29493166002229

Form 990 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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

1806

OMB No 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2017 calendar year, or tax year beginning 07/01, 2017, and ending 06/30, 20 18

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/ terminated ☐ Amended return ☐ Application pending

C Name of organization: MEMORIAL HERMANN HEALTH SYSTEM

Doing business as:

Number and street (or P O box if mail is not delivered to street address): 929 GESSNER RD

Room/suite: 1900

City or town, state or province, country, and ZIP or foreign postal code: HOUSTON, TX 77024

D Employer identification number: 74-1152597

E Telephone number: (713) 338-4552

G Gross receipts $ 4,823,475,442.

F Name and address of principal officer: BRIAN DEAN
929 GESSNER RD STE 1900 HOUSTON, TX 77024

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)

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

J Website ▶ WWW.MEMORIALHERMANN.ORG

H(c) Group exemption number ▶

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

L Year of formation 1910 M State of legal domicile TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	24.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	18.
5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	28,476.
6	Total number of volunteers (estimate if necessary)	6	3,158.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	-6,155,393.
b	Net unrelated business taxable income from Form 990-T, line 39	7b	-2,516,792.

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IRS-OSC
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		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	28,312,345.	40,861,984.
9	Program service revenue (Part VIII, line 2g)	4,317,344,583.	4,445,862,882.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	32,501,944.	72,345,478.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	157,271,049.	264,405,098.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,535,429,921.	4,823,475,442.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,382,601.	1,473,235.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,065,913,657.	2,099,239,327.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,275,265,846.	2,490,238,511.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	4,342,562,104.	4,590,951,073.
19	Revenue less expenses Subtract line 18 from line 12	192,867,817.	232,524,369.

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		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	6,890,878,241.	7,452,729,977.
21	Total liabilities (Part X, line 26)	3,333,684,011.	3,394,751,020.
22	Net assets or fund balances Subtract line 21 from line 20	3,557,194,230.	4,057,978,957.

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 5-14-19

▶ BRIAN DEAN EVP & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: MELVA SCOTT	Preparer's signature: Melva Scott	Date: 05/13/19	Check ☐ if self-employed; PTIN: P01207335
Firm's name ▶ ERNST & YOUNG U.S. LLP			Firm's EIN ▶ 34-6565596
Firm's address ▶ 425 HOUSTON STREET, SUITE 600 FORT WORTH, TX 76102			Phone no 817-335-1900

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

For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2017)

SCANNED JUL 30 2019

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Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

ATTACHMENT 1

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 $ 4,167,168,527 including grants of $ 1,473,235) (Revenue $ 4,710,084,956)

MEMORIAL HERMANN IS A NONPROFIT, COMMUNITY-OWNED, HEALTH CARE SYSTEM WITH SPIRITUAL VALUES, DEDICATED TO PROVIDING HIGH QUALITY HEALTH SERVICES IN ORDER TO IMPROVE THE HEALTH OF THE PEOPLE OF SOUTHEAST TEXAS.

ANNUAL DELIVERIES:	24,513
ANNUAL INPATIENT ADMISSIONS:	172,871
ANNUAL INPATIENT DAYS:	909,673
ANNUAL EMERGENCY VISITS:	686,951
ANNUAL OUTPATIENT SURGERIES:	125,924
ANNUAL DIAGNOSTIC AND THERAPY:	1,522,245

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 ▶ 4,167,168,527.

LOR ABCDF HIJK

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, 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		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I* (see instructions)	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
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		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	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 "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	X	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV.*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
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	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	1,161		
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		X	
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	28,476		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X	
b	If "Yes," enter the name of the foreign country ▶ CAYMAN ISLANDS See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
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			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . .	7h			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O				
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			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a 24		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

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

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

☐ Own website ☐ 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, address, and telephone number of the person who possesses the organization's books and records ▶
BRIAN DEAN 929 GESSNER RD STE 1900 HOUSTON, TX 77024 713-338-4552

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. X

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

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

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

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

☐ Check this box if neither the organization nor any related 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) ALEXANDER, CHARLOTTE B. M.D.	20.00									
DIRECTOR	20.00	X						202,750.	130,734.	5,593.
(2) CALI, JOSEPH R. M.D.	1.00									
DIRECTOR	1.00	X						1,031.	6,100.	0.
(3) CAMPBELL, WILLIAM J.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(4) CANNON, DEBORAH M.	1.00									
DIRECTOR - CHAIR	0.	X						0.	0.	0.
(5) CAZALOT, CLARENCE P. JR.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(6) CROYLE, ROBERT G.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(7) EASTER, WILLIAM H. III	1.00									
DIRECTOR	0.	X						0.	0.	0.
(8) FEW, JASON B.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(9) GALTNEY, WILLIAM F. JR.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(10) GARCIA, ROLAND JR.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(11) GIGLIO, J. KEVIN M.D.	1.00									
DIRECTOR	5.00	X						0.	57,787.	0.
(12) GRAHAM, DAVID J.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(13) HUNTSMAN, PETER R.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(14) MCCLELLAND, SCOTT B.	1.00									
DIRECTOR	0.	X						0.	0.	0.

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			
(15) MCLEAN,SCOTT J.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(16) MIR,GASPER III	1.00									
DIRECTOR	0.	X						0.	0.	0.
(17) MONTAGUE,JAMES R.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(18) PERRIN,MELINDA H.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(19) POUNS,STEPHEN H.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(20) STRAKE,GEORGE W. III	1.00									
DIRECTOR	0.	X						0.	0.	0.
(21) WILLIAMS,WILLOUGHBY C. JR.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(22) MCDONALD, R. EMMETT M.D.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(23) METHVIN, STACY P.	1.00									
DIRECTOR	0.	X						0.	0.	0.
(24) STOKES,CHARLES D	50.00									
EVP, PRESIDENT & CEO	0.	X		X				1,995,258.	0.	281,858.
(25) GORDON,DEBORAH	50.00									
EVP, CAO, CLO, SECRETARY	0.			X				888,156.	0.	160,652.
1b Sub-total ▶								203,781.	194,621.	5,593.
c Total from continuation sheets to Part VII, Section A ▶								32,690,483.	0.	2,538,628.
d Total (add lines 1b and 1c) ▶								32,894,264.	194,621.	2,544,221.

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 ▶ 3291

		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*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 1,074

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			
(26) LARAWAY,DENNIS L.	50.00									
EVP,CFO-TREASURER THRU SEPT 17	0.			X				2,760,637.	0.	12,916.
(27) SHABOT,MICHAEL M.D.	50.00									
EVP, CHIEF CLINICAL OFFICER	0.			X				1,344,400.	0.	235,576.
(28) SHEA,WARREN	50.00									
VP, DGC, ASSISTANT SECRETARY	0.			X				416,270.	0.	78,969.
(29) AULBAUGH,CARROL E.	50.00									
EVP, CFO, TREASURER	0.			X				216,323.	0.	67,337.
(30) ALEXANDER,KEITH	50.00									
SVP, REG PRES-NORTH REGION	0.				X			1,753,117.	0.	68,955.
(31) ASPREC,ERIN S	50.00									
EVP, ACUTE CARE SVCS & CTO	0.				X			1,009,319.	0.	153,586.
(32) BRACE,RODNEY	50.00									
SVP, CHIEF LEARNING OFFICER	0.				X			1,188,565.	0.	174,841.
(33) BRADSHAW,DAVID	50.00									
EVP, CHIEF STRAT & INFO OFF	0.				X			1,541,861.	0.	231,425.
(34) CORDOLA,CRAIG A	50.00									
SVP, REG PRES-WEST REGION	0.				X			1,909,962.	0.	112,569.
(35) DEAN,BRIAN	50.00									
EVP, ACAD AFFAIRS & SVCS LINES	0.				X			1,001,900.	0.	149,976.
(36) GARMAN,JAMES	50.00									
EVP, CHIEF HR OFFICER	0.				X			1,746,656.	0.	9,706.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶ 3291

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

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			
(37) O'SULLIVAN,PAUL C	50.00									
SVP, CEO - MEMORIAL CITY	0.				X			727,316.	0.	127,649.
(38) URBAN,JOSHUA	50.00									
SVP, CEO - THE WOODLANDS	0.				X			747,264.	0.	122,301.
(39) LLOYD,CHRISTOPHER	50.00									
SVP, CEO - MHMD & ACO	0.					X		1,928,282.	0.	44,605.
(40) BARBE,BRIAN S.	50.00									
SVP, CEO - CYPRESS	0.					X		1,088,598.	0.	52,019.
(41) DISTEFANO,SUSAN M	50.00									
SVP, CEO - CHILDREN'S	0.					X		777,197.	0.	119,547.
(42) KERR,GARY	50.00									
SVP, CEO - SOUTHWEST	0.					X		782,176.	0.	71,381.
(43) SHIPPY,ANGELA	50.00									
SVP, CHIEF QUALITY OFFICER	0.					X		752,612.	0.	106,871.
(44) CHU,BENJAMIN K. M.D.	50.00									
FORMER OFFICER	0.						X	3,757,113.	0.	8,368.
(45) REIMER,RENEE	50.00									
FORMER OFFICER	0.						X	450,161.	0.	5,195.
(46) WOLTERMAN,DAN J.	50.00									
FORMER OFFICER	0.						X	2,422,306.	0.	8,223.
(47) HEINS,MARSHALL B	50.00									
FORMER KEY EMPLOYEE	0.						X	666,594.	0.	28,345.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶ 3291

		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*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

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			
(48) PARET,CAROL J	50.00									
FORMER KEY EMPLOYEE	0.						X	550,494.	0.	105,055.
(49) TREVINO, ILEANA	50.00									
FORMER KEY EMPLOYEE	0.						X	267,946.	0.	703.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶ 3291

		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*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

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	28,684,865			
	e	Government grants (contributions)	1e	12,177,119.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	Total. Add lines 1a-1f		40,861,984			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	900099	4,445,862,882	4,443,918,885	1,943,997	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		4,445,862,882			
	3	Investment income (including dividends, interest, and other similar amounts)		72,345,478		-8,099,390	80,444,868
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		183,024			183,024
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		0			
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		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722514	25,438,702	25,438,702		
	b	PARKING	812930	8,408,631	8,408,631		
	c	MANAGEMENT SERVICES	561000	6,707,940	6,707,940.		
	d	All other revenue		223,666,801	223,666,801		
	e	Total Add lines 11a-11d		264,222,074			
	12	Total revenue. See instructions		4,823,475,442	4,708,140,959	-6,155,393	80,627,892

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 domestic organizations and domestic governments See Part IV, line 21	1,473,235.	1,473,235.		
2 Grants and other assistance to domestic individuals See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	19,247,003.	1,344,400.	17,902,603.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	1,681,385,514.	1,392,273,063.	289,112,451.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	83,546,544.	67,886,285.	15,660,259.	
9 Other employee benefits	190,215,442.	156,781,952.	33,433,490.	
10 Payroll taxes	124,844,824.	99,955,860.	24,888,964.	
11 Fees for services (non-employees)				
a Management	0.			
b Legal	10,879,447.	10,879,447.		
c Accounting	0.			
d Lobbying	20,948.	20,948.		
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	2,199,816.	2,199,816.		
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	0.			
12 Advertising and promotion	13,523,214.	13,523,214.		
13 Office expenses	74,808,775.	65,179,109.	9,629,666.	
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	175,452,012.	162,849,710.	12,602,302.	
17 Travel	6,371,609.	4,156,610.	2,214,999.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	2,623,403.	1,789,275.	834,128.	
20 Interest	91,667,502.	91,667,502.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	271,908,286.	271,908,286.		
23 Insurance	23,250,157.	15,456,789.	7,793,368.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a PROFESSIONAL & CONTRACT FEES	834,524,838.	834,524,838.		
b MEDICAL SUPPLIES	757,081,782.	757,081,782.		
c EQUIPMENT RENTAL & MAINTENAN	196,082,728.	196,082,728.		
d PHYSICIAN INTEGRATION	3,434,785.	317,556.	3,117,229.	
e All other expenses	26,409,209.	19,816,122.	6,593,087.	
25 Total functional expenses Add lines 1 through 24e	4,590,951,073.	4,167,168,527.	423,782,546.	
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)	0.			

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		245,904,523.	1	266,849,018.
	2	Savings and temporary cash investments		57,483,428.	2	14,880,851.
	3	Pledges and grants receivable, net		0.	3	0.
	4	Accounts receivable, net		713,758,209.	4	713,212,192.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0.	5	0.
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0.	6	0.
	7	Notes and loans receivable, net		0.	7	0.
	8	Inventories for sale or use		71,062,466.	8	100,214,254.
	9	Prepaid expenses and deferred charges		30,828,549.	9	31,570,976.
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 6474628310.			
	b	Less accumulated depreciation	10b 3525107712.	2,814,641,236.	10c	2,949,520,598.
	11	Investments - publicly traded securities		0.	11	0.
	12	Investments - other securities See Part IV, line 11		2,159,276,000.	12	2,354,526,000.
	13	Investments - program-related See Part IV, line 11		0.	13	0.
	14	Intangible assets		0.	14	0.
	15	Other assets See Part IV, line 11		797,923,830.	15	1,021,956,088.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		6,890,878,241.	16	7,452,729,977.
Liabilities	17	Accounts payable and accrued expenses		589,645,889.	17	615,864,181.
	18	Grants payable		0.	18	0.
	19	Deferred revenue		0.	19	0.
	20	Tax-exempt bond liabilities		1,458,008,378.	20	1,412,753,182.
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0.	21	0.
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0.	22	0.
	23	Secured mortgages and notes payable to unrelated third parties		0.	23	0.
	24	Unsecured notes and loans payable to unrelated third parties		0.	24	0.
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		1,286,029,744.	25	1,366,133,657.
	26	**Total liabilities.** Add lines 17 through 25		3,333,684,011.	26	3,394,751,020.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		3,544,701,091.	27	4,045,652,999.
	28	Temporarily restricted net assets		12,493,139.	28	12,325,958.
	29	Permanently restricted net assets		0.	29	0.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		3,557,194,230.	33	4,057,978,957.
	34	Total liabilities and net assets/fund balances		6,890,878,241.	34	7,452,729,977.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,823,475,442.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,590,951,073.
3	Revenue less expenses Subtract line 2 from line 1	3	232,524,369.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,557,194,230.
5	Net unrealized gains (losses) on investments	5	106,900,642.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	161,359,716.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	4,057,978,957.

Part XII Financial Statements and Reporting

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

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

Form **990** (2017)

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to *www.irs.gov/Form990* for instructions and the latest information

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization	Employer identification number
MEMORIAL HERMANN HEALTH SYSTEM	74-1152597

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 12, check only one box)

03

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 (Form 990 or 990-EZ))

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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions) Enter the name, city, and state of the college or university _____

10 ☐ 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)

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

12 ☐ 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g

a ☐ **Type I** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b ☐ **Type II** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f Enter the number of supported organizations. . . . . ☐

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 VI)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2016 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2017.** 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 - 2016.** 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 - 2017.** 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2016.** 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 VI 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 10 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 VI)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2017** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2016** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2017.** 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 - 2016.** 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 Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* ***Part VI****, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization*	2		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s)*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s)*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard*	3		

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (****see instructions****)*

a ☐ The organization satisfied the Activities Test *Complete* ***line 2*** *below*

b ☐ The organization is the parent of each of its supported organizations *Complete* ***line 3*** *below*

c ☐ The organization supported a governmental entity *Describe in* ***Part VI*** *how you supported a government entity (see instructions)*

			Yes	No
2	Activities Test ***Answer (a) and (b) below.***			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement*	2b		
3	Parent of Supported Organizations ***Answer (a) and (b) below.***			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* ***Part VI*** *the role played by the organization in this regard*	3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 (explain in Part VI) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**)			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by 035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions)

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**) See instructions	
7	**Total annual distributions.** Add lines 1 through 6	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**) See instructions	
9	Distributable amount for 2017 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1	Distributable amount for 2017 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2017 (reasonable cause required-explain in **Part VI**) See instructions			
3	Excess distributions carryover, if any, to 2017			
a				
b	From 2013			
c	From 2014			
d	From 2015			
e	From 2016			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2017 distributable amount			
i	Carryover from 2012 not applied (see instructions)			
j	Remainder Subtract lines 3g, 3h, and 3i from 3f			
4	Distributions for 2017 from Section D, line 7 $			
a	Applied to underdistributions of prior years			
b	Applied to 2017 distributable amount			
c	Remainder Subtract lines 4a and 4b from 4			
5	Remaining underdistributions for years prior to 2017, if any Subtract lines 3g and 4a from line 2 For result greater than zero, explain in **Part VI** See instructions			
6	Remaining underdistributions for 2017 Subtract lines 3h and 4b from line 1 For result greater than zero, explain in **Part VI** See instructions			
7	**Excess distributions carryover to 2018** Add lines 3j and 4c			
8	Breakdown of line 7			
a	Excess from 2013			
b	Excess from 2014			
c	Excess from 2015			
d	Excess from 2016			
e	Excess from 2017			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10, Part II, line 17a or 17b, Part III, line 12, Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2, Part IV, Section C, line 1, Part IV, Section D, lines 2 and 3, Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b, Part V, line 1, Part V, Section B, line 1e, Part V, Section D, lines 5, 6, and 8, and Part V, Section E, lines 2, 5, and 6 Also complete this part for any additional information. (See instructions)

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below ▶ Attach to Form 990 or Form 990-EZ.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

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

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

Name of organization	Employer identification number
MEMORIAL HERMANN HEALTH SYSTEM	74-1152597

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 (see instructions for definition of "political campaign activities")

2 Political campaign activity expenditures (see instructions) . . . . . ▶ $

3 Volunteer hours for political campaign activities (see instructions) . . . . . .

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

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

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

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

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response on 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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?	X		2,849.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		18,099.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total Add lines 1c through 1i			20,948.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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 campaign activity 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, lines 1 and 2 (see instructions), and Part II-B, line 1 Also, complete this part for any additional information

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

MEMORIAL HERMANN ENGAGES WITH NATIONAL, STATE, AND LOCAL REPRESENTATIVES AND THEIR STAFF MEMBERS TO HELP THEM BETTER UNDERSTAND THE DYNAMICS, RAMIFICATIONS, AND CHALLENGES OF HEALTH CARE POLICIES IMPACTING THE MEMORIAL HERMANN COMMUNITY, INCLUDING UNINSURED AND INDIGENT PATIENT POPULATIONS.

MEMORIAL HERMANN HAS RELATIONSHIPS WITH PERSONS AND INDUSTRY ASSOCIATIONS WHICH OFTEN COMMUNICATE MEMORIAL HERMANN'S POSITIONS ON MAJOR HEALTH CARE ISSUES. FORMS OF COMMUNICATION MAY INVOLVE DIRECT CONTACT, TELEPHONE CONVERSATIONS AND WRITTEN CORRESPONDENCE. MEMORIAL HERMANN HAS NOT INTERVENED IN ANY POLITICAL CAMPAIGN, AND THE AMOUNT OF TIME AND MONEY INVOLVED IN HEALTH CARE POLICY DISCOURSE IS INSUBSTANTIAL.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990.

▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization: MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number: 74-1152597

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of 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" on Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

- ☐ Preservation of land for public use (e g , recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of a historically important land area
- ☐ Preservation of a certified historic structure

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

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 7/25/06, 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, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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) Revenue included on 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 Revenue included on 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" on 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, for escrow or custodial account liability? ☐ Yes ☐ No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4,060,798.	4,435,819.	4,304,237.	4,188,028.	4,104,595.
b Contributions					
c Net investment earnings, gains, and losses	123,191.	129,452.	143,216.	128,001.	145,235.
d Grants or scholarships					
e Other expenditures for facilities and programs		504,473.			43,931.
f Administrative expenses			11,634.	11,792.	17,871.
g End of year balance	4,183,989.	4,060,798.	4,435,819.	4,304,237.	4,188,028.

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ 100.0000 %

The percentages on 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)		X
(ii) related organizations	3a(ii)		X
b If "Yes" on line 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" on 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		143,315,698.		143,315,698.
b Buildings		3383836107.	1642484881.	1,741,351,226.
c Leasehold improvements		480,375,820.	262,484,125.	217,891,695.
d Equipment		1996278789.	1589154808.	407,123,981.
e Other		470,821,896.	30,983,898.	439,837,998.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10c)* ▶				2,949,520,598.

Part VII Investments - Other Securities.
Complete if the organization answered "Yes" on 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		
(3) Other		
(A) FIXED INCOME	340,085,000.	FMV
(B) EQUITY SECURITIES	993,614,000.	FMV
(C) ALTERNATIVE INVESTMENTS	1,007,931,000.	FMV
(D) CASH & CASH EQUIVALENTS	12,896,000.	FMV
(E)		
(F)		
(G)		
(H)		
Total *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	2,354,526,000.	

Part VIII Investments - Program Related.
Complete if the organization answered "Yes" on 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES, NET	895,321,719.
(2) GOODWILL	45,889,666.
(3) DEPOSITS	4,838,382.
(4) JOINT VENTURES	59,228,718.
(5) TECO STOCK	1,331,323.
(6) UTHSC LAND LEASE	2,151,435.
(7) DEFERRED PHYSICIAN RECRUITMENT	4,170,859.
(8) OTHER ASSETS	9,023,986.
(9) BOND TRUST FUND	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶	1,021,956,088.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CAPITALIZED LEASES	826,095,844.
(3) DEFERRED GAIN ON SALE OF POBS/	127,112,195.
(4) POB LEASE OBLIGATION	91,596,250.
(5) VARIABLE DEBT SWAP LIABILITY	62,305,561.
(6) L/T PENSION LIABILITY	64,627,346.
(7) L/T LINE OF CREDIT	36,500,000.
(8) L/T THIRD PARTY SETTLEMENTS	32,422,857.
(9) OTHER ACCRUED LIABILITIES	125,473,604.
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	1,366,133,657.

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 [X]

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

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

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

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

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

990 SCHEDULE D PART V LINE 4

THE ENDOWMENT FUNDS OF MEMORIAL HERMANN HEALTH SYSTEM CONSIST OF PERMANENT ENDOWMENT FUNDS OBTAINED FROM DONOR INITIATIVES FOR CHARITABLE CONTRIBUTIONS THROUGH LAST WILL AND TESTAMENT BEQUESTS. THE PERMANENT FUNDS CONSIST OF DONATIONS AND INVESTMENT INCOME FOR WHICH THE DONOR'S STIPULATIONS RESTRICT THE FOUNDATION TO USING ONLY THE INCOME RESULTING FROM THE INVESTMENT OF THE DONATION ON A TOTAL RETURN BASIS. THE ASSETS OF THE PERMANENT FUNDS INCOME MAY ONLY BE USED TO SUPPORT THE CHARITABLE EXEMPT OPERATIONS, PROGRAMS AND PURPOSES OF MEMORIAL HERMANN HEALTH SYSTEM THROUGH THE PURCHASE OF SUPPLIES, EQUIPMENT, AND OTHER EXPENDITURES NECESSARY FOR THE PERFORMANCE OF THOSE OPERATIONS AND PROGRAMS.

990 SCHEDULE D PART X LINE 2

MEMORIAL HERMANN HEALTH SYSTEM DOES NOT HAVE AN ANNUAL FINANCIAL AUDIT CONDUCTED. THE FINANCIAL ACCOUNTS OF THE HEALTH SYSTEM ARE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF MEMORIAL HERMANN HEALTH SYSTEM ENTITIES AND ITS RELATED AFFILIATES AND ARE AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTING FIRM. THE PARAGRAPH INCLUDED IN THE LAST ISSUED AUDITED FINANCIAL STATEMENTS OF THE HEALTH SYSTEM WAS: THE HEALTH SYSTEM AND CERTAIN OTHER AFFILIATES ARE TEXAS NOT-FOR-PROFIT CORPORATIONS AND HAVE BEEN RECOGNIZED AS TAX-EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE HEALTH SYSTEM OWNS CERTAIN TAXABLE SUBSIDIARIES AND ENGAGES IN CERTAIN ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AND, THEREFORE, SUBJECT TO TAX. MANAGEMENT ANNUALLY REVIEWS ITS TAX POSITIONS AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE ACCOMPANYING

Part XIII Supplemental Information *(continued)*

CONSOLIDATED BALANCE SHEETS. THE TAX RETURNS ARE SUBJECT TO INTERNAL REVENUE SERVICE (IRS) REVIEW FOR THREE YEARS SUBSEQUENT TO THE DATES THEY ARE FILED. THE HEALTH SYSTEM HAS NET OPERATING LOSSES (NOL) TAX CARRYFORWARDS THAT WILL EXPIRE BETWEEN 2022 AND 2037. DUE TO THE AGE OF THESE NOLS, AND THE FACT THAT MANAGEMENT IS UNCERTAIN THAT THE FULL AMOUNT OF THE NOLS WILL BE REALIZED IN THE FUTURE, NO DEFERRED TAX ASSET HAS BEEN RECORDED. THE TAX CUTS AND JOBS ACT (THE ACT) WAS ENACTED ON DECEMBER 22, 2017. THE PROVISIONS OF THE ACT DO NOT HAVE A MATERIAL TAX EFFECT ON THE HEALTH SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS. CERTAIN REGULATORY GUIDANCE PROVIDES FOR A MEASUREMENT PERIOD OF UP TO ONE YEAR DURING WHICH ACCOUNTING FOR THE TAX EFFECTS OF THE ACT MAY BE COMPLETED. THE HEALTH SYSTEM WILL CONTINUE TO EVALUATE THE IMPACT OF THE ACT AND MAY RECORD ADJUSTMENTS AS ADDITIONAL INFORMATION AND GUIDANCE IS RELEASED BY THE IRS.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

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

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
(1)	CENTRAL AMERICA/CARIBBEAN	0	0	INVESTMENTS	CAYMAN CAPTIVE	14,935,153
(2)	NORTH AMERICA	0	0	INVESTMENTS		2,494,643
(3)	CENTRAL AMERICA/CARIBBEAN	0	0	INVESTMENTS		2,575,862
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						
(11)						
(12)						
(13)						
(14)						
(15)						
(16)						
(17)						
3a	Sub-total					20,005,658
b	Total from continuation sheets to Part I					
c	**Totals** (add lines 3a and 3b)					20,005,658

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

Schedule F (Form 990) 2017

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16 Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of noncash assistance	(g) Description of noncash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U S Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	[X] Yes	[ ] No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A, don't file with Form 990)*	[ ] Yes	[X] No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)*	[X] Yes	[ ] No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)*	[ ] Yes	[X] No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)*	[X] Yes	[ ] No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713, don't file with Form 990)*	[ ] Yes	[X] No

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds), Part I, line 3, column (f) (accounting method, amounts of investments vs expenditures per region), Part II, line 1 (accounting method), Part III (accounting method), and Part III, column (c) (estimated number of recipients), as applicable Also complete this part to provide any additional information (see instructions)

990 SCH F PART I LINE 3 COLUMN (F)

ACCOUNTING METHOD USED IS THE ACCRUAL METHOD.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) 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% [X] 200% [ ] Other _____ %	X	
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% [X] 400% [ ] Other _____%	X	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
b	If "Yes," did the organization make it available to the public?	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			250,156,446.		250,156,446.	5.45
b Medicaid (from Worksheet 3, column a)			684,176,445.	620,152,776.	64,023,669.	1.39
c Costs of other means-tested government programs (from Worksheet 3, column b)			37,441,049.	30,407,047.	7,034,002.	.15
d Total Financial Assistance and Means-Tested Government Programs			971,773,940.	650,559,823.	321,214,117.	6.99
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			149,222,074.		149,222,074.	3.25
f Health professions education (from Worksheet 5)			68,243,837.	16,869,543.	51,374,294.	1.12
g Subsidized health services (from Worksheet 6)			370,956,769.	318,051,087.	52,905,682.	1.15
h Research (from Worksheet 7)			13,666,152.	5,870,307.	7,795,845.	.17
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,567,632.		1,567,632.	.03
j Total. Other Benefits			603,656,464.	340,790,937.	262,865,527.	5.72
k Total Add lines 7d and 7j			1,575,430,404.	991,350,760.	584,079,644.	12.71

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			2,195,766.		2,195,766.	.05
8 Workforce development						
9 Other						
10 Total			2,195,766.		2,195,766.	.05

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	X	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 656,035,947.		
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 26,241,438.		
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	1,267,741,034.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	1,891,219,008.	
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-623,477,974.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures** (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? 15

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)	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
1 MEMORIAL HERMANN KATY HOSPITAL 23900 KATY FREEWAY KATY TX 77494 WWW.MEMORIALHERMANN.ORG 534	X	X					X			A
2 MEMORIAL HERMANN NORTHEAST 18951 MEMORIAL NORTH HUMBLE TX 77338 WWW.MEMORIALHERMANN.ORG 8471	X	X					X			A
3 MEMORIAL HERMANN SOUTHEAST HOSPITAL 11800 ASTORIA BLVD. HOUSTON TX 77089 WWW.MEMORIALHERMANN.ORG 119	X	X					X			A
4 MEMORIAL HERMANN SOUTHWEST HOSPITAL 7600 BEECHNUT HOUSTON TX 77074 WWW.MEMORIALHERMANN.ORG 407	X	X		X			X			A
5 MEMORIAL HERMANN SUGAR LAND 17500 WEST GRAND PARKWAY SOUTH SUGAR LAND TX 77479 WWW.MEMORIALHERMANN.ORG 609	X	X					X			A
6 MEMORIAL HERMANN HOSPITAL - TMC 6411 FANNIN HOUSTON TX 77030 WWW.MEMORIALHERMANN.ORG 347	X	X	X	X		X	X			A
7 MH THE WOODLANDS MEDICAL CENTER 9250 PINECROFT THE WOODLANDS TX 77381 WWW.MEMORIALHERMANN.ORG 615	X	X					X			A
8 MH MEMORIAL CITY MEDICAL CENTER 921 GESSNER HOUSTON TX 77024 WWW.MEMORIALHERMANN.ORG 302	X	X					X			A
9 MH REHABILITATION HOSPITAL KATY 21720 KINGSLAND BLVD STE 102 KATY TX 77450 WWW.MEMORIALHERMANN.ORG 100009	X	X								A
10 TIRR MEMORIAL HERMANN 1333 MOURSUND STREET HOUSTON TX 77030 WWW.MEMORIALHERMANN.ORG 100189	X	X				X				A

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? _____

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	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
1 MH GREATER HEIGHTS HOSPITAL 1635 NORTH LOOP WEST HOUSTON TX 77008 WWW.MEMORIALHERMANN.ORG 172	X	X					X			A
2 MH SPECIALTY HOSPITAL KINGWOOD LLC 300 KINGWOOD MEDICAL DRIVE KINGWOOD TX 77339 WWW.MEMORIALHERMANN.ORG 8591	X	X								A
3 MH SURGICAL HOSPITAL FIRST COLONY 16906 SOUTH WEST FREEWAY SUGAR LAND TX 77479 WWW.MEMORIALHERMANN.ORG 100161	X	X								A
4 MH FIRST COLONY HOSPITAL 16000 SOUTHWEST FREEWAY SUITE 100 SUGAR LAND TX 77479 WWW.MEMORIALHERMANN.ORG 100393	X	X					X			A
5 MEMORIAL HERMANN TOMBALL HOSPITAL 24429 TOMBALL PARKWAY TOMBALL TX 77375 WWW.MEMORIALHERMANN.ORG 100394	X	X					X			A
6										
7										
8										
9										
10										

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 letter of facility reporting group A

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): _____

	Community Health Needs Assessment		Yes	No
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		X
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		X
3	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 12	3	X	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The significant health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[X] The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)			
j	[ ] Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 20 16			
5	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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X	
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		X
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b		X
7	Did the hospital facility make its CHNA report widely available to the public?	7	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	[X] Hospital facility's website (list url) "SEE PART V SECTION C"			
b	[ ] Other website (list url) _____			
c	[X] Made a paper copy available for public inspection without charge at the hospital facility			
d	[ ] Other (describe in Section C)			
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X	
9	Indicate the tax year the hospital facility last adopted an implementation strategy 2017			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a	If "Yes," (list url) "SEE PART V SECTION C"			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed			
12a	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)?	12a		X
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" to line 12b, 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 (FAP)

Name of hospital facility or letter of facility reporting group A

			Yes	No
		Did the hospital facility have in place during the tax year a written financial assistance policy that		
13		Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	X	
	a [X]	Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 0000 % and FPG family income limit for eligibility for discounted care of 400 0000 %		
	b [ ]	Income level other than FPG (describe in Section C)		
	c [X]	Asset level		
	d [X]	Medical indigency		
	e [X]	Insurance status		
	f [X]	Underinsurance status		
	g [ ]	Residency		
	h [ ]	Other (describe in Section C)		
14		Explained the basis for calculating amounts charged to patients?	X	
15		Explained the method for applying for financial assistance?	X	
		If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)		
	a [X]	Described the information the hospital facility may require an individual to provide as part of his or her application		
	b [X]	Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
	c [X]	Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
	d [X]	Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
	e [ ]	Other (describe in Section C)		
16		Was widely publicized within the community served by the hospital facility?	X	
		If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
	a [X]	The FAP was widely available on a website (list url) "SEE PART V SECTION C"		
	b [X]	The FAP application form was widely available on a website (list url) "SEE PART V SECTION C"		
	c [X]	A plain language summary of the FAP was widely available on a website (list url) "SEE PART V SECTION C"		
	d [X]	The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
	e [X]	The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
	f [X]	A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
	g [X]	Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
	h [X]	Notified members of the community who are most likely to require financial assistance about availability of the FAP		
	i [X]	The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
	j [ ]	Other (describe in Section C)		

Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group A

			Yes	No
17	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 all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	X	
18	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(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d	☐ Actions that require a legal or judicial process			
e	☐ Other similar actions (describe in Section C)			
f	☒ None of these actions or other similar actions were permitted			
19	Did the hospital facility or other authorized 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? If "Yes," check all actions in which the hospital facility or a third party engaged	19		X
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d	☐ Actions that require a legal or judicial process			
e	☐ Other similar actions (describe in Section C)			

20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply)

- a ☐ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs
- b ☐ Made a reasonable effort to orally notify individuals about the FAP and FAP application process
- c ☒ Processed incomplete and complete FAP applications
- d ☒ Made presumptive eligibility determinations
- e ☐ Other (describe in Section C)
- f ☐ None of these efforts were made

Policy Relating to Emergency Medical Care

21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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? If "No," indicate why	21	X	
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 Section C)			
d	☐ Other (describe in Section C)			

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group A

			Yes	No
22	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	[X] The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period			
b	[ ] The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period			
c	[ ] The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period			
d	[ ] The hospital facility used a prospective Medicare or Medicaid method			
23	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? . . . . . If "Yes," explain in Section C	23		X
24	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? . . . . . If "Yes," explain in Section C	24		X

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24 If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

990 SCHEDULE H PART V SEC B LINE 3E

THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY IDENTIFIED IN THE CHNA ARE PRESENTED AS A PRIORITIZED LIST.

990 SCHEDULE H PART V SEC B LINE 5

WHILE SOCIAL AND EPIDEMIOLOGICAL DATA CAN PROVIDE A HELPFUL PORTRAIT OF A COMMUNITY, IT DOES NOT TELL THE WHOLE STORY. IT IS CRITICAL TO UNDERSTAND PEOPLE'S HEALTH ISSUES OF CONCERN, THEIR PERCEPTIONS OF THE HEALTH OF THEIR COMMUNITY, THE PERCEIVED STRENGTHS AND ASSETS OF THE COMMUNITY, AND THE VISION THAT RESIDENTS HAVE FOR THE FUTURE OF THEIR COMMUNITY. SECONDARY DATA WAS SUPPLEMENTED BY FOCUS GROUPS AND INTERVIEWS. IN TOTAL, 11 FOCUS GROUPS AND 28 KEY INFORMANT DISCUSSIONS WERE CONDUCTED WITH INDIVIDUALS FROM MH TEXAS MEDICAL CENTER'S COMMUNITY FROM OCTOBER 2015 THROUGH FEBRUARY 2016. FOCUS GROUPS WERE HELD WITH 93 COMMUNITY RESIDENTS DRAWN FROM THE GREATER HOUSTON COMMUNITY REPRESENTING THE POPULATION SEGMENTS NOTED BELOW. FOCUS GROUP AND INTERVIEW DISCUSSIONS EXPLORED PARTICIPANTS' PERCEPTIONS OF THEIR COMMUNITIES, PRIORITY HEALTH CONCERNS, PERCEPTIONS OF PUBLIC HEALTH, PREVENTION, HEALTH CARE SERVICES, AND SUGGESTIONS FOR FUTURE PROGRAMMING AND SERVICES TO ADDRESS THESE ISSUES. FOCUS GROUPS CONSISTED OF THE FOLLOWING POPULATION SEGMENTS: ADOLESCENTS (15-18 YEARS OLD); PARENTS OF PRESCHOOL CHILDREN (0-5 YEARS OLD); SENIORS (65+ YEARS OLD) (TWO GROUPS) SPANISH-SPEAKING HISPANIC COMMUNITY MEMBERS (CONDUCTED IN SPANISH); ENGLISH-SPEAKING HISPANIC COMMUNITY MEMBERS; ASIAN-AMERICAN COMMUNITY MEMBERS; LOW-INCOME COMMUNITY MEMBERS FROM URBAN AREA; LOW-INCOME COMMUNITY MEMBERS FROM SUBURBAN AREA; LOW-INCOME

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

COMMUNITY MEMBERS FROM RURAL AREA; COMMUNITY MEMBERS OF MODERATE TO HIGH SOCIOECONOMIC STATUS. KEY INFORMANT DISCUSSIONS WERE CONDUCTED WITH INDIVIDUALS REPRESENTING THE COMMUNITY. KEY INFORMANTS REPRESENTED A NUMBER OF SECTORS INCLUDING NON-PROFIT/COMMUNITY SERVICE, CITY GOVERNMENT, HOSPITAL OR HEALTH CARE, BUSINESS, EDUCATION, EMERGENCY PREPAREDNESS, FAITH COMMUNITY, AND PRIORITY POPULATIONS (E.G., LOW-INCOME URBAN RESIDENTS REPRESENTING THE COMMUNITY). ORGANIZATIONS CONTRIBUTING KEY INFORMANT INTERVIEWS WERE: ACCESS HEALTH (FQHC)-CAROL EDWARDS; ASIAN AMERICAN HEALTH COALITION- TITO REFI; ASSOCIATION FOR THE ADVANCEMENT OF MEXICAN AMERICANS- BEATRICE GARZA; BLUE CROSS BLUE SHIELD- ROBERT MORROW; CHILDREN AT RISK- MANDI KIMBALL; CHILDRENS DEFENSE FUND- ANAT KELMAN, WYKISHA MCKINNEY, PATRICK BRESETTE; CHRIST CLINIC- KARA HILL; CITY OF HOUSTON, DEPARTMENT OF NEIGHBORHOODS-ANGEL POUNCE, KATHY BARTON; CITY OF HOUSTON, DEPARTMENT OF PARKS AND RECREATION- JOE TURNER; COMMUNITY HEALTH CHOICE- KEN JANDA; FORT BEND HEALTH AND HUMAN SERVICES- KAYE REYNOLDS; HARRIS COUNTY PUBLIC HEALTH AND ENVIRONMENTAL SERVICES- UMAIR A. SHAH; HARRIS HEALTH- JENNIFER SMALL; HOUSTON INDEPENDENT SCHOOL DISCTRICT- GWENDOLYN JOHNSON; INSTITUTE FOR SPIRITUALITY AND HEALTH-STUART NELSON; INTERFAITH COMMUNITY CLINIC- ANNE SNYDER; INTERFAITH MINISTRIES OF GREATER HOUSTON- MARTIN COMINSKY; LONESTAR FAMILY HEALTH CENTER- STEVE MCKERNAN; MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES- JAY STITELEY; MEMORIAL HERMANN HEALTH SYSTEM- THERESA FAWVOR, MICHAEL WOLLNER, MD; MEMORIAL HERMANN TEXAS MEDICAL CENTER -JAMES MCCARTHY, MD; OFFICE OF HARRIS COUNTY JUDGE ED EMMETT- PEGGY BOICE; ONE VOICE TEXAS-KATHERINE BARILLAS; PASADENA INDEPENDENT SCHOOL DISTRICT- DARLA

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

MASSEY-JONES; SETRAC (SOUTHEAST TEXAS REGIONAL ADVISORY COUNCIL)- DARREL PILE; SHELTERING ARMS SENIOR SERVICES, NEIGHBORHOOD CENTERS INC. -TERRENCE ADAMS; SOUTHWEST MANAGEMENT DISTRICT- ALICE LEE; TEXAS LEGISLATURE- JOHN ZERWAS; THE HARRIS CENTER FOR MENTAL HEALTH AND IDD (MHMRA)- STEVE SHENEE; TRI COUNTY SERVICE- EVAN ROBINSON; UNITED WAY OF MONTGOMERY COUNTY- JULIE MARTINEAU; UNIVERSITY OF TEXAS SCHOOL OF PUBLIC HEALTH- CHARLES BEGLEY.

990 SCHEDULE H PART V SEC B LINE 7A & 10A

CHNA REPORT AND IMPLEMENTATION STRATEGY WEBSITE:

HTTPS://COMMUNITYBENEFIT.MEMORIALHERMANN.ORG/ABOUT-US/KEY-COMMUNITY-HEALTH-ASSESSMENT-FINDINGS/

990 SCHEDULE H PART V SEC B LINE 11

AS THE LARGEST HEALTH SYSTEM IN SOUTHEAST TEXAS SERVING THE FOURTH LARGEST AND FASTEST-GROWING METROPOLITAN AREA IN THE UNITED STATES, MEMORIAL HERMANN IS COMMITTED TO BEING A STEWARD OF THE COMMUNITY'S HEALTH - NOT ONLY BY DELIVERING HIGH QUALITY SERVICES FOR THE ADULTS AND CHILDREN WHO SEEK CARE AT A MEMORIAL HERMANN FACILITY, BUT THROUGH PROGRAMS AND COLLABORATIONS COMMITTED TO MAKING THE GREATER HOUSTON AREA A HEALTHIER AND MORE VITAL PLACE TO LIVE. HEALTH EDUCATION, HEALTHY FOODS, SAFE PLACES TO EXERCISE, AND ACCESS TO HEALTH AND BEHAVIORAL HEALTH SERVICES ARE VITAL TO IMPROVING THE OVERALL HEALTH OF RESIDENTS SINCE LACK OF THESE EFFORTS CONTRIBUTES TO THE ESCALATING CHRONIC DISEASE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24 If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

EPIDEMIC. THUS TO SUPPORT AND ENGAGE OUR COMMUNITY OUR FOUNDATION FOR OUR WORK RESTS ON FOUR PILLARS--FOCUSING ON IMPROVING ACCESS THROUGH PROGRAMMING, EDUCATION AND SOCIAL SERVICE SUPPORT; PROMOTING THE IMPORTANCE OF A HEALTHY DIET THROUGH SCREENING AND CREATING ACCESS TO NUTRITIOUS FOODS; FOSTERING IMPROVED HEALTH THROUGH EXERCISE WITH CULTURALLY APPROPRIATE ACTIVITIES; AND, ADDRESSING EMOTIONAL WELL-BEING THROUGH INNOVATIVE ACCESS POINTS. REINFORCING THIS STRATEGY ARE THE PRIORITIES IDENTIFIED IN MEMORIAL HERMANN'S 2016 COMMUNITY HEALTH NEEDS ASSESSMENT-ACCESS TO CARE, HEALTHY LIVING, AND BEHAVIORAL HEALTH.

OUR EFFORTS REQUIRE A WEB OF PARTNERSHIPS ACROSS HOUSTON TO EFFECT MEASURABLE CHANGE. STRONG PARTNERSHIPS WITH THE YMCA, THE PARKS DEPARTMENT, THE CITY OF HOUSTON, MD ANDERSON CANCER CENTER, THE GREATER NORTHSIDE HEALTH COLLABORATIVE, THE CLINTON HEALTH MATTERS AND AVENUE CDC, ARE AMONG THE HEALTHCARE PROVIDERS, GOVERNMENT AGENCIES, SOCIAL SERVICE ORGANIZATIONS, AND COMMUNITY STAKEHOLDERS WE ARE WORKING WITH IN TARGETED EFFORTS, EACH FOCUSED ON OUR FOUR PILLAR APPROACH. LONG TERM INITIATIVES INCLUDE:

HEALTH CENTERS FOR SCHOOLS

MOBILE DENTAL VANS

ER NAVIGATORS

NURSE HEALTH LINE

EXERCISE IS MEDICINE

FOOD AS HEALTH

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24 If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

NEIGHBORHOOD HEALTH CENTERS

PSYCHIATRIC RESPONSE TEAM

MENTAL HEALTH CRISIS CLINICS

HOME BEHAVIORAL HEALTH SERVICES

COMMUNITY COLLABORATIVE

THE CHNA WAS GUIDED BY A PARTICIPATORY, COLLABORATIVE APPROACH, WHICH EXAMINED HEALTH IN ITS BROADEST SENSE OVER A SIX-MONTH PERIOD. THIS PROCESS INCLUDED INTEGRATING EXISTING SECONDARY DATA ON SOCIAL, ECONOMIC, AND HEALTH ISSUES IN THE REGION WITH QUALITATIVE INFORMATION FROM 11 FOCUS GROUPS WITH COMMUNITY RESIDENTS AND SERVICE PROVIDERS AND 27 INTERVIEWS WITH COMMUNITY STAKEHOLDERS.

THE FOLLOWING KEY HEALTH ISSUES EMERGED MOST FREQUENTLY FROM A REVIEW OF THE AVAILABLE DATA ACROSS ALL MEMORIAL HERMANN HOSPITALS AND WERE CONSIDERED IN THE SELECTION OF THE SYSTEM-WIDE STRATEGIC IMPLEMENTATION PLAN (SIP) HEALTH PRIORITIES:

HEALTH CARE ACCESS

ISSUES RELATED TO AGING

BEHAVIORAL HEALTH, INCLUDING SUBSTANCE ABUSE AND MENTAL HEALTH

TRANSPORTATION

HEALTHY EATING, ACTIVE LIVING, AND OVERWEIGHT/OBESITY

CHRONIC DISEASE MANAGEMENT

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c,.21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

THROUGH GUIDED FACILITATION, MEMORIAL HERMANN APPLIED THE CRITERIA OF RELEVANCE, APPROPRIATENESS, IMPACT AND FEASIBILITY TO SELECT SYSTEM-LEVEL PRIORITIES. THE TOP THREE KEY PRIORITIES IDENTIFIED BY THIS PROCESS WERE:

HEALTHY LIVING

BEHAVIORAL HEALTH

HEALTH CARE ACCESS

THESE THREE OVERARCHING PRIORITIES REFLECT ALL OF THE NEEDS IDENTIFIED SYSTEM-WIDE IN THE CHNAS INCLUDING TRANSPORTATION (REFLECTED UNDER ACCESS TO HEALTH CARE), SUBSTANCE ABUSE (REFLECTED UNDER BEHAVIORAL HEALTH), AND ISSUES RELATED TO AGING (CONSIDERED AS ONE OF SEVERAL VULNERABLE POPULATIONS ADDRESSED).

THE CHNA PROCESS ENABLES EACH HOSPITAL WITHIN MEMORIAL HERMANN TO DEVELOP PROGRAMS AND SERVICES THAT ADVANCE THE HEALTH OF ITS COMMUNITY, BUILDING THE FOUNDATION FOR SYSTEMIC CHANGE ACROSS THE GREATER HOUSTON AREA.

THE RESULTING IMPLEMENTATION STRATEGIES ARE REPORTED ON ANNUALLY. WITH THE END OF YEAR 2 REPORTING, THE 2019 CHNA PROCESS IS UNDERWAY FOR FINALIZATION JUNE, 2019 WITH REVISED IMPLEMENTATION STRATEGIES SET FOR FINALIZATION BY SEPTEMBER 2019.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24 If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility

990 SCHEDULE H PART V SEC B LINE 16A B C

HTTP://WWW.MEMORIALHERMANN.ORG/FINANCIALASSISTANCEPROGRAM/

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? 22

	Name and address	Type of Facility (describe)
1	MH SURGERY CENTER TEXAS MEDICAL CENTER 6400 FANNIN STREET, #1500 HOUSTON TX 77030	AMBULATORY SURGICAL CENTER
2	MH SURGERY CENTER WOODLANDS PARKWAY 1441 WOODSTEAD COURT, #100 THE WOODLANDS TX 77380	AMBULATORY SURGICAL CENTER
3	MH SURGERY CENTER MEMORIAL VILLAGE 1120 BUSINESS CENTER DR., #110 HOUSTON TX 77043	AMBULATORY SURGICAL CENTER
4	MH THE WOODLANDS MEDICAL CTR SURGERY CTR 9200 PINECROFT DRIVE, #200 THE WOODLANDS TX 77380	AMBULATORY SURGICAL CENTER
5	MH SURG CENTER THE WOODLANDS - PINECROFT 9305 PINECROFT DRIVE, STE 200 THE WOODLANDS TX 77380	AMBULATORY SURGICAL CENTER
6	MH SURGERY CENTER CONROE 1501 RIVER POINTE DR., #200 CONROE TX 77304	AMBULATORY SURGICAL CENTER
7	MH SURGERY CENTER SUGAR LAND 17510 W. GRAND PARKWAY, #200 SUGAR LAND TX 77479	AMBULATORY SURGICAL CENTER
8	MH SURGERY CENTER KIRBY GLEN 2457 S BRAESWOOD BLVD HOUSTON TX 77030	AMBULATORY SURGICAL CENTER
9	MH SURGERY CENTER BAY AREA ENDOSCOPY 444 FM 1959, STE B HOUSTON TX 77034	AMBULATORY SURGICAL CENTER
10	MH SURGERY CENTER KINGSLAND 21720 KINGSLAND BLVD., #101 KATY TX 77450	AMBULATORY SURGICAL CENTER

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? _____

	Name and address	Type of Facility (describe)
1	MH SURGERY CENTER GREATER HEIGHTS 1631 NORTH LOOP WEST, #300 HOUSTON TX 77008	AMBULATORY SURGICAL CENTER
2	MH SURGERY CENTER SOUTHWEST 7789 SW FREEWAY, #400 HOUSTON TX 77074	AMBULATORY SURGICAL CENTER
3	UNITED SURGERY CENTER SOUTHEAST 12700 N. FEATHERWOOD, #100 HOUSTON TX 77034	AMBULATORY SURGICAL CENTER
4	PASADENA-DOCTORS OUTPATIENT SURGICENTER 3534 VISTA BLVD. PASADENA TX 77504	AMBULATORY SURGICAL CENTER
5	MH SURGERY CENTER, KATY 23920 KATY FREEWAY, #200 KATY TX 77494	AMBULATORY SURGICAL CENTER
6	MH SURGERY CENTER WEST HOUSTON 970 CAMPBELL ROAD HOUSTON TX 77024	AMBULATORY SURGICAL CENTER
7	MH SURGERY CENTER RICHMOND 1517 THOMPSON ROAD, #100 RICHMOND TX 77469	AMBULATORY SURGICAL CENTER
8	MH ENDOSCOPY & SURGERY CENTER N HOUSTON 275 LANTERN BEND, #400 HOUSTON TX 77090	AMBULATORY SURGICAL CENTER
9	MEMORIAL HERMANN PREVENTION & RECOVERY 3043 GESSNER HOUSTON TX 77080	DRUG & ALCOHOL REHAB
10	MH SURGERY CENTER TEXAS INTL ENDOSCOPY 6620 MAIN ST., #1500 HOUSTON TX 77030	AMBULATORY SURGICAL CENTER

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? _____

	Name and address	Type of Facility (describe)
1	MH ENDOSCOPY CENTER NORTH FREEWAY 7333 N. FREEWAY, #400 HOUSTON TX 77076	AMBULATORY SURGICAL CENTER
2	UNIVERSITY PLACE 7480 BEECHNUT HOUSTON TX 77074	SENIOR LIVING
3		
4		
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

990 SCHEDULE H PART I LINE 6A

COMMUNITY BENEFIT REPORT

MEMORIAL HERMANN HEALTH SYSTEM HAS PRODUCED A COMMUNITY BENEFIT REPORT THAT HIGHLIGHTS ALL SIGNIFICANT COMMUNITY HEALTH IMPROVEMENT EFFORTS. AS A HOSPITAL SYSTEM WITH MULTIPLE FACILITIES IN A MAJOR METROPOLITAN AREA, OUR EFFORTS ARE FOCUSED ON MEETING THE NEEDS OF THE GREATER COMMUNITY VERSUS INDIVIDUAL EFFORTS ASSOCIATED WITH INDIVIDUAL FACILITIES. BY FOCUSING ON FEWER, LARGER ENDEAVORS, THE LONG TERM IMPACT ON THE HOUSTON COMMUNITY'S HEALTH STATUS IS GREATER THAN WOULD BE ON AN INDIVIDUAL BASIS. IN ACCORDANCE WITH TEXAS ADMINISTRATIVE CODE TITLE 25, PART 1, CHAPTER 13, SUBCHAPTER B, RULE 13.17, MEMORIAL HERMANN SUBMITS AN ANNUAL REPORT OF COMMUNITY BENEFITS PLAN TO THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES (TDSHS) ANNUALLY. THE TDSHS REPORT RESIDES ON THE MEMORIAL HERMANN COMMUNITY BENEFITS WEBSITE:

HTTPS://COMMUNITYBENEFIT.MEMORIALHERMANN.ORG/ABOUT-US/

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

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

990 SCHEDULE H PART I LINE 7A-I

FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST LINE

7A - FINANCIAL ASSISTANCE AT COST IS CALCULATED AS CHARITY CHARGES TIMES CCR PER WORKSHEET 2. LINE 7B - MEDICAID IS CALCULATED AS MEDICAID CHARGES TIMES CCR PER WORKSHEET 2. LINE 7C- COSTS OF OTHER MEANS-TESTED GOVERNMENT PROGRAMS IS CALCULATED AS LOW INCOME GOVERNMENT CHARGES TIMES CCR PER WORKSHEET 2. LINE 7E - COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS IS DOLLARS SPENT WITH OTHER COMMUNITY PROVIDERS TO IMPROVE THE HEALTH OF THE COMMUNITY. LINE 7F- HEALTH PROFESSIONS EDUCATION IS OUT PATIENT PHYSICIAN/PARAMEDICAL TEACHING EXPENSES AND REVENUES AS REPORTED PER THE MEDICARE COST REPORT. LINE 7G- SUBSIDIZED HEALTH SERVICES INCLUDES THE END STAGE RENAL DISEASE PROGRAM, AND THE OBSTETRICS AND DELIVERY PROGRAM. THE LOSSES CALCULATED ARE FROM THE COST ACCOUNTING SYSTEM. THESE LOSSES EXCLUDE MEDICAID AND OTHER INDIGENT PROGRAMS BUT INCLUDES, ALL OTHER SERVICES: IP, OP, ER, PRIVATE INSURANCE, MEDICARE, THE UNINSURED, ETC. LINE 7H- RESEARCH IS RESEARCH DOLLARS SERVING THE COMMUNITY. THE AMOUNT COMES DIRECTLY FROM THE

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

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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

MEDICARE COST REPORT. LINE 7I - CASH AND IN-KIND CONTRIBUTIONS FOR COMMUNITY BENEFIT IS COMMUNITY PROGRAMS NOT REPORTED ELSEWHERE, ALONG WITH SPONSORSHIPS OF OTHER ORGANIZATIONS.

990 SCHEDULE H PART II LINE 7

COMMUNITY BUILDING ACTIVITIES

MEMORIAL HERMANN PROVIDED $2,195,766 IN PROGRAMS TO THE COMMUNITY FOR HEALTH EDUCATION AND PREVENTION FOR DISEASES AND CHRONIC CONDITIONS, SUPPORT GROUPS, NUTRITION AND FITNESS CLASSES, SCREENINGS FOR DISEASE, EDUCATION FOR CURRENT AND FUTURE HEALTH PROFESSIONALS, AND COMMUNITY EVENTS THAT PROMOTE AWARENESS OF HEALTH ISSUES TO THE PUBLIC.

990 SCHEDULE H PART III SEC A LINE 2

BAD DEBT METHODOLOGY

UNPAID ACCOUNTS ARE WRITTEN OFF AS BAD DEBTS UPON REACHING DELINQUENT STATUS. CHARITY CARE ACCOUNTS ARE WRITTEN OFF AS IDENTIFIED OR QUALIFIED

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

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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

UNDER THE SYSTEM'S CHARITY CARE POLICY. BAD DEBT COST REPORTED ON LINE

2, IS BASED ON BAD DEBT CHARGES WRITTEN OFF DURING THE REPORTING PERIOD,

LESS ANY BAD DEBT RECOVERIES IN THE PERIOD. NET AMOUNT WAS EXTENDED BY

RCC. (FROM WKS 2- LINE 11 TO IMPUTE COST.)

990 SCHEDULE H PART III SEC A LINE 3

THE HOSPITAL FACILITY REVIEWS RECORDS FROM PRIOR YEARS' ACCOUNTS

RECEIVABLE BALANCES TO DETERMINE WHICH ACCOUNTS WRITTEN OFF AS BAD DEBT

ARE ULTIMATELY DETERMINED TO BE CHARITY CARE. A TWO YEAR LOOK BACK

BLENDED AVERAGE IS THUS CALCULATED AND THEN APPLIED TO THE CURRENT

PERIOD'S ACCOUNT BALANCE TO ESTIMATE THE CURRENT PERIOD BAD DEBT

ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL

ASSISTANCE PROGRAM.

990 SCHEDULE H PART III SEC A LINE 4

BAD DEBT FOOTNOTE

PATIENT ACCOUNTS RECEIVABLE ARE REPORTED NET OF ESTIMATED ALLOWANCES FOR

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

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CONTRACTUAL ALLOWANCES, BAD DEBT, AND OTHER DISCOUNTS. THE HEALTH SYSTEM'S RECORDED ALLOWANCES FOR BAD DEBT ARE BASED ON EXPECTED NET COLLECTIONS, AFTER CONTRACTUAL ADJUSTMENTS, PRIMARILY FROM PATIENTS. MANAGEMENT ROUTINELY ASSESSES THESE RECORDED ALLOWANCES RELATIVE TO CHANGES IN PAYOR MIX, CASH COLLECTIONS, WRITE-OFFS, RECOVERIES, AND MARKET CONDITIONS. UNPAID ACCOUNTS ARE WRITTEN OFF AS BAD DEBTS UPON REACHING DELINQUENT STATUS. CHARITY CARE ACCOUNTS ARE WRITTEN OFF AS IDENTIFIED OR QUALIFIED UNDER THE HEALTH SYSTEM'S CHARITY CARE POLICY. THE HEALTH SYSTEM'S CONCENTRATION OF CREDIT RISK WITH RESPECT TO PATIENT ACCOUNTS RECEIVABLE IS LIMITED DUE TO THE DIVERSITY OF PATIENTS AND PAYORS. AT JUNE 30, 2018 AND 2017, THE ALLOWANCE FOR BAD DEBT WAS $561,415,000 AND $702,890,000 RESPECTIVELY. NOTED ON PAGE 10 IN AUDITED FINANCIALS.

990 SCHEDULE H PART III SEC B LINE 8

SHORTFALL TREATED AS COMMUNITY BENEFIT

WHILE MEMORIAL HERMANN IS NOT A PROPONENT OF CAPTURING MEDICARE SHORTFALL

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

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

AS A COMMUNITY BENEFIT, MHHS DOES SERVE THE SENIOR POPULATION AS A PART OF THEIR MISSION TO IMPROVE THE HEALTH OF THE GREATER HOUSTON AREA. 12% OF MHHS INPATIENT MEDICARE DAYS ARE FROM SSI INDIVIDUALS. BECAUSE SSI REPRESENTS THE LOW INCOME SENIORS, 12% OF THIS NUMBER COULD REASONABLY BE CONSIDERED THE PORTION OF LOW INCOME SENIORS MHHS IS SERVING.

990 SCHEDULE H PART III SEC C LINE 9B

COLLECTION POLICY

IF THERE IS NO COVERAGE BY A THIRD PARTY AND THE RESPONSIBLE PARTY CANNOT PAY ANY OR PART OF THE BALANCE DUE OR MAKE ACCEPTABLE FINANCIAL ARRANGEMENTS, ASSISTANCE IS PROVIDED TO THE RESPONSIBLE PARTY TO COMPLETE FINANCIAL ASSISTANCE APPLICATION FORMS, INCLUDING APPLICATION FOR MEDICAID, CRIME VICTIMS COMPENSATION, HARRIS COUNTY HOSPITAL DISTRICT OR COUNTY INDIGENT PROGRAMS WHERE APPROPRIATE. IF THE PATIENT MEETS PREDETERMINED FINANCIAL CRITERIA, ASSISTANCE IS PROVIDED TO THE RESPONSIBLE PARTY TO COMPLETE THE CHARITY APPLICATION FOR A FULL OR PARTIAL CHARITY CARE WRITE-OFF.

Part VI Supplemental Information

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990 SCHEDULE H PART VI LINE 2

NEEDS ASSESSMENT.

IMPROVING THE HEALTH OF A COMMUNITY IS ESSENTIAL TO ENHANCING THE QUALITY OF LIFE FOR RESIDENTS IN THE REGION AND SUPPORTING FUTURE SOCIAL AND ECONOMIC WELL-BEING. IN 2013, AND AGAIN IN 2016, MEMORIAL HERMANN HEALTH SYSTEM (MHHS) ENGAGED IN A COMMUNITY HEALTH PLANNING PROCESS THAT WAS TWO-FOLD: (1) A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) TO IDENTIFY THE HEALTH-RELATED NEEDS AND STRENGTHS OF THE COMMUNITY AND (2) A STRATEGIC IMPLEMENTATION PLAN (SIP) TO IDENTIFY MAJOR HEALTH PRIORITIES, DEVELOP GOALS, AND SELECT STRATEGIES AND IDENTIFY PARTNERS TO ADDRESS THESE PRIORITY ISSUES ACROSS THE COMMUNITY.

THE CHNA WAS GUIDED BY A PARTICIPATORY, COLLABORATIVE APPROACH, WHICH EXAMINED HEALTH IN ITS BROADEST SENSE. THIS PROCESS INCLUDED INTEGRATING EXISTING SECONDARY DATA ON SOCIAL, ECONOMIC, AND HEALTH ISSUES IN THE REGION WITH QUALITATIVE INFORMATION FROM FOCUS GROUPS WITH COMMUNITY RESIDENTS AND SERVICE PROVIDERS AND INTERVIEWS WITH COMMUNITY STAKEHOLDERS.

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KEY THEMES AND CONCLUSIONS INCLUDE:

THE SERVICE AREAS OF THE THIRTEEN LICENSED FACILITIES ARE UNIQUE IN TERMS OF DEMOGRAPHICS AND POPULATION HEALTH NEEDS BUT EACH ALSO HAS A STRONG SET OF ASSETS ON WHICH TO BUILD. NOTE THAT SUBSEQUENT TO THE CONDUCTING THE CHNA, TWO ADDITIONAL LICENSED FACILITIES WERE ACQUIRED, SO THAT AS OF THE END OF THE TAX YEAR, THERE ARE FIFTEEN LICENSED FACILITIES. A CHNA IS CURRENTLY BEING CONDUCTED FOR THE TWO ACQUISITIONS, AND WILL BE COMPLETE BY THE END OF THE SECOND YEAR FROM THE DATE OF THE ACQUISITION. EACH HAS A DIVERSE POPULATION IN TERMS OF AGE, AFFLUENCE, RACE, ETHNICITY, LANGUAGE, AND HEALTH NEEDS. WHILE HARRIS COUNTY AND HOUSTON EXPERIENCE MORE CHALLENGES IN TERMS OF POPULATION HEALTH THAN THEIR MORE SUBURBAN AND RURAL NEIGHBORS IN THE REGION, IT ALSO HAS MORE ACCESSIBLE SOCIAL AND HEALTH RESOURCES AND BETTER PUBLIC TRANSPORTATION FOR ITS RESIDENTS.

THE INCREASE IN POPULATION OVER THE PAST FIVE YEARS HAS PLACED A TREMENDOUS BURDEN ON EXISTING PUBLIC HEALTH, SOCIAL, AND HEALTH CARE

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INFRASTRUCTURE, A TREND THAT PLACES BARRIERS TO PURSUING A HEALTHY LIFESTYLE AMONG RESIDENTS. INFRASTRUCTURE THAT DOES NOT KEEP UP WITH DEMAND LEADS TO UNMET NEED AND SUSTAINS UNHEALTHY HABITS IN THE COMMUNITY. COMMUNITIES WITHOUT EASY ACCESS TO HEALTHY FOODS, SAFE ROADS, AFFORDABLE HOUSING, FEWER SIDEWALKS, AND MORE VIOLENCE ARE AT A DISADVANTAGE IN THE PURSUIT OF HEALTHY LIVING.

ALTHOUGH THERE IS ECONOMIC OPPORTUNITY FOR MANY RESIDENTS, THERE ARE POCKETS OF POVERTY AND SOME RESIDENTS FACE ECONOMIC CHALLENGES WHICH CAN AFFECT HEALTH. SENIORS AND MEMBERS OF LOW-INCOME COMMUNITIES FACE CHALLENGES IN ACCESSING CARE AND RESOURCES COMPARED TO THEIR YOUNGER AND HIGHER INCOME NEIGHBORS. STRATEGIES SUCH AS COMMUNITY HEALTH WORKERS MAY INCREASE RESIDENTS' ABILITY TO NAVIGATE AN INCREASINGLY COMPLEX HEALTH CARE AND PUBLIC HEALTH SYSTEM.

OBESITY AND CONCERNS RELATED TO MAINTAINING A HEALTHY LIFESTYLE EMERGED AS CHALLENGES FOR THE REGION. BARRIERS RANGED FROM INDIVIDUAL CHALLENGES OF LACK OF TIME TO CULTURAL ISSUES INVOLVING CULTURAL NORMS TO STRUCTURAL

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CHALLENGES SUCH AS LIVING IN A FOOD DESERT OR HAVING LIMITED ACCESS TO SIDEWALKS, RECREATIONAL FACILITIES, OR AFFORDABLE FRUITS AND VEGETABLES.

BEHAVIORAL HEALTH WAS IDENTIFIED AS A KEY CONCERN AMONG RESIDENTS. STAKEHOLDERS HIGHLIGHTED SIGNIFICANT UNMET NEEDS FOR MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES. KEY INFORMANTS PARTICULARLY DREW ATTENTION TO THE BURDEN OF MENTAL ILLNESS ON THE INCARCERATED POPULATION.

TRANSPORTATION TO HEALTH SERVICES WAS IDENTIFIED AS A SUSBSTANTIAL CONCERN, ESPECIALLY FOR SENIORS AND LOWER INCOME RESIDENTS, AS ACCESS TO PUBLIC TRANSPORTATION MAY BE LIMITED IN SOME AREAS.

BASED ON RELEVANCE, APPROPRIATENESS, IMPACT AND FEASIBILITY THE THREE OVERARCHING PRIORITIES SELECTED AND APPROVED BY THE MEMORIAL HERMANN HEALTH SYSTEM BOARD IN JUNE 2016 WERE:

HEALTH CARE ACCESS, INCLUDING TRANSPORTATION

HEALTHY LIVING, INCLUDING CHRONIC DISEASE MANAGEMENT

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BEHAVIORAL HEALTH, INCLUDING SUBSTANCE ABUSE AND MENTAL HEALTH

FOLLOWING THE COMMUNITY NEEDS ASSESSMENT, EACH MEMORIAL HERMANN HOSPITAL ALONG WITH THE SUPPORT OF MEMORIAL HERMANN COMMUNITY BENEFIT DEPARTMENT DEVELOPED AN IMPLEMENTATION PLAN WITH SUPPORTING OBJECTIVES, AND IMPLEMENTATION ACTIVITIES AND METRICS. ALL DOCUMENTS RESIDE ON EACH HOSPITAL'S WEBSITE. IMPLEMENTATION PLANS ARE MONITORED QUARTERLY AND UPDATED ANNUALLY.

NUMEROUS COMMUNITY ANALYSES ARE CONDUCTED AND SUPPORT NOT ONLY THIS MEMORIAL HERMANN DRIVEN PROCESS BUT ONGOING THOUGHT AND PLANNING EFFORTS. THIS INCLUDES QUALITY OF LIFE ASSESSMENTS CONDUCTED IN TWO COMMUNITIES IN WHICH WE HAVE ONGOING COLLABORATIVE WORK UNDERWAY (NEAR NORTHSIDE AND NORTHLINE); THE COMMUNITY PLAN ON IMPROVING MATERNAL HEALTH SPONSORED BY THE HOUSTON ENDOWMENT; THE STATE OF HEALTH OF HOUSTON/HARRIS COUNTY; THE CLINTON HEALTH MATTERS INITIATIVE; MIGRATION POLICY INSTITUTE'S A PROFILE OF IMMIGRANTS IN HOUSON, THE NATION'S MOST DIVERSE METROPOLITAN AREA; ORAL HEALTH IN TEXAS, BRIDGING GAPS AND FILLING NEEDS SPONSORED BY TEXAS

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HEALTH INSTITUTE; HARRIS COUNTY MENTAL HEALTH SERVICES FOR CHILDREN, YOUTH, AND FAMILIES: 2017 SYSTEM ASSESSMENT SPONSORED BY THE HOUSTON ENDOWMENT; AND DATA FROM SELECT COLLABORATIVES INCLUDING YMCA CHILDHOOD OBESITY TASK FORCE, CITIES CHANGING DIABETES, AND HEALTHY LIVING MATTERS, AMONGST OTHERS.

990 SCHEDULE H PART VI LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE. ALL MEMORIAL HERMANN ACUTE CARE FACILITIES AND REHAB FACILITIES HAVE THIRD PARTY QUALIFICATION VENDORS ON-SITE OR TRAINED FINANCIAL COUNSELORS. ONCE SOMEONE REQUESTS OR A FINANCIAL COUNSELOR HAS DETERMINED THROUGH INTERACTION WITH THE PATIENT AND/OR GUARANTOR THAT THE PATIENT CANNOT PAY FOR SERVICES, THE FINANCIAL COUNSELORS WILL EITHER PERFORM THE SCREENING OR THE PATIENT/GUARANTOR IS REFERRED TO THE ELIGIBILITY VENDOR ON-SITE TO SCREEN FOR ANY FEDERAL/STATE/LOCAL GOVERNMENT PROGRAM WHICH MAY COVER THEIR SERVICES. THESE VENDORS ACT AS AGENTS FOR THE PATIENT/GUARANTOR AND MAY AT TIMES GO TO HEARINGS FOR MEDICAID OR DISABILITY AS A LEGAL REPRESENTATIVE OF THE PATIENT. ALSO, ALL OUR ENTITIES, INCLUDING SERVICE LINES, HAVE POSTED

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NOTICES OF A PATIENT'S RIGHT TO REQUEST CHARITY. OUR STATEMENTS THAT ARE SENT TO PATIENTS HAVE DOCUMENTATION ON THE BACK INFORMING THE PATIENT OF MEMORIAL HERMANN'S CHARITY POLICY AND THEIR RIGHT TO REQUEST SUCH, (IN ENGLISH AND SPANISH). ACCOUNTS ARE REFERRED TO BE PROCESSED EITHER ON A REAL TIME BASIS BY THE HOSPITAL STAFF WHILE THE PATIENT IS STILL IN THE HOSPITAL OR BY ELECTRONIC REFERRAL VIA DATA DOWNLOAD WHICH OCCUR WEEKLY AND AFTER THE PATIENT HAS BEEN DISCHARGED. THE GOAL IS TO MAKE CONTACT WITH THE PATIENT FOR FINANCIAL SCREENING TO DETERMINE ELIGIBILITY FOR GOVERNMENTAL ASSISTANCE AS SOON AS POSSIBLE. TIRR MEMORIAL HERMANN HAS EMBEDDED CASE MANAGERS AND SOCIAL WORKERS IN THE HOSPITAL-BASED PHYSICIAN CLINIC TO HELP PATIENTS WITH THEIR DOCTORS AND NEEDS. TIRR MEMORIAL HERMANN INPATIENTS AND OUTPATIENTS REQUIRE A GREAT DEAL OF ASSISTANCE WITH A WIDE RANGE OF RESOURCES, AND CASE MANAGEMENT PLAYS A SIGNIFICANT ROLE IN PROVIDING SUPPORTIVE SERVICES TO EACH PATIENT. SOCIAL WORKERS PROVIDE NOT ONLY CASE MANAGEMENT, BUT BEHAVIORAL COUNSELING AS WELL. IF NEEDED, SOCIAL WORKERS CAN REFER PATIENTS TO TIRR MEMORIAL HERMANN'S PSYCHIATRIST. COUNSELING SERVICES ARE AVAILABLE TO FAMILIES AS WELL AS TO PATIENTS. ASSISTANCE FOR MEMORIAL HERMANN ER PATIENTS TO TAKE ADVANTAGE

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OF COMMUNITY RESOURCES FOR PRIMARY CARE OUTSIDE THE EMERGENCY ROOMS ARE THROUGH MEMORIAL HERMANN'S NAVIGATION SERVICES. IN 2008, MEMORIAL HERMANN LAUNCHED THE ER NAVIGATION PROGRAM. THE ER NAVIGATION PROGRAM PLACES COMMUNITY HEALTH WORKERS (CHWS) OR "NAVIGATORS" ON-SITE IN SEVEN MEMORIAL HERMANN'S EMERGENCY ROOMS TO EDUCATE PATIENTS ON THE IMPORTANCE OF IDENTIFYING AND USING A CONSISTENT HEALTH HOME RATHER THAN RELYING ON EMERGENCY ROOMS FOR THEIR PRIMARY CARE. PATIENTS ELIGIBLE FOR THE PROGRAM ARE 18 MONTHS TO AGE 65 WHO HAVE ACCESSED THE ER FOR PRIMARY CARE RELATED CONDITIONS AND ARE UNINSURED OR ON MEDICAID. THEY PROVIDE PATIENTS WITH CLINIC REFERRALS, MAKE APPOINTMENTS, ARRANGE TRANSPORTATION, SHARE INFORMATION AND REFERRALS TO COMMUNITY AND SAFETY NET PROGRAMS, EDUCATE ABOUT QUALIFYING FOR AND USING PUBLIC BENEFITS AND OTHER PAYMENT RESOURCES, SERVE AS A LIAISON BETWEEN THE PATIENT AND PROVIDERS AND TACKLE OTHER CHALLENGES TO APPROPRIATE CARE. CHWS STRESS THE IMPORTANCE OF HAVING A HEALTH HOME AND PROVIDE SUPPORT AND GUIDANCE IN MAKING AND KEEPING FUTURE HEALTH APPOINTMENTS. WHILE NAVIGATORS INITIALLY MEET WITH PATIENTS DURING THE ER VISIT, MUCH OF THEIR WORK IS IN FOLLOW-UP, ENSURING THAT A CLINIC APPOINTMENT WAS MADE, WAS SUCCESSFUL AND ASSISTING

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WITH THE PAPERWORK REQUIRED FOR QUALIFICATION FOR MEDICAID, CHIP OR COUNTY INDIGENT PROGRAMS. SIMILAR SUPPORT IS THROUGH THE COPE (COMMUNITY OUTREACH FOR PERSONAL EMPOWERMENT) PROGRAM WHICH PROVIDES EMPOWERING SERVICES FOR UNINSURED PATIENTS TO IMPROVE THEIR HEALTH AND WELL BEING THROUGH EDUCATION ABOUT AND COORDINATION WITH COMMUNITY HEALTH SERVICES. COPE TARGETS PATIENTS WHO ARE AT THE HIGHEST RATE OF DECLINING HEALTH AND RECIDIVISM. ENROLLING THESE POPULATIONS INTO PUBLIC BENEFITS THROUGH ALL OF THESE VENUES AUTOMATICALLY INCREASES THEIR LIKELIHOOD OF OBTAINING REGULAR PRIMARY AND PREVENTATIVE CARE; THE KIND OF CARE THAT ENSURES HEALTH AND THE POTENTIAL FOR A PROSPEROUS FUTURE WHILE CONCURRENTLY ELIMINATING THE COST BURDEN PRESENTLY EXPERIENCED BY SAFETY-NET PROVIDERS.

990 SCHEDULE H PART VI LINE 4

COMMUNITY INFORMATION.

MEMORIAL HERMANN SERVES "GREATER HOUSTON", A MULTI-COUNTY AREA ALONG THE GULF COAST IN SOUTHEAST TEXAS WHERE SEVERAL COUNTIES ARE WITHOUT HOSPITAL DISTRICT SERVICES. AT 6.7 MILLION PEOPLE THE HOUSTON- THE WOODLANDS-

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SUGAR LAND METROPOLITAN STATISTICAL AREA (MSA) IS THE 5TH LARGEST MSA IN THE UNITED STATES, AND WITH THE ADDITION OF NEARLY 2.5 MILLION RESIDENTS SINCE 2000, IT IS THE FASTEST GROWING METROPOLITAN SERVICE AREA. THIS GROWTH HAS STRAINED HEALTH AND SOCIAL INFRASTRUCTURE, WITH SOME COMMUNITIES LACKING EASY ACCESS TO HEALTHY FOODS, SAFE ROADS, AFFORDABLE HOUSING AND ADEQUATE SIDEWALKS.

A SOURCE OF STRENGTH IN A GLOBAL ECONOMY, HOUSTON PRIZES ITS RACIAL AND ETHNIC DIVERSITY. ACCORDING TO THE U.S. CENSUS' ACS FIVE YEAR ESTIMATES, HOUSTON'S HARRIS COUNTY, THE METROPOLITAN AREA'S DOMINANT COUNTY, IS 30.6% WHITE, 42.2% HISPANIC, 18.5% BLACK OR AFRICAN AMERICAN, 7.1% ASIAN/PACIFIC ISLANDER AND 1.6% OTHER. ROUGHLY FORTY-NINE PERCENT OF HOUSTON RESIDENTS SPEAK LANGUAGES OTHER THAN ENGLISH AT HOME.

27% OF THE TOTAL POPULATION ARE MINORS AND 10% ARE OVER 65 YEARS OF AGE, RESULTING IN A POTENTIAL WORKFORCE (18-64 YEARS) OF APPROXIMATELY 4.2 MILLION INDIVIDUALS. DESPITE THIS POSSIBILITY FOR ECONOMIC SUCCESS, THERE ARE POCKETS OF POVERTY THROUGHOUT THE AREA AND SOME RESIDENTS FACE TOUGH

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ECONOMIC CHALLENGES WHICH CAN AFFECT THEIR HEALTH AND THE HEALTH OF THEIR FAMILY. 15% OF ALL RESIDENTS FALL AT OR BELOW THE 2018 FEDERAL POVERTY THRESHOLD. PROPELLED BY HOUSTON'S FAST GROWING IMMIGRANT POPULATION, YOUNG ADULT POPULATION, AND HIGH PERCENTAGE OF PART-TIME WORKERS, 17.9% OF HOUSTONIANS LACK HEALTH INSURANCE OF ANY KIND.

NEARLY ONE IN FOUR RESIDENTS ARE FOREIGN BORN, CONTRIBUTING TO A WIDE VARIETY OF CULTURES AND ETHNICITIES PRESENT IN THE REGION. IMMIGRATION IS A MAJOR PART OF THE IDENTITY OF THE CITY OF HOUSTON AND THE GREATER HOUSTON METROPOLITAN AREA. BETWEEN 2000 AND 2017 HOUSTON'S IMMIGRANT POPULATION GREW BY 23% - THE HIGHEST RATE AMONG THE LARGEST U.S. CITIES. ADDITIONALLY, HARRIS COUNTY HAS ONE OF THE LARGEST REFUGEE POPULATIONS IN THE U.S.

18% OF CHIILDREN AND 26.3% OF THE TOTAL HARRIS COUNTY POPULATION ARE FOOD INSECURE. COUPLED WITH THIS IS THE RISING RATE OF OBESITY AS THE SINGLE BIGGEST THREAT TO THE GREATER HOUSTON AREA-MORE THAN ONE IN FOUR GREATER HOUSTON RESIDENTS ARE OBESE. OBESITY AND CONCERNS RELATED TO MAINTAINING

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A HEALTHY LIFESTYLE ARE CHALLENGES WITH RESIDENTS FACING BARRIERS, RANGING FROM A LACK OF TIME TO CULTURAL ISSUES INVOLVING CULTURAL NORMS TO STRUCTURAL CHALLENGES SUCH AS LIVING IN A FOOD DESERT OR HAVING LIMITED ACCESS TO SIDEWALKS, RECREATIONAL FACILITIES, OR AFFORDABLE FRUITS AND VEGETABLES. HEALTH EDUCATION, PREVENTION, AND INCREASED ACCESS TO HEALTHCARE ARE VITAL TO IMPROVING THE OVERALL HEALTH OF RESIDENTS WHOSE LEADING CAUSES OF HEALTH ISSUES ARE MENTAL HEALTH PROBLEMS, DIABETES, OBESITY (ADULT), OBESITY (CHILDREN), SUBSTANCE ABUSE, HEART DISEASE/STROKE, CANCER AND HIGH BLOOD PRESSURE. THE MOST PREVALENT CHRONIC DISEASES ARE DIABETES, OBESITY, HIGH BLOOD PRESSURE, CANCER, HEART FAILURE AND ASTHMA. WITH 20% OF THE HOUSTON AREA POPULATION SELF-REPORTING FIVE OR MORE POOR MENTAL HEALTH DAYS, THE NEED FOR INCREASED ACCESS TO BEHAVIORAL HEALTH CARE IS SIGNIFICANT.

SO VITAL TO THE WELL-BEING OF INDIVIDUALS AND FAMILIES, THE HOUSTON AREA'S UNEMPLOYMENT RATE IS RELATIVELY LOW AT 3.8% AND THE HOUSTON AREA ENJOYS A LOW COST OF LIVING. HOUSTON IS TRULY A GLOBAL CITY AND RECOGNIZED IN MANY SECTORS INTERNATIONALLY, INCLUDING: AEROSPACE AND

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AVIATION, BIOTECHNOLOGY, ENERGY, HEALTHCARE, MANUFACTURING, AND OIL AND GAS. WITH MEMORIAL HERMANN AS THE SECOND LARGEST EMPLOYER AT 27,000 EMPLOYEES, OTHERS INCLUDE H-E-B (TEXAS-BASED GROCERY CHAIN (23,732)), HOUSTON METHODIST (20,000), MCDONALD'S (20,918), UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (21,086), AND WALMART (37,000), SEVERAL OF WHICH ARE COLLABORATORS WITH MEMORIAL HERMANN ON COMMUNITY IMPROVEMENT EFFORTS. REDUCING POVERTY AND STRENGTHENING EXISTING GRADUATION RATES (CURRENTLY 77% FOR HOUSTON HIGH SCHOOLERS; 30.5% OF THE HARRIS COUNTY POPULATION, AGE 25+, HAS A COLLEGE DEGREE) IS PARAMOUNT TO SUPPORTING THESE ORGANIZATIONS' CONTINUED STRENGTH AND PROSPERITY.

990 SCHEDULE H PART VI LINE 5

PROMOTION OF COMMUNITY HEALTH.

MEMORIAL HERMANN HEALTH SYSTEM WORKS WITH OTHER HEALTHCARE PROVIDERS, GOVERNMENT AGENCIES, BUSINESS LEADERS AND COMMUNITY STAKEHOLDERS TO ENSURE THAT ALL RESIDENTS OF THE GREATER HOUSTON AREA HAVE ACCESS TO THE CARE AND SERVICES THEY NEED TO IMPROVE THEIR QUALITY OF LIFE AND THE OVERALL HEALTH OF THE COMMUNITY. PROGRAMS ARE DESIGNED TO PROVIDE CARE

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FOR UNINSURED AND UNDERINSURED CHILDREN; TO REACH THOSE HOUSTONIANS NEEDING LOW COST CARE; TO SUPPORT THE EXISTING INFRASTRUCTURE OF NON-PROFIT CLINICS AND FQHCS; TO EDUCATE INDIVIDUALS AND THEIR FAMILIES ON HOW TO ACCESS THE HEALTHCARE AVAILABLE TO THEM; AND TO PROMOTE A CULTURE OF HEALTH THROUGH HEALTH INITIATIVES DESIGNED TO REDUCE OBESITY AND INCREASE ACCESS TO HEALTHY FOOD, INCREASE PHYSICAL ACTIVITY, IMPROVE HEALTH AND REDUCE CHRONIC CONDITIONS. HEALTH EDUCATION, HEALTHY FOODS, SAFE PLACES TO EXERCISE, AND ACCESS TO HEALTH AND BEHAVIORAL HEALTH SERVICES ARE VITAL TO IMPROVING THE OVERALL HEALTH OF RESIDENTS SINCE LACK OF THESE EFFORTS CONTRIBUTES TO THE ESCALATING CHRONIC DISEASE EPIDEMIC. THUS TO SUPPORT AND ENGAGE OUR COMMUNITY OUR FOUNDATION FOR OUR WORK RESTS ON FOUR PILLARS--FOCUSING ON IMPROVING ACCESS THROUGH PROGRAMMING, EDUCATION AND SOCIAL SERVICE SUPPORT; PROMOTING THE IMPORTANCE OF A HEALTHY DIET THROUGH SCREENING AND CREATING ACCESS TO NUTRITIOUS FOODS; FOSTERING IMPROVED HEALTH THROUGH EXERCISE WITH CULTURALLY APPROPRIATE ACTIVITIES; AND, ADDRESSING EMOTIONAL WELL-BEING THROUGH INNOVATIVE ACCESS POINTS. COMMITTED TO MAKING THE GREATER HOUSTON AREA A HEALTHIER AND MORE VITAL PLACE TO LIVE, AND SPANNING THESE FOUR

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INTERCONNECTING PILLARS, MEMORIAL HERMANN SUPPORTS THE FOLLOWING INITIATIVES: TEN MEMORIAL HERMANN HEALTH CENTERS FOR SCHOOLS, ESTABLISHED IN 1996, OFFER ACCESS TO PRIMARY MEDICAL AND MENTAL HEALTH SERVICES TO UNDERSERVED CHILDREN AT 72 SCHOOLS IN THE GREATER HOUSTON AREA. THE MEMORIAL HERMANN MOBILE DENTAL CLINIC, ESTABLISHED IN 2000, HAS THREE DENTAL VANS AND PROVIDES ACCESS TO PREVENTATIVE AND RESTORATIVE DENTAL SERVICES AT NINE HEALTH CENTERS FOR SCHOOLS' SITES AND IS ACCESSIBLE AS A "DENTAL HOME" FOR UNINSURED STUDENTS. SERVING THE COMMUNITY SINCE 2008, THE MEMORIAL HERMANN ER NAVIGATION PROGRAM PLACES CERTIFIED COMMUNITY HEALTH WORKERS WHO HAVE THE TRAINING, CULTURAL UNDERSTANDING AND LINGUISTIC CAPACITY TO HELP THE UNINSURED, WHO DISPROPORTIONATELY USE EMERGENCY ROOMS FOR HEALTHCARE, 'NAVIGATE' THE COMPLEX HEALTH SYSTEM, OBTAIN A MEDICAL HOME, SCHEDULE APPOINTMENTS, SECURE NEEDED SOCIAL SERVICES AND COPE WITH FUTURE HEALTHCARE CONCERNS. IN 2017, THE PROGRAM REVITALIZED THE PREVIOUS COPE (COMMUNITY OUTREACH FOR PERSONAL EMPOWERMENT), PROVIDING HEALTH LITERACY OUTREACH, HEALTH CARE AND DISEASE PREVENTION WORKSHOPS AND HEALTH PROMOTION. MEMORIAL HERMANN NEIGHBORHOOD HEALTH CENTERS ARE STRATEGICALLY LOCATED NEAR TWO OF HOUSTON'S BUSIEST

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ERS, ARE OPEN EXTENDED HOURS AND SERVE AS A MEDICAL HOME TO UNINSURED AND UNDERINSURED WORKING FAMILIES. THE GOAL IS TO PROVIDE THIS POPULATION WITH THE PROVISION OF PREVENTIVE, ACUTE, AND CHRONIC CARE. MEMORIAL HERMANN MEDICAL MISSIONS (MHMM) EXISTS TO FINANCE, FACILITATE, AND ENCOURAGE PHYSICIAN LED TEAMS INTO THIRD WORLD COUNTRIES. MHMS PROVIDES SUPPLIES, PHARMACEUTICALS, AND SCHOLARSHIPS ARE PROVIDED FOR NON-PHYSICIAN TEAM MEMBERS. MHMM.FACILITATES BY LINKING PHYSICIANS AND SUPPORT TEAMS TOGETHER; ADVISING ON PASSPORTS, VACCINATIONS, AIR TRAVEL; AND COORDINATING NECESSARY SUPPLIES. MHMM ENCOURAGES BY SHARING THE KNOWLEDGE OF PAST EXPERIENCES; COMMUNICATING WHAT A MEDICAL MISSION MEANS TO A POVERTY OR DISASTER STRICKEN AREA; AND COACHING ON SAFETY PRACTICES SO THAT PARTICIPANTS FEEL COMFORTABLE IN THEIR NEW SURROUNDINGS. SEVERAL NEW MEMORIAL HERMANN INITIATIVES ARE DEFINED AND FUNDED BY THE STATE OF TEXAS' MEDICAID 1115 WAIVER - TEXAS HEALTH CARE TRANSFORMATION AND QUALITY IMPROVEMENT PROGRAM COLLABORATIVE. THE PSYCHIATRIC RESPONSE CASE MANAGEMENT PROGRAM WAS INTRODUCED TO ADDRESS THE GAP IN THE MENTAL AND BEHAVIORAL CARE SERVICES BY CONNECTING PATIENTS TO OUTPATIENT TREATMENT AND OTHER COMMUNITY RESOURCES. THE INITIATIVE WAS DESIGNED TO PROVIDE

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INTENSIVE, COMMUNITY-BASED CASE MANAGEMENT SERVICES FOR THOSE WITH BEHAVIORAL HEALTH DIAGNOSIS AND A HISTORY OF MULTIPLE HOSPITALIZATIONS. UNDER THIS PROGRAM, PATIENTS ARE ACTIVELY ENGAGED IN THE DEVELOPMENT OF THEIR OWN MENTAL HEALTH CARE PLAN AND LONG-TERM RECOVERY GOALS WITH THE ULTIMATE OBJECTIVE OF IMPROVED PATIENT WELLNESS AND GOAL ACHIEVEMENT. THE CASE MANAGEMENT PROGRAM WORKS CLOSELY WITH MEMORIAL HERMANN'S PSYCHIATRIC RESPONSE TEAM, IN WHICH MENTAL HEALTH CLINICIANS EVALUATE, STABILIZE, ARRANGE FOR TRANSFERS AND DEVELOP AFTERCARE PLANS FOR PATIENTS IN EMERGENCY ROOM AND MEDICAL INPATIENT SETTINGS. THE PSYCHIATRIC RESPONSE TEAM REFERS PATIENTS TO MORE THAN 200 MENTAL HEALTH COMMUNITY TREATMENT PROVIDERS WITHIN HARRIS, FORT BEND AND MONTGOMERY COUNTIES. THIS LARGE REFERRAL NETWORK ALLOWS THE PROGRAM TO LEVERAGE THE PATIENTS WITH INSURANCE TO OBTAIN CARE FOR THOSE WITHOUT. THIS NETWORK ALSO ELIMINATES A SINGLE FACILITY FROM COMPETING WITH ALL LOCAL EMERGENCY CENTERS FOR LIMITED PSYCHIATRIC RESOURCES. ANOTHER MEMORIAL HERMANN 1115 WAIVER PROGRAM IS THE MENTAL HEALTH CRISIS CLINICS, CREATED IN RESPONSE TO THE SIGNIFICANT GAP IN MENTAL AND BEHAVIORAL HEALTH SERVICES IN HARRIS AND SURROUNDING COUNTIES. MEMORIAL HERMANN CREATED MENTAL HEALTH CRISIS

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CLINICS THAT PROVIDE RAPID ACCESS TO INITIATE PSYCHIATRIC TREATMENT AND OUTPATIENT MULTI-DISCIPLINARY SERVICES FOR PATIENTS WITH NO IMMEDIATE ACCESS TO MENTAL HEALTH CARE. THE GOAL IS TO KEEP INDIVIDUALS HEALTHY AND SAFE, DEVELOP PROCESSES AND INTERVENTIONS TO MANAGE CHALLENGING BEHAVIORS, AND REDUCE IMPROPER HOSPITALIZATION OR POSSIBLE INCARCERATION. THE NURSE HEALTH LINE WAS ESTABLISHED IN 2014 AS A FREE TELEPHONE SERVICE FOR GREATER HOUSTON RESIDENTS WHO ARE EXPERIENCING A HEALTH CONCERN AND ARE UNSURE OF WHAT TO DO OR WHERE TO GO. EXPERIENCED, BILINGUAL NURSES USE THEIR TRAINING AND EXPERTISE TO CONDUCT ASSESSMENTS BY PHONE, AND ARE AVAILABLE TO ANSWER CALLS 24 HOURS A DAY, SEVEN DAYS A WEEK FOR ANY RESIDENT LIVING IN HARRIS OR SURROUNDING COUNTIES. THEY HELP CALLERS DECIDE WHEN AND WHERE TO GO FOR MEDICAL CARE AND ASSIST WITH SOCIAL SERVICE REFERRALS AND TRANSPORTATION NEEDS. CALLERS RECEIVE HEALTHCARE ADVICE AND EDUCATION USING NATIONALLY RECOGNIZED STANDARDIZED PROTOCOLS. MEMORIAL HERMANN BEGAN SCREENING PATIENTS FOR FOOD INSECURITY IN 2015 IN A FEW SELECT CLINICS AND HAVE SINCE EXPANDED THROUGHOUT SYSTEM. PATIENTS IDENTIFIED AS FOOD INSECURE RECEIVE SUPPORT IN APPLYING FOR BENEFITS, A REFERRAL TO THE HOUSTON FOOD BANK, AND GUIDANCE ON QUESTIONS TO ASK FOR

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AN APPROPRIATE FOOD PANTRY REFERRAL. SINCE ROLLING OUT THE QUESTIONS WE

HAVE TEAMED UP WITH SEVERAL AGENCIES TO TAKE PROGRAMMING SUPPORT TO A

NEXT LEVEL. THE TRAJECTORY OF THIS INITIATIVE LEADS TO EXERCISE, AND

IMPLEMENTATION OF THE EVIDENCED-BASED EXERCISE IS MEDICINE PROGRAM WHICH

INCORPORATES EXERCISE AS A VITAL SIGN INTO PHYSICIAN OFFICES, EXERCISE

PRESCRIPTIONS, AND ACTIVATION OF PARKS. TOGETHER THESE PROGRAMS IMPROVE

THE HEALTH AND WELL-BEING OF OUR COMMUNITY THROUGH COMBATING BEHAVIORS

LEADING TO CHRONIC DISEASE.

MEMORIAL HERMANN FINANCIAL SUPPORT OF COMMUNITY EFFORTS THAT ALIGN WITH

MEMORIAL HERMANN TENETS INCLUDE:

PROJECT

CHILDREN AT RISK

CHILDREN AT RISK IS GRANTED FUNDS TO RAISE COMMUNITY AWARENESS ON THE

IMPORTANCE OF RECESS POLICY IMPLEMENTATION THROUGH OUTREACH EVENTS,

FREQUENT MEDIA COVERAGE, AND DIRECT WORK WITH HARRIS COUNTY SCHOOL

DISTRICTS, WHILE WORKING CLOSELY WITH STAKEHOLDERS AS PART OF STATE LEVEL

ADVOCACY EFFORTS LEADING UP TO AND DURING THE 86TH LEGISLATIVE SESSION IN

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2019.

HEALTH DISPARITIES, AWARENESS, RESEARCH AND TRAINING CONSORTIUM THE GOAL OF THE CONSORTIUM IS TO PROVIDE A COMPREHENSIVE UNDERSTANDING OF HEALTH DISPARITIES AND TO INVESTIGATE APPROACHES TO ADVANCING HEALTH EQUITY.

INTERFAITH COMMUNITY CLINIC

THIS PROGRAM PROVIDES OPERATIONAL FUNDING FOR THIS PRIVATE NOT-FOR-PROFIT VOLUNTEER BASED HEALTH CARE CLINIC. ITS MISSION IS TO PROVIDE SHORT-TERM MEDICAL CARE, DENTAL CARE, AND SOCIAL SERVICE REFERRALS FOR INDIGENT PERSONS WHO DO NOT HAVE PRIVATE HEALTH INSURANCE AND ARE NOT ELIGIBLE FOR MEDICAID. OPENED IN 1966, THE CLINIC SPECIFICALLY CONCENTRATES ON PROVIDING SERVICES TO MONTGOMERY COUNTY RESIDENTS WHO ARE NOT ELIGIBLE FOR OTHER PROGRAMS AND HAVE NOWHERE ELSE TO TURN.

NEIGHBORHOOD HEALTH CENTERS - NORTHWEST AND NORTHEAST

THE CENTERS SERVE AS A MEDICAL HOME FOR UNINSURED AND UNDERINSURED POPULATIONS. THE CENTERS ENCOURAGE THE APPROPRIATE UTILIZATION OF

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PRIMARY CARE BY BEING LOCATED CLOSE TO BUSY EMERGENCY ROOMS, OFFERING

EXTENDED HOURS AND WEEKEND COVERAGE, KEEPING COSTS LOW, AND CHARGING JUST

SLIGHTLY OVER COSTS.

PHYSICIANS OF SUGAR CREEK

THIS INVOLVES THE PROVISION OF MEDICAL CARE PROVIDED BY THIS MEMORIAL

FAMILY PRACTICE RESIDENCY TRAINING SITE TO THE WORKING POOR THROUGH

SLIDING FEE SCALE PAYMENTS.

SPRING BRANCH COMMUNITY HEALTH CENTER

SBCHC, A FEDERALLY QUALIFIED HEALTH CENTER, IS GRANTED FUNDS TO SUPPORT

ITS MISSION OF SERVING THE UNINSURED AND UNDERINSURED POPULATIONS IN

SPRING BRANCH AND WEST HOUSTON AREAS. USING THE PRIMARY CARE MODEL,

SBCHC OFFERS AN INTEGRATED AND COMPREHENSIVE SERVICE DELIVERY SYSTEM,

SERVING AS A MEDICAL HOME FOR ALL WHO SEEK IT.

BUILD HEALTH CHALLENGE

THE BUILD HEALTH CHALLENGE, IN PARTNERSHIP WITH THE CITY HEALTH

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DEPARTMENT AND AVENUE CDC, IS A NATIONAL PROGRAM THAT PUTS MULTI-SECTOR COMMUNITY PARTNERSHIPS AT THE FOUNDATION OF IMPROVING PUBLIC HEALTH. OUR PROGRAM, BRIDGING HEALTH AND SAFETY IN NEAR NORTHSIDE, IS FOCUSING ON: HEALTHY HOUSING, FREE OF LEAD, MOLD AND HAZARDS; IMPROVED BUILT ENVIRONMENT INCLUDING PARKS AND SIDEWALKS; PREVENTIVE CHRONIC DISEASE OPPORTUNITIES INCLUDING ACCESS TO PHYSICAL ACTIVITY AND NUTRITIOUS FOOD; AND, BRIDGING OPPORTUNITIES INCLUDING BUILDING RESIDENT LEADERSHIP AND EMPLOYING COMMUNITY HEALTH WORKERS.,

COMMUNITY CENTERED HEALTH HOME

THE COMMUNITY CENTERED HEALTH HOME INITIATIVE IS AN EXPANDED VIEW OF 'HEALTH' AND THROUGH PARTNERSHIPS WITH THE YMCA, PARKS DEPARTMENT, AND RESIDENT EMPOWERING NON-PROFIT AVENUE CDC THE COLLABORATION IS ENABLING THE ACTIVATION OF A COMMUNITY PARK--THE SOLE IN THE AREA BUT LONG NEGLECTED DUE TO SAFETY CONCERNS AND LACK OF OPPORTUNITIES--WITH SOCCER FOR SUCCESS, WALKING GROUPS, SAFETY AUDITS AND ADVOCATING WITH COUNCIL MEMBERS FOR SIDEWALK CONSTRUCTION.

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER SUPPORT OF CREATIVE SOLUTIONS

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TO INCREASE ENROLLMENT OF STUDENT NURSES AND THEREFORE INCREASE THE

NUMBER OF NURSES WORKING WITHIN THE COMMUNITY.

UT-MEMORIAL HERMANN CENTER FOR QUALITY AND SAFETY

SUPPORT OF THE CONTINUED DRIVE FOR HEALTHCARE QUALITY AND SAFETY.

YES PREP PUBLIC SCHOOLS

YES PREP IS GRANTED FUNDS TO SUPPORT THE PILOT OF AN ACTIVE CLASSROOM AT

BRAYS OAKS WITH THE GOAL OF INCREASING ACADEMIC ACHIEVEMENT IN AN

INTERVENTION CLASSROOM THROUGH THE INCORPORATION OF PHYSICAL ACTIVITY

THROUGHOUT THE SCHOOL DAY.

POPULATION RESEARCH

THIS PROGRAM PROVIDES RESEARCH, DEVELOPMENT, AND IMPLEMENTATION OF

EFFECTIVE APPROACHES THAT IMPROVE THE HEALTH OF THE HOUSTON AREA PATIENT

POPULATIONS THROUGH DATA DRIVEN RESEARCH, INTERVENTIONS, EVALUATION AND

COMMUNITY ENGAGEMENT. PRESENT FOCI ARE ON ER NAVIGATION AND OBESITY

PROGRAMMING.

Part VI Supplemental Information

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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

MEMORIAL HERMANN'S PROMOTION OF COMMUNITY HEALTH INCLUDES ACTIVITIES CONDUCTED BY MEMORIAL HERMANN STAFF FOR PATIENTS AND THE GENERAL PUBLIC THAT PROMOTE DISEASE PREVENTION AND EDUCATION ACTIVITIES AS WELL AS HEALTHY LIVING AND OVERALL WELL-BEING SUCH AS:

ATHLETIC MEDICAL COVERAGE FOR SCHOOLS; INJURY CLINICS

BLOOD DRIVES

CLASSES AND SEMINARS: ADVANCE DIRECTIVES; BREAST FEEDING, CARDIOVASCULAR; COLORECTAL; INFANT CPR; JOING SYMPOSIUM AND JOINT REPLACEMENT; MEN'S HEALTHSLEEP; SUPER SIBLING; TEEN DRIVER SAFETY; TRAUMA; WELLNESS

COMMUNITY HEALTH EDUCATION: ALZHEIMER'S DISEASE; DISCOUNTED DIABETES EDUCATION: EDUCATION/OUTREACH FOR SENIORS, WOMEN AND CHILDREN, PARENTING/SIBLINGS, WORKSITES; EDUCATION AND SUPPORT GROUPS FOR CANCER PATIENTS: ART, SELF-GUIDED ART THERAPY, LYMPHEDEMA, BREAST CANCER, ONCOLOGY NUTRITION THERAPY, STRESS RELIEF, LOOK GOOD FEEL BETTER, YOGA, MEDITATION AND HEALTH EATING ADVICES; INJURY PREVENTION MANAGING SPINE PAIN; WOUND CARE;

Part VI Supplemental Information

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EDUCATION FOR NURSES, NURSING STUDENTS, AND SCHOOL NURSES

FOOD DRIVES

HEALTH FAIRS

INDEPENDENT LIVING RESEARCH UTILIZATION (ILRU) TRAININGS AND PUBLIC

AWARENESS EVENTS

INSURANCE COVERAGE ASSISTANCE

MEDICAL COVERAGE FOR RACES

MENTORING PROGRAMS

NAVIGATION SERVICES TO MEET THE NEEDS OF UN/UNDERINSURED PATIENTS

POST-POLIO PATIENTS, VETERANS AND RESEARCH SUBJECTS SUPPORTED BY SPECIAL

FUNDS

PROMOTION OF ACCESS TO HEALTHY FOOD; FARMERS MARKETS; SAFE PHYSICAL

ACTIVITIES; NUTRITION THERAPY

SCREENINGS: BIOMETRIC, BLOOD PRESSURE; IMPACT CONCUSSION TESTING; LOW

DOSE CT LUNG CANCER, MAMMOGRAMS AND BREAST ULTRASOUNDS FOR UNDERSERVED

WOMEN; PROSTATE; STROKE; SKIN

SMOKING CESSATION

SPORTS PHYSICALS

Part VI Supplemental Information

Provide the following information

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SUPPORT OF AREA WALK/RUN/TRI EVENTS

SUPPORT GROUPS FOR: ACE (ACTIVE CHILDREN); ALZHEIMER'S; AMPUTEES;

APHASIA; BETTER BREATHERS; BRAIN TUMORS; BRAIN ANEURYSMS; BREAST FEEDING;

CARDIAC PATIENTS; CAREGIVER; CHRONIC DISEASE; DIABETICS; DYSAUTONOMIA

TEEN; EPILEPSY; GRIEF; HYDROCEPHALUS; MENDED HEARTS; MULTIPLE SCLEROSIS

MEDITATION; OBESITY; PARKINSON'S DISEASE; SUBSTANCE ABUSE; STROKE;

SURVIVORSHIP; TEEN PARENTS; TRANSPLANT PATIENTS; TRAUMATIC BRAIN INJURY;

TELEMEDICINE CONSULTS FOR STROKE AND PEDI SURGERY

TRANSPORTATION VOUCHERS

WEIGHT MANAGEMENT

990 SCHEDULE H PART VI LINE 6

AFFILIATED HEALTH CARE SYSTEM.

PROUDLY SERVING THE GREATER HOUSTON COMMUNITY FOR MORE THAN 110 YEARS,

MEMORIAL HERMANN, ONE OF THE LARGEST NOT-FOR-PROFIT HEALTH SYSTEMS IN

SOUTHEAST TEXAS, HAS 15 LICENSED HOSPITALS AND NUMEROUS SPECIALTY

PROGRAMS AND SERVICES. OUR 5,500 AFFILIATED PHYSICIANS AND 27,000

EMPLOYEES PRACTICE EVIDENCE-BASED MEDICINE WITH A RELENTLESS FOCUS ON

Part VI Supplemental Information

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

QUALITY AND PATIENT SAFETY. ALL ASPECTS OF THE HEALTH SYSTEM - CARE DELIVERY, PHYSICIANS AND HEALTH SOLUTIONS ARE BROUGHT TOGETHER TO CREATE A TRULY INTEGRATED HEALTH SYSTEM. THIS BREADTH OF SERVICE UNIQUELY POSITIONS MEMORIAL HERMANN TO COLLABORATE WITH OTHER PROVIDERS TO ASSESS AND CREATE HEALTH CARE SOLUTIONS FOR INDIVIDUALS IN GREATER HOUSTON'S DIVERSE COMMUNITIES; TO PROVIDE SUPERIOR QUALITY, COST-EFFICIENT, INNOVATIVE AND COMPASSIONATE CARE; TO SUPPORT TEACHING AND RESEARCH TO ADVANCE THE HEALTH PROFESSIONALS AND HEALTH CARE OF TOMORROW; AND TO PROVIDE HOLISTIC HEALTH CARE WHICH ADDRESSES THE PHYSICAL, SOCIAL, PSYCHOLOGICAL AND SPIRITUAL NEEDS OF INDIVIDUALS. OUR MEMORIAL HERMANN PHYSICIAN NETWORK, MHMD, COMPRISES PHYSICIANS FROM MEMORIAL HERMANN MEDICAL GROUP, UTHEALTH AND PRIVATE PHYSICIANS AND SPECIALISTS. WE OFFER LEADING-EDGE CLINICAL EXPERTISE, PATIENT-CENTERED CARE, AND LEADING EDGE TECHNOLOGY AND INNOVATION AS WELL AS HOUSTON'S FIRST HEALTH INFORMATION EXCHANGE THAT SHARES VITAL PATIENT DATA AMONG CARE PROVIDERS, HELPING TO ENSURE PATIENTS RECEIVE THE RIGHT CARE AT THE RIGHT TIME. THROUGH MEMORIAL HERMANN'S SUBSIDIARY, MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION (MHCBC), MEMORIAL HERMANN IMPLEMENTS PROGRAMS TO WORK WITH

Part VI Supplemental Information

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OTHER HEALTHCARE PROVIDERS, GOVERNMENT AGENCIES, BUSINESS LEADERS AND COMMUNITY STAKEHOLDERS TO ENSURE THAT ALL RESIDENTS OF THE GREATER HOUSTON AREA HAVE ACCESS TO THE CARE THEY NEED TO IMPROVE THEIR QUALITY OF LIFE AND THE OVERALL HEALTH OF THE COMMUNITY. THE MISSION OF MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION IS TO TEST AND MEASURE INNOVATIVE SOLUTIONS THAT PROMOTE GOOD HEALTH FOR THE INDIVIDUAL, THE HEALTH SYSTEM AND THE COMMUNITY. MHCBC COLLABORATES WITH OTHERS AS WELL AS CREATES SIGNATURE, EVIDENCE-BASED WAYS TO IMPROVE THE COMMUNITIES WHERE PEOPLE LIVE, WORK, LEARN, AND PLAY. MHCBC AREAS OF EXPERTISE SPAN ACCESS AND NAVIGATION, NUTRITION AND PHYSICAL ACTIVITY, SUPPORT OF THE WHOLE CHILD, AND RIGOROUS OUTCOME MEASUREMENT. PRIMARY PROGRAM FOCUS INCLUDE EDUCATION ON, ACCESS TO, AND PROVISION OF PRIMARY MEDICAL, DENTAL, MENTAL HEALTH, AND SOCIAL SERVICE SUPPORT TO UNDERSERVED POPULATIONS; FOOD AS HEALTH; AND, EXERCISE AS MEDICINE. NEW PROGRAMS ARE PILOTED, AND PROVEN PROGRAMS ARE REPLICATED IN THE COMMUNITY. COMMUNITY BENEFIT CORPORATION FUNDING TENETS INCLUDE: PROVISION OF PRIMARY AND/OR SPECIALTY CARE FOR THE UNINSURED AND UNDERINSURED; CONTRIBUTION TO THE EXISTING INFRASTRUCTURE OF NON-PROFIT CLINICS AND FQHC'S; PROGRAMS,

Part VI Supplemental Information

Provide the following information

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PRACTICES, AND POLICIES THAT AFFECT THE HEALTH OF INDIVIDUALS, FAMILIES, AND COMMUNITIES; COMMITMENT TO MEASUREMENT; EXISTENCE OF COLLABORATIVE PARTNERS; PROGRAMMATIC INCLUSION OF HEALTH EDUCATION AND LITERACY; STRIVE TOWARDS SUSTAINABILITY. AS REQUIRED BY THE COMMUNITY HEALTH NEEDS ASSESSMENT-SECTION 501(R)(3)-REQUIREMENT OF THE ACA, MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION SUPPORTS THE MEMORIAL HERMANN HEALTH SYSTEM LICENSED ACUTE CARE, REHAB, AND SURGICAL AND ER HOSPITALS IN CONDUCTING COMMUNITY NEEDS ASSESSMENTS. THE CORRESPONDING IMPLEMENTATION STRATEGIES BALANCE THE INDIVIDUALITY OF THE DIFFERENT HOSPITALS WITH THE SYSTEM STRATEGY OF COLLECTIVELY SUPPORTING COMMUNITY OBJECTIVES TO ACHIEVE THE NECESSARY ALIGNMENT AND LEVERAGE TO IMPACT TRUE COMMUNITY CHANGE.

990 SCHEDULE H PART VI LINE 7

STATE FILING OF COMMUNITY BENEFIT REPORT. MEMORIAL HERMANN HEALTH SYSTEM FILES A COMMUNITY BENEFIT REPORT IN TEXAS THAT IS AVAILABLE ON THE WORLD WIDE WEB AT: HTTPS://COMMUNITYBENEFIT.MEMORIALHERMANN.ORG/ABOUT-US/

COMMUNITY HEALTH NEEDS ASSESSMENTS AND STRATEGIC IMPLEMENTATION PLANS ARE AVAILABLE THROUGH LINKS TO EACH MEMORIAL HERMANN LICENSED FACILITY AT:

Part VI Supplemental Information

Provide the following information

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HTTPS://COMMUNITYBENEFIT.MEMORIALHERMANN.ORG/ABOUT-US/KEY-COMMUNITY-HEALTH

-ASSESSMENT-FINDINGS/

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" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to *www.irs.gov/Form990* for the latest information.**

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENT 7000 FANNIN ST HOUSTON, TX 77030	74-1761309	SCHOOL	175,000				GENERAL FUNDRAISING
(2) AMERICAN HEART ASSOCIATION P O BOX 15186 AUSTIN, TX 78761	13-5613797	501 C(3)	125,000				GENERAL FUNDRAISING
(3) LAMAR CONSOLIDATED ISD 3911 AVE I ROSENBERG, TX 77471	76-6002016	SCHOOL	114,583				GENERAL FUNDRAISING
(4) RONALD MCDONALD HOUSE OF HOUSTON INC 1907 HOLCOMBE BLVD HOUSTON, TX 77030	74-1984499	501 C(3)	100,000				GENERAL FUNDRAISING
(5) MARCH OF DIMES 1275 MAMARONECK AVE WHITE PLAINS, NY 10605	13-1846366	501 C(3)	58,500				GENERAL FUNDRAISING
(6) JEWISH FAMILY SERVICE OF HOUSTON 4131 S BRAESWOOD BLVD HOUSTON, TX 77025	74-1152607	501 C(3)	53,600				GENERAL FUNDRAISING
(7) THE ROSE 12700 N FEATHERWOOD #260 HOUSTON, TX 77034	76-0193812	501 C(3)	47,000				GENERAL FUNDRAISING
(8) BARBARA BUSH FOUNDATION 7887 SAN FELIPE ST STE 250	46-5037878	501 C(3)	35,000				GENERAL FUNDRAISING
(9) HOUSTON ZOO 1513 CAMBRIDGE STREET HOUSTON, TX 77030	74-1590271	501 C(3)	35,000				GENERAL FUNDRAISING
(10) FORT BEND JUNIOR SERVICE P O BOX 17387 SUGAR LAND, TX 77496	76-0664152	501 C(3)	32,500				GENERAL FUNDRAISING
(11) CANCARE OF HOUSTON INC 9575 KATY FREEWAY, SUITE 428	76-0305357	501 C(3)	32,000				GENERAL FUNDRAISING
(12) AMERICAN CANCER SOCIETY INC 2500 FONDREN ROAD HOUSTON, TX 77063	13-1788491	501 C(3)	21,300				GENERAL FUNDRAISING

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

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

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" on Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**
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OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.

Complete if the organization answered "Yes" on 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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) JUDITH LIBENTHAL ROBINSON OVARIAN CANCER FO 4801 WOODWAY DRIVE STE 365-W	27-4035240	501 C(3)	20,000				GENERAL FUNDRAISING
(2) CY-FAIR HOSTON CHAMBER OF COMMERCE 8711 HIGHWAY 6 N STE 120 HOUSTON, TX 77095	76-0194069	501 C(6)	16,935				GENERAL FUNDRAISING
(3) UNITED WAY OF GREATER HOUSTON 50 WAUGH DR HOUSTON, TX 77007	74-1167964	501 C(3)	15,000				GENERAL FUNDRAISING
(4) FAITH IN PRACTICE 7500 BEECHNUT ST SUITE 208	76-0415986	501 C(3)	15,000				GENERAL FUNDRAISING
(5) TEACH - TO EDUCATE ALL CHILDREN 2900 WESLAYAN, STE 375 HOUSTON, TX 77027	20-2425139	501 C(3)	15,000				GENERAL FUNDRAISING
(6) SOUTH MONTGOMERY COUNTY YMCA 6145 SHADOWBEND PLACE HOUSTON, TX 77381	74-1109737	501 C(3)	11,300				GENERAL FUNDRAISING
(7) GREATER HOUSTON PARTNERSHIP 1200 SMITH SUITE 700 HOUSTON, TX 77002	76-0267896	501 C(6)	10,500				GENERAL FUNDRAISING
(8) HOUSTON COMMUNITY COLLEGE 3100 MAIN STREET HOUSTON, TX 77002	74-1885205	501 C(3)	10,000				GENERAL FUNDRAISING
(9) FINISH LINE SPORTS 13895 SOUTHWEST FRWY SUGAR LAND, TX 77478	76-0134642		10,000				GENERAL FUNDRAISING
(10) COMMUNITIES IN SCHOOLS 500 N CHENANGO #303 ANGLETON, TX 77515	76-0392820	501 C(3)	10,000				GENERAL FUNDRAISING
(11) BAKERRIPLEY 4500 BISSONNET STE 200 BELLAIRE, TX 77401	23-7062976	501 C(3)	10,000				GENERAL FUNDRAISING
(12) ANTI-DEFAMATION LEAGUE 605 THIRD AVENUE NEW YORK, NY 10158	13-1818723	501 C(3)	10,000				GENERAL FUNDRAISING

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

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

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" on Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**
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OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) HOUSTON BALLET 601 PRESTON STREET HOUSTON, TX 77002	74-1394920	501 C(3)	10,000				GENERAL FUNDRAISING
(2) HOUSTON CHILDRENS CHARITY 230 WESTCOTT STE 202 HOUSTON, TX 77007	76-0135741	501 C(3)	10,000				GENERAL FUNDRAISING
(3) CY-FAIR EDUCATIONAL FOUNDATION PO BOX 1698 CYPRESS, TX 77410	23-7079589	501 C(3)	10,000				GENERAL FUNDRAISING
(4) KIDS MEALS INC 330 GARDEN OAKS BLVD HOUSTON, TX 77018	76-0330447	501 C(3)	10,000				GENERAL FUNDRAISING
(5) THE POSSE FOUNDATION INC 14 WALL STREET NO 8A-60 NEW YORK, NY 10005	13-3840394	501 C(3)	10,000				GENERAL FUNDRAISING
(6) AID TO VICTIMS OF DOMESTIC ABUSE 1001 TEXAS AVE STE 600 HOUSTON, TX 77002	74-2141981	501 C(3)	10,000				GENERAL FUNDRAISING
(7) HOUSTON GRAND OPERA ASSOCIATION INC 510 PRESTON ST STE 500 HOUSTON, TX 77002	74-6016764	501 C(3)	10,000				GENERAL FUNDRAISING
(8) HOUSTON PROFESSIONAL FIRE FIGHTERS ASSOC CH 1907 FREEMAN ST HOUSTON, TX 77009	46-2900000	501 C(3)	10,000				GENERAL FUNDRAISING
(9) CYPRESS-FAIRBANKS ISD 8877 BARKER CYPRESS RD CYPRESS, TX 77433	74-0412660	SCHOOL	8,500				GENERAL FUNDRAISING
(10) HOLOCAUST MUSEUM HOUSTON 5401 CAROLINE ST HOUSTON, TX 77004	76-0331398	501 C(3)	8,500				GENERAL FUNDRAISING
(11) INTERFAITH OF THE WOODLANDS 4242 INTERFAITH WAY THE WOODLANDS, TX 77381	74-1804123	501 C(3)	8,500				GENERAL FUNDRAISING
(12) UNICEF USA 125 MAIDEN LN NEW YORK, NY 10038	13-1760110	501 C(3)	7,500				GENERAL FUNDRAISING

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

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

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" on Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**
▶ **Go to *www.irs.gov/Form990* for the latest information.**

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I General Information on Grants and Assistance

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.

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1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) FORT BEND YOUTH FOOTBALL 1306 ASHWOOD SUGAR LAND, TX 77478	46-2742566	501 C(3)	7,500				GENERAL FUNDRAISING
(2) MEN OF DISTINCTION OF GREATER HOUSTON, INC 4218 MARQUETTE HOUSTON, TX 77219	26-0421594	501 C(3)	7,500.				GENERAL FUNDRAISING
(3) THE WOODLANDS MENS LACROSSE CLUB INC PO BOX 131821 THE WOODLANDS, TX 77393	47-1257772	501 C(3)	7,500				GENERAL FUNDRAISING
(4) THE MEN'S CENTER INC 3816 FANNIN STREET HOUSTON, TX 77004	74-1326185	501 C(3)	7,000				GENERAL FUNDRAISING
(5) EL CAMPO ISD 700 W NORRIS EL CAMPO, TX 77437	74-6000730	SCHOOL	7,000				GENERAL FUNDRAISING
(6) WHARTON ISD 2100 NORTH FULTON WHARTON, TX 77488	74-6002564	SCHOOL	7,000.				GENERAL FUNDRAISING
(7) TEXAS NURSES DISTRICT 9 FOUNDATION 7324 SW FRY , SUITE 2-1453	26-4369773	501 C(3)	6,500				GENERAL FUNDRAISING
(8) GOOD SAMARITAN FOUNDATION 2001 KIRBY DRIVE HOUSTON, TX 77019	74-1235398	501 C(3)	6,000.				GENERAL FUNDRAISING
(9) HOUSTON AREA WOMEN'S CENTER 1010 WAUGH DR HOUSTON, TX 77019	74-2029166	501 C(3)	6,000				GENERAL FUNDRAISING
(10) YMCA OF GREATER HOUSTON AREA 2600 NORTH LOOP WEST 300 HOUSTON, TX 77092	74-1109737	501 C(3)	5,600				GENERAL FUNDRAISING
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 43.

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

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

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

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

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" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☐ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☐ Health or social club dues or initiation fees		
	☐ Personal services (such as, maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain . . . 1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on 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		
	☒ Independent compensation consultant		
	☒ Form 990 of other organizations		
	☐ Written employment contract		
	☒ Compensation survey or study		
	☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment? . . . 4a	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . 4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? . . . 4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization? . . . 5a		X
b	Any related organization? . . . 5b		X
	If "Yes" on line 5a or 5b, describe in Part III		
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization? . . . 6a		X
b	Any related organization? . . . 6b		X
	If "Yes" on line 6a or 6b, describe in Part III		
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III . . . 7		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III . . . 8		X
9	If "Yes" on 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 on 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 aren't 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 in column (B) reported as deferred on prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	ALEXANDER,CHARLOTTE B. DIRECTOR	(i)	167,750.	0.	35,000.	0.	5,593.	208,343.	0.
		(ii)	130,734.	0.	0.	0.	0.	130,734.	0.
2	STOKES,CHARLES D EVP, PRESIDENT & CEO	(i)	1,124,144.	615,013.	256,101.	264,987.	16,871.	2,277,116.	188,597.
		(ii)	0.	0.	0.	0.	0.	0.	0.
3	GORDON,DEBORAH EVP, CAO, CLO, SECRETARY	(i)	544,864.	341,381.	1,911.	138,529.	22,123.	1,048,808.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
4	LARAWAY,DENNIS L. EVP,CFO-TREASURER THRU SEPT 17	(i)	784,947.	577,126.	1,398,564.	0.	12,916.	2,773,553.	219,396.
		(ii)	0.	0.	0.	0.	0.	0.	0.
5	SHABOT,MICHAEL M.D. EVP, CHIEF CLINICAL OFFICER	(i)	664,030.	479,146.	201,224.	218,705.	16,871.	1,579,976.	143,184.
		(ii)	0.	0.	0.	0.	0.	0.	0.
6	SHEA,WARREN VP, DGC, ASSISTANT SECRETARY	(i)	302,736.	112,510.	1,024.	65,330.	13,639.	495,239.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
7	AULBAUGH,CARROL E. EVP, CFO, TREASURER	(i)	211,562.	0.	4,761.	62,874.	4,463.	283,660.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
8	ALEXANDER,KEITH SVP, REG PRES-NORTH REGION	(i)	386,352.	379,506.	987,259.	57,949.	11,006.	1,822,072.	90,651.
		(ii)	0.	0.	0.	0.	0.	0.	0.
9	ASPREC,ERIN S EVP, ACUTE CARE SVCS & CTO	(i)	577,083.	325,863.	106,373.	131,463.	22,123.	1,162,905.	79,742.
		(ii)	0.	0.	0.	0.	0.	0.	0.
10	BRACE,RODNEY SVP, CHIEF LEARNING OFFICER	(i)	587,660.	455,479.	145,426.	157,970.	16,871.	1,363,406.	103,570.
		(ii)	0.	0.	0.	0.	0.	0.	0.
11	BRADSHAW,DAVID EVP, CHIEF STRAT & INFO OFF	(i)	627,278.	385,244.	529,339.	209,302.	22,123.	1,773,286.	444,549.
		(ii)	0.	0.	0.	0.	0.	0.	0.
12	CORDOLA,CRAIG A SVP, REG PRES-WEST REGION	(i)	565,875.	444,672.	899,415.	99,025.	13,544.	2,022,531.	114,924.
		(ii)	0.	0.	0.	0.	0.	0.	0.
13	DEAN,BRIAN EVP, ACAD AFFAIRS & SVCS LINES	(i)	608,043.	357,989.	35,868.	148,301.	1,675.	1,151,876.	28,746.
		(ii)	0.	0.	0.	0.	0.	0.	0.
14	GARMAN,JAMES EVP, CHIEF HR OFFICER	(i)	414,525.	370,240.	961,891.	0.	9,706.	1,756,362.	517,555.
		(ii)	0.	0.	0.	0.	0.	0.	0.
15	O'SULLIVAN,PAUL C SVP, CEO - MEMORIAL CITY	(i)	409,855.	256,996.	60,465.	119,220.	8,429.	854,965.	44,112.
		(ii)	0.	0.	0.	0.	0.	0.	0.
16	URBAN,JOSHUA SVP, CEO - THE WOODLANDS	(i)	433,766.	254,195.	59,303.	120,626.	1,675.	869,565.	39,801.
		(ii)	0.	0.	0.	0.	0.	0.	0.

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 on 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 aren't 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 in column (B) reported as deferred on prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	CHU,BENJAMIN K. M.D. FORMER OFFICER	(i)	781,680.	561,483.	2,413,950.	0.	8,368.	3,765,481.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
2	LLOYD,CHRISTOPHER SVP, CEO - MHMD & ACO	(i)	417,724.	272,844.	1,237,714.	38,829.	5,776.	1,972,887.	42,273.
		(ii)	0.	0.	0.	0.	0.	0.	0.
3	BARBE,BRIAN S. SVP, CEO - CYPRESS	(i)	238,065.	296,967.	553,566.	43,026.	8,993.	1,140,617.	71,098.
		(ii)	0.	0.	0.	0.	0.	0.	0.
4	DISTEFANO,SUSAN M SVP, CEO - CHILDREN'S	(i)	392,958.	289,352.	94,887.	97,424.	22,123.	896,744.	70,248.
		(ii)	0.	0.	0.	0.	0.	0.	0.
5	KERR,GARY SVP, CEO - SOUTHWEST	(i)	385,057.	275,204.	121,915.	56,510.	14,871.	853,557.	78,108.
		(ii)	0.	0.	0.	0.	0.	0.	0.
6	SHIPPY,ANGELA SVP, CHIEF QUALITY OFFICER	(i)	486,964.	263,980.	1,668.	98,065.	8,806.	859,483.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
7	REIMER,RENEE FORMER OFFICER	(i)	49,207.	0.	400,954.	4,528.	667.	455,356.	50,870.
		(ii)	0.	0.	0.	0.	0.	0.	0.
8	WOLTERMAN,DAN J. FORMER OFFICER	(i)	0.	484,354.	1,937,952.	8,205.	18.	2,430,529.	299,404.
		(ii)	0.	0.	0.	0.	0.	0.	0.
9	HEINS,MARSHALL B FORMER KEY EMPLOYEE	(i)	143,299.	99,135.	424,160.	25,833.	2,512.	694,939.	91,575.
		(ii)	0.	0.	0.	0.	0.	0.	0.
10	PARET,CAROL J FORMER KEY EMPLOYEE	(i)	304,590.	194,707.	51,197.	82,932.	22,123.	655,549.	33,220.
		(ii)	0.	0.	0.	0.	0.	0.	0.
11	TREVINO, ILEANA FORMER KEY EMPLOYEE	(i)	0.	37,139.	230,807.	703.	0.	268,649.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

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

FORM 990 SCHEDULE J PART I LINE 4A

GARMAN, JAMES - $424,912

LARAWAY, DENNIS - $1,173,700

HEINS, MARSHALL - $261,944

LLOYD, CHRISTOPHER - $1,141,036

BARBE, BRIAN - $412,506

REIMER, RENEE - $338,770

ALEXANDER, KEITH - $847,485

CHU, BENJAMIN - - $2,394,372

FORM 990 SCHEDULE J PART I LINE 4B

MEMORIAL HERMANN HEALTH SYSTEM SPONSERS TWO SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS: MEMORIAL HERMANN SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) AND EXECUTIVE DEFERRED COMPENSATION PLAN (EDCP). APPLICABLE SERP AND EDCP AMOUNTS (RESPECTIVELY) ACCRUED PER PERSON:

SERP/EDCP

STOKES, CHARLES D (69,309 / 161,356)

GORDON, DEBORAH (0 / 120,529)

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

SHABOT, MICHAEL M.D. (51,866 / 128,119)

SHEA, WARREN (0 / 47,330)

AULBAUGH, CARROL E. (0 / 62,874)

ALEXANDER, KEITH (23,849 / 0)

ASPREC, ERIN S (25,900 / 88,372)

BRACE, RODNEY (47,517 / 86,986)

BRADSHAW, DAVID (50,967 / 116,366)

CORDOLA, CRAIG A (63,781 / 0)

DEAN, BRIAN (0 / 130.301)

O'SULLIVAN, PAUL C (17,118 / 66,383)

URBAN, JOSHUA (18,654 / 65,833)

LLOYD, CHRISTOPHER (21,498 / 0)

BARBE, BRIAN S. (19,092 / 0)

DISTEFANO, SUSAN M (22,633 / 55,940)

KERR, GARY (22,594 / 0)

SHIPPY, ANGELA (0 / 98,065)

REIMER, RENEE (3,177 / 0)

WOLTERMAN, DAN J (14,740 / 0)

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.

HEINS, MARSHALL B (14,236 / 0)

PARET, CAROL J (19,623 / 23,561)

TREVINO, ILEANA (263 / 0)

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990.

▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	HARRIS COUNTY CULTURAL FACILITIES FINANCE CORP	76-0337885	414009EM8	11/30/2010	72,206,221	2010A REFUND ISSUE 3/12/1997		X		X		X
B	HARRIS COUNTY CULTURAL EDU FAC FIN CORP	76-0337885	414009GR5	03/28/2013	468,778,930	2013 A/B REFUND ISSUE 04/08/2004		X		X		X
C	HARRIS COUNTY CULTURAL EDU FAC FIN CORP	76-0337885	414009HL7	06/11/2014	307,303,890	2014 A/B/C/D BUILDING AND STRUCTUR		X		X		X
D	HARRIS COUNTY CULTURAL FACILITIES FINANCE CORP	76-0337885	414009KF6	12/15/2015	270,200,000	2015 A/B/C REFUND ISSUE 1/5/2011		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	16,670,000.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	72,206,221.	468,778,930.	307,303,890.	270,200,000.
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,206,221.	3,629,482.	2,303,890.	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds			305,000,000.	
11	Other spent proceeds	71,000,000.	465,149,448.		270,200,000.
12	Other unspent proceeds				
13	Year of substantial completion	2010	2013		2011
		Yes / No	Yes / No	Yes / No	Yes / No
14	Were the bonds issued as part of a current refunding issue?	X /	X /	/ X	X /
15	Were the bonds issued as part of an advance refunding issue?	/ X	X /	/ X	/ X
16	Has the final allocation of proceeds been made?	X /	X /	/ X	X /
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X /	X /	X /	X /

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990.

▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	HARRIS COUNTY CULTURAL FACILITIES FINANCE CORP	76-0337885	414009KP4	06/08/2016	151,216,215	2016 A BUILDING AND STRUCTURE		X		X		X
B	HARRIS COUNTY CULTURAL EDU FAC FIN CORP	76-0337885	414009KS8	06/08/2016	326,305,000	2016 B/C/D/E BUILD & STRUCT REFUND		X		X		X
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	151,216,215.	326,305,000.		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,216,215.	1,649,048.		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	150,000,000.	149,170,952.		
11	Other spent proceeds		175,485,000.		
12	Other unspent proceeds				
13	Year of substantial completion				

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?		X		X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part III Private Business Use *(Continued)* SET 1

	A		B		C		D	
3a Are there any management or service contracts that may result in private business use of bond-financed property?	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		X
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								X
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

	A		B		C		D	
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X	
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?								
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X	X		X		X	
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X		X		X	
b Name of provider			JPMORGAN		JPMORGAN		DEUTCHE BANK	
c Term of hedge				5.930		10.930		13.930
d Was the hedge superintegrated?				X		X		X
e Was the hedge terminated?				X		X		X

Part III Private Business Use *(Continued)* SET 2

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X		X				
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	X		X					
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?								
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X	X					
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X					
b Name of provider			DEUTCHE BANK					
c Term of hedge				8.930				
d Was the hedge superintegrated?				X				
e Was the hedge terminated?				X				

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X		X		X		X	

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X		X					

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

SEE SCHEDULE O

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047

2017

Open To Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

Part I **Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization. . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total . . . . . ▶ $												

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)	RICHARD ALEXANDER	FAMILY MEMBER OF DIRECTOR	25,750	EMPLOYMENT		X
(2)	DAVID LEARD	FAMILY MEMBER OF DIRECTOR	61,719	EMPLOYMENT		X
(3)	ANGELA BELL	FAMILY MEMBER OF DIRECTOR	72,443	EMPLOYMENT		X
(4)	TODD AULBAUGH	FAMILY MEMBER OF OFFICER	162,376	EMPLOYMENT		X
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information

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

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ ▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990	2017 Open to Public Inspection

Name of the organization	Employer identification number
MEMORIAL HERMANN HEALTH SYSTEM	74-1152597

990 PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION

MISSION: MEMORIAL HERMANN HEALTH SYSTEM IS A NONPROFIT, COMMUNITY-OWNED, HEALTH CARE SYSTEM WITH SPIRITUAL VALUES, DEDICATED TO PROVIDING HIGH QUALITY HEALTH SERVICES IN ORDER TO IMPROVE THE HEALTH OF THE PEOPLE IN SOUTHEAST TEXAS.

VISION: MEMORIAL HERMANN HEALTH SYSTEM WILL BE THE PREEMINENT INTEGRATED HEALTH SYSTEM IN THE UNITED STATES BY ADVANCING THE HEALTH OF THOSE WE SERVE

VALUES: WE ARE - ACCOUNTABLE. COLLABORATIVE. COMPASSIONATE. EMPOWERED. INNOVATIVE. RESPECTFUL. RESULTS-ORIENTED. SAFETY FOCUSED.

990 PART IV LINE 12A & B AUDITED FINANCIALS

THE HEALTH SYSTEM DOES NOT HAVE ITS FINANCIAL ACCOUNTS SEPARATELY AUDITED NOR DOES THE HEALTH SYSTEM RECEIVE AUDITED FINANCIAL STATEMENTS. FOR THE CONSOLIDATED ENTITIES OF THE MEMORIAL HERMANN HEALTH SYSTEM AND ITS AFFILIATES AN INDEPENDENT AUDIT IS CONDUCTED AND AUDITED FINANCIAL STATEMENTS ARE PREPARED ACCORDING TO GAAP BY AN INDEPENDENT ACCOUNTING FIRM, OF WHICH THE FINANCIAL ACCOUNTS OF THE HEALTH SYSTEM IS A PART.

990 PART VI SECTION A LINE 6 MEMBERS OF ORGANIZATION

MEMORIAL HERMANN HEALTH SYSTEM HAS INDIVIDUAL MEMBERS.

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990 PART VI SECTION A LINE 7A ELECTION OF MEMBERS

THE MEMBERS HAVE THE AUTHORITY TO ANNUALLY ELECT BOARD MEMBERS OF THE ORGANIZATION AND TO FILL ANY VACANCIES ON THE BOARD WHOSE TERMS HAVE EXPIRED.

990 PART VI SECTION A LINE 7B DECISIONS OF GOVERNING BODY

THE MEMBERS HAVE APPROVAL AUTHORITY TO APPROVE AMENDMENTS TO, AND REPEAL OF THE BYLAWS AND CERTIFICATE OF FORMATION, THE PURCHASE OR SALE OF ALL OR SUBSTANTIALLY ALL ASSETS OF THE ORGANIZATION, AND THE MERGER OR DISSOLUTION OF THE ORGANIZATION.

990 PART VI SECTION B LINE 11B REVIEW OF FORM 990

THE FORM 990 IS REVIEWED BY MEMORIAL HERMANN SYSTEM TAX STAFF, SPECIFIC DEPARTMENTS INVOLVED IN RELATED SECTIONS OF THE RETURN, THE MEMORIAL HERMANN SYSTEM TAX DIRECTOR, THE MEMORIAL HERMANN VICE PRESIDENT OF FINANCE, AND MEMORIAL HERMANN CFO. MEMORIAL HERMANN PROVIDES GOVERNING BOARD MEMBERS A COMPLETE COPY OF THIS FORM 990 PRIOR TO FILING FORM 990.

990 PART VI SECTION B LINE 12C CORPORATE COI POLICY

MEMORIAL HERMANN HEALTH SYSTEM UTILIZES CONFLICT OF INTEREST SURVEYS AND HAS CODIFIED ITS PROCEDURE IN A POLICY.

THE POLICY IS MONITORED BY OUR CORPORATE COMPLIANCE DEPARTMENT THROUGH ANNUAL SURVEYS OF BOARD MEMBERS, CORPORATE OFFICERS, MANAGEMENT LEVEL EMPLOYEES, AND OTHER SELECTED EMPLOYEES, PHYSICIANS AND VENDORS FOR ALL OF ITS ENTITIES AND RELATED AFFILIATES.

IN ADDITION TO RESPONDING TO THE SURVEY, EACH RECIPIENT AFFIRMS THAT THEY HAVE RECEIVED A COPY OF THE POLICY, HAVE READ AND UNDERSTOOD IT, HAVE

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AGREED TO COMPLY WITH IT, AND UNDERSTANDS THAT MEMORIAL HERMANN IS A CHARITABLE ORGANIZATION THAT MUST ENGAGE IN PRIMARILY TAX-EXEMPT PURPOSE ACTIVITIES.

THE CORPORATE COMPLIANCE DEPARTMENT, CHIEF LEGAL OFFICER AND THE CORPORATE AUDIT COMMITTEE, CONSISTING OF INDEPENDENT BOARD MEMBERS, RECEIVE A REPORT OF ALL ITEMS DISCLOSED.

THE AUDIT COMMITTEE CHAIR REPORTS THE EXISTENCE OF ANY CONFLICTS TO THE CORPORATE BOARD OF DIRECTORS.

MEMORIAL HERMANN'S CONFLICTS OF INTEREST POLICY REQUIRES THAT BOARD MEMBERS EXCUSE THEMSELVES FROM DISCUSSIONS IN WHICH THEY HAVE A CONFLICT OF INTEREST.

THE POLICY ALSO SUBJECTS BOARD MEMBERS TO DISCIPLINARY ACTION IF THEY ARE FOUND TO HAVE VIOLATED THE POLICY.

990 PART VI SECTION B LINE 13 WHISTLEBLOWER POLICY

MEMORIAL HERMANN HEALTH SYSTEM HAS ESTABLISHED COMMUNICATION CHANNELS TO REPORT PROBLEMS AND CONCERNS INCLUDING A TELEPHONE HELPLINE. EMPLOYEE PARTNERS ARE ENCOURAGED TO REPORT PROBLEMS OR CONCERNS EITHER ANONYMOUSLY OR IN CONFIDENCE VIA THE HELPLINE WHEN THEY DEEM APPROPRIATE. THE HELPLINE ESTABLISHES AN AVENUE FOR EMPLOYEE PARTNERS OR INTERESTED PARTIES TO REPORT SUSPECTED CRIMINAL ACTIVITY, AND ILLEGAL OR UNETHICAL CONDUCT OCCURRING WITHIN THE ORGANIZATION IN THE EVENT OTHER RESOLUTION CHANNELS ARE INEFFECTIVE OR THE CALLER WISHES TO REMAIN ANONYMOUS. THE CORPORATE COMPLIANCE HELPLINE IS ADMINISTERED BY AN OUTSIDE SERVICE IN ORDER TO PROTECT THE ANONYMITY OF CALLERS TO THE HELPLINE IF THEY SO DESIRE TO REMAIN ANONYMOUS. ALL THOSE WHO ARE EMPLOYED IN THE HELPLINE

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OPERATION OR CONTRACTED ORGANIZATIONS ADMINISTERING THE HELPLINE ARE EXPECTED TO ACT WITH UTMOST DISCRETION AND INTEGRITY IN ASSURING THAT INFORMATION RECEIVED IS ACTED UPON IN A REASONABLE AND PROPER MANNER. MHHS HAS ESTABLISHED A STRICT NON-RETALIATION POLICY TO PROTECT, FROM RETALIATION, EMPLOYEE PARTNERS AND OTHERS WHO REPORT PROBLEMS AND CONCERNS IN GOOD FAITH. THERE SHALL BE NO RETALIATION AGAINST A MHHS EMPLOYEE, INDEPENDENT CONTRACTOR, VENDOR, ALLIED HEALTH PROFESSIONAL OR MEDICAL STAFF MEMBER FOR REPORTING OR RAISING A QUESTION REGARDING MHHS'S COMPLIANCE WITH A LAW OR REGULATION. THOSE REPORTING SUSPECTED NON-COMPLIANCE WHO WISH TO REMAIN ANONYMOUS MAY DO SO IF THEY SO CHOOSE. ALL REPORTS OF SUSPECTED NON-COMPLIANCE WILL BE ADDRESSED IN A CONFIDENTIAL MANNER. THE CORPORATE COMPLIANCE OFFICER OR DESIGNEE WILL ALWAYS STRIVE TO MAINTAIN CONFIDENTIALITY DURING THE COMPLIANCE REVIEW AND INVESTIGATION PROCESS; HOWEVER THERE MAY BE A POINT WHERE THE IDENTITY OF A REPORTER MAY NEED TO BE REVEALED WHERE APPROPRIATE.

990 PART VI SECTION B LINE 15A & 15B COMPENSATION DETERMINATION
THE COMPENSATION COMMITTEE OF THE MEMORIAL HERMANN BOARD OF DIRECTORS RETAINS THE ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF EXECUTIVE COMPENSATION. THE COMMITTEE IS COMPRISED OF INDIVIDUALS WHO ARE NOT EMPLOYED BY MEMORIAL HERMANN, AND HAVE NO CONFLICTING INTERESTS.

THE PROCESS FOR DETERMINING COMPENSATION FOR THE ORGANIZATION'S CEO AND DISQUALIFIED PERSONS IS MODELED AFTER THE REQUIREMENTS IN IRC SECTION 4958 TO ESTABLISH THE PRESUMPTION OF REASONABLE COMPENSATION. THE COMPENSATION COMMITTEE REVIEWS AND APPROVES THE TOTAL REMUNERATION FOR

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THE ORGANIZATION'S DISQUALIFIED PERSONS IN ADVANCE OF BEING PAID. ON AN ANNUAL BASIS, THE COMPENSATION COMMITTEE ENGAGES AN INDEPENDENT THIRD-PARTY EXECUTIVE COMPENSATION CONSULTANT WHO USES COMPARABLE MARKET DATA FROM PUBLISHED SURVEYS AND/OR FORMS 990 OF SIMILAR ORGANIZATIONS TO PERFORM A COMPETITIVE ANALYSIS AND WRITE AN OPINION LETTER REGARDING THE COMPETITIVE POSITION OF MEMORIAL HERMANN'S DISQUALIFIED PERSONS.

THE COMPENSATION COMMITTEE REVIEWS THE COMPARABILITY DATA AND OPINION LETTER, AND DOCUMENTS ITS DISCUSSION AND DECISIONS IN MINUTES THAT ARE RETAINED WITH THE ORGANIZATION'S OTHER GOVERNANCE MATERIALS.

THE ANALYSIS WAS LAST PERFORMED IN 2018 AND IT INCLUDED THE PRESIDENT & CEO, ALL EXECUTIVE VICE PRESIDENTS AND SENIOR VICE PRESIDENTS OF THE ORGANIZATION, AS WELL AS FAMILY MEMBERS OF DISQUALIFIED PERSONS WHO ARE EMPLOYED BY MEMORIAL HERMANN.

990 PART VI SECTION C LINE 19 DISCLOSURE OF ORGANIZATIONAL DOCUMENTS
THE ARTICLES OF INCORPORATION, CORPORATE BYLAWS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS OF MEMORIAL HERMANN HEALTH SYSTEM AND ITS AFFILIATES ARE GENERALLY NOT MADE AVAILABLE TO THE PUBLIC. IF THE INQUIRER PROVIDED A VALID REASON FOR DESIRING A COPY OF THE DOCUMENTS THAT ARE RELATED TO THE BUSINESS INTERESTS OF ANY OF THE MEMORIAL HERMANN HEALTH SYSTEM CORPORATE ENTITIES, WE WOULD CONSIDER MAKING THESE DOCUMENTS AVAILABLE.

990 PART VII DIRECTORS BOARD MEDICAL PLAN
OUR DIRECTORS CAN PURCHASE MEDICAL COVERAGE, FOR THEMSELVES AND THEIR

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ELIGIBLE FAMILY MEMBERS, THROUGH OUR NETWORKS AT 100% OF THE PREMIUM COST.

990 PART XI LINE 9 CHANGES IN NET ASSETS OR FUND BALANCE

RECLASS OF FUND BALANCES OF AFFILIATED COMPANIES 112,245,657

CHANGE IN UNFUNDED PENSION LOSSES 31,646,000

RECLASS OF CONTRIBUTIONS 11,527,000

CHANGE IN NONCONTROLLING INTERESTS 5,992,000

TOTAL CHANGES IN FUND BALANCES 161,410,657

990 PART XII LINE 2C OVERSIGHT REVIEW OF FINANCIAL STATEMENTS

MEMORIAL HERMANN HEALTH SYSTEM HAS INDEPENDENT COMMITTEES FOR AUDITS, GOVERNANCE, AND COMPENSATION WHICH PERFORM THEIR RESPECTIVE FUNCTIONS ON A CONSOLIDATED BASIS FOR ALL CORPORATE ENTITIES. THE AUDIT COMMITTEE HIRES THE INDEPENDENT ACCOUNTANTS AND OVERSEES ALL AUDITS THAT ARE CONDUCTED WITHIN ALL AFFILIATED ENTITIES FOR FINANCIAL INFORMATION, GRANTS AND AWARDS, AND QUALIFIED PLANS.

990 SCHEDULE K PART VI PART I COLUMN F TAX EXEMPT BONDS

2010A BONDS: REFUND THE SERIES 1997B BONDS AND PAY COSTS OF ISSUANCE OF THE SERIES 2010A BONDS. RENOVATION, EQUIPMENT, AND CONSTRUCTION OF ELDERLY CARE FACILITIES AT SOUTHWEST & SOUTHEAST; RENOVATION AND EQUIPMENT AT GREATER HEIGHTS; 100,000 SQ. FT EXPANSION AT THE WOODLANDS; PRIOR ACQUISITION OF, RENOVATION AND EQUIPMENT FOR PASADENA; CONSTRUCTION IN INPATIENT/OUTPATIENT FACILITIES,. EQUIPMENT AND ELDERLY CARE FACILITIES AT 1-10 & ELDRIDGE AND HIGHWAY 290 & FM 1960.

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2013A BONDS: BONDS WERE ISSUED TO ADVANCE REFUND A PORTION OF THE SERIES 2004A BONDS AND ALL OF THE SERIES 2008B BONDS. REIMBURSEMENT OR PAYMENT OF ROUTINE CAPITAL COSTS INCURRED IN CONNECTION WITH THE CONSTRUCTION OF VARIOUS IMPROVEMENTS TO AND THE ACQUISITION OF CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS AND CONTINUING CARE AND RENOVATION OF MEMORIAL HERMANN HOSPITAL. ROUTINE CAPITAL EXPENDITURES INCLUDE THE ACQUISITION OF LAND AND ADDITIONAL EQUIPMENT FOR EXISTING HOSPITAL FACILITIES, INCLUDING, BUT NOT LIMITED TO, THE UPGRADE OF CARDIAC CATHETERIZATION LABORATORIES, RENOVATION OF NURSING UNITS AND OPERATING ROOMS, AND INSTALLATION AND UPGRADE OF CT SCANNERS, MRIS, ECHOCARDIOGRAPHY SYSTEMS AND OTHER IMAGING EQUIPMENT AT EXISTING HOSPITAL FACILITIES. THE BONDS ALSO FINANCED THE EXPANSION OF INPATIENT AND OUTPATIENT FACILITIES AT MEMORIAL HERMANN HOSPITAL INCLUDING THE EXPANSION OF OPERATING ROOMS, WOMEN'S SERVICES, IMAGING SERVICES AND THE NEONATAL INTENSIVE CARE UNIT AT THAT HOSPITAL. RENOVATIONS AND REPLACEMENTS OF, ADDITIONS TO AND EQUIPMENT FOR HERMANN INCLUDING CHILDREN'S, SOUTHWEST INCLUDING AFFILIATED LONG-TERM ACUTE FACILITY, SOUTHEAST, GREATER HEIGHTS, MEMORIAL CITY, THE WOODLANDS, KATY, MHCC HOSPITAL SPRING SHADOWS PINES, PREVENTION AND RECOVERY CENTER, AND THE INITIAL OUTPATIENT/INPATIENT PRIMARY HEALTHCARE FACILITIES AT SH 288 AND FM 518, PEARLAND, BRAZORIA COUNTY.

2013B BONDS: ISSUED TO REFUND THE SERIES 2008C BONDS AND PAY COSTS OF ISSUANCE OF THE 2013B BONDS. PREVIOUSLY FINANCED PROJECTS: 1) THE CONSTRUCTION AND RENOVATION OF GREATER HEIGHTS, EXCLUDING THE CHAPEL

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THEREIN; 2) THE CONSTRUCTION AND RENOVATION OF THE WOODLANDS; 3) CONSTRUCTION AND RENOVATION OF INPATIENT/OUTPATIENT FACILITIES AT 1-10 & ELDRIDGE AND AT HIGHWAY 290 & FM 1960 INCLUDING CONSTRUCTION AND EQUIPPING ELDERLY CARE FACILITIES AT SUCH SITES; 4) CONSTRUCTION AND RENOVATION AT SOUTHEAST AND SOUTHWEST INCLUDING CONSTRUCTION OF ELDERLY CARE FACILITIES AND 544 PARKING SPACES AT SOUTHEAST; 5) REIMBURSEMENT/PAYMENT OF CAPITAL EQUIPMENT FOR SOUTHWEST, SOUTHEAST, GREATER HEIGHTS, THE WOODLANDS, AND FACILITIES IN 3) AND 4).

2014A BONDS: THE PROCEEDS OF THE BONDS WILL FINANCE A PORTION OF THE COST OF VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND REPLACEMENT OF, ADDITIONS TO, AND/OR THE ACQUISITION OF SITES AND CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS LOCATED OR TO BE LOCATED IN OR NEAR HOUSTON, TEXAS, INCLUDING SUBSTANTIAL ADDITIONS AND OTHER IMPROVEMENTS TO MHHS'S KATY AND SUGAR LAND HOSPITALS, A NEW HOSPITAL IN PEARLAND, AND MASTER PLAN IMPROVEMENTS TO AND AN EXPANSION OF MHHS'S TEXAS MEDICAL CENTER HOSPITAL AND TO PAY COSTS OF ISSUANCE FOR THE SERIES 2014 BONDS.

2014B BONDS: THE PROCEEDS OF THE BONDS WILL FINANCE A PORTION OF THE COST OF VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND REPLACEMENT OF, ADDITIONS TO, AND/OR THE ACQUISITION OF SITES AND CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS LOCATED OR TO BE LOCATED IN OR NEAR HOUSTON, TEXAS, INCLUDING SUBSTANTIAL ADDITIONS AND OTHER IMPROVEMENTS TO MHHS'S KATY AND SUGAR LAND HOSPITALS, A NEW

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HOSPITAL IN PEARLAND, AND MASTER PLAN IMPROVEMENTS TO AND AN EXPANSION OF MHHS'S TEXAS MEDICAL CENTER HOSPITAL AND TO PAY COSTS OF ISSUANCE FOR THE SERIES 2014 BONDS.

2014C BONDS: THE PROCEEDS OF THE BONDS WILL FINANCE A PORTION OF THE COST OF VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND REPLACEMENT OF, ADDITIONS TO, AND/OR THE ACQUISITION OF SITES AND CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS LOCATED OR TO BE LOCATED IN OR NEAR HOUSTON, TEXAS, INCLUDING SUBSTANTIAL ADDITIONS AND OTHER IMPROVEMENTS TO MHHS'S KATY AND SUGAR LAND HOSPITALS, A NEW HOSPITAL IN PEARLAND, AND MASTER PLAN IMPROVEMENTS TO AND AN EXPANSION OF MHHS'S TEXAS MEDICAL CENTER HOSPITAL AND TO PAY COSTS OF ISSUANCE FOR THE SERIES 2014 BONDS.

2014D BONDS: THE PROCEEDS OF THE BONDS WILL FINANCE A PORTION OF THE COST OF VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND REPLACEMENT OF, ADDITIONS TO, AND/OR THE ACQUISITION OF SITES AND CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS LOCATED OR TO BE LOCATED IN OR NEAR HOUSTON, TEXAS, INCLUDING SUBSTANTIAL ADDITIONS AND OTHER IMPROVEMENTS TO MHHS'S KATY AND SUGAR LAND HOSPITALS, A NEW HOSPITAL IN PEARLAND, AND MASTER PLAN IMPROVEMENTS TO AND AN EXPANSION OF MHHS'S TEXAS MEDICAL CENTER HOSPITAL AND TO PAY COSTS OF ISSUANCE FOR THE SERIES 2014 BONDS.

2015A BONDS: ISSUED TO REFUND THE SERIES 2010B BONDS WHICH WERE

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ORIGINALLY ISSUED TO REDEEM ALL OF THE SERIES 2001B BONDS AND PAY COSTS OF ISSUANCE OF THE 2010B BONDS. THE ORIGINAL PROCEEDS OF THE 2001B BONDS FUNDED RENOVATIONS OF, ADDITIONS (INCLUDING ELDERLY CARE FACILITIES) TO AND EQUIPMENT FOR ACUTE CARE HOSPITALS, REHABILITATION HOSPITAL & SPRING SHADOWS GLEN AND THE PROPOSED INPATIENT/OUTPATIENT FACILITIES AT HIGHWAY 290 & FM 1960.

2015B BONDS: ISSUED TO REFUND THE SERIES 2010B BONDS WHICH WERE ORIGINALLY ISSUED TO REDEEM ALL OF THE SERIES 2001B BONDS AND PAY COSTS OF ISSUANCE OF THE 2010B BONDS. THE ORIGINAL PROCEEDS OF THE 2001B BONDS FUNDED RENOVATIONS OF, ADDITIONS (INCLUDING ELDERLY CARE FACILITIES) TO AND EQUIPMENT FOR ACUTE CARE HOSPITALS, REHABILITATION HOSPITAL & SPRING SHADOWS GLEN AND THE PROPOSED INPATIENT/OUTPATIENT FACILITIES AT HIGHWAY 290 & FM 1960.

2015C BONDS: ISSUED TO REFUND THE SERIES 2008A-1 BONDS WHICH WERE ISSUED TO REFUND THE MATURITIES OF THE SERIES 1998 BONDS AND PAY COSTS OF ISSUANCE OF THE SERIES 2008A BONDS. EXPANSION, RENOVATION, AND EQUIPMENT FOR SOUTHWEST, SOUTHEAST, GREATER HEIGHTS, THE WOODLANDS, HERMANN, PASADENA, MEMORIAL CITY, REHABILITATION HOSPITAL, SPRING SHADOWS GLEN, SPRING SHADOWS PINES; CONSTRUCTION OF INPATIENT/OUTPATIENT FACILITIES, EQUIPMENT AND ELDERLY CARE FACILITIES AT 1-10 & ELDRIDGE ROAD AND HIGHWAY 290 & FM 1960; CONSTRUCTION OF PROPOSED PREVENTATIVE HEALTH CARE FACILITY AND EQUIPMENT AT 7701-7737 SOUTHWEST FREEWAY; CONSTRUCTION AND EQUIPMENT FOR ELDERLY CARE FACILITIES AT SOUTHWEST AND SOUTHEAST.

Name of the organization	Employer identification number
MEMORIAL HERMANN HEALTH SYSTEM	74-1152597

2016A BONDS: THE PROCEEDS OF THE BONDS WILL FINANCE A PORTION OF THE COST OF VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND REPLACEMENT OF, ADDITIONS TO, AND/OR THE ACQUISITION OF SITES AND CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS LOCATED OR TO BE LOCATED IN OR NEAR HOUSTON, TEXAS, INCLUDING SUBSTANTIAL ADDITIONS AND OTHER IMPROVEMENTS TO MHHS'S SUGAR LAND AND NORTHEAST HOSPITALS, A NEW HOSPITAL IN CYPRESS, AND MASTER PLAN IMPROVEMENTS TO AND AN EXPANSION OF MHHS'S TEXAS MEDICAL CENTER HOSPITAL AND TO PAY COSTS OF ISSUANCE FOR THE SERIES 2016 BONDS.

2016B BONDS: THE PROCEEDS OF THE BONDS WILL FINANCE A PORTION OF THE COST OF VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND REPLACEMENT OF, ADDITIONS TO, AND/OR THE ACQUISITION OF SITES AND CAPITAL EQUIPMENT FOR HEALTHCARE FACILITIES OF MHHS LOCATED OR TO BE LOCATED IN OR NEAR HOUSTON, TEXAS, INCLUDING SUBSTANTIAL ADDITIONS AND OTHER IMPROVEMENTS TO MHHS'S SUGAR LAND AND NORTHEAST HOSPITALS, A NEW HOSPITAL IN CYPRESS, AND MASTER PLAN IMPROVEMENTS TO AND AN EXPANSION OF MHHS'S TEXAS MEDICAL CENTER HOSPITAL AND TO PAY COSTS OF ISSUANCE FOR THE SERIES 2016 BONDS.

990 SCHEDULE K PART VI PART I COLUMN F TAX EXEMPT BONDS
2016C BONDS: ISSUED TO REFUND THE SERIES 2013C BONDS WHICH WERE ORIGINALLY ISSUED TO REDEEM ALL OF THE SERIES 2008D-2 BONDS AND PAY COSTS OF ISSUANCE OF THE 2013D BONDS. ORIGINAL PROCEEDS ISSUED FOR RENOVATIONS OF, ADDITIONS (INCLUDING ELDERLY CARE FACILITIES) TO AND EQUIPMENT FOR INPATIENT/OUTPATIENT FACILITIES AT HIGHWAY 290 & FM 1960, FORMERLY OWNED

Name of the organization: MEMORIAL HERMANN HEALTH SYSTEM
Employer identification number: 74-1152597

AND OPERATED BY PASADENA HOSPITAL, INPATIENT/OUTPATIENT FACILITIES AT 1-10 & ELDRIDGE ROAD, SPRING SHADOWS PINES AND THE WELLNESS CENTER.

2016D BONDS: ISSUED TO REFUND SERIES 2013D WHICH WERE ORIGINALLY ISSUED TO REFUND SERIES 2008D-2 BONDS AND PAY COSTS OF ISSUANCE FOR THE SERIES 2013D BONDS. ORIGINAL PROCEEDS ISSUED FOR RENOVATIONS OF, ADDITIONS (INCLUDING ELDERLY CARE FACILITIES) TO AND EQUIPMENT FOR INPATIENT/OUTPATIENT FACILITIES AT HIGHWAY 290 & FM 1960, FORMERLY OWNED AND OPERATED BY PASADENA HOSPITAL, INPATIENT/OUTPATIENT FACILITIES AT 1-10 & ELDRIDGE ROAD, SPRING SHADOWS PINES AND THE WELLNESS CENTER.

2016E BONDS: ISSUED TO RESTRUCTURE SERIES 2008A-2 WHICH WERE ORIGINALLY ISSUED TO REFUND THE MATURITIES OF THE SERIES 1998 BONDS AND PAY COSTS OF ISSUANCE OF THE SERIES 2008A BONDS. EXPANSION, RENOVATION, AND EQUIPMENT FOR SOUTHWEST, SOUTHEAST, GREATER HEIGHTS, THE WOODLANDS, HERMANN, PASADENA, MEMORIAL CITY, REHABILITATION HOSPITAL, SPRING SHADOWS GLEN, SPRING SHADOWS PINES; CONSTRUCTION OF INPATIENT/OUTPATIENT FACILITIES, EQUIPMENT AND ELDERLY CARE FACILITIES AT 1-10 & ELDRIDGE ROAD AND HIGHWAY 290 & FM 1960; CONSTRUCTION OF PROPOSED PREVENTATIVE HEALTH CARE FACILITY AND EQUIPMENT AT 7701-7737 SOUTHWEST FREEWAY; CONSTRUCTION AND EQUIPMENT FOR ELDERLY CARE FACILITIES AT SOUTHWEST AND SOUTHEAST.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

MISSION: MEMORIAL HERMANN HEALTH SYSTEM IS A NONPROFIT, COMMUNITY-OWNED, HEALTH CARE SYSTEM WITH SPIRITUAL VALUES, DEDICATED TO PROVIDING HIGH QUALITY HEALTH SERVICES IN ORDER TO IMPROVE THE HEALTH OF THE PEOPLE IN SOUTHEAST TEXAS. PROMISE: MEMORIAL HERMANN

Name of the organization: MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number: 74-1152597

ATTACHMENT 1 (CONT'D)

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

EMPLOYEES AND PHYSICIANS WILL PROVIDE EXCEPTIONAL END-TO-END PATIENT CARE EXPERIENCES ANCHORED BY SUPERIOR QUALITY, CLINICAL EXCELLENCE AND AFFORDABLE CARE WITH A COMMITMENT TO ADVANCE THE HEALTH OF OUR PATIENTS AND MEMBERS. VALUES: WE ARE COMMITTED TO ASSESSING AND MEETING THE HEALTH CARE NEEDS OF THE INDIVIDUALS IN OUR DIVERSE COMMUNITIES. WE ARE STEWARDS OF COMMUNITY RESOURCES AND ARE COMMITTED TO BEING MEDICALLY, SOCIALLY, FINANCIALLY, LEGALLY, AND ENVIRONMENTALLY RESPONSIBLE. WE ARE DEVOTED TO PROVIDING SUPERIOR QUALITY AND COST-EFFICIENT, INNOVATIVE, AND COMPASSIONATE CARE. WE COLLABORATE WITH OUR PATIENTS, FAMILIES, PHYSICIANS, EMPLOYEES, VOLUNTEERS, VENDORS, AND COMMUNITIES TO ACHIEVE OUR MISSION. WE SUPPORT TEACHING PROGRAMS THAT DEVELOP THE HEALTH CARE PROFESSIONALS OF TOMORROW. WE SUPPORT BIOMEDICAL RESEARCH AND IMPLEMENTATION OF INNOVATIVE TECHNOLOGY TO EXPAND OUR KNOWLEDGE AND LEARN HOW TO PROVIDE BETTER CARE. WE PROVIDE HOLISTIC HEALTH CARE WHICH ADDRESSES WITH DIGNITY THE PHYSICAL, SOCIAL, PSYCHOLOGICAL, AND SPIRITUAL NEEDS OF INDIVIDUALS. WE ARE COMMITTED TO THE GROWTH AND DEVELOPMENT OF THE INTELLECTUAL AND SPIRITUAL CAPABILITIES OF OUR EMPLOYEES. WE HAVE HIGH ETHICAL STANDARDS AND EXPECT INTEGRITY, FAIRNESS, AND RESPECT IN ALL OUR RELATIONSHIPS. WE ARE COMMITTED TO THE GROWTH AND DEVELOPMENT OF THE INTELLECTUAL AND SPIRITUAL CAPABILITIES OF OUR EMPLOYEES. WE HAVE HIGH ETHICAL STANDARDS AND EXPECT INTEGRITY, FAIRNESS, AND RESPECT IN ALL OUR RELATIONSHIPS.

Name of the organization: MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number: 74-1152597

ATTACHMENT 2

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
J T VAUGHN CONSTRUCTION LLC 10355 WEST PARK DR HOUSTON, TX 77042	CONTRACTOR	116,234,985.
SODEXO 1669 PHOENIX PARKWAY COLLEGE PARK, GA 30349	FOOD SERVICE	83,283,524.
CROTHALL HEALTHCARE 13028 COLLECTION CENTER DR CHICAGO, IL 60693	HOUSEKEEPING	52,811,691.
TELLEPSEN BUILDERS LP 777 BENMAR STE 400 HOUSTON, TX 77060	CONTRACTOR	33,773,718.
CERNER CORPORATION 2800 ROCKCREEK PARKWAY KANSAS CITY, MO 64117	CONTRACT SERVICES	16,901,540.

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.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No 1545-0047
2017
Open to Public Inspection

Name of the organization
MEMORIAL HERMANN HEALTH SYSTEM

Employer identification number
74-1152597

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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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) No
(1) MEMORIAL HERMANN COMMUNITY BENEFIT 68-0511504 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	501(C)(3)	10	MHHS	X	
(2) MEMORIAL HERMANN MEDICAL GROUP 20-4923281 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	501(C)(3)	10	MHHS	X	
(3) MHS PHYSICIANS OF TEXAS 76-0385980 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	501(C)(3)	3	MHHS	X	
(4) MEMORIAL HERMANN FOUNDATION 74-1653640 929 GESSNER RD STE 1900 HOUSTON, TX 77024	FUNDRAISING	TX	501(C)(3)	12A I	MHHS	X	
(5) MEMORIAL HERMANN INFORMATION EXCHANGE 02-0684202 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	501(C)(3)	3	MHHS	X	
(6) MEMORIAL HERMANN ACCOUNTABLE CARE ORG 80-0778181 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	501(C)(4)	N/A	MHHS	X	
(7) MEMORIAL HERMANN PHARMACY SERVICES LLC 20-2184459 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	501(C)(3)	10	MHHS	X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MH/USP SURGERY CTR III LLP 20- 15305 DALLAS PARKWAY, SUITE 16	SURGERY CENTER	TX	N/A	RELATED OR EXEMPT	8,312,547	12,278,076		X	0	X		50 1000
(2) MH REHAB HOSPITAL KATY LLC 26- 929 GESSNER RD STE 1900 HOUSTO	MEDICAL SERVICE	TX	N/A	RELATED OR EXEMPT	948,764	20,356,456		X	0	X		71 2758
(3) MH/USP SURGERY CENTERS IV LLP 15305 DALLAS PKWY, STE 1600 LB	SURGERY CENTER	TX	N/A	RELATED OR EXEMPT	13,036,350	44,220,047		X	0		X	50 1000
(4) MH EMERUS JV LLC 82-1739402 8686 NEW TRAILS DR STE 100 THE	MEDICAL SERVICE	TX	N/A	UNRELATED	-1,027,021.	1,355,541		X	-1,027,021.		X	51 0000
(5)												
(6)												
(7)												

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	(i) No
(1) MHMD 76-0074819 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HEALTHCARE	TX	N/A	C CORP	12,769,208	4,154,752	100 0000	X	
(2) THE HEALTH PROFESSIONALS INS COMPANY LTD BARCLAYS HOUSE 3RD FLOOR GRAND CAYMAN, CJ	CAPTIVE INSURANCE	CJ	N/A	FOREIGN	16,086,822	97,646,208	100 0000	X	
(3) MEMORIAL HERMANN HEALTH SOLUTIONS INC 26-4419989 929 GESSNER RD STE 1900 HOUSTON, TX 77024	INSURANCE	TX	N/A	C CORP	9,678,956	11,138,625	100 0000	X	
(4) MEMORIAL HERMANN HEALTH INSURANCE CO 76-0646301 929 GESSNER RD STE 1900 HOUSTON, TX 77024	INSURANCE	TX	N/A	C CORP	70,836,906	38,102,455	100 0000	X	
(5) MEMORIAL HERMANN HEALTH PLAN INC 46-2707092 929 GESSNER RD STE 1900 HOUSTON, TX 77024	INSURANCE	TX	N/A	C CORP	100,814,581	41,701,011	100 0000	X	
(6) MEMORIAL HERMANN HEALTH PLAN HOLDINGS LL 81-2971502 929 GESSNER RD STE 1900 HOUSTON, TX 77024	INSURNACE	TX	N/A	C CORP	0.	0	100 0000	X	
(7) MH COMMERCIAL HEALTH PLAN INC 20-6680981 929 GESSNER RD STE 1900 HOUSTON, TX 77024	INSURANCE	TX	N/A	C CORP	0	0	100 0000	X	

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

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

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	(i) No
(1) MEMORIAL HERMANN VENTURES LLC 82-5207571 929 GESSNER RD STE 1900 HOUSTON, TX 77024	HOLDING COMPANY	TX	N/A	C CORP	0	0	100 0000	X	
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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

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

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	MEMORIAL HERMANN FOUNDATION	C	28,684,865.	GAAP
(2)	MHS PHYSICIANS OF TEXAS	R	69,384,299.	GAAP
(3)	MHS PHYSICIANS OF TEXAS	S	28,134,148.	GAAP
(4)	MEMORIAL HERMANN ACCOUNTABLE CARE ORG	R	10,442,716.	GAAP
(5)	MEMORIAL HERMANN ACCOUNTABLE CARE ORG	S	38,100,358.	GAAP
(6)	MEMORIAL HERMANN INFORMATION EXCHANGE	R	5,308,265.	GAAP

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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		
b	Gift, grant, or capital contribution to related organization(s)	1b		
c	Gift, grant, or capital contribution from related organization(s)	1c		
d	Loans or loan guarantees to or for related organization(s)	1d		
e	Loans or loan guarantees by related organization(s)	1e		
f	Dividends from related organization(s)	1f		
g	Sale of assets to related organization(s)	1g		
h	Purchase of assets from related organization(s)	1h		
i	Exchange of assets with related organization(s)	1i		
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		
o	Sharing of paid employees with related organization(s)	1o		
p	Reimbursement paid to related organization(s) for expenses	1p		
q	Reimbursement paid by related organization(s) for expenses	1q		
r	Other transfer of cash or property to related organization(s)	1r		
s	Other transfer of cash or property from related organization(s)	1s		

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)	MEMORIAL HERMANN INFORMATION EXCHANGE	S	358,274.	GAAP
(2)	MEMORIAL HERMANN PHARMACY SERVICES LLC	R	10,897,821.	GAAP
(3)	MEMORIAL HERMANN PHARMACY SERVICES LLC	S	1,195,112.	GAAP
(4)	MEMORIAL HERMANN REHAB HOPSITAL KATY LLC	R	19,295,887.	GAAP
(5)	MEMORIAL HERMANN REHAB HOPSITAL KATY LLC	S	23,933,244.	GAAP
(6)	MEMORIAL HERMANN MEDICAL GROUP	R	206,847,979.	GAAP

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

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

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)	MEMORIAL HERMANN MEDICAL GROUP	S	120,946,051.	GAAP
(2)	MEMORIAL HERMANN FOUNDATION	R	31,414,988.	GAAP
(3)	MEMORIAL HERMANN FOUNDATION	S	31,345,375.	GAAP
(4)	MEMORIAL HERMANN HEALTH SOLUTIONS INC	R	35,556,633.	GAAP
(5)	MEMORIAL HERMANN HEALTH SOLUTIONS INC	S	13,684,546.	GAAP
(6)	MEMORIAL HERMANN HEALTH INSURANCE COMPANY	R	21,967,623.	GAAP

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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		
b Gift, grant, or capital contribution to related organization(s)	1b		
c Gift, grant, or capital contribution from related organization(s)	1c		
d Loans or loan guarantees to or for related organization(s)	1d		
e Loans or loan guarantees by related organization(s)	1e		
f Dividends from related organization(s)	1f		
g Sale of assets to related organization(s)	1g		
h Purchase of assets from related organization(s)	1h		
i Exchange of assets with related organization(s)	1i		
j Lease of facilities, equipment, or other assets to related organization(s)	1j		
k Lease of facilities, equipment, or other assets from related organization(s)	1k		
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		
o Sharing of paid employees with related organization(s)	1o		
p Reimbursement paid to related organization(s) for expenses	1p		
q Reimbursement paid by related organization(s) for expenses	1q		
r Other transfer of cash or property to related organization(s)	1r		
s Other transfer of cash or property from related organization(s)	1s		

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)	MEMORIAL HERMANN HEALTH INSURANCE COMPANY	S	21,922,078.	GAAP
(2)	MEMORIAL HERMANN HEALTH PLAN INC	R	41,144,325.	GAAP
(3)	MEMORIAL HERMANN HEALTH PLAN INC	S	33,098,356.	GAAP
(4)	MHMD	R	49,112,691.	GAAP
(5)	MHMD	S	14,281,230.	GAAP
(6)	MEMORIAL HERMANN COMMUNITY BENEFIT	R	11,499,999.	GAAP

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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		
b Gift, grant, or capital contribution to related organization(s)	1b		
c Gift, grant, or capital contribution from related organization(s)	1c		
d Loans or loan guarantees to or for related organization(s)	1d		
e Loans or loan guarantees by related organization(s)	1e		
f Dividends from related organization(s)	1f		
g Sale of assets to related organization(s)	1g		
h Purchase of assets from related organization(s)	1h		
i Exchange of assets with related organization(s)	1i		
j Lease of facilities, equipment, or other assets to related organization(s)	1j		
k Lease of facilities, equipment, or other assets from related organization(s)	1k		
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		
o Sharing of paid employees with related organization(s)	1o		
p Reimbursement paid to related organization(s) for expenses	1p		
q Reimbursement paid by related organization(s) for expenses	1q		
r Other transfer of cash or property to related organization(s)	1r		
s Other transfer of cash or property from related organization(s)	1s		

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)	MEMORIAL HERMANN COMMUNITY BENEFIT	S	14,089,831.	GAAP
(2)				
(3)				
(4)				
(5)				
(6)				

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? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R See instructions