subject to federal regulations and approval These UPL amounts are recorded as net patient service revenue in the statement of revenues, expenses and changes in net position Estimated UPL amounts due to HHS at December 31, 2013 and 2012, were approximately $71 2 million and $49 4 million, respectively, and are recorded in the statement of net position as estimated third-party payor settlements The impact of changes in estimates related to prior years was an increase in net patient service revenue of approximately $2 4 million and a decrease in net patient service revenue of approximately $6 1 million for the years ended December 31, 2013 and 2012, respectively

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

HHS has an agreement with the County whereby the County reimburses HHS for a percentage of uncompensated care write-offs for residents of Hennepin County This amount is recorded as net patient service revenue in the statement of revenues, expenses and changes in net position

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

Medicare: Payment arrangements under the Medicare program are as follows Inpatient acute care, psychiatric services and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors The majority of outpatient services are paid at Ambulatory Payment Classification (APC) rates, certain outpatient services, including kidney acquisition and medical education costs related to Medicare beneficiaries, are paid based on a cost-reimbursement methodology HHS also receives Disproportionate Share Hospital reimbursement for serving a disproportionate share of indigent patients based on a factor of Medicaid-eligible days to total days, plus a Social Security income percentage applied to Medicare inpatient prospective payments HHS is reimbursed for cost-reimbursable items at an estimated rate, with final settlement determined after submission of annual cost reports by HHS and audits thereof by the Medicare fiscal intermediary The net impact from final settlements and changes in estimates related to prior years was an increase in net patient service revenue of approximately $2 6 million and $6 5 million for the years ended December 31, 2013 and 2012, respectively Medicare cost reports have been audited and final-settled through 2009 The 2010 through 2012 cost reports have been tentatively settled Various settled cost reports have pending appeals and reopenings to address a variety of issues

Medicaid: Medicaid payments for inpatient, outpatient and physician services are primarily based on prospective, per-case rates The inpatient rate is based on the Medicare methodology and utilized the 2002 Medicare Cost Report as the base document in determining HHS Medicaid operating rate, property rate and Disproportionate Population Adjustment Collectively, these rates have been ratably reduced by the Minnesota State Legislature During 2013, the Medicaid program paid HHS an amount equal to its 2002 costs less 26 3 percent The outpatient rate is based on the Medicare APC methodology, modified by Departments of Health Services (DHS) for Medicaid reimbursement The 2013 outpatient payments reflect the fee schedule rates less an 11 5 percent ratable reduction The physician services payment is based upon the Medicare Relative Value Units (RVUs) The 2013 physician payments reflect the fee schedule rates less a 12 0 percent ratable reduction

EHR Incentive Program: HHS received funds under the Electronic Health Records (EHR) Incentive Program during 2013 and 2012 HHS recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured HHS will meet all meaningful use objectives and any other specific grant requirements that are applicable, e g , electronic transmission of quality measures to CMS in the second and subsequent payment years

Notes to Financial Statements (In Thousands)

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

The EHR Incentive Program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals and providers that demonstrate meaningful use of certified EHR technology Payments are generally made for up to four years based on a statutory formula and are contingent on HHS continuing to meet escalating meaningful use criteria The base payment amount is reduced in subsequent years by 25 percent, 50 percent and 75 percent For the first payment year, HHS must attest, subject to audit, that it met the criteria for any continuous 90-day period For subsequent payment years, HHS must demonstrate meaningful use for the entire year

Revenues related to satisfaction of meaningful use criteria of $6 2 million and $9 1 million were recognized during the years ended December 31, 2013 and 2012, respectively, as other operating revenue in the statements of revenues and expenses and changes in net position HHS has receivables of $5 8 million and $5 4 million for the years ended December 31, 2013 and 2012, respectively The final payments will be determined based on information from HHS' final audited Medicare cost reports

Other: HHS also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for payment to HHS under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Credit risks: As of and for the years ended December 31, 2013 and 2012, net patient service revenue and related net receivables as a percent of the totals were approximately as follows

	Accounts Receivable		Revenue	
	2013	2012	2013	2012
Medicare	16%	13%	22%	22%
Medicaid	11%	12%	14%	16%
Metropolitan Health Plan	5%	5%	4%	6%
Other managed care—governmental plans	18%	17%	29%	26%
Other managed care—commercial	14%	14%	14%	16%
Other	36%	39%	17%	14%
	100%	100%	100%	100%

HHS provides health care services through its inpatient and outpatient ambulatory care facilities located in Minneapolis and the surrounding metropolitan area HHS grants credit to patients, substantially all of whom are local residents HHS generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e g , Medicare, Medicaid, health maintenance organizations and commercial insurance policies)

Patient accounts receivable, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the services provided, adjusted by an estimate made for contractual adjustments or discounts provided to third-party payors

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

Patient accounts receivable due directly from the patient are carried at the original charge for the services provided less amounts covered by third-party payors, discounts applied for uninsured patients, and an estimated allowance for doubtful receivables based on a review of outstanding amounts Management determines the allowance for doubtful receivables by identifying potentially uncollectible accounts, using historical experience applied to an aging of accounts and by taking into account current economic conditions Accounts receivable are written off when deemed uncollectible Recoveries of receivables previously written off are recorded as a reduction of bad-debt expense when received

The laws and regulations under which the Medicare and Medicaid programs operate are complex and subject to frequent change and interpretation As part of operating under these programs, there is a possibility that governmental authorities may review HHS' compliance with these laws and regulations Such review may result in adjustments to reimbursement previously received and subject HHS to fines and penalties Although no assurances can be given, management believes they have complied with the requirements of these programs

Community benefit: In furtherance of its charitable purpose, HHS provides a wide variety of benefits to the community These services and donations account for a measurable portion of HHS' costs and serve to promote affordable access to care, health education, community development and healthy lifestyles (see Note 2)

Cash and cash equivalents: Cash and cash equivalents includes cash deposited in the cash management pool of Hennepin County (see Note 3) The County considers all of HHS' deposits to be cash and cash equivalents, which include highly liquid investments in the County's cash management pool with original maturities of three months or less

Investments: Investments are stated at market value based upon quoted market prices Unrealized and realized gains and losses are reported in investment income HHS investments consist of a mutual fund with holdings in equity and fixed-income securities valued at $2 8 million and $2 2 million as of December 31, 2013 and 2012, respectively

Inventories: Inventories consist of pharmaceuticals, food items, and certain medical supplies and are valued at the lower of cost (first-in, first-out) or market

Capital assets: HHS capitalizes assets that have both a cost of two thousand dollars or more and a useful life of greater than one year It is the policy of HHS to record depreciation expense based on the estimated useful lives of individual assets, using the straight-line method of depreciation Amortization expense related to capitalized leases is included in depreciation expense

Compensated absences: HHS' union employees on the traditional vacation and sick leave plan earn vacation days at varying rates, depending on years of service Vacation may be accumulated to a maximum of 280 hours Union employees also earn sick leave benefits at varying rates, depending on years of service Union employees are not paid for accumulated sick leave if they terminate before eight years of full-time service However, union employees who separate from HHS are paid for up to 800 hours of severance, which is a combination of accumulated sick leave and vacation

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

Nonunion employees and union employees hired after January 1, 2009, participate in a paid time off (PTO) plan These employees may accrue up to 360 hours of PTO, which is paid at termination Additionally, nonunion employees with eight or more full-time years of service as of March 2007 and union employees with eight or more full-time years of service at time of termination are eligible for 800 hours of extended medical leave payout upon termination

Net position: The net position of HHS is classified in three components The net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of these assets Restricted expendable assets are noncapital and must be used for a particular purpose, as specified by creditors, grantors or contributors external to HHS Restricted nonexpendable assets are noncapital and permanently unavailable for use The earnings on the nonexpendable assets are restricted expendable assets Unrestricted assets are remaining assets that do not meet the definition of net investment in capital assets or restricted, and the equity interest in component units

Operating revenues and expenses: HHS' statements of revenues, expenses and changes in net position distinguish between operating and nonoperating revenues and expenses Operating revenues result from exchange transactions associated with providing health care services, including medical education, which is HHS' principal activity, and grants and contributions received for purposes other than capital asset acquisition Nonexchange revenues are reported as nonoperating revenues Operating expenses are all expenses incurred to provide health care services, other than financing costs

Grants and contributions: Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met Grants and contributions may be restricted for either specific operating purposes or for capital purposes Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses

Related-party transactions: HHS is a major provider of health care services for Metropolitan Health Plan (MHP), an enterprise fund of the County In 2012, HHS entered into an agreement with MHP to provide services to enrollees of the Hennepin Health program whereby MHP reimburses HHS based upon services performed and program outcomes Net revenues from MHP were approximately $49 2 million and $41 7 million for the years ended December 31, 2013 and 2012, respectively HHS has net receivables from MHP of approximately $8 7 million and $6 3 million at December 31, 2013 and 2012, respectively

Support provided by HHS to HHF in the form of salaries, benefits, goods, services, office space and equipment totaled $1 4 million for the years ended December 31, 2013 and 2012 HHF contributions to HHS were $0 3 million for the years ended December 31, 2013 and 2012

MMRF incurred expenses related to services received from HHS in the form of salaries, benefits, goods, services, office space and equipment that totaled $4 3 million and $4 2 million for the years ended December 31, 2013 and 2012, respectively HHS contributions to MMRF were $1 2 million for the years ended December 31, 2013 and 2012

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

HHS records amounts received from the County for capital asset additions as capital contributions During 2013 and 2012, HHS received reimbursements of $2 5 million and $6 0 million, respectively, for capital contributions

HHS receives reimbursement from the County for uncompensated care write-offs relating to Hennepin County residents HHS reflected approximately $24 0 million within net patient service revenue for this reimbursement during the years ended December 31, 2013 and 2012

Retiree health benefits: HHS provides retiree health benefits to eligible retired employees (see Note 7)

Risk management: HHS is exposed to various risks of loss from torts, theft of, damage to and destruction of assets, business interruption, employee injuries and illnesses, natural disasters, medical malpractice and other professional liability, and employee health, dental and disability benefits HHS purchases commercial insurance to contain its risk of loss related to theft of, damage to and destruction of assets, natural disasters, and long-term disability benefits HHS is self-insured for claims arising from general, medical malpractice, and other professional liability matters, employee health and dental, short-term disability, and workers' compensation (see Note 8)

Note 2. Community Benefit

HHS maintains records to identify and monitor the level of community benefit services it provides Those records include management's estimate of the cost to provide charity care, the cost of services and supplies furnished for community benefit programs, and costs in excess of program payments for treating Medical Assistance patients

In addition to community benefit costs outlined below, HHS provides additional community contributions, such as services to Medicare patients below the costs for treatment, other uncompensated care, discounted pricing to the uninsured, and payment of taxes and fees and other essential medical services that are not adequately reimbursed

Notes to Financial Statements (In Thousands)

Note 2. Community Benefit (Continued)

Community benefit costs for the years ended December 31, 2013 and 2012, were as follows

	Years Ended December 31	
	2013	2012
Costs of charity care, including discounts offered to uninsured patients	$ 26,651	$ 25,552
Costs in excess of Medicaid payments, net	38,275	36,993
Medicaid surcharge and MinnesotaCare tax	14,451	15,733
Community and subsidized health services costs (1)	2,587	2,520
Education workforce development and research (1)	28,827	27,651
Community building and other community benefit costs (1)	234	230
Total cost of community benefits (2)	111,025	108,679
Other community contributions		
Costs in excess of Medicare payments	53,661	41,277
Other care provided without compensation (bad-debt expense) (3)	30,145	27,581
Total value of community contributions	$ 194,831	$ 177,537

(1) Grant monies of approximately $8 2 million and $5 7 million in 2013 and 2012, respectively, are excluded as offsets to costs incurred

(2) As defined by the CHA/VHA guidelines
- CHA (Catholic Health Association) is the national membership association of Catholic Health Ministry
- VHA (VHA, Inc) is a national cooperative of leading not-for-profit health care corporations

(3) The cost of charges written off as bad-debt expense totaled $12 7 million and $11 5 million for the years ended December 31, 2013 and 2012, respectively

Note 3. Cash and Cash Equivalents

HHS' unrestricted cash and cash equivalents are deposited in a cash management pool with cash and cash equivalents from other County funds and invested in securities permitted by applicable state laws Interest rate risk, credit risk and concentration of credit risk information for the cash management pool is presented in the County's comprehensive annual financial report Investments of the cash management pool are carried at cost, which approximates fair value HHS' share of the pooled funds was $44 7 million and $37 0 million at December 31, 2013 and 2012, respectively Investment earnings, net of investment fees, of approximately $0 5 million and $0 8 million were allocated to HHS during the years ended December 31, 2013 and 2012, respectively

Notes to Financial Statements (In Thousands)

Note 4. Capital Assets

Capital asset activity for the years ended December 31, 2013 and 2012, were as follows

	Balance at December 31, 2012	Additions and Transfers	Retirements and Disposals	Balance at December 31, 2013	Estimated Years
Land	$ 19,320	$ -	$ -	$ 19,320	
Buildings and improvements	337,857	18,529	(2,396)	353,990	5–40
Leasehold improvements	8,976	2,932	(202)	11,706	3–15
Furniture and equipment	181,817	17,584	(6,204)	193,197	3–20
Software capital	64,439	1,994	-	66,433	3–7
Total depreciable capital assets	593,089	41,039	(8,802)	625,326	
Projects in progress	5,913	1,120	(646)	6,387	
Less accumulated depreciation					
Buildings	(203,250)	(13,151)	2,352	(214,049)	
Leasehold improvements	(6,638)	(1,619)	202	(8,055)	
Furniture and equipment	(120,841)	(15,330)	6,041	(130,130)	
Software capital	(56,429)	(5,944)	-	(62,373)	
Total accumulated depreciation	(387,158)	(36,044)	8,595	(414,607)	
Capital assets, net	$ 231,164			$ 236,426	

	Balance at December 31, 2011	Additions and Transfers	Retirements and Disposals	Balance at December 31, 2012	Estimated Years
Land	$ 19,320	$ -	$ -	$ 19,320	
Buildings and improvements	320,772	20,406	(3,321)	337,857	5–40
Leasehold improvements	8,981	(4)	(1)	8,976	3–15
Furniture and equipment	158,467	24,486	(1,136)	181,817	3–20
Software capital	63,822	617	-	64,439	3–7
Total depreciable capital assets	552,042	45,505	(4,458)	593,089	
Projects in progress	10,368	(4,426)	(29)	5,913	
Less accumulated depreciation					
Buildings	(193,012)	(13,506)	3,268	(203,250)	
Leasehold improvements	(6,330)	(309)	1	(6,638)	
Furniture and equipment	(107,943)	(13,982)	1,084	(120,841)	
Software capital	(47,959)	(8,470)	-	(56,429)	
Total accumulated depreciation	(355,244)	(36,267)	4,353	(387,158)	
Capital assets, net	$ 226,486			$ 231,164	

Effective January 1, 2007, substantially all real property was leased from the County, pursuant to a lease agreement between HHS and the County, under which the County retained certain ownership rights

Notes to Financial Statements (In Thousands)

Note 5. Long-Term Debt

A schedule of changes in HHS' long-term debt for the years ended December 31, 2013 and 2012, is as follows

	Balance at December 31, 2012	Additions	Reductions	Balance at December 31, 2013	Amounts Due Within One Year
Long-term obligation, Hennepin County	$ 8,446	$ -	$ (2,719)	$ 5,727	$ 2,812
Capital lease	841	-	(332)	509	160
	9,287	-	(3,051)	6,236	2,972
Less Discounts and other	(324)	-	151	(173)	-
	$ 8,963	$ -	$ (2,900)	$ 6,063	$ 2,972

	Balance at December 31, 2011	Additions	Reductions	Balance at December 31, 2012	Amounts Due Within One Year
Long-term obligation, Hennepin County	$ 11,082	$ -	$ (2,636)	$ 8,446	$ 2,716
Capital lease	1,152	-	(311)	841	316
	12,234	-	(2,947)	9,287	3,032
Less Discounts and other	(431)	-	107	(324)	-
	$ 11,803	$ -	$ (2,840)	$ 8,963	$ 3,032

Long-term obligation, Hennepin County: Lease Revenue Refunding Certificates of Participation (the Certificates) are long-term debt of the County Semiannual payments equal to the debt service requirements of the Certificates are made primarily by HHS As the debt was issued for the benefit of HHS and the debt is expected to be paid by HHS, the Certificates are recorded as long-term debt of HHS The Series 2008 certificates bear interest at 3 0 percent to 3 5 percent and are due in semiannual installments through November 15, 2015

The scheduled principal and interest payments on long-term debt are as follows

Years Ending December 31	Principal	Interest
2014	$ 2,972	$ 193
2015	3,089	102
2016	175	-
Total	$ 6,236	$ 295

Note 6. Pension Plans

Defined benefit plan description: Most full-time and certain part-time employees of HHS are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA) PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), the Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF), and the Minneapolis Employees Retirement Fund (MERF) All four are cost-sharing, multiple-employer, tax-qualified retirement plans under Section 401(a) of the Internal Revenue Code These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356 HHS employees currently participate in the GERF, PEPFF and PECF funds

GERF members belong to either the Coordinated Plan or the Basic Plan Coordinated Plan members are covered by Social Security and Basic Plan members are not The Basic Plan was closed in 1967 All new members must participate in the Coordinated Plan Police officers, fire fighters and peace officers who qualify for membership by statute are covered by the PEPFF Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards, officers, or jailer/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates are covered by the PECF

Benefits provided: PERA provides retirement, disability and death benefits Benefit provisions are established by state statute and can only be modified by the state legislature Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service Benefit increases are provided to benefit recipients each January Increases are related to the funding ratio of the plan Members in plans that are at least 90 percent funded for two years are given 2 5 percent increases Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases

GERF: Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2) Under Method 1, the annuity accrual rate for a Basic Plan member is 2 2 percent of average salary for each of the first 10 years of service and 2 7 percent for each remaining year The annuity accrual rate for a Coordinated Plan member is 1 2 percent of average salary for each of the first 10 years and 1 7 percent for each remaining year Under Method 2, the annuity accrual rate is 2 7 percent of average salary for Basic Plan members and 1 7 percent for Coordinated Plan members for each year of service For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65 For members hired on or after July 1, 1989, Normal retirement age is the age for unreduced Social Security benefits capped at 66 Disability benefits are available for vested members and are based upon years of service and average high-five salary

PEPFF: For PEPFF members, the annuity accrual rate is 3 0 percent for each year of service For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 Normal retirement age is 55 Members are eligible for duty-related disability benefits regardless of length of service, with a minimum benefit of 60 percent of salary Members are eligible for non-duty disability benefits after one year of service, with a minimum benefit of 45 percent of salary

PECF: The annuity accrual rate is 1 9 percent for each year of service for PECF members For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 Normal retirement age is 55 Members are eligible for duty-related disability benefits regardless of length of service, with a minimum benefit of 47 5 percent of salary Members are eligible for non-duty disability benefits after one year of service, with a minimum benefit of 19 percent of salary

Notes to Financial Statements (In Thousands)

Note 6. Pension Plans (Continued)

Contributions: Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions These statutes are established and amended by the state legislature GERF Basic Plan members and Coordinated Plan members were required to contribute 9 1 percent and 6 25 percent, respectively, of their annual covered salary in 2013 PEPFF members were required to contribute 9 6 percent of their annual covered salary in 2013 PECF members were required to contribute 5 83 percent of their annual covered salary In 2013, HHS was required to contribute the following percentages of annual covered payroll 11 78 percent for Basic Plan members, 7 25 percent for Coordinated Plan members, 14 4 percent for PEPFF members, and 8 75 percent for PECF members

HHS' contributions to the Public Employees Retirement Fund for the years ended December 31, 2013, 2012 and 2011, were $22 3 million, $20 7 million, and $18 7 million, respectively HHS' contributions were equal to the contractually required contributions for each year, as set by state statute

PERA issues a publicly available financial report that includes financial statements and required supplementary information That report may be obtained on the Internet at www mnpera org, by writing to PERA at 60 Empire Drive #200, St Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026

Defined contribution plans: Effective January 1, 2009, HHS established a 401(a) retirement plan, as a PERA alternative, for certain employees hired on or after January 1, 2009 The plan requires a 6 percent employer contribution, which totaled approximately $1 6 million and $1 2 million in 2013 and 2012, respectively Effective January 1, 2012, HHS assumed the 401(a) retirement plan that had been in place for HFA for certain physicians Contributions are based upon a percentage of eligible employees' compensation and totaled approximately $6 4 million and $7 5 million in 2013 and 2012, respectively

Note 7. Other Employee Benefits

Other long-term employee benefits are as follows

	Balance at December 31, 2012	Additions	Reductions	Balance at December 31, 2013	Amounts Due Within One Year
Retiree health care program (GASB 45)	$ 34,430	$ 5,858	$ (2,774)	$ 37,514	$ -
Workers' compensation (Note 8)	11,000	3,776	(1,976)	12,800	1,700
Personal choice account	2,224	-	(386)	1,838	1,076
	$ 47,654	$ 9,634	$ (5,136)	$ 52,152	$ 2,776

Certain union HHS employees who have HHS-sponsored health coverage in force as of their termination date and who meet certain age and length of service requirements may be eligible for HHS' retiree health plan In 2007, HHS offered a retiree health alternative called the personal choice account (PCA) for nonunion employees, in conjunction with the County, which can be used for qualifying health expenses of covered employees, as an alternative to HHS' health care benefits for retired nonunion employees The liability for PCA is recorded at estimated present value, net of estimated forfeitures, and is included in accrued salaries, wages and benefits in the balance sheets Nonunion employees who chose not to participate in the PCA benefit remained eligible to participate in the retiree health program

Notes to Financial Statements (In Thousands)

Note 7. Other Employee Benefits (Continued)

While they are under age 65, eligible nonunion retirees who did not choose to participate in the PCA and certain eligible retirees who are unionized may participate in HHS' subsidized retiree health program, with access to the same health plan (and benefit levels) available to active employees They may qualify to receive an HHS contribution toward health plan premiums in an amount equal to that contributed to an active employee electing employee-only health coverage until they reach age 65 by meeting one of the specific age and length of service requirements HHS has an agreement with the County whereby the County will reimburse HHS for 50 percent of annual subsidized retiree health insurance costs for eligible HHS retirees in excess of $1 0 million

The current retiree health care benefit program is approved by the HHS Board on a year-to-year basis According to Minnesota Statute 179A 20, subdivision 2a, a contract may not obligate an employer to fund all or part of the cost of health care benefits for a former employee beyond the duration of the contract The statute also states that a personnel policy may not obligate an employer to fund all or part of health care benefits for a former employee beyond the duration of the policy Within the dictates of existing contracts, the HHS and/or County Board may change the benefit structure at any time The retiree health program does not issue a publicly available financial report

Funding policy: HHS follows the County's funding policy whereby retiree health care benefits are funded in relation to the annual required contribution (ARC) on a pay-as-you-go basis Either the HHS Board or the County Board may change the funding policy at any time In 2013, HHS paid eligible single premium amounts for the enrolled retirees described above Eligible retiree family members, as well as ineligible retirees, may pay their full premium to obtain coverage

Annual OPEB cost and net OPEB obligation: HHS' annual other postemployment benefit (OPEB) cost (expense) is calculated based on the ARC, which is actuarially determined in accordance with the parameters of GASB Statement No 45 HHS' ARC of $5 6 million represents a level of funding that, if paid on an ongoing basis, would be projected to cover the normal cost each year and amortize the unfunded actuarial liabilities (UAL) over a 30-year period The $5 6 million ARC in 2013 consisted of a $3 2 million normal cost and a $2 4 million amortization of UAL During 2013, 140 former employees received the postemployment health care benefit Contributions in relation to the ARC totaled 49 percent of the 2013 ARC The table below shows the components of HHS' annual OPEB cost, the amount actually contributed to the plan, and changes in HHS' net OPEB obligation relating to the postemployment health care plan

ARC	$	5,580
Interest on net OPEB obligation		1,551
Adjustment to ARC		(1,273)
Contributions made in relation to ARC		(2,774)
Increase in net OPEB obligation		3,084
Net OPEB obligation, beginning of year		34,430
Net OPEB obligation, end of year	$	37,514

Funded status and funding progress: As of the most recent actuarial valuation date, January 1, 2012, the unfunded actuarial accrued liability (UAAL) for benefits was estimated at $66 3 million for 2013 This liability will be phased in over 30 years based on the requirements of GASB 45 The annual payroll of active employees covered by the plan was estimated at $355 7 million for 2013 The ratio of UAAL to the covered payroll is 18 6 percent

Notes to Financial Statements (In Thousands)

Note 7. Other Employee Benefits (Continued)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future Examples include assumptions about future employment, mortality and the health care cost trend Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between HHS and plan members to that point The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations

In the January 1, 2012, actuarial valuation, the entry age normal cost method was used The actuarial assumptions include a 4 5 percent investment rate of return, which is the expected long-term investment return on the County's own investments An annual health care cost trend rate of 9 0 percent initially, reduced over five years to an ultimate rate of 4 5 percent, was used Both rates include a 3 75 percent inflation assumption Actuarial calculations assume a level percentage of projected payroll 30-year open amortization period

Note 8. Risk Management

General and professional liability: HHS is self-insured for general, professional and employment practices liability insurance HFA purchased comprehensive liability coverage on a claims-made basis, as well as extended-reporting endorsement (tail) coverage for any claims incurred but not reported that existed prior to January 1, 2012 Policy limits are $1 0 million per occurrence and $3 0 million in the aggregate, with $11 0 million excess liability coverage, subject to certain deductible and stop-loss amounts

HHS' liability is limited to state statutory immunity to the extent of $0 5 million maximum per individual on a single claim and $1 5 million maximum per incident Estimated amounts for claims liability have been provided for in the financial statements An actuarial valuation of the present value of unpaid losses was used to determine loss reserve as of December 31, 2013 The actuarial calculations assume industry-based exposure rates and client-based statistically reliable and predictable loss data for professional liability The general and professional claims liability is included in other accrued expenses in the balance sheets

	December 31	
	2013	2012
General and professional claims liability at beginning of year	$ 5,565	$ 5,676
Estimated incurred claims (including IBNR)	2,130	92
Claims paid during the year	(1,489)	(203)
General and professional claims liability at end of year	$ 6,206	$ 5,565

Notes to Financial Statements (In Thousands)

Note 8. Risk Management (Continued)

Workers' compensation: HHS is self-insured for workers' compensation claims. During 2013, $2.7 million in benefits and administrative costs were paid and charged to the workers' compensation expense account. The balance in the liability account at December 31, 2013, was $12.8 million. Changes in the estimated workers' compensation liability during the years is as follows:

	Years Ended December 31	
	2013	2012
Estimated liability at beginning of year	$ 11,000	$ 9,940
Estimated incurred claims (including IBNR)	3,776	3,108
Claims payments	(1,976)	(2,048)
Estimated liability at end of year	$ 12,800	$ 11,000

Self-insured health and dental program: On January 1, 2011, HHS became self-insured for employee medical and dental for its employees. The accrual for estimated claims includes estimates of the ultimate cost for claims incurred but not reported (IBNR) and are based upon estimated cost of settlement. HHS purchased reinsurance on a specific-case basis for 2013 and 2012, in order to reduce its liability on individual risks. All reinsurance contracts are excess-of-loss contracts, which indemnify HHS for losses in excess of stated reinsurance policy limits. As of December 31, 2013 and 2012, the limits were $0.2 million and $0.15 million for specific claims and were $64.2 million and $53.2 million for claims in the aggregate, respectively. HHS has recorded a liability of approximately $4.6 million and $3.6 million at December 31, 2013 and 2012, respectively, for known cases and for estimated claims that have been incurred but not yet reported, which is included in accrued expenses: salaries, wages and benefits in the accompanying balance sheets.

	Years Ended December 31	
	2013	2012
Estimated liability at beginning of year	$ 3,640	$ 7,120
Estimated incurred claims (including IBNR)	56,453	49,689
Claims and administrative payments	(55,539)	(53,169)
Estimated liability at end of year—net of imprest fund	$ 4,554	$ 3,640

Note 9. Commitments, Contingencies and Subsequent Events

Regulatory investigations: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that HHS is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Note 9. Commitments, Contingencies and Subsequent Events (Continued)

Health care reform: The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 will result in significant changes across the health care industry A primary goal of this comprehensive reform legislation is to extend health coverage to uninsured legal U S residents It also contains measures designed to promote quality and cost efficiency in health care delivery HHS is unable to fully predict the impact of PPACA on its operations and financial results

Recovery audit contractors program: In 2005, the Centers for Medicare & Medicaid Services (CMS) announced a new demonstration project using recovery audit contractors (RACs) as part of CMS' further efforts to assure accurate payments The project uses RACs to search for potentially improper Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts In 2012, CMS added RACs for Medicaid payments Once an RAC identifies a claim it believes to be improper, it makes an adjustment to the provider's reimbursement in an amount estimated to equal the overpayment or underpayment HHS deducts from revenue amounts that are assessed under the RAC audits at the time a notice is received or when sufficient information is available to make a reasonable estimate of amounts due

Litigation: HHS is involved in litigation and employee matters arising in the normal course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on HHS' future financial position or results of operations

Major capital projects: HHS has other capital commitments outstanding in the amount of approximately $10 6 million at December 31, 2013

Note 10. Reclassification of Certain Estimated Third-Party Payor Settlements and Other Operating Revenue

Certain estimated third-party payor settlements on the statement of net position for the year ended December 31, 2012, have been reclassified, with no effect on the change in net position or net position, to be consistent with the classifications adopted for the year ended December 31, 2013 Additionally, a portion of other operating revenue has been reclassified as net patient service revenue, with no effect on the change in net position or net position, again, to be consistent with the classifications adopted for the year ended December 31, 2013

Note 11. New Accounting Standards

Accounting standards adopted in the current year:

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities: This statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting The adoption of this standard did not have a material impact on HHS' financial statements

Note 11. New Accounting Standards (Continued)

Accounting standards not yet adopted:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions: This statement revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits Among other requirements, Statement No 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required The provisions in Statement No 68 are effective for HHS January 1, 2015

HHS' management has not yet determined the effect the statements noted above will have on the HHS' financial statements

Hennepin Healthcare System, Inc.
d/b/a Hennepin County Medical Center
A Component Unit of Hennepin County, Minnesota

Statement of Net Position—Discretely Presented Component Units
December 31, 2013
(In Thousands)

Assets	HHF	MMRF	Total
Current Assets			
Cash and cash equivalents	$ 2,579	$ 4,818	$ 7,397
Accounts receivable	670	3,821	4,491
Inventories	99	-	99
Prepaid expenses and other current assets	5	1,650	1,655
Total current assets	3,353	10,289	13,642
Investments	-	26,750	26,750
Capital Assets, net of accumulated depreciation	17	2,587	2,604
Other Assets	376	-	376
Total assets	$ 3,746	$ 39,626	$ 43,372
Liabilities and Net Position			
Liabilities			
Accounts payable	$ 441	$ 372	$ 813
Other	25	2,570	2,595
Total current liabilities	466	2,942	3,408
Net Position			
Net investment in capital assets	-	2,587	2,587
Restricted			
Expendable	2,328	5,770	8,098
Nonexpendable	10	15,472	15,482
Unrestricted	942	12,855	13,797
Total net position	3,280	36,684	39,964
Total liabilities and net position	$ 3,746	$ 39,626	$ 43,372

Hennepin Healthcare System, Inc.
d/b/a Hennepin County Medical Center
A Component Unit of Hennepin County, Minnesota

Statement of Revenues, Expenses and Changes in Net Position—Discretely Presented Component Units
Year Ended December 31, 2013
(In Thousands)

	HHF	MMRF	Total
Operating revenues			
Grants	$ 216	$ 32,538	$ 32,754
Other	4,362	2,492	6,854
Net operating revenues	4,578	35,030	39,608
Operating expenses			
Salaries and benefits	1,264	17,894	19,158
Supplies and services	1,554	12,427	13,981
Depreciation and amortization	51	526	577
Utilities and maintenance	-	1,234	1,234
MinnesotaCare tax and surcharges	14	-	14
Other	651	1,619	2,270
Total operating expenses	3,534	33,700	37,234
Income from operations	1,044	1,330	2,374
Nonoperating revenue (expense)			
Investment income	3	2,513	2,516
Total nonoperating revenue	3	2,513	2,516
Increase in net position	1,047	3,843	4,890
Total net position, beginning of year	2,233	32,841	35,074
Total net position, end of year	$ 3,280	$ 36,684	$ 39,964