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TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING
DECEMBER 31, 2019

PREPARED FOR:

MR. SEAN WHILDEN
HOUSTON HOSPITALS, INC.
1601 WATSON BOULEVARD
WARNER ROBINS, GA 31093

PREPARED BY:

WARREN AVERETT, LLC
2500 ACTON ROAD
BIRMINGHAM, AL 35243

AMOUNT DUE OR REFUND:

NOT APPLICABLE

MAKE CHECK PAYABLE TO:

NOT APPLICABLE

MAIL TAX RETURN AND CHECK (IF APPLICABLE) TO:

NOT APPLICABLE

RETURN MUST BE MAILED ON OR BEFORE:

NOT APPLICABLE

SPECIAL INSTRUCTIONS:

THIS RETURN HAS BEEN PREPARED FOR ELECTRONIC FILING. IF YOU WISH TO HAVE IT TRANSMITTED ELECTRONICALLY TO THE IRS, PLEASE SIGN, DATE, AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL THEN SUBMIT THE ELECTRONIC RETURN TO THE IRS. DO NOT MAIL A PAPER COPY OF THE RETURN TO THE IRS. RETURN FORM 8879-EO TO US BY NOVEMBER 16, 2020

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2019, or fiscal year beginning _____, 2019, and ending _____, 20____

2019

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization

Employer identification number

HOUSTON HOSPITALS, INC

71-1045290

Name and title of officer

SEAN WHILDEN
CFO

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>263,171,254.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2019 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize WARREN AVERETT, LLC to enter my PIN 35243
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.


Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

63914412345
Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶  Date ▶ 09/24/20

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service

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.

2019
Open to Public Inspection

A For the **2019** calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization HOUSTON HOSPITALS, INC		D Employer identification number 71-1045290
	Doing business as		E Telephone number 478-542-7959
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	1601 WATSON BOULEVARD		G Gross receipts \$ 426,718,332.
	City or town, state or province, country, and ZIP or foreign postal code WARNER ROBINS, GA 31093		
F Name and address of principal officer: CHARLES BRISCOE SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> 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.HHC.ORG**

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation: **2009** **M** State of legal domicile: **GA**

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO IMPROVE THE HEALTHCARE OF THE COMMUNITIES WE SERVE BY PROVIDING PATIENT-FOCUSED, HIGH-QUALITY,		
	2 Check this box <input type="checkbox"/> 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	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	3019
	6 Total number of volunteers (estimate if necessary)	6	125
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 39	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	45,420.	38,989.
	9 Program service revenue (Part VIII, line 2g)	231,623,977.	242,986,788.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	17,676,677.	19,162,328.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-335,346.	983,149.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	249,010,728.	263,171,254.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	162,163.	161,454.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	130,214,653.	131,338,842.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	115,145,151.	121,551,358.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	245,521,967.	253,051,654.	
19 Revenue less expenses. Subtract line 18 from line 12	3,488,761.	10,119,600.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 373,234,474.	End of Year 375,079,475.
	21 Total liabilities (Part X, line 26)	129,736,609.	111,898,820.
	22 Net assets or fund balances. Subtract line 21 from line 20	243,497,865.	263,180,655.

Part II Signature Block

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

Sign Here	Signature of officer	Date			
	SEAN WHILDEN, CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name MEGAN RANDOLPH	Preparer's signature	Date 09/24/20	Check if self-employed <input type="checkbox"/>	PTIN P00989558
	Firm's name ▶ WARREN AVERETT, LLC	Firm's EIN ▶ 45-4084437	Firm's address ▶ 2500 ACTON ROAD BIRMINGHAM, AL 35243	Phone no. 205-979-4100	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: TO IMPROVE THE HEALTHCARE OF THE COMMUNITIES WE SERVE BY PROVIDING PATIENT-FOCUSED, HIGH-QUALITY, COST-EFFECTIVE SERVICES WHILE PROMOTING HEALTH AND WELLNESS.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 229,218,796. including grants of \$ 161,454.) (Revenue \$ 244,023,202.) THE HOSPITALS' PRIMARY PROGRAM ACTIVITY IS THE PROVISION OF PATIENT CARE. THE HOSPITALS PROVIDED NURSING CARE IN THE AREAS OF MEDICAL, POST-SURGICAL, PSYCHIATRIC, CRITICAL CARE, INTERMEDIATE CARE, LABOR AND DELIVERY, POST PARTUM, NURSERY, PEDIATRICS, AND WOUND OSTOMY CARE. THE UTILIZATION DATA INCLUDES 14,653 ADULT AND PEDIATRIC ADMISSIONS, 67,159 PATIENT DAYS, 1,891 BIRTHS, AND 76,306 EMERGENCY ROOM VISITS. THE HOSPITALS ALSO PROVIDED SURGICAL SERVICES TO 16,330 PATIENTS WHICH INCLUDED 2,335 INPATIENTS, 5,906 OUTPATIENTS, AND 8,089 ENDOSCOPY PATIENTS.

4b (Code:) (Expenses \$ 1,157,463. including grants of \$) (Revenue \$ 320,522.) EDUCARE, THE COMMUNITY EDUCATION DEPARTMENT OF HOUSTON HOSPITALS PROVIDED HEALTH FAIRS, SENIOR CARE LUNCHEONS, BLOOD PRESSURE SCREENINGS, AND EXERCISE CLASSES. EDUCARE ALSO PROVIDED EDUCATION CLASSES AND SUPPORT GROUPS FOR THE FOLLOWING HEALTH ISSUES AND TOPICS: ALZHEIMERS, ARTHRITIS, BREAST CANCER, BREASTFEEDING, CARDIAC HEALTH, CHILDBIRTH, COOKING, DIABETES, DIET, DIVORCE, HYPERTENSION, LUPUS, MULTIPLE SCLEROSIS, PREGNANCY, SIBLINGS, STRESS MANAGEMENT, TOBACCO CESSATION, WALKING, AND WEIGHT LOSS.

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

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

4e Total program service expenses 230,376,259.

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

Part IV Checklist of Required Schedules (continued)

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

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 16 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

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

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **GA**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on 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 **SEAN WHILDEN - 478-542-7959**
1601 WATSON BOULEVARD, WARNER ROBBINS, GA 31093

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

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

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

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

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) FRED GRAHAM CHAIRMAN	6.00 3.00	X					0.	0.	0.	
(2) LARRY WARNOCK DIRECTOR	11.00 4.00	X					0.	0.	0.	
(3) ED DYSON DIRECTOR	3.00 0.00	X					0.	0.	0.	
(4) SHAWN CARPENTER DIRECTOR	3.00 0.00	X					0.	0.	0.	
(5) TOMMY STALNAKER VICE CHAIRMAN	3.00 0.00	X					0.	0.	0.	
(6) ROBERT TUGGLE DIRECTOR	3.00 0.00	X					0.	0.	0.	
(7) VIRGLE MCEVER, III DIRECTOR	3.00 0.00	X					0.	0.	0.	
(8) CARY MARTIN CEO (TERM ENDING 2019)	45.00 5.00			X			484,450.	0.	10,814.	
(9) SEAN WHILDEN CFO	45.00 5.00			X			267,042.	0.	16,105.	
(10) CHARLES BRISCOE PRESIDENT & CEO (TERM BEG. 2019)	45.00 5.00			X			350,883.	0.	35,307.	
(11) LARRY STEWART, M.D. CMO	45.00 0.00			X			280,459.	0.	19,270.	
(12) CHRIS BEASLEY CIO	45.00 5.00			X			157,708.	0.	22,777.	
(13) SHELLISA HOUSTON-MARTIN CNO	45.00 0.00			X			164,937.	0.	5,481.	
(14) STEPHEN MACHEN ADMINISTRATOR HMC	45.00 0.00				X		192,076.	0.	14,884.	
(15) J. DAVID CAMPBELL ADMINISTRATOR PH	45.00 0.00				X		173,812.	0.	14,385.	
(16) MICHAEL O'HARA VP HUMAN RESOURCES	45.00 5.00				X		192,760.	0.	23,529.	
(17) NATTLIE ROGERS DIRECTOR - PHARMACY	45.00 0.00					X	208,405.	0.	14,766.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SHAMIKA CLINTON ASST. DIR. OF PHARMACY	45.00 0.00					X	181,586.	0.	12,807.	
(19) PAIGE DAWSON PHARMACIST	45.00 0.00					X	171,476.	0.	9,639.	
(20) LATOYA JACKSON PHYSICIAN	45.00 0.00					X	250,897.	0.	9,430.	
(21) JUAN VALAZQUEZ PHYSICIAN	45.00 0.00					X	302,197.	0.	32,576.	
1b Subtotal							3,378,688.	0.	241,770.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							3,378,688.	0.	241,770.	

