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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public

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

OMB No 1545-0047

2018

Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 01-01-2018 , and ending 12-31-2018

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

Children's Health Clinical Operations

Doing business as

Children's Health

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

1935 Medical District Drive

Room/suite

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

Dallas, TX 75235

F Name and address of principal officer

David Berry

1935 Medical District Drive

Dallas, TX 75235

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶

www.childrens.com

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation

1947

M State of legal domicile

TX

Part I

Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities

Dedicated to making life better for children

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

4 Number of independent voting members of the governing body (Part VI, line 1b)

3

5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)

8,563

6 Total number of volunteers (estimate if necessary)

1,000

7a Total unrelated business revenue from Part VIII, column (C), line 12

655,607

b Net unrelated business taxable income from Form 990-T, line 34

0

Revenue

8 Contributions and grants (Part VIII, line 1h)

7,905,343

9 Program service revenue (Part VIII, line 2g)

1,225,959,615

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

5,587,969

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

52,929,562

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

1,292,382,489

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

145,175

14 Benefits paid to or for members (Part IX, column (A), line 4)

0

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

450,636,304

16a Professional fundraising fees (Part IX, column (A), line 11e)

0

b Total fundraising expenses (Part IX, column (D), line 25) ▶

0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

682,431,307

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

1,133,212,786

19 Revenue less expenses Subtract line 18 from line 12

159,169,703

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

3,918,609,841

21 Total liabilities (Part X, line 26)

577,779,124

22 Net assets or fund balances Subtract line 21 from line 20

3,340,830,717

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

Jeremiah Radandt EVP Finance & CFO

Type or print name and title

2019-11-15

Date

Paid Preparer Use Only

Print/Type preparer's name

Firm's name ▶ CROWE LLP

Firm's address ▶ 750 N St Paul Suite 850

Dallas, TX 75201

Preparer's signature

Firm's EIN ▶ 35-0921680

Phone no (214) 777-5200

Date

PTIN P00520729

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2018)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

Children's Health Clinical Operations is dedicated to making life better for children. Children's is committed to carry out this mission through adherence to four guiding principles: quality care, research & innovation, education & advocacy, and excellence & accountability.

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 \$ 1,156,414,322 including grants of \$ 191,000) (Revenue \$ 1,400,044,034)
See Additional Data











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 **▶** 1,156,414,322

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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	924	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		2a	8,563			
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?				3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O				3b	Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?				4a		No
b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for 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		No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?				5b		No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?				5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?				6a		No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?				6b		
7 Organizations that may receive deductible contributions under section 170(c).						
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?				7a		No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?				7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?				7c	Yes	
d If "Yes," indicate the number of Forms 8282 filed during the year				7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?				7e		No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				7f		No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?				7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?				7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?						
				8		
9a 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?						
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year				12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.						
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O				13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans				13b		
c Enter the amount of reserves on hand				13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?				14a		No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O				14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N				15		No
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O				16		No

Part VI

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records.
 ▶ Stephanie K Smith 1935 Medical District Drive Dallas, TX 75235 (214) 456-7000

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 ☐

□

● List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

[illegible]

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

[illegible]

1b Sub-Total			
c Total from continuation sheets to Part VII, Section A			
d Total (add lines 1b and 1c)	0	19,486,877	2,363,947

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 ▶ 0

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
UTSW HI 108 5323 Harry Hines Blvd Dallas, TX 753908886	Physician & Medical Services	29,728,085
The Robins & Morton Group 400 SHADES CREEK PARKWAY Birmingham, AL 35209	Construction Services	5,233,061
Medline Industries Inc PO Box 121080 Dallas, TX 75312	Medical Products	4,563,408
Phi Air Medical 2800 N 44th Street 800 Phoenix, AZ 85008	Transportation Services	4,139,024
US Foods Inc 9399 W HIGGINS RD Rosemont, IL 60018	Food Services	3,377,149

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 206

Part VIII		Statement of Revenue					
Check if Schedule O contains a response or note to any line in this Part VIII <input type="checkbox"/>							
			(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	10,384,934			
	e	Government grants (contributions)	1e	404,698			
	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 ▶	10,789,632				
Program Service Revenue			Business Code				
	2a	Net Patient Revenue	622110	1,344,525,773	1,344,525,773		
	b	Other Medical Services Revenue	622110	39,512,914	38,857,307	655,607	
	c	_____					
	d	_____					
	e	_____					
	f	All other program service revenue		0	0	0	
	9	Total. Add lines 2a-2f ▶	1,384,038,687				
Other Revenue	3		Investment income (including dividends, interest, and other similar amounts) ▶	1,918,314		1,918,314	
	4		Income from investment of tax-exempt bond proceeds ▶				
	5		Royalties ▶				
	6a	(i) Real		(ii) Personal			
		Gross rents					
		1,900					
		b Less rental expenses		0			
	c		Rental income or (loss)	1,900	0		
	d		Net rental income or (loss) ▶	1,900		1,900	
	7a	(i) Securities		(ii) Other			
		Gross amount from sales of assets other than inventory		0			
		b Less cost or other basis and sales expenses		155,854			
		c Gain or (loss)		0	-155,854		
	d		Net gain or (loss) ▶	-155,854		-155,854	
	8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a				
	b		Less direct expenses b				
	c		Net income or (loss) from fundraising events . . . ▶				
	9a		Gross income from gaming activities See Part IV, line 19 a				
	b		Less direct expenses b				
	c		Net income or (loss) from gaming activities . . . ▶				
10a		Gross sales of inventory, less returns and allowances a					
b		Less cost of goods sold b					
c		Net income or (loss) from sales of inventory . . . ▶					
		Miscellaneous Revenue	Business Code				
11a		Other Medical Svc Rev	622110	11,953,457	11,953,457		
b		Dietary Revenue	621990	4,707,497	4,707,497		
c		Vending Revenue	454210	169,210		169,210	
d		All other revenue		0	0	0	
e		Total. Add lines 11a-11d ▶	16,830,164				
12		Total revenue. See Instructions ▶	1,413,422,843	1,400,044,034	655,607	1,933,570	

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.				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	191,000	191,000		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	380,184,496	352,622,231	27,562,265	
7 Other salaries and wages.				
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	20,864,281	19,351,682	1,512,599	
9 Other employee benefits.	55,999,546	51,939,743	4,059,803	
10 Payroll taxes.	28,413,918	26,353,992	2,059,926	
11 Fees for services (non-employees):				
a Management.				
b Legal.				
c Accounting.				
d Lobbying.				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	148,527,927	137,568,454	10,959,473	0
12 Advertising and promotion.	3,880	435	3,445	
13 Office expenses.	2,418,395	2,232,315	186,080	
14 Information technology.	715,103	579,378	135,725	
15 Royalties.				
16 Occupancy.	23,593,365	7,539,762	16,053,603	
17 Travel.	759,457	603,984	155,473	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	1,751,701	1,508,742	242,959	
20 Interest.	14,396,139	101,830	14,294,309	
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	53,291,904	48,266,253	5,025,651	
23 Insurance.				
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 Provision for Doubtful Accounts.	52,417,896	52,417,896		
b Shared Services.	336,532,755	304,796,296	31,736,459	
c Medical/Surgical Supplies.	144,124,380	144,124,380		
d Dietary and Food Costs.	3,647,780	3,571,173	76,607	
e All other expenses.	3,532,377	2,644,776	887,601	0
25 Total functional expenses. Add lines 1 through 24e.	1,271,366,300	1,156,414,322	114,951,978	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

				(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest-bearing			1		
	2	Savings and temporary cash investments		103,268,080	2	103,263,428	
	3	Pledges and grants receivable, net			3		
	4	Accounts receivable, net		160,273,330	4	132,988,206	
	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			7		
	8	Inventories for sale or use		15,971,539	8	16,390,006	
	9	Prepaid expenses and deferred charges		3,191,818	9	2,810,690	
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	1,401,916,996			
	b	Less: accumulated depreciation	10b	559,469,715	844,917,424	10c	842,447,281
	11	Investments—publicly traded securities			11		
	12	Investments—other securities. See Part IV, line 11		0	12	14,475,315	
	13	Investments—program-related. See Part IV, line 11		0	13		
	14	Intangible assets			14		
	15	Other assets. See Part IV, line 11		2,790,987,650	15	2,830,480,886	
16	Total assets. Add lines 1 through 15 (must equal line 34)		3,918,609,841	16	3,942,855,812		
Liabilities	17	Accounts payable and accrued expenses		91,938,587	17	134,042,585	
	18	Grants payable			18		
	19	Deferred revenue		0	19	22,132	
	20	Tax-exempt bond liabilities		450,436,417	20	438,197,345	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21		
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0	
	23	Secured mortgages and notes payable to unrelated third parties			23		
	24	Unsecured notes and loans payable to unrelated third parties			24		
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D		35,404,120	25	43,850,757	
	26	Total liabilities. Add lines 17 through 25		577,779,124	26	616,112,819	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets		1,921,101,930	27	1,961,119,675	
	28	Temporarily restricted net assets		1,279,057,606	28	1,216,743,891	
	29	Permanently restricted net assets		140,671,181	29	148,879,427	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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		3,340,830,717	33	3,326,742,993		
34	Total liabilities and net assets/fund balances		3,918,609,841	34	3,942,855,812		

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,413,422,843
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,271,366,300
3	Revenue less expenses Subtract line 2 from line 1	3	142,056,543
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,340,830,717
5	Net unrealized gains (losses) on investments	5	26,332
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-156,170,599
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	3,326,742,993

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
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	Yes	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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		

Additional Data

Software ID: 18007697

Software Version: 2018v3.1

EIN: 75-0800628

Name: Children's Health Clinical Operations

Form 990 (2018)

Form 990, Part III, Line 4a:

Consistent with its charitable mission, Children's Health maintains a policy of accepting all patients within its primary service area regardless of ability to pay. The local service regions stretch from the Oklahoma border south to Waco and from Parker County (west of Ft. Worth) east to Wood County. Children's Health participates in applicable government sponsored entitlement programs. For the year ended December 31, 2018, approximately 64% of Children's gross revenue is attributable to patients enrolled in state Medicaid and CHIP programs. During 2018, Children's Health served children through more than 800,000 patient encounters. In recognizing its mission to the community, Children's Health participates in the Medicaid, Medicare, Children's Health Health Insurance Program (CHIP), and Children with Special Health Care Needs (CSHCN) government programs. Under an agreement with the Dallas County Hospital District, Children's Health provides services to the indigent children of Dallas County. Children's Health is the primary pediatric teaching hospital for the University of Texas Southwestern Medical School at Dallas and has the fifth largest pediatric training program in the country. Children's Health offers fellowships/residencies in pediatric subspecialties, as well as internships and fellowships/residencies in nursing, dentistry, allied health, social sciences and religious studies. In addition to internship and fellowship programs, many students representing a variety of health care professions come to Children's Health to complete a pediatric rotation as a requisite of their training. In addition, through the affiliation with UTSW Medical Center, ongoing research is promoted in many different clinical areas of the hospital. The end goal of this research is the development of newer, more effective diagnostic & treatment methods to meet the health care needs of children. All research involving human subjects is approved by the Institutional Review Board at UTSW. Joint areas of research efforts between UTSW's Department of Pediatrics & Children's are: critical care, immunology, gastroenterology, emergency medicine, radiology, nutrition, endocrinology, psychiatry, cardiology, pharmacology, nephrology, neurology, pulmonology, rheumatology, infectious diseases & hematology/oncology. Many of these clinical studies have been published in medical journals & presented to professional health care societies.

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (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	Insttutcnal Trustee	Officer	Key employee	Highest compensated employee	Former			
P Scott Ozanus	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Robert Peterson	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Dora Ramirez	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Denis Simon	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Mary Suhm	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Rajiv Trivedi	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Daryl Walker	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Hiawatha Williams	10									
Director (until 9/13/2018)	.....0	X						0	0	0
Mark Zacheis	10									
Director (until 9/13/2018)	.....10	X						0	0	0
David T Berry	10			X						
President	.....540							0	855,960	210,627

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (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			
Michael W Hefton	49 0									
VP and CMC ASSOC CNO	..... 1 0					X		0	495,138	22,213
Dorothy Foglia	50 0									
VP and CMC ASSOC CNO	..... 0 0					X		0	332,006	78,513
Joe Cavender	49 0									
VP & CMC ASSOC CNO	..... 1 0					X		0	331,478	74,760
Pamela Arora	0 0									
Former Officer	..... 55 0						X	0	814,103	165,529
Kimberly Besse	0 0									
Former Officer	..... 55 0						X	0	628,252	152,542
Michele Chulick	0 0									
Former Officer	..... 0 0						X	0	548,268	0
Douglas Duwe	0 0									
Former Officer	..... 50 0						X	0	357,841	69,446
Keri A Kaiser	0 0									
Former Officer	..... 50 0						X	0	499,782	129,246
Stephanie K Smith	0 0									
Former Corporate Secretary	..... 40 0						X	0	162,833	4,591
Claud Kern Wildenthal MD PhD	0 0									
Former Officer	..... 55 0						X	0	405,496	0

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

(A) Name and Title	(B) Average hours per week (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			
Mark E Ziemianski Former Officer	0 0 50 0						X	0	346,751	79,027
Christopher J Durovich Former Officer and Director (CHST Pres & CEO)	0 0 60 0						X	0	3,556,525	200,803

SCHEDULE A (Form 990 or 990-EZ)	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 the latest information.	OMB No 1545-0047
		2018
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization Children's Health Clinical Operations	Employer identification number 75-0800628
--	--	---

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)

- 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 **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?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)
(Complete only if you checked the box on line 5, 7, 8, or 9 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
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)2014	(b)2015	(c)2016	(d)2017	(e)2018	(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 ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage		
14	Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14
15	Public support percentage for 2017 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2018. 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	<input type="checkbox"/>
b	33 1/3% support test—2017. 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	<input type="checkbox"/>
17a	10%-facts-and-circumstances test—2018. 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	<input type="checkbox"/>
b	10%-facts-and-circumstances test—2017. 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	<input type="checkbox"/>
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	<input type="checkbox"/>

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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2018. 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—2017. 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 on line 12 of 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? <i>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.</i>	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)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>	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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>	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)? <i>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.</i>	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>	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? <i>If "Yes," provide detail in Part VI.</i>	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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	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))? <i>If "Yes," provide detail in Part VI.</i>	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? <i>If "Yes," provide detail in Part VI.</i>	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? <i>If "Yes," provide detail in Part VI.</i>	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)? <i>If "Yes," answer line 10b below.</i>	10a	
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>	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 <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions)		
2 Activities Test. Answer (a) and (b) below.	Yes	No
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			
<div><div>1</div><div><input type="checkbox"/></div><div>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.</div></div>			
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)	1	
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	<div><div><input type="checkbox"/></div><div>Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).</div></div>		

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 2018 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-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2018			
a From 2013.			
b From 2014.			
c From 2015.			
d From 2016.			
e From 2017.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2018 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2018, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2018 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2019. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2014.			
b Excess from 2015.			
c Excess from 2016.			
d Excess from 2017.			
e Excess from 2018.			

Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 75-0800628
Name: Children's Health Clinical Operations

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)

Facts And Circumstances Test

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

2018

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 the organization Children's Health Clinical Operations	Employer identification number 75-0800628
---	---

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

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

g Grassroots nontaxable amount (enter 25% of line 1f)

h Subtract line 1g from line 1a If zero or less, enter -0-

i Subtract line 1f from line 1c If zero or less, enter -0-

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

☐ **Yes** ☐ **No****4-Year Averaging Period Under section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(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)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?	Yes		174,455
j	Total. Add lines 1c through 1i			174,455
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a Current year	2b	
b Carryover from last year	2c	
c Total	3	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
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?	5	
5 Taxable amount of lobbying and political expenditures (see instructions)		

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.

Return Reference	Explanation
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	In 2018, CHCO paid membership dues to organizations in which a portion of the membership dues were related to lobbying activities. NACH (National Association of Children's Hospitals), AHA (American Hospital Association), THA (Texas Hospital Association), TAVH (Texas Association of Voluntary Hospitals), THOT (Teaching Hospitals of Texas), and CHAT (Children's Hospital Association of Texas) identified a portion of their membership dues as being related to lobbying activities. Lobbying percentages were identified by said organizations and applied to 2018 membership dues. In addition, CHCO paid professional and consulting fees related to other lobbying activities.
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	In 2018, CHCO paid membership dues to organizations in which a portion of the membership dues were related to lobbying activities. NACH (National Association of Children's Hospitals), AHA (American Hospital Association), THA (Texas Hospital Association), TAVH (Texas Association of Voluntary Hospitals), THOT (Teaching Hospitals of Texas), and CHAT (Children's Hospital Association of Texas) identified a portion of their membership dues as being related to lobbying activities. Lobbying percentages were identified by said organizations and applied to 2018 membership dues. In addition, CHCO paid professional and consulting fees related to other lobbying activities.

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 the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization
Children's Health Clinical Operations

Employer identification number
75-0800628

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)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, 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 in 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2

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

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Temporarily restricted endowment ▶

The percentages 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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
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		48,120,808		48,120,808
b Buildings		983,313,715	359,385,881	623,927,834
c Leasehold improvements		21,786,207	8,414,138	13,372,069
d Equipment		274,298,307	191,669,696	82,628,611
e Other		74,397,959		74,397,959
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				842,447,281

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)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶		

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) Net Assets of Foundation	1,346,457,841
(2) LT Advances to Affiliates	1,429,343,992
(3) Investments in Affiliates	25,000
(4) Project Fund Escrow	50,179,043
(5) Mineral Rights	4,475,010
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	2,830,480,886

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.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
LT Deferred Rent	412,133
LT - Loan Pay and Def Costs - Urban Ventures	9,761,108
Defined Benefit Pension	33,677,516
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	43,850,757

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' 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		2e		
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		4c		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b				
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5		

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

Part XIII Supplemental Information

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

Return Reference	Explanation	
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Part XIII	Supplemental Information (continued)
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Return Reference	Explanation
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SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Name of the organization

Children's Health Clinical Operations

Employer identification number

75-0800628

► Complete if the organization answered "Yes" on Form 990, Part IV, question 20.

► Attach to Form 990.

► Go to www.irs.gov/Form990EZ for instructions and the latest information.

Part I

Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b If "Yes," was it a written policy?	1b Yes	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year		
<input checked="" type="checkbox"/> Applied uniformly to all hospital facilities		
<input type="checkbox"/> Applied uniformly to most hospital facilities		
<input type="checkbox"/> 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	3a Yes	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other %		
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	3b Yes	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other %		
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"?	4 Yes	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b Yes	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	No
6a Did the organization prepare a community benefit report during the tax year?	6a Yes	
b If "Yes," did the organization make it available to the public?	6b Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			12,599,710	0	12,599,710	0 99 %
b Medicaid (from Worksheet 3, column a)			703,747,176	658,607,562	45,139,614	3 55 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			54,390,604	49,208,270	5,182,334	0 41 %
d Total Financial Assistance and Means-Tested Government Programs	0	0	770,737,490	707,815,832	62,921,658	4 95 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			10,369,048	2,290,326	8,078,722	0 64 %
f Health professions education (from Worksheet 5)			39,390,429	2,872,164	36,518,265	2 87 %
g Subsidized health services (from Worksheet 6)			0	0	0	0 %
h Research (from Worksheet 7)			7,218,943	2,279,704	4,939,239	0 39 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			652,030	0	652,030	0 05 %
j Total. Other Benefits	0	0	57,630,450	7,442,194	50,188,256	3 95 %
k Total. Add lines 7d and 7j	0	0	828,367,940	715,258,026	113,109,914	8 90 %

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					0	0 %
2 Economic development					0	0 %
3 Community support					0	0 %
4 Environmental improvements					0	0 %
5 Leadership development and training for community members					0	0 %
6 Coalition building			1,357,252	0	1,357,252	0 11 %
7 Community health improvement advocacy					0	0 %
8 Workforce development					0	0 %
9 Other					0	0 %
10 Total	0	0	1,357,252	0	1,357,252	0 11 %

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	Yes	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2	52,417,896	
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	177,440	
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	5,727,275
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	4,907,216
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	820,059
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.		
<input type="checkbox"/> Cost accounting system	<input type="checkbox"/> Cost to charge ratio	<input checked="" type="checkbox"/> Other

Section C. Collection Practices

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

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

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

Part V Facility Information**Section A. Hospital Facilities**

(list in order of size from largest to smallest—see instructions)

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

2

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
	See Additional Data Table										

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

A

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

		Yes	No
Community Health Needs Assessment			
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	No
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	No
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 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The significant health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j	<input type="checkbox"/> Other (describe in Section C)		
4	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>16</u>		
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	Yes
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	Yes
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	No
7	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	7	Yes
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>https://www.childrens.com/keeping-families-healthy/dfw-childrens-health-assessment</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d	<input type="checkbox"/> 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	Yes
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>16</u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website? <u>https://www.childrens.com/keeping-families-healthy/dfw-childrens-health-assessment</u>	10	Yes
a	If "Yes" (list url) <u>assessment</u>		
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	No
b	If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c	If "Yes" on 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)**

A

Name of hospital facility or letter of facility reporting group _____

		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	13	Yes	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200.0</u> % and FPG family income limit for eligibility for discounted care of <u>400.0</u> %			
b <input type="checkbox"/> Income level other than FPG (describe in Section C)			
c <input type="checkbox"/> Asset level			
d <input checked="" type="checkbox"/> Medical indigency			
e <input checked="" type="checkbox"/> Insurance status			
f <input checked="" type="checkbox"/> Underinsurance discount			
g <input type="checkbox"/> Residency			
h <input checked="" type="checkbox"/> Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	Yes	
15 Explained the method for applying for financial assistance? 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)	15	Yes	
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application			
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e <input type="checkbox"/> Other (describe in Section C)			
16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	16	Yes	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url) (see statement in Part VI)			
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) (see statement in Part VI)			
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) (see statement in Part VI)			
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j <input checked="" type="checkbox"/> Other (describe in Section C)			

Part V Facility Information (continued)**Billing and Collections**

A

Name of hospital facility or letter of facility reporting group _____

	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 Yes	
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 <input type="checkbox"/> Reporting to credit agency(ies) b <input type="checkbox"/> Selling an individual's debt to another party c <input type="checkbox"/> 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 <input type="checkbox"/> Actions that require a legal or judicial process e <input type="checkbox"/> Other similar actions (describe in Section C) f <input checked="" type="checkbox"/> 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?	19	No
If "Yes," check all actions in which the hospital facility or a third party engaged		
a <input type="checkbox"/> Reporting to credit agency(ies) b <input type="checkbox"/> Selling an individual's debt to another party c <input type="checkbox"/> 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 <input type="checkbox"/> Actions that require a legal or judicial process e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications d <input checked="" type="checkbox"/> Made presumptive eligibility determinations e <input type="checkbox"/> Other (describe in Section C) f <input type="checkbox"/> 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?	21 Yes	
If "No," indicate why		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions b <input type="checkbox"/> The hospital facility's policy was not in writing c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

A

Name of hospital facility or letter of facility reporting group _____

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** ☐ 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

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

	Yes	No
22		
23		No
24		No

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.

[illegible]

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? 20

Name and address	Type of Facility (describe)
1 See Additional Data Table	
2	
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, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 6a Community Benefit Report	The Children's Health Community Benefit Report (Beyond ABC) is prepared by our Marketing & Public Relations department with collaboration from numerous departments within the hospital

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 7	Children's Medical Center of Dallas and Children's Medical Center Plano are required to file a Community Benefit Plan and Report with the State of Texas as required by Senate Bill 427

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16a FAP AVAILABLE WEBSITE	https //www childrens com/patient-families/billing-and-insurance/financial-assistance-and-support

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16b FAP APPLICATION FORM WEBSITE	https //www childrens com/patient-families/billing-and-insurance/financial-assistance-and-support

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16c PLAIN LANGUAGE FAP SUMMARY WEBSITE	https //www childrens com/patient-families/billing-and-insurance/financial-assistance-and-support

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V Section D - Non-Hospital Facility Information	Children's Health Clinical Operations, as the sole member of OCH Holdings doing business as Our Children's House, took over the operations of all outpatient therapy sites that were previous operated by OCH Holdings. This change was effective November 30, 2017 and was done to streamline and consolidate the outpatient therapy services of Children's Health System of Texas in support of its mission to make life better for children.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 7k Children's Health Community Commitment	<p>Children's Health has launched numerous renovations and technological improvements as well as expansion of programs designed to better serve our patient families and the community, including the following programs and/or capital projects</p> <ul style="list-style-type: none">-A fully renovated Pediatric Intensive Care Unit, Dallas campus-Comprehensive Emergency Room renovation, Dallas campus-Expansion of the Heart Center at Children's Health through the addition of cardiology providers to the Children's Health Care Network-Renovation of the Dallas campus operating rooms

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Schedule H, Part I, Line 7 Costing Methodology used to calculate financial assistance	Children's Health uses Worksheet 2 from the Form 990, Schedule H instructions to calculate the costs for Part I, Line 7 and ratio of patient care cost to charges attributable to community benefits

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part II Community Building Activities	CHILDREN'S IS PASSIONATE ABOUT MAINTAINING A VOCAL PRESENCE IN LEGISLATIVE AFFAIRS ON THE LOCAL, STATE AND FEDERAL LEVELS AND IS AT THE FOREFRONT OF GOVERNMENTAL EFFORTS THAT AFFECT THE COMMUNITY AT LARGE, FROM BOOSTER SEAT AND CAR SAFETY MEASURES TO CRITICAL FUNDING INITIATIVES. ADDITIONALLY, CHILDREN'S COLLABORATES EXTENSIVELY WITH OUR PARTNERS IN COALITIONS SUCH AS THE CHILDREN'S HOSPITAL ASSOCIATION OF TEXAS (CHAT) AND THE TEXAS HOSPITAL ASSOCIATION (THA) AT THE STATE LEVEL, AS WELL AS THE CHILDREN'S HOSPITAL ASSOCIATION (FORMERLY THE NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS AND RELATED INSTITUTIONS). CHILDREN'S PRESIDENT AND CHIEF EXECUTIVE OFFICER ALSO SERVES ON THE BOARD OF TRUSTEES FOR THE AMERICAN HOSPITAL ASSOCIATION. THROUGH THESE AFFILIATIONS, CHILDREN'S IS BETTER ABLE TO ADVOCATE THE DEVELOPMENT OF AN EFFECTIVE, COMPREHENSIVE AND APPROPRIATELY FUNDED CHILDREN'S HEALTH CARE SYSTEM IN TEXAS AND ACROSS THE COUNTRY.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 2 Bad debt expense - methodology used to estimate amount	<p>As a part of Children's Health System of Texas (Children's Health), Children's Health Clinical Operations adheres to the Children's Health processes and methodologies for calculating bad debt expense. Children's Health has agreements with third-party payors that generally provide for payments at amounts different from its established charges. For uninsured patients who do not qualify for charity care, Children's Health recognizes revenue based on established charges subject to certain discounts and implicit price concessions. Children's Health determines the transaction price based on standard charges for services provided, reduced by explicit price concessions provided to third-party payors. Discounts are provided to uninsured patients in accordance with policy and implicit price concessions provided to uninsured patients. Explicit price concessions are based on contractual agreements, discount policies and historical experience. Implicit price concessions represent differences between amounts billed and the estimated consideration Children's Health expects to receive from patients which are determined based on historical collection experience and other factors.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 3 Bad Debt Expense Methodology	Children's Health uses its cost accounting system and the actual costs that are written off by patient accounts to calculate the bad debt expense attributable to patients eligible under the organization's charity care policy. Children's rationale for including a portion of bad debt as community benefit is that, bad debt expense should be treated as a community benefit as it is similar to other unreimbursed financial assistance, as reported in Part I, Line 7a, but for a different population (namely, those patients who would qualify for charity care if they completed the financial assistance application).

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 4 Bad debt expense - financial statement footnote	<p>The following is the footnote disclosure related to the Allowance for Doubtful Accounts, provided with Children's Health System of Texas Audited Financial Statements (page 12) Children's Health adopted the Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09") on January 1, 2018. This standard requires revenue to be recognized in a manner depicting the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods and services. Upon adoption, Children's Health utilized the modified retrospective method for transition. An analysis was performed of all revenue streams and transactions which fell under ASU 2014-09. In particular, for net patient service revenue, an analysis into the application of the portfolio approach as a practical expedient to a group patient contracts with similar characteristics, such that revenue for a given portfolio would not be materially different than if evaluated on a contract-by-contract basis. Upon adoption, the majority of amounts that were previously classified as provision for doubtful accounts and presented as a reduction to net patient service revenue on the statement of operations and changes in net assets is treated as an implicit price concession that reduces the transaction price, which is reported as net patient service revenue. The impact of adopting ASU 2014-09 was not material to total unrestricted revenues, excess of revenues over expenses or total net assets.</p>

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Schedule H, Part III, Line 8 Community benefit & methodology for determining medicare costs	Worksheet A from the As Filed Medicare Cost Report and the IRS Schedule H Instructions to determine Medicare allowable costs

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 9b Collection practices for patients eligible for financial assistance	As a part of Children's Heath System of Texas (Children's Health), Children's Health Clinical Operations adheres to and follows Children's Health Collection Policy and Practices. If a patient qualifies or is attempting to qualify for assistance under the Children's Health Financial Assistance Policy and is attempting in good faith to settle an outstanding bill by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the unpaid bill will not be sent to any collection agency or other assignee. Children's Health does not engage in extraordinary collection actions against patients to obtain payment of care.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16a FAP website	A - Children's Medical Center Dallas Line 16a URL (see statement in Part VI),

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16b FAP Application website	A - Children's Medical Center Dallas Line 16b URL (see statement in Part VI),

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16c FAP plain language summary website	A - Children's Medical Center Dallas Line 16c URL (see statement in Part VI),

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2 Needs assessment	<p>In addition to the 2016 Community Health Needs Assessment, Children's Health has produced a comprehensive quality-of life report on area children, Beyond ABC Growing Up in Dallas County, since 1994 Beginning in 2008, a separate study has been published to focus on youth in Collin County as well</p> <p>These biennial reports provide 10 years of trended data on the many factors facing children in our community Beyond ABC analyzes more than 50 indicators of well-being with respect to health, education, safety and security for the more than 900,000 children that call those areas home</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3 Patient education of eligibility for assistance	<p>Children's Health makes extensive efforts to inform and educate patients and patient's families about eligibility for financial assistance. The Children's Health Financial Assistance Policy and Financial Assistance Application are made widely available online and in print, along with a plain language summary of the Financial Assistance Policy. The Plain Language Summary of the Financial Assistance policy is provided at patient discharge. All three documents are available without charge and available in the primary languages spoken by LEP populations. In addition, Children's Health Financial Counselors or Customer Service Representatives work with patients' guardians/guarantors to ensure that all public and voluntary assistance programs are fully explored. Children's Health has a financial program for patients who are considered indigent and do not qualify for a federal or state program. The eligibility criteria for financial assistance is based upon Federal Poverty Guidelines published annually. Patients eligible for financial assistance will have charges reduced to the lowest level charged to individuals who have insurance covering such care. Gross charges will not be used to calculate patient's bills.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4 Community Information	<p>Community Served by Children's Health Clinical Operations - Children's main campus is located at 1935 Medical District Drive, Dallas, Texas and is an academic medical center campus anchored by a 490-bed full-service hospital, including the only pediatric Level I Trauma Center in North Texas. The city of Dallas is the county seat of Dallas County. The city of Dallas is one of the most populous cities in Texas, as well as the United States. Children's also has an inpatient facility located at a second campus in Plano, Texas, a 72-bed full-service hospital with two specialty centers, including the Children's Health Andrews Institute for Orthopedics & Sports Medicine.</p> <p>Identification and Description of Geographical Community - The city of Dallas is the third largest city in Texas. The city of Dallas is accessible from I-30, I-35E, I-45 and I-635. Patients primarily originate from Texas (96.7 percent). Nearly 50 percent (49.3 percent) of Children's discharges originate in Dallas County, Texas. Collin County is the sixth-most populous county in Texas and includes two of the fastest-growing cities in the nation - Frisco and McKinney. From 2013 to 2017, the child population in Collin County grew by 7.4%. Community Population and Demographics - The U.S. Bureau of Census has compiled population and demographic data based on the 2010 census. The Nielsen Company, a firm specializing in the analysis of demographic data, has extrapolated this data to estimate population trends from 2013 through 2018. Based on the data, the overall population for Children's service area is projected to increase over the five-year period from 3,320,715 to 3,608,755. The age categories that represent youth and adolescents (0-14 and 15-20) is projected to increase 7.0 percent and 8.9 percent, respectively. According to the American Community Survey, 681,537 children under the age of 18 lived in Dallas County in 2017. The proportion of the population self-identifying as white/non-Hispanic decreased from 19.1 percent in 2013 to 17.2 percent in 2017. At the same time, the proportion of the child population identifying as Hispanic or Latino increased from 51.7 percent to 53 percent. Over that time period, the number of black or African American children remained nearly constant, changing from 22.6 percent to 22.4 percent. The population of Asian children increased from 4.5 percent to 5.1 percent.</p> <p>Service to the Community - Children's Health is well known for bringing exceptional medical and surgical care to the children of North Texas. Through community events, child-specific initiatives and organizational affiliations, the hospital invests in prevention, research, education, clinical excellence and advocacy to benefit all children. Children's Health devotes itself solely to caring for the complex medical needs of children. Children's Health provides patient care ranging from simple eye exams to specialized treatment in areas such as heart disease, hematology-oncology and cystic fibrosis. In addition, Children's is a major pediatric kidney, liver, intestine and heart transplant center. Through its established injury prevention, advocacy program and disease management programs, the hospital works diligently to educate the community so that no child has to ever come through our doors. Combined, Children's Medical Center Dallas and Children's Medical Center Plano are licensed for 601 beds and has more than 50 sub-specialty programs spanning the two campuses - the main hospital in Dallas and a second full-service hospital in Plano. Children's was the first pediatric hospital in Dallas designated as a Level I Trauma Center. Children's is a private, not-for-profit hospital system that does not receive local tax dollars to offer the care provided. Children's is philanthropically supported in its efforts to provide care for every child who comes to us, regardless of their family's ability to pay. Donors also play a significant part in our ability to conduct research, education and advocacy. Combined, the two Children's Health facilities serve children by offering an elite level of individual care and attention to each family. As the primary pediatric teaching facility for the UT Southwestern Medical Center at Dallas, ("UTSW"), Children's is the only full-service, academic-affiliated pediatric hospital in North Texas. Through this academic affiliation, the Children's medical staff conducts research that is instrumental in developing treatments, therapies, and greater understanding of pediatric diseases and trains more than 200 pediatric residents and fellows annually.</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of community health	<p>The mission of Children's Health Clinical Operations (Children's Health) is to make life better for children. With oversight from a board of directors comprised of individuals who are representative of the community served, Children's Health promotes health and benefits the community through its two licensed hospitals - Children's Medical Center Dallas and Children's Medical Center Plano. Children's Health medical staff is open to physicians in the community who meet all requirements outlined in the Children's Health Medical/Dental Staff Bylaws. Children's Health considers it a privilege and responsibility to serve as ardent advocates for kids in Texas and across the country. To that end, we work tirelessly to ensure that children's voices are heard and that their needs are met. Our efforts to influence public policies that impact children's health are comprehensive and ongoing. Through programmatic initiatives, organizational partnerships and community events, Children's Health spreads its influence throughout the region and provides area children with much-needed access to a better quality of life. Whether that means establishing programs to increase services to the area's underserved children or fostering partnerships with existing organizations, Children's Health is committed to connecting families to the services they need.</p> <p>Community Outreach - Through the efforts of the Community Relations staff at Children's Health, more area children who are eligible for Medicaid or the Children's Health Insurance Program (CHIP) are receiving coverage. Lack of health insurance leads to poorer health in childhood, greater rates of avoidable hospitalizations and higher childhood mortality. Uninsured children are 8 times more likely to have delayed care and 12 times more likely to have an unmet medical need than children with private insurance. Children's Health is committed to helping families obtain health insurance, an important factor in the health and well-being for our entire community. Children's Health has a vision to help address the shortage of primary pediatric medical care for families with limited resources.</p> <p>Dallas CHIP Coalition - Children's Health founded and sponsors the Dallas Children's Health Insurance Program Coalition, an alliance of more than 90 organizations focused on helping families of uninsured children apply for CHIP or Medicaid. In addition, the coalition provides community leadership on public policy issues that affect the crisis of uninsured children in our community.</p> <p>MEDICAID/CHIP Outreach Events - Annually, Children's Health coordinates two large community outreach events targeting the families of uninsured children. Working with the Dallas Children's Health Insurance Program Coalition, these events are promoted through school flyers and the media. Since 2005, these events have helped more than 12,000 families apply for coverage for more than 24,000 children. The coalition has trained more than 250 volunteers to assist families with applications for CHIP or Medicaid.</p> <p>School Based Medicaid/CHIP Outreach - Children's Health outreach team conducts Medicaid/Children's Health Insurance Program outreach at area school districts with a combined enrollment of more than 350,000. Each student's family receives communications during a school year with information on the importance of health insurance and the tools to apply for CHIP/Medicaid. Children's Health serves as a liaison with the state for families who could not successfully navigate the state's eligibility system.</p> <p>Tackling an epidemic - Texas ranks sixth in the nation for obesity in 10 to 17 year-olds, and the problem is even more pressing in Dallas County. More than one-third (36.1 percent) of Dallas Independent School District high-school students are obese or overweight, almost double the national average, according to the Department of State Health Services. In 2008, only one in five Dallas ISD third-graders passed the Texas-mandated school Fitnessgram assessment, compared to about one in three statewide. At Children's Health, we provide services to 7,500 patients each year with diagnoses that research shows to be obesity-related. These include cardiology, endocrine, gastrointestinal, pulmonary and psychiatric diagnoses. Children's Health is a sponsor of Get A Move On, a city-wide fitness initiative and awareness campaign that is organized by a coalition of community partners.</p> <p>Dental Outreach - Although effective methods exist to prevent tooth decay, cavities remain the most prevalent chronic condition among children-five times more common than asthma and seven times more common than hay fever. In partnership with UT Southwestern Medical Center at Dallas, a grant has been obtained so that children from the continuity clinics and ARCH (At-Risk Children) clinic who are identified as at-risk are now provided oral health education and fluoride varnish every three months to reduce their risk of cavities. Children's Health website Our hospital</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of community health	<p>web site, www.childrens.com, empowers parents with the latest information about childhood illnesses, prevention, treatment and services available at the hospital. More than 1,300 common pediatric topics are addressed on the Web site. Also available are interactive guides promoting healthy living that target both children and their parents. Reaching out to support the families of our communities is at the heart of the Children's Health mission. The challenge of ensuring the safety and well-being of all children is a driving force for the hospital, its employees and its medical staff. Assessing how many lives our services touch requires a look into our community, where the Children's Health influence has impact far beyond the hospital's walls. Disease Management and Wellness: The Disease Management and Wellness Department at Children's Health improves quality of life and decreases the use of healthcare services through education and pro-active self management. Children's Health has seven disease-specific certifications, the most of any pediatric center in the United States. The programs offer access to evidence-based care and support that is needed for the management of conditions like asthma, diabetes and obesity. The disease management initiative is part of the hospital's ongoing efforts to reduce emergency department use, decrease admissions, curtail healthcare costs and ultimately, improve the quality of life for children with chronic conditions. Each program provides a family-centered environment that focuses on providing quality care to patients and overall increased disease awareness. Coaching coaches, athletes and parents: Children's Health is committed to educating coaches, parents and young athletes on the importance of sports injury prevention. The hospital has a presence at dozens of coaches' clinics each year at facilities such as the Plano Sports Authority and Dallas Baseball Academy of Texas. During the clinics, Children's provides sports-specific injury-prevention cards and clipboards to thousands of coaches each year. So far, we have impacted the health and safety of 400,000 young athletes. Children's Health has also worked with companies such as Kohl's Corporation and their Sports Health and Wellness Outreach Program, to further support community outreach efforts. Spreading a message of water safety: Drowning is the second-leading cause of unintentional injury-related deaths among American children ages 1 to 14. The Know Before You Go Program spreads the message that every drowning is preventable when parents take appropriate precautions. The program includes distributing water safety materials, providing demonstrations on proper water rescue techniques and the use and proper fit of Coast Guard approved flotation devices. Working to reduce preventable injuries: More than a decade ago, Children's Health formed the Safe Kids Dallas Area Coalition - the local chapter of Safe Kids Worldwide - to prevent childhood injuries. Traumatic injuries are the leading cause of death in Texas in children ages 1 to 14, and preventing these injuries is imperative at Children's Health - the first Level I trauma center in Texas (and one of only two in the state) that is solely dedicated to treating pediatric patients. Since 2002, the number of patients hospitalized because of motor vehicle crashes has steadily risen. Children's Health Injury Prevention Program has expanded its outreach efforts accordingly to bring car seat safety education and installation services to the community in an effort to reduce the number of children injured in car crashes. A specific initiative within the Safe Kids Dallas program is our car-seat safety inspection project. The project offers child safety-seat inspections by certified car seat technicians at Children's Health Dallas and Plano campus so parents can learn to buckle up their children appropriately.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6 Affiliated health care system	<p>Children's Medical Center Dallas and Children's Medical Center Plano are a part of Children's Health System of Texas. Children's Health System of Texas is the leading pediatric health care system in North Texas, the eighth largest pediatric health care provider in the nation (according to Modern Healthcare 2016), and the second busiest in terms of admissions and pediatric Emergency Department visits. A private, not-for-profit organization, Children's Health is anchored by two full-service hospitals and encompasses a full range of pediatric health, wellness and acute care services for children from birth to age 18, including specialty care, primary care, home health, a pediatric research institute and community outreach services, among other forms of health care delivery.</p>

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Schedule H, Part VI, Line 7 State filing of community benefit report	TX

Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 75-0800628
Name: Children's Health Clinical Operations

Form 990 Schedule H, Part V Section A. Hospital Facilities

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? 2		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	Children's Medical Center Dallas 1935 Medical District Drive Dallas, TX 75235 www.childrens.com 138910807	X		X	X		X	X			A
2	Children's Medical Center Plano 7601 Preston Road Plano, TX 75024 www.childrens.com 1720480627	X		X	X		X	X			A

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3E	Based on the information gathered through the joint CHNA conducted by Children's Health and the prioritization process described therein, the health needs listed below have been identified as the most significant health needs in the community -High rates of uninsured children -Obesity -Poor air quality -Lack of access to physicians for persons on Medicaid or CHIP -Downward trend in reading proficiency for third graders -Food insecurity -Child abuse

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 1	Facility A, 1 - Children's Medical Center Dallas and Children's Medical Center Plano Each year, Children's Health recruits a citizen advisory council made up of key stakeholders serving children and knowledgeable in public health These community leaders meet monthly to discuss children's health care issues and to contribute their experience, insights and expert recommendations for the the Beyond ABC report prepared by Children's Health Additionally, the citizen advisory boards for Beyond ABC identify recommendations for advocates and public officials in order to improve the lives and health of children Recent advisory boards have included city and county officials, former legislators, members of law enforcement, school district administrators, nonprofit organizations' executives, child-advocacy representatives, chambers of commerce and senior staff from corporations and financial institutions Additionally, as part of the Texas Healthcare Transformation and Quality Improvement Program, the state of Texas has been divided into 20 regions Hospitals within each region have worked together to develop plans to respond to health needs and transform the health care delivery system Children's Health participates in the Regional Healthcare Partnership (RHP) Plans for Regions 9 and 10

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6a Facility A, 1	Facility A, 1 - Children's Medical Center Dallas and Children's Medical Center Plano As a part of Children's Health, Children's Health Clinical Operations collaborated on the 2016 Children's Health joint Community Health Needs Assessment (CHNA) The collaboration was conducted with Children's Medical Center Plano (CMCP) and OCH Holdings doing business as Our Children's House (OCH) The Children's Health CHNA collaboration was conducted in compliance with the Final Federal Regulations to Section 501(r), specifically Â§1 501(r)-3(b)(6)(v) Joint CHNA reports

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	Facility A, 1 - Children's Medical Center Dallas and Children's Medical Center Plano Upon conducting the CHNA and developing the Community Health Implementation Strategy, Children 's Health decided on priority areas of the identified health needs that were reviewed The priority areas are those areas which Children's Health has decided to focus its resources and integrate into its strategic and operational plans Multiple goals were developed for each priority area, along with strategies to accomplish those goals Children's Health ha s implemented and/or is working towards implementation of the strategies for accomplishing the developed goals Full details of priority areas, goals, and strategies are contained with the publicly available CHNA and Community Health Implementation Strategy Actions tak en during the tax year to address significant health needs identified through its most rec ently conducted CHNA include the following Health Nearly two-thirds of the children we s erve at Children's Health depend on Medicaid or CHIP for their health care coverage Child ren's Health participates in the Children's Health Coverage Coalition and Enroll North Tex as, two coalitions that work on strategies to promote CHIP and Children's Medicaid and red uce the number of uninsured children in the state Dedicated outreach representatives at C hildren's Health help eligible families with children enroll in CHIP and Medicaid, ensurin g North Texas families have access to health care In 2018, the Children's Health Community Outreach Team directly helped more than 2,200 children and families apply for CHIP and M edicaid assistance Children's Health is using telemedicine to provide more children acces s to behavioral health care and address youth mental health issues such as anxiety, bullyi ng and depression In 2017, Children's Health launched an integrated telebehavioral health program that connects students with licensed behavioral health providers at school via se cure mobile technology, eliminating traditional barriers to access such as limited provide r availability and transportation issues School-based telebehavioral health services are now available to more than 38,000 students Economic Security Children's Health participa tes in the Collin County Early Childhood Coalition and the Early Matters Dallas Coalition These broad-based coalition groups are dedicated to working together to raise awareness a bout the importance of quality early education, coordinate advocacy efforts and increase f unding for quality early learning to ultimately ensure a strong future workforce Children 's Health serves as a member of the Dallas Coalition for Hunger Solutions, which is focuse d on providing education and advocacy opportunities for different programs that impact foo d security for families such as the Supplemental Nutrition Assistance Program (SNAP), the 2020 Census and the public charge The Children's Health Community Outreach Team also help s eligible families and childr

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	<p>en enroll in other government assistance programs, such as SNAP, and provides referrals to additional community resources and services</p> <p>Safety The Rees-Jones Center for Foster Care Excellence at Children's Health provides integrated primary care for children in foster care, many of whom have experienced abuse and neglect As a regional leader in trauma-informed care, the Center collaborates with school districts, child welfare organizations and other community partners to facilitate trauma-informed trainings and curriculums for educators, providers, volunteers and caregivers The trainings promote education about the effects of trauma and encourage effective, safe trauma-informed services and treatments The Rees-Jones Center has also conducted approximately 200 training sessions to date</p> <p>Education Children's Health is part of a community-wide initiative led by the Dallas-Fort Worth Hospital Council to train 10,000 people in Mental Health First Aid, a national curriculum that teaches lay people how to identify and respond to a mental health crisis Children's Health has three behavioral health clinicians who are certified in the Youth Mental Health First Aid Curriculum and provide the eight-hour training to different groups, primarily schoolteachers and school administrative staff This helps school personnel talk with students they identify as in need of behavioral health treatment and make appropriate referrals to care To date, the Children's Health Behavioral Health team has conducted 30 Mental Health First Aid trainings to date</p> <p>Needs Not Addressed Some issues identified through the Children's Health CHNA have not been addressed in this plan In initial discussion and subsequent prioritization, Children's Health Needs Assessment Team considered the levels to which some needs were already being addressed in the service area Additionally, some community needs fall out of the scope of expertise and resources of Children's Health</p> <p>Children's Health Community Health Implementation Strategy includes details on Needs Not Addressed The following are some of the needs that have been identified in the current and prior assessments that are addressed by others or in different ways safe and affordable housing, palliative care capacity/need for increased geriatric/long-term/home care resources, discourage elective deliveries/increase the percentage of women who receive prenatal care, provide comprehensive sexuality education/high incidence of STDs in RHP Region 10, protect green spaces/add bike lanes/improve access to parks These needs are not being addressed by Children's as our priorities were established based on unmet community health needs that intersect with our mission and key clinical strengths There are community and state agencies that have greater expertise in housing, palliative care, prenatal care, sex education, and protecting green spaces in our community At this time, these issues have not been incorporated into our community ben</p>

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	efit plan because we do not have the infrastructure, expertise, or funding needed to have a significant impact in these areas

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 13 Facility A, 1	Facility A, 1 - Children's Medical Center Dallas and Children's Medical Center Plano Children's Health uses the Federal Poverty Guidelines to determine eligibility for low income individuals 200% of the Federal Poverty Guidelines is used for 100% charity adjustment, and 201% to 400% of the Federal Poverty Guidelines is used for a sliding scale adjustment Children's Health uses various documents and forms to verify income and expenses when determining the eligibility for financial assistance of a patient and their family These documents include, but are not limited to, W2 Form, wage and earning statement, pay check remittance, worker's compensation, unemployment compensation determination letters, income tax returns, statement from employer, bank statements, copy of checks, documents of sources of income, telephone verification of gross income with the employer, proof of participation in government assistance programs such as Medicaid, signed affidavit or attestation by patient, and veterans benefit statement

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16 Facility A, 1	Facility A, 1 - Children's Medical Center Dallas and Children's Medical Center Plano In addition to ensuring that the Children's Health charity care criteria is posted prominently and continuously in common entry points of the facility, a Director of Patient Financial Service ensures that the Children's Health charity care criteria is published annually in a local newspaper of general circulation in the county

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 Specialty Center Dallas Campus 2350 Stemmons Fwy Dallas, TX 75207	Outpatient Specialty Care Center
1 Specialty Center 1 Plano 7609 Preston Rd Plano, TX 75024	Outpatient Specialty Care Center
2 Specialty Center 2 Plano 7211 Preston Rd Plano, TX 75024	Outpatient Specialty Care Center
3 Specialty Center Cityville 2222 Medical District Drive Dallas, TX 75235	Outpatient Specialty Care Center
4 Specialty Center Bass Center 6300 Harry Hines Blvd Dallas, TX 75235	Outpatient Specialty Care Center
5 Specialty Center Allen 8 Prestige Circle Ste 101 Allen, TX 75002	Outpatient Specialty Care Center
6 Specialty Center Grapevine 1643 Lancaster Dr Ste 300 Grapevine, TX 76051	Outpatient Specialty Care Center
7 Specialty Center Frisco 7010 Preston Rd Ste 240 Frisco, TX 75034	Outpatient Specialty Care Center
8 Specialty Center North Rockwall 2455 Ridge Rd Ste 255 Rockwall, TX 75087	Outpatient Specialty Care Center
9 Specialty Center Waxahachie 1540 N Hwy 77 Bldg C Ste 10 Waxahachie, TX 75165	Outpatient Specialty Care Center
10 Specialty Center West Plano 7000 West Plano Pkwy Ste 210 Plano, TX 75093	Outpatient Specialty Care Center
11 Specialty Center Mesquite 1675 Republic Pkwy Suite 190 MESQUITE, TX 75150	Outpatient Specialty Care Center
12 Specialty Center Richardson 3661 N Plano Rd Ste 3500 Richardson, TX 75082	Outpatient Specialty Care Center
13 Specialty Center Las Colinas 7453 Las Colinas Blvd Irving, TX 75063	Outpatient Specialty Care Center
14 Specialty Center Park Cities 8160 Walnut Hill Lane Dallas, TX 75231	Outpatient Specialty Care Center

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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)
16 Specialty Center Desoto 534 East Pleasant Run Road Desoto, TX 75115	Outpatient Specialty Care Center
1 Sleep Disorders Center 2620 N Stemmons Fwy Dallas, TX 75207	Outpatient Specialty Care Center
2 Specialty Center South Rockwall 1005 W Ralph Hall Pkwy Ste 233 Rockwall, TX 75032	Outpatient Specialty Care Center
3 Specialty Center Tyler Medical Arts Plaza619 South Fleishe I Avenue Tyler, TX 75701	Outpatient Specialty Care Center
4 Specialty Center Drive Nation 2550 Rental Car DriveSuite 126 Irving, TX 75261	Outpatient Specialty Care Center

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I
(Form 990)

Department of the
Treasury
Internal Revenue Service

Name of the organization
Children's Health Clinical Operations

**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

2018

Open to Public
Inspection

Employer identification number
75-0800628

Part I **General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ **Yes** ☐ **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II **Grants and Other Assistance to 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

(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)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

Part III Grants and Other Assistance to 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 noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1) May Smith Scholars Program	12	60,000			
(2) Women's Auxiliary Educational Assistance Program	11	22,000			
(3) James J Farnsworth Health Career Scholarship Program	3	3,000			
(4) Grace Lee Scholarship for Clinical Education	10	30,000			
(5) Lisa Milonovich Nursing Scholarship	2	7,000			
(6) Nursing Division Tuition Assistance	37	69,000			
(6)					
(7)					

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

Return Reference	Explanation
Schedule I, Part I, Line 2 Procedures for monitoring use of grant funds	<p>May Smith Scholars Program The heritage of nursing is rich at Children's, which traces its roots back to a clinic started by nurse May Forster Smith This scholarship is named for Smith, who began an open-air clinic for infants in 1913 That pioneering spirit continues in the 21st century The May Smith Scholars Program provides financial assistance for baccalaureate students interested in pediatric nursing Eligibility Applicants must meet all of the following criteria to be eligible to apply for this scholarship *Be a current sophomore or junior undergraduate baccalaureate nursing student *Have a cumulative 3 0 GPA on a 4 0 scale Award Details *A limited number of scholarships in the amount of \$5,000 will be awarded each year *Students may reapply each year as long as they continue to meet the eligibility criteria *The scholarships will be applied to tuition, fees, books, supplies and equipment required for course load at accredited, nonprofit four-year colleges/universities in the United States *Students may transfer from one institution to another Women's Auxiliary Educational Assistance Program The Women's Auxiliary to Children's offers educational support to nursing and allied health students who are registered for, or currently enrolled in, an accredited program through the Educational Assistance program for Nursing and Allied Health Students Eligibility Applicants must meet all of the following criteria to be eligible to apply for this scholarship *Be a current junior, senior or graduate student enrolled full or part-time in an accredited undergraduate, or graduate, nursing or allied health program *Have a cumulative 3 0 GPA on a 4 0 scale Award Details *A limited number of scholarships in the amount of \$2,000 will be awarded each year *Students may reapply each year as long as they continue to meet the eligibility criteria *The scholarships will be applied to tuition, fees, books, supplies and equipment required for course load at accredited, nonprofit four-year colleges/universities in the United States *Students may transfer from one institution to another and retain the award James J Farnsworth Health Career Scholarship Program The James J Farnsworth Health Career Scholarship offers educational support to students planning careers in pediatric healthcare The scholarship is named in honor of James J Farnsworth and was established from gifts to endowments made in tribute to Mr Farnsworth by his friends and colleagues Mr Farnsworth served as president of Children's Medical Center Dallas for more than 30 years and was a fellow in the College of Healthcare Executives Eligibility Applicants must meet all of the following criteria to be eligible to apply for this scholarship *Be a current sophomore, junior, senior or graduate student, planning a career in pediatric healthcare *Preference will be given to students who fall into the following categories -Former patients of Children's -Current full or part-time employees -Former or current volunteers at Children's -Parent is employed at Children's -Parent is a volunteer at Children's -Students demonstrating strong academic achievement Award Details *A limited number of scholarships in the amount of \$1,000 will be awarded each year *Students may reapply each year as long as they continue to meet the eligibility criteria *The scholarships will be applied to tuition, fees, books, supplies and equipment required for course load at accredited, nonprofit four-year colleges/universities in the United States *Students may transfer from one institution to another and retain the award Grace Lee Scholarship for Clinical Education The Grace Lee Scholarship for Clinical Education recently was established in honor of Grace Lee, a former patient at Children's and in recognition of the exemplary care provided by clinical staff members who contributed to her comprehensive care The scholarship will provide financial assistance for the continuing education of clinical employees who are direct caregivers at Children's Eligibility Applicants must meet all of the following criteria to be eligible to apply for this scholarship *Be a full-time clinical employee of Children's with two years of continuous employment at Children's as of the application deadline *Be enrolled in or accepted into an accredited healthcare education program *Be recommended by an immediate supervisor or department director *Have a cumulative 3 0 GPA on a 4 0 scale Award Details *A limited number of scholarships in the amount of \$3,000 will be awarded each year *Students may reapply each year as long as they continue to meet the eligibility criteria *The scholarships will be applied to tuition, fees, books, supplies and equipment required for course load at accredited, nonprofit two or four-year colleges/universities in the United States *Students may transfer from one institution to another and retain the award Nursing Division Tuition Assistance Program The Nursing Division is offering scholarships to full- and part-time RN staff enrolled in an accredited BSN program, up to \$2,000 per nurse for full-time employment and \$1000 for part-time employment The Nursing Division can award up to \$140,000 These scholarships support the Nursing Division's goal for all bedside nurses to have a BSN degree by 2020 Eligibility Applicants must meet all of the following criteria to be eligible to apply for this scholarship *Be a full-time clinical employee of Children's in good standing *Confirm proof of enrollment in an accredited BSN nursing program Award Details *A limited number of scholarships in the amount of \$1,000-2,000 will be awarded each year *Students may reapply each year as long as they continue to meet the eligibility criteria *The tuition assistance will be applied to tuition, fees, books, supplies and equipment required for course load at accredited, nonprofit two or four-year colleges/universities in the United States *Students may transfer from one institution to another and retain the award The monitoring of the use of all awarded scholarship funds is performed by the selection committee through review of information requested of and provided by the recipients</p>

Schedule J (Form 990)	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 <u>www.irs.gov/Form990</u> for instructions and the latest information.	OMB No 1545-0047 <div style="font-size: 2em; font-weight: bold; text-align: center;">2018</div> <div style="background-color: black; color: white; text-align: center; padding: 5px;"> Open to Public Inspection </div>
	<div style="display: flex; justify-content: space-between;"> <div style="width: 65%;"> Name of the organization Children's Health Clinical Operations </div> <div style="width: 30%;"> Employer identification number 75-0800628 </div> </div>	
	<div style="display: flex; justify-content: space-between;"> <div style="width: 65%;"> Department of the Treasury Internal Revenue Service </div> <div style="width: 30%;"></div> </div>	

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			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </div> <div style="width: 45%;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) </div> </div>			
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2		
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations </div> <div style="width: 45%;"> <input type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <input type="checkbox"/> Approval by the board or compensation committee </div> </div>			
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	Yes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c		No
Only 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		No
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III	5b		No
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		No
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III	6b		No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes	
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		No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

For each individual whose compensation must be reported 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 are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

See Additional Data Table

Schedule J (Form 990) 2018

Part III Supplemental Information

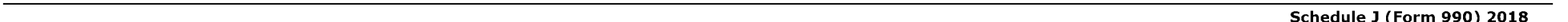
Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
Schedule J, Part I, Line 3 Arrangement used to establish the top management official's compensation	<p>CHILDREN'S HEALTH SYSTEM OF TEXAS (EIN 75-2062019) IS THE SOLE MEMBER AND COMMON PAYING AGENT FOR CHILDREN'S MEDICAL CENTER OF DALLAS (CMCD). THEREFORE, Executives, OTHER OFFICERS, AND KEY EMPLOYEES ARE EMPLOYED AND COMPENSATED BY CHILDREN'S HEALTH SYSTEM OF TEXAS (CHST). The CHST process for determining executive compensation is as follows: The Human Resources Committee (Committee) of the CHST Board is responsible for setting the compensation for executives. The Committee is comprised of independent, non-employee directors. A written compensation philosophy has been developed by the Human Resources Committee for timeliness and appropriateness and defines the desired peer groups for compensation surveys. When appropriate, an independent compensation consultant may be engaged.</p> <p>COMPENSATION PROGRAM COMPONENTS The elements of total compensation provided to CHST executives include:</p> <ul style="list-style-type: none">- Cash compensation (i.e., base salary, short-term and long-term incentive compensation, and/or other cash compensation), determined in consideration of competitive market practices, organizational and individual performance, recruitment and retention considerations, and other relevant factors.- Standard benefits, assisting in each executive's medical, dental, disability, life insurance, time off, and retirement needs, reflective of the employment status (i.e., full or part time) of the executive.- Supplemental benefits, including supplemental insurance, retirement benefits, and/or other supplemental benefits determined by the Committee to be appropriate and reasonable in relation to marketplace practices. <p>Compensation and benefits decisions are made in consideration of each executive's position, responsibilities, skills, effort, and performance, in relation to documented practices within the appropriate comparator group(s).</p> <p>PEER GROUP The Committee has defined its primary peer group for executives as not-for-profit health care organizations similar in size, structure, and complexity. This group will include leading pediatric health systems as well as integrated health systems and academic medical centers.</p> <ul style="list-style-type: none">- Data will be compiled in a manner consistent with the IRS Intermediate Sanctions rules of federal tax law, to reflect what is "ordinarily paid to like executives by like enterprises under like circumstances."- In certain circumstances, market data from additional comparator groups (e.g., research institutions, insurance industry, and general industry companies) may also be referenced.- The specific nature of the role at CHST will be considered when adding comparator groups outside of the primary peer group, and the Committee will discuss and agree on the appropriateness of adding comparator groups whenever the specific nature of the CHST role requires additional comparator groups to be used.

Return Reference	Explanation
Schedule J, Part I, Line 4a Severance or change-of-control payment	Severance Payment * Severance - Lawrence Foust - \$793,200 * Severance - Jerry Lee - \$475,800 * Severance - Michael Hefton - \$230,300

Return Reference	Explanation
Schedule J, Part I, Line 4b Supplemental nonqualified retirement plan	<p>Non-Qualified Retirement Plan * Retirement Income Restoration Plan - Christopher J Durovich participated in the Retirement Income Restoration Plan and received \$647,485 in taxable income during 2018 Mary Stowe participated in the Retirement Income Restoration Plan and received \$219,249 in taxable income during 2018</p> <p>* Savings Restoration Plan Employees who received taxable income from the Savings Restoration Plan include Christopher J Durovich - \$352,127, Jerry Lee - \$13,682, William Morrow - \$12,299, Mary Stowe - \$24,226 Additional employees who participated in the Savings Restoration Plan include Jeff Vawrinek and Ray Tsai</p> <p>* Executive Defined Contribution Retirement Plan (EDCRP) Employees who received taxable income from the EDCRP include Christopher J Durovich - \$141,304, Jerry Lee - \$177,633, William Morrow - \$503,367, Ray Tsai - \$55,523, Matthew Davis - \$45,160, Michael Hefton - \$126,549, Mary Stowe - \$338,385, Michael Wiggins - \$40,871, Joe Cavender - \$31,543, Dorothy Foglia - \$24,350, Pamela Arora - \$48,412, Kimberly Besse - \$57,259, Keri Kaiser - \$28,239, James Herring - \$73,579, Lawrence Foust - \$349,857, Douglas Duwe - \$33,067, Mark Ziemianski - \$29,595 Employees who received compensation reported as deferred in column C from the EDCRP include Christopher J Durovich - \$157,922, David Berry - \$187,944, Lawrence Foust - \$24,406, Richard Goode - \$400,183, Jerry Lee - \$18,351, William Morrow - \$99,636, Mary Stowe - \$100,303, Michael Wiggins - \$102,672, Joe Cavender - \$47,088, Matthew Davis - \$117,443, Dorothy Foglia - \$48,022, Michael Hefton - \$8,858, Ray Tsai - \$120,550, Pamela Arora - \$131,548, Kimberly Besse - \$117,900, Douglas Duwe - \$49,872, Keri Kaiser - \$97,164, Mark Ziemianski - \$51,222</p>

Return Reference	Explanation
Schedule J, Part I, Line 7 Non-fixed payments	Non-Fixed Payments - The Human Resources Committee of the Board of Directors of Children's Health System of Texas retains the authority to adjust annual payout percentages solely at their discretion There were no non-fixed payments in 2018



Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 75-0800628
Name: Children's Health Clinical Operations

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

(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				
Christopher J Durovich	(i)	0	0	0	0	0	0	0
Former Officer and Director (CHST Pres & CEO)	(ii)	1,132,271	1,262,355	1,161,899	175,306	25,497	3,757,328	0
Pamela Arora	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	423,011	334,666	56,426	150,048	15,481	979,632	0
Kimberly Besse	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	374,135	191,028	63,089	133,677	18,865	780,794	0
Michele Chulick	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	0	548,268	0	0	0	548,268	0
Douglas Duwe	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	240,783	75,351	41,707	60,872	8,575	427,288	0
Keri A Kaiser	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	308,299	160,383	31,100	113,664	15,582	629,028	0
Stephanie K Smith	(i)	0	0	0	0	0	0	0
Former Corporate Secretary	(ii)	128,098	14,598	20,137	0	4,591	167,424	0
Claud Kern Wildenthal MD PhD	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	405,496	0	0	0	0	405,496	0
Mark E Ziemianski	(i)	0	0	0	0	0	0	0
Former Officer	(ii)	239,302	74,434	33,014	62,222	16,805	425,778	0
David T Berry	(i)	0	0	0	0	0	0	0
President	(ii)	612,490	234,136	9,334	198,944	11,683	1,066,587	0
Richard P Goode	(i)	0	0	0	0	0	0	0
President Corporate Services & CFO	(ii)	716,612	310,110	2,300	408,147	10,330	1,447,500	0
Jeffrey Vawrinek	(i)	0	0	0	0	0	0	0
Secretary	(ii)	297,660	42,953	2,845	0	0	343,457	0
Mary E Stowe RN	(i)	0	0	0	0	0	0	0
SVP CNO	(ii)	350,645	414,823	593,612	118,803	11,759	1,489,641	0
James Herring	(i)	0	0	0	0	0	0	0
EVP CAO	(ii)	490,523	277,884	79,886	16,500	0	864,793	0
Michael Wiggins	(i)	0	0	0	0	0	0	0
SVP System Operations	(ii)	330,836	173,130	42,812	113,263	11,402	671,444	0
William R Morrow MD	(i)	0	0	0	0	0	0	0
EVP CCO (until 7/21/2018)	(ii)	327,078	471,289	1,449,895	110,636	5,041	2,363,939	0
Lawrence L Foust	(i)	0	0	0	0	0	0	0
EVP CLO & General Counsel (until 2/20/2018)	(ii)	77,211	322,689	1,180,507	35,406	8,211	1,624,024	0
Jerry D Lee	(i)	0	0	0	0	0	0	0
Treasurer (until 4/13/2018)	(ii)	85,821	111,213	709,931	31,756	5,933	944,655	0
Ray Tsai MD	(i)	0	0	0	0	0	0	0
SVP Dallas Market Operations	(ii)	385,115	240,355	59,144	138,665	16,720	839,998	0
Matthew M Davis	(i)	0	0	0	0	0	0	0
Dallas Market EVP (until 5/17/2018)	(ii)	384,390	173,016	48,160	126,990	7,087	739,643	0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees								
(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				
Michael W Hefton	(i)	0	0	0	0	0	0	0
VP and CMC ASSOC CNO	(ii)	41,550	82,316	371,272	18,589	3,624	517,351	0
Dorothy Foglia	(i)	0	0	0	0	0	0	0
VP and CMC ASSOC CNO	(ii)	225,074	72,485	34,447	63,475	15,037	410,519	0
Joe Cavender	(i)	0	0	0	0	0	0	0
VP & CMC ASSOC CNO	(ii)	224,756	71,096	35,626	64,079	10,682	406,238	0

Note: TO capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Children's Health Clinical Operations

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" to Form 990, Part VI, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
► Attach to Form 990.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Employer identification number
75-0800628

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) Pool financing	
						Yes	No	Yes	No	Yes	No
A N Central Tx Hlth Fac Dev Corp Hosp	52-1304502	65854RAL4	07-01-2009	193,697,772	Reimburse Construction Cost	X			X		X
B N Central Tx Hlth Fac Dev Corp Hosp	52-1304502	65854RBD1	08-15-2012	178,386,376	Refund Series 2002 Bonds		X		X		X
C New Hope Cultural Edu Facilities Fin Corp	26-1604618	645424AV4	12-28-2017	365,809,775	Refund Series 2012 & 2009, New Const		X		X		X

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	3,475,000		19,930,000		0			
2	Amount of bonds legally defeased	194,925,000		88,200,000		0			
3	Total proceeds of issue	193,697,772		178,386,376		365,809,775			
4	Gross proceeds in reserve funds	0		0		0			
5	Capitalized interest from proceeds	0		0		0			
6	Proceeds in refunding escrows	0		0		300,328,751			
7	Issuance costs from proceeds	2,819,039		0		0			
8	Credit enhancement from proceeds	0		0		0			
9	Working capital expenditures from proceeds	312,573		0		0			
10	Capital expenditures from proceeds	190,566,160		0		3,823,415			
11	Other spent proceeds	0		178,386,376		11,478,566			
12	Other unspent proceeds	0		0		50,179,043			
13	Year of substantial completion	2009							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X	X			
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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		
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)

		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?		X				X		
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?		X				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 ▶	0 %				0 1 %			
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 ▶	0 %				0 %			
6	Total of lines 4 and 5	0 %		0 %		0 1 %			
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		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X	X			
b	Exception to rebate?	X		X			X		
c	No rebate due?		X		X		X		
	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		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

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		
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		
7 Has the organization established written procedures to monitor the requirements of section 148?	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 is not available under applicable regulations?	X		X		X			

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

Return Reference	Explanation
Schedule K, Part I, Column (f) Row B	Series 2012 Bonds were issued for the purpose of currently refunding the Issuer's Hospital Revenue Bonds (Children's Medical Center of Dallas Project) Series 2002 (original issue date prior to December 31, 2002), therefore this issue is exempt from part III reporting

Return Reference	Explanation
Schedule K, Part II, Line 11 Column B	The other spent proceed are the refunding proceeds of the issue that are no longer in escrow

Return Reference	Explanation
Schedule K, Part III, Line 3b Column A and C	These answers are marked no because bond counsel does not review these agreements, but the agreements are reviewed by internal counsel and compliance specialist to ensure compliance with the safe harbor guidelines

Return Reference	Explanation
Schedule K, Part III, Line 3d Column A and C	These answers are marked no because bond counsel does not review these agreements, but the agreements are reviewed by internal counsel and compliance specialist to ensure compliance with the safe harbor guidelines

Return Reference	Explanation
Schedule K, Part I, Column (g) Row A	All except one maturity of the 2009 issue was defeased due to the advanced refunding of the issue by the 2017 issue The issue will not be listed on FY'19 form

Return Reference	Explanation
Schedule K, Part II, Line 11 Column C	The other spent proceeds are the refunding proceeds of the issue that are no longer in escrow

Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 75-0800628
Name: Children's Health Clinical Operations

Return Reference	Explanation
Schedule K, Part I, Column (f) Row B	Series 2012 Bonds were issued for the purpose of currently refunding the Issuer's Hospital Revenue Bonds (Children's Medical Center of Dallas Project) Series 2002 (original issue date prior to December 31, 2002), therefore this issue is exempt from part III reporting
Schedule K, Part II, Line 11 Column B	The other spent proceed are the refunding proceeds of the issue that are no longer in escrow
Schedule K, Part III, Line 3b Column A and C	These answers are marked no because bond counsel does not review these agreements, but the agreements are reviewed by internal counsel and compliance specialist to ensure compliance with the safe harbor guidelines
Schedule K, Part III, Line 3d Column A and C	These answers are marked no because bond counsel does not review these agreements, but the agreements are reviewed by internal counsel and compliance specialist to ensure compliance with the safe harbor guidelines
Schedule K, Part I, Column (g) Row A	All except one maturity of the 2009 issue was defeased due to the advanced refunding of the issue by the 2017 issue The issue will not be listed on FY'19 form
Schedule K, Part II, Line 11 Column C	The other spent proceeds are the refunding proceeds of the issue that are no longer in escrow

SCHEDULE O (Form 990 or 990-EZ) Department of the Treasury Internal Revenue Service	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Go to <u>www.irs.gov/Form990</u> for the latest information.	OMB No 1545-0047 2018 Open to Public Inspection
Name of the organization Children's Health Clinical Operations		Employer identification number 75-0800628

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part V, Line 2a	CHILDREN'S HEALTH SYSTEM OF TEXAS (CHST) EIN 75-2062019 IS THE COMMON PAYING AGENT FOR CHILDREN'S MEDICAL CENTER OF DALLAS (CMCD) THEREFORE, ALL APPLICABLE IRS TAX COMPLIANCE FILINGS ARE REPORTED BY CHST ON BEHALF OF CMCD CMCD HAS APPROXIMATELY 5,300 EMPLOYEES

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15a PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	CHILDREN'S HEALTH SYSTEM OF TEXAS (EIN 75-2062019) IS THE SOLE MEMBER AND COMMON PAYING AGENT FOR CHILDREN'S HEALTH CLINICAL OPERATIONS THEREFORE THE TOP MANAGEMENT OFFICIAL IS EMPLOYED AND COMPENSATED BY CHILDREN'S HEALTH SYSTEM OF TEXAS (CHST) Salary setting is conducted by the related party, CHST and is described at Schedule J, Part I, Line 3

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 8b Committees	Children's Health System of Texas has established seven standing Committees of the Board, which have the authority to act for and on behalf of CHST, Children's Health Clinical Operations, Children's Medical Center Foundation, and their affiliates, operating divisions and division facilities to fulfill the responsibilities designated in the respective Committee charters. Written minutes are prepared and maintained for all formal meetings of each Committee. Actions by Written Consent are also prepared and maintained as they occur.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15b PROCESS TO ESTABLISH COMPENSATION OF OFFICERS AND OTHER KEY EMPLOYEES	Line 15b is answered no in accordance with the IRS Form 990 instructions because salary is paid and determined by a related party, Children's Health System of Texas (CHST) CHST is the sole member and officers are employed and paid by CHST

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 2 Family/business relationships amongst interested persons	Jeremy Ford and Robert Peterson - Business relationship

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 4 Significant changes to organizational documents	<p>CHCO - Bylaws amended 9/13/18 * Reflect the entity's name change from Children's Medical Center of Dallas to Children's Health Clinical Operations * Change in the corporation's Board size and membership * New provision provides for the establishment and operations of one or more operating divisions of the corporation * Deletion of Article 6 relating to the oversight of Medical/Dental Staff activities * Amendments reflecting the authority of the CHCO Board to elect and remove directors of each operating division Board of Directors</p> <p>CHCO - Certificate of Formation amended 9/15/18 * Reflect the entity's name change from Children's Medical Center of Dallas to Children's Health Clinical Operations * Reflect a change in the name and address of the entity's registered agent</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 6 Classes of members or stockholders	Children's Health System of Texas ("CHST"), a Texas non-profit corporation, is the sole member of the corporation

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7a Members or stockholders electing members of governing body	CHST elects all voting members of the organization's Board of Directors

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7b Decisions requiring approval by members or stockholders	Member reserve powers are specified in the the organization's bylaws and represent those a ctions which require member approval These powers generally encompass changes in the miss ion of the organization, addition of new members, certain dispositions of assets, amendmen ts to the organization's Certificate of Formation and Bylaws, and appointment of directors

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 11b Review of form 990 by governing body	A draft of the Form 990 is presented to the CHST Audit Committee for review. A copy of the Form 990 is made available to the CHST directors through our Board portal before it is filed.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 12c Conflict of interest policy	<p>Officers, directors, and key employees receive annually a copy of the Children's Health Statement of Interest form to complete. Disclosures made are reviewed by the CHST Legal Department and the Chief Compliance Officer, who are authorized under the Children's Health Conflict of Interest Policy to make determinations under the Policy regarding persons who are medical staff members or employees of Children's Health and its affiliates. Disclosures made by senior officers (as defined in the Policy) are reviewed by the Compliance Officer, the Chief Legal Officer, and CHST's President and Chief Executive Officer to determine if a conflict exists. Disclosures made by directors of CHST and its affiliates, as well as by the President and Chief Executive Officer of CHST, are discussed as necessary with the appropriate delegated Board Committee and, if required pursuant to the Policy, by the appropriate Board of Directors at meetings to determine if further action is needed. A Statement of Interest must be completed annually and Board members are requested to report changes if they occur. A Committee or Board member with a potential conflict is prohibited from participating in deliberations regarding the transaction in question and will recuse themselves from voting.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 19 Required documents available to the public	IRC section 6104 does not require disclosure of the financial statements, conflict of interest policy and governing documents. The Certificate of Formation, Consolidated Financial Statements, and the conflict of interest policy are made available upon request.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IX, Line 11g Other Fees	Consulting & Professional fees - Total Expense 4750800, Program Service Expense 1248885, Management and General Expenses 3501915, Fundraising Expenses , Contract Medical - Tota l Expense 140082636, Program Service Expense 136292513, Management and General Expenses 3790123, Fundraising Expenses , Contract Svcs (Laudry, Parking, etc) - Total Expense 3 694491, Program Service Expense 27056, Management and General Expenses 3667435, Fundrais ing Expenses ,

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, Line 9 Other changes in net assets or fund balances	Transfer of Investment Pool to Children's Medical Center Foundation - -11051195, Pension Liability - -31019474, NetAssets-CMCF-Unrestricted&Temp Restricted - -81259555, NetAssets-CMCF-Endowment - 8208246, Company Terminations - -65123330, Restricted Gifts - F/A Acquisition - 5128871, NetAssets-CMCF Transfers To/From - 18945838,

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Children's Health Clinical Operations

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

2018

Open to Public Inspection

Employer identification number

75-0800628

Part I

Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

Part II

Identification of Related Tax-Exempt Organizations

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

See Additional Data Table

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Wellness Innovations LLC 1935 Medical District Drive Dallas, TX 75235 47-5246461	Physicians	TX	NA	N/A				No			No	0 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512(b) (13) controlled entity?	
								Yes	No
(1) ALTERNATIVE CARE SYSTEMS 1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 75-2244475	OTHER MEDICAL SERVICES	TX	NA	C Corporation					No
(2) NTPSS INC 1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 47-1036641	PHYSICIAN SOLUTIONS	TX	NA	C Corporation					No
(3) Texas Bluebonnet Insurance Company 1935 Medical District Drive Dallas, TX 75235 47-5032893	Insurance Company	TX	NA	C Corporation					No
(4) TEXAS TRINITY RIVER ASSURANCE COMPANY LTD 98-1318151	Self-insurance	CJ	NA	C Corporation					No
(5) Wellness Innovations Physician Partners 1935 Medical District Drive Dallas, TX 75235 81-1734937	Physician	TX	NA	C Corporation					No
(6) Children's Health 1935 Medical District Drive Dallas, TX 75235 83-3809987	Other Medical Services	TX	NA	C Corporation					No

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**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?

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) OCH HOLDINGS	D	51,104,354	GAAP

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

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation

Additional Data

Software ID: 18007697
Software Version: 2018v3.1
EIN: 75-0800628
Name: Children's Health Clinical Operations

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 75-2062015	FOUNDATION	TX	501(c)(3)	7	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 75-2854505	PHYSICIANS	TX	501(c)(3)	3	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 81-0584868	PHYSICIANS	TX	501(c)(3)	3	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 46-1893597	MEDICAL SERVICES	TX	501(c)(3)	3	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 46-2737696	HMO	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 43-3462044	RESEARCH INSTITUTE	TX	501(c)(3)	Type I	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 46-1917702	CLINICALLY INTEGRATED NETWORK	TX	501(c)(3)	Type I	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 75-2062019	MANAGEMENT COMPANY	TX	501(c)(3)	Type II	NA		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 75-2917570	PHYSICIANS	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 46-4049491	PHYSICIANS	TX	501(c)(3)	Type I	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 MEDICAL DISTRICT DRIVE DALLAS, TX 75235 20-4101612	MEDICAL DISTRICT	TX	501(c)(3)	Type I	NA		No
12720 HILLCREST RD DALLAS, TX 75230 75-2485538	WOMEN'S AUXILIARY	TX	501(c)(3)	10	NA		No
1935 Medical District Drive Dallas, TX 75235 47-4837308	Hospital	TX	501(c)(3)	3	Children's Medical Center of Dallas	Yes	
1935 Medical District Drive Dallas, TX 75235 81-3582843	Physician	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 Medical District Drive Dallas, TX 75235 81-3679995	Physician	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 Medical District Drive Dallas, TX 75235 81-3691209	Physician	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 Medical District Drive Dallas, TX 75235 81-4577909	Physician	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 Medical District Drive Dallas, TX 75235 81-4848085	Physician	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No
1935 Medical District Drive Dallas, TX 75235 81-4865847	Physician	TX	501(c)(3)	10	CHILDREN'S HEALTH SYSTEM OF TEXAS		No