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 **71**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
IN COMPASS HEALTH, INC., 318 MAXWELL RD., STE 500, ALPHARETTA, GA 30009	HOSPITALISTS	3,516,238.
VELOCITY H'CARE COLLABORATIVE 2490 RIVERSIDE DRIVE, MACON, GA 31204	CODING SERVICE	1,492,147.
ADVANCED ICU CARE, INC. P.O. BOX 671773, DALLAS, TX 75267	CRITICAL CARE CONSULTANT	1,194,350.
BIO-MEDICAL APPLICATIONS OF GA, INC., 16343 COLLECTION CENTER DR, CHICAGO, IL	DIALYSIS SERVICE	1,120,572.
CROWN HEALTHCARE LAUNDRY 60 GRIDER ST., BUFFALO, NY 14215	LAUNDRY SERVICE	901,367.

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 **142**

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	38,989.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			38,989.			
Program Service Revenue	2 a NET PATIENT REVENUE	Business Code	621300	240,813,753.	240,813,753.		
	b GA PHYSICIAN WORKFORCE		621110	930,729.	930,729.		
	c EMPLOYEE PHARMACY		446110	202,518.	202,518.		
	d						
	e						
	f All other program service revenue		621300	1,039,788.	1,039,788.		
	g Total. Add lines 2a-2f			242,986,788.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			5,015,671.		5,015,671.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real	282,237.			
			(ii) Personal				
				656,024.			
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c		-373,787.			
	d Net rental income or (loss)			-373,787.		-373,787.	
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities	176,766,311.	271,400.		
			(ii) Other				
				162,581,398.	309,656.		
b Less: cost or other basis and sales expenses	7b						
c Gain or (loss)	7c		14,184,913.	-38,256.			
d Net gain or (loss)			14,146,657.		14,146,657.		
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a ALLOCATION OF OVERHEAD	Business Code	621300	1,356,936.	1,356,936.		
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			1,356,936.			
12 Total revenue. See instructions			263,171,254.	244,343,724.	0.	18,788,541.	

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 X

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 ...	161,454.	161,454.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,038,194.	634,473.	1,403,721.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	103,574,459.	96,449,891.	7,124,568.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,137,139.	3,011,524.	125,615.	
9 Other employee benefits	13,760,444.	13,760,444.		
10 Payroll taxes	8,828,606.	8,173,551.	655,055.	
11 Fees for services (nonemployees):				
a Management				
b Legal	694,880.		694,880.	
c Accounting	113,008.		113,008.	
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 Sch. O.)	33,608,965.	29,498,334.	4,110,631.	
12 Advertising and promotion	389,909.	70,452.	319,457.	
13 Office expenses	3,120,161.	2,967,595.	152,566.	
14 Information technology	7,135,535.	3,332,113.	3,803,422.	
15 Royalties				
16 Occupancy	821,603.	820,584.	1,019.	
17 Travel	200,131.	96,511.	103,620.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	2,595,729.	2,595,729.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	15,041,337.	15,041,337.		
23 Insurance	1,553,887.	1,370,800.	183,087.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES & PHAR	38,459,039.	38,395,239.	63,800.	
b EQUIPMENT MAINTENANCE	8,094,225.	7,432,309.	661,916.	
c UTILITIES	3,319,780.	3,319,060.	720.	
d PROVIDER TAX	3,158,310.		3,158,310.	
e All other expenses	3,244,859.	3,244,859.		
25 Total functional expenses. Add lines 1 through 24e	253,051,654.	230,376,259.	22,675,395.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	9,696,404.	1	5,431,659.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	26,345,838.	4	23,070,423.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net	254,515.	7	303,910.
	8 Inventories for sale or use	3,336,398.	8	3,302,416.
	9 Prepaid expenses and deferred charges	2,895,198.	9	3,040,179.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 295,272,984.		
	b Less: accumulated depreciation	10b 188,947,407.		
	11 Investments - publicly traded securities	112,718,217.	10c	106,325,577.
	12 Investments - other securities. See Part IV, line 11	209,929,081.	11	227,274,687.
	13 Investments - program-related. See Part IV, line 11	996,316.	12	
	14 Intangible assets		13	1,142,215.
	15 Other assets. See Part IV, line 11	7,062,507.	14	
16 Total assets. Add lines 1 through 15 (must equal line 33)	373,234,474.	15	5,188,409.	
		16	375,079,475.	
Liabilities	17 Accounts payable and accrued expenses	33,076,905.	17	26,988,716.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	73,381,629.	20	64,781,142.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	23,278,075.	25	20,128,962.
	26 Total liabilities. Add lines 17 through 25	129,736,609.	26	111,898,820.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	243,497,865.	27	263,180,655.
	28 Net assets with donor restrictions		28	
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	243,497,865.	32	263,180,655.
33 Total liabilities and net assets/fund balances	373,234,474.	33	375,079,475.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	263,171,254.
2	Total expenses (must equal Part IX, column (A), line 25)	2	253,051,654.
3	Revenue less expenses. Subtract line 2 from line 1	3	10,119,600.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	243,497,865.
5	Net unrealized gains (losses) on investments	5	11,864,665.
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 on Schedule O)	9	-2,301,475.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	263,180,655.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization: **HOUSTON HOSPITALS, INC** Employer identification number: **71-1045290**

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 **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(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) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2019. 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 - 2018. 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 - 2019. 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 - 2018. 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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. 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 - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <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>		
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>		
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>		
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>		
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>		
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>		
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>		
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>		
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>		
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?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
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>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as 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>		
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>		
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>		
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>		
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>		
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 10b below.</i>		
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>		

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?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

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? <i>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.</i>		
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? <i>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.</i>		

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)? <i>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).</i>		

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?		
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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

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.		
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? <i>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.</i>		
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? <i>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.</i>		
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? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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

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

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

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

Section C - Distributable Amount		(A) Prior Year	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	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2019

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 2019 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-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Name of the organization

HOUSTON HOSPITALS, INC

Employer identification number

71-1045290

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization HOUSTON HOSPITALS, INC	Employer identification number 71-1045290
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	SUSAN G KOMEN CENTRAL GA AFFILIATE 277 MLK JR. BOULEVARD, STE 101 MACON, GA 31201	\$ 35,892.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization HOUSTON HOSPITALS, INC	Employer identification number 71-1045290
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____

Name of organization HOUSTON HOSPITALS, INC	Employer identification number 71-1045290
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.**

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

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

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

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

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

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

Name of organization

HOUSTON HOSPITALS, INC

Employer identification number

71-1045290

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grassroots 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.														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		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.		
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) 2016	(b) 2017	(c) 2018	(d) 2019	(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)).

	(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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		17,215.
j Total. Add lines 1c through 1i			17,215.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

A PORTION OF DUES PAID TO MEMBERSHIP ORGANIZATIONS (SUCH AS THE GEORGIA HOSPITAL ASSOCIATION) IS ALLOCATED TO LOBBYING.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2019 Open to Public Inspection

Name of the organization HOUSTON HOSPITALS, INC Employer identification number 71-1045290

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor property and grant fund usage.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, and National Register listings), and questions about monitoring, expenses, and reporting requirements.

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures, and a table for revenue and assets included in Form 990.

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 make 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 program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
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 Term 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:
- | | Yes | No |
|---|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 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		8,483,719.		8,483,719.
b Buildings		177,334,698.	106,903,517.	70,431,181.
c Leasehold improvements				
d Equipment		102,064,160.	79,435,650.	22,628,510.
e Other		7,390,407.	2,608,240.	4,782,167.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				106,325,577.

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. (Col. (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. (Col. (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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED PENSION LIABILITY	9,407,665.
(3) SELF-INSURANCE RESERVES	10,721,297.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	20,128,962.

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 FASB 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:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information.

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

PART X, LINE 2:

NOTE: HOUSTON HOSPITALS, INC. IS PART OF THE HOUSTON HEALTHCARE SYSTEM, INC. THE FOLLOWING IS A FOOTNOTE FROM THE COMBINED FINANCIAL STATEMENTS:

THE SYSTEM APPLIES ACCOUNTING POLICIES THAT PRESCRIBE WHEN TO RECOGNIZE AND HOW TO MEASURE THE COMBINED FINANCIAL STATEMENT EFFECTS OF INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON ITS INCOME TAX RETURNS. THESE RULES REQUIRE MANAGEMENT TO EVALUATE THE LIKELIHOOD THAT, UPON EXAMINATION BY THE RELEVANT TAXING JURISDICTIONS, THOSE INCOME TAX POSITIONS WOULD BE SUSTAINED. BASED ON THAT EVALUATION, THE SYSTEM ONLY RECOGNIZES THE MAXIMUM BENEFIT OF EACH INCOME TAX POSITION THAT IS MORE THAN 50% LIKELY OF BEING SUSTAINED. TO THE EXTENT THAT ALL OR A PORTION OF THE BENEFITS OF

Part XIII Supplemental Information *(continued)*

AN INCOME TAX POSITION ARE NOT RECOGNIZED, A LIABILITY WOULD BE RECOGNIZED FOR THE UNRECOGNIZED BENEFITS, ALONG WITH ANY INTEREST AND PENALTIES THAT WOULD RESULT FROM DISALLOWANCE OF THIS POSITION. SHOULD ANY SUCH PENALTIES AND INTEREST BE INCURRED, THEY WOULD BE RECOGNIZED AS OPERATING EXPENSE.

BASED ON THE RESULTS OF MANAGEMENT'S EVALUATION, NO LIABILITY IS RECOGNIZED IN THE ACCOMPANYING COMBINED BALANCE SHEET FOR UNRECOGNIZED INCOME TAX POSITIONS. FURTHER, NO INTEREST OR PENALTIES HAVE BEEN ACCRUED OR CHARGED TO EXPENSE AS OF DECEMBER 31, 2019 AND 2018 OR FOR THE YEARS THEN ENDED. THE SYSTEM'S TAX RETURNS ARE SUBJECT TO POSSIBLE EXAMINATION BY THE TAXING AUTHORITIES. FOR FEDERAL INCOME TAX PURPOSES, THE TAX RETURNS ESSENTIALLY REMAIN OPEN FOR POSSIBLE EXAMINATION FOR A PERIOD OF THREE YEARS AFTER THE RESPECTIVE FILING DEADLINE OF THESE RETURNS.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **HOUSTON HOSPITALS, INC** Employer identification number **71-1045290**

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	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>125</u> %	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
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"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
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?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			012296488.	4538808.	7757680.	3.07%
b Medicaid (from Worksheet 3, column a)		18,459	34759466.	27922479.	6836987.	2.70%
c Costs of other means-tested government programs (from Worksheet 3, column b)		0	0.	0.		
d Total. Financial Assistance and Means-Tested Government Programs		18,459	47055954.	32461287.	14594667.	5.77%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	50	27,366	1412941.	133,155.	1279786.	.51%
f Health professions education (from Worksheet 5)	6	2,185	2470178.	2454692.	15,486.	.01%
g Subsidized health services (from Worksheet 6)	2	1,289	4604552.	0.	4604552.	1.82%
h Research (from Worksheet 7)	0	0	0.	0.		
i Cash and in-kind contributions for community benefit (from Worksheet 8)	4	2,019	504,168.	0.	504,168.	.20%
j Total. Other Benefits	62	32,859	8991839.	2587847.	6403992.	2.54%
k Total. Add lines 7d and 7j	62	51,318	56047793.	35049134.	20998659.	8.31%

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	0.	0.		
2 Economic development	1	16	9,056.	0.	9,056.	.00%
3 Community support	1	0	56,094.	0.	56,094.	.02%
4 Environmental improvements	1	0	1,363.	0.	1,363.	.00%
5 Leadership development and training for community members	0	0	0.	0.		
6 Coalition building	0	0	0.	0.		
7 Community health improvement advocacy	0	0	0.	0.		
8 Workforce development	1	0	107,233.	0.	107,233.	.04%
9 Other	0	0	0.	0.		
10 Total	4	16	173,746.		173,746.	.06%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount		
	2	16,964,754.
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	0.
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	69,546,059.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	74,187,512.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-4,641,453.
8 Describe in Part VI the extent to which any shortfall reported on 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	X
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group FACILITY REPORTING GROUP A

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1, 2

	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?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
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>17</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	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.HHC.ORG</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 checked="" 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	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?		X
a If "Yes," (list url): _____		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	X	
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)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group FACILITY REPORTING GROUP A

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>125</u> % and FPG family income limit for eligibility for discounted care of <u>300</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 type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	<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?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.HHC.ORG</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.HHC.ORG</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.HHC.ORG</u>		
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 type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group FACILITY REPORTING GROUP A

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <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?		X
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 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 (if not, describe in Section C) b <input type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C) c <input type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C) d <input type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C) e <input checked="" 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?	X	
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)

Name of hospital facility or letter of facility reporting group FACILITY REPORTING GROUP A

		Yes	No
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.			
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input type="checkbox"/> 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	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	23	X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	X

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

SCHEDULE H, PART V, SECTION B. FACILITY REPORTING GROUP A**FACILITY REPORTING GROUP A CONSISTS OF:**

- FACILITY 1: HOUSTON MEDICAL CENTER

- FACILITY 2: PERRY HOSPITAL

FACILITY REPORTING GROUP A

PART V, SECTION B, LINE 5: PROFESSIONAL RESEARCH CONSULTANTS (PRC) A

NATIONALLY RECOGNIZED HEALTHCARE CONSULTING FIRM CONDUCTED A COMMUNITY

HEALTH NEEDS ASSESSMENT FOR HOUSTON HEALTHCARE IN 2017, FROM WHICH THE

2018, 2019 AND 2020 PLANS WERE DEVELOPED. THIS 2017 CHNA BY PRC

INCORPORATED QUALITATIVE AND QUANTITATIVE DATA SOURCES. QUALITATIVE DATA

INCLUDED RESEARCH GATHERED FROM AN ONLINE KEY INFORMANT SURVEY GROUP, WITH

PARTICIPANTS FROM PUBLIC HEALTH, ALONG WITH PROFESSIONALS, SOCIAL SERVICE

PROVIDERS, AND BUSINESS AND COMMUNITY LEADERS. THE ASSESSMENT ALSO

INCORPORATED COMMUNITY TELEPHONE INTERVIEWS OF 200 INDIVIDUALS AGE 18 AND

OLDER. INFORMATION CAME FROM LOCAL SURVEYS, PARTICIPANTS AT COMMUNITY

EVENTS AS WELL AS INPUT FROM VARIOUS COALITIONS. SEVERAL PRESENTATIONS OF

THE CHNA WERE GIVEN WHICH INCLUDED DISCUSSION OF PRIORITY AREAS.

FACILITY REPORTING GROUP A

PART V, SECTION B, LINE 6A: HOUSTON HEALTHCARE INCLUDES BOTH HOUSTON

MEDICAL CENTER AND PERRY HOSPITAL, WITH BOTH FACILITIES UNDER THE SAME

BOARD AND LEADERSHIP. BOTH HOSPITAL FACILITIES ARE LOCATED IN HOUSTON

COUNTY AND SERVE THE SAME POPULATIONS. RESIDENTS CAN, AND OFTEN DO,

UTILIZE BOTH FACILITIES ALONG WITH THE OTHER RESOURCES PROVIDED THROUGH

HOUSTON HEALTHCARE.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

FACILITY REPORTING GROUP A

PART V, SECTION B, LINE 7D: A COPY OF THE CHNA WAS SHARED INTERNALLY WITH EXECUTIVE LEADERSHIP AND BOARDS AND IS POSTED ON THE HOUSTON HEALTHCARE WEBSITE. (WWW.HHC.ORG) PRESENTATIONS ON THE CHNA WERE GIVEN TO EXECUTIVE LEADERSHIP, THE COMMUNITY BENEFIT WORK GROUP, OTHER STAFF, COMMUNITY COALITIONS AND COMMUNITY GROUPS. PRESENTATIONS REGARDING COMMUNITY EDUCATION SERVICES AND THE COMMUNITY BENEFIT PROGRAM WERE MADE TO THE COUNTY LEADERSHIP PROGRAM- LEADERSHIP WARNER ROBINS. THIS GROUP REPRESENTS VARIOUS INDUSTRIES AND ORGANIZATIONS THROUGHOUT HOUSTON COUNTY AND IS SEEN AS A LEADER IN OUR COMMUNITY. IN ADDITION, AN ARTICLE ABOUT THE CHNA WAS PLACED IN HOUSTON HEALTHCARE'S EXTERNAL PUBLICATION, "HOUSECALLS", WHICH WAS MAILED OUT TO OVER 25,000 HOUSEHOLDS IN MIDDLE GEORGIA.

FACILITY REPORTING GROUP A

PART V, SECTION B, LINE 11: THE MOST RECENTLY CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED IN 2017 BY PRC. THE RELATED IMPLEMENTATION STRATEGY PLAN WENT INTO EFFECT IN TAX YEAR 2018, CONTINUING FOR 2019 AND 2020 AND INCLUDES AN ANNUAL WORK PLAN WITH GOALS, OBJECTIVES, EXPECTED OUTCOMES AS WELL AS ACTUAL OUTCOMES FOR THE YEAR. A THREE YEAR SCORE CARD WAS CREATED TO MEASURE LONG TERM PROGRESS IN MEETING THE GOALS AND OBJECTIVES. THE 2017 PRC ASSESSMENT (CHNA) INCLUDED A LIST OF "AREAS OF OPPORTUNITY" OR IDENTIFIED HEALTH NEEDS. THE FOCUS AREAS FOR HOUSTON HEALTHCARE'S 2018 IMPLEMENTATION PLAN ADDRESSED THESE NEEDS AND ALL WERE ADDRESSED DIRECTLY BY HOUSTON HEALTHCARE INITIATIVES WITH THE EXCEPTION OF THE FOLLOWING FOUR NEEDS: (1) BEHAVIORAL HEALTH AND SUBSTANCE ABUSE- IS ADDRESSED IN PARTNERSHIP WITH PHOENIX BEHAVIORAL CENTER AND THE SUICIDE PREVENTION COALITION OF HOUSTON COUNTY AS WELL AS OTHERS WHO LEAD THESE

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

EFFORTS. (2) SEXUALLY TRANSMITTED DISEASES-TREATMENT AND PREVENTION

EDUCATION ARE LED BY HOUSTON COUNTY HEALTH DEPARTMENT ALONG WITH DISTRICT

PUBLIC HEALTH. (3)TRANSPORTATION TO HEALTHCARE SERVICES- IS PROVIDED BY

PRIVATE COMPANIES, CHURCHES, LOGISTICARE FOR MEDICAID RECIPIENTS, PERRY

VOLUNTEER OUTREACH, AND THE AMERICAN CANCER SOCIETY FOR PERSONS DIAGNOSED

WITH CANCER. WARNER ROBINS ADDED A PUBLIC TRANSPORTATION SERVICE IN

JANUARY 2016 THAT IS STILL IN PLACE. (4) ACCIDENT PREVENTION/SAFETY-

EFFORTS ON CHILD SAFETY ARE LED BY HOUSTON COUNTY SAFEKIDS. CLASSES FOR

ADULTS ARE PROVIDED BY AARP.

FACILITY REPORTING GROUP A

PART V, SECTION B, LINE 16J: ALTHOUGH THE ORGANIZATION'S WRITTEN POLICY

DOES NOT INDICATE THE MEASURES TAKEN TO PUBLICIZE THE FACILITY'S POLICY

WITHIN THE COMMUNITY SERVED, IT DOES PUBLICIZE AS REQUIRED BY THE STATE'S

INDIGENT CARE TRUST FUND (ICTF) POLICY. THE ORGANIZATION'S FINANCIAL

ASSISTANCE POLICY IS POSTED ON THE FACILITY'S WEBSITE ALONG WITH THE

INDIGENT AND CHARITY CARE GUIDELINES. A NOTICE IS PRINTED ON THE PATIENTS'

BILLS, IN COMMUNITY NEWSPAPERS TWICE A YEAR, POSTED ON THE WALLS AT ALL

ADMISSION AREAS, CARDS ARE AVAILABLE ON THE COUNTERS IN BOTH ENGLISH AND

SPANISH, AND THE POLICY AND INDIGENT APPLICATIONS ARE AVAILABLE UPON

REQUEST. HOUSTON HEALTHCARE INFORMS AND EDUCATES THE COMMUNITY ABOUT THE

AVAILABILITY AND ELIGIBILITY FOR FINANCIAL ASSISTANCE BY PROVIDING THESE

CARDS AT COMMUNITY EVENTS, HEALTH FAIRS AND EDUCATION SEMINARS. THE CARDS

AND SIGNAGE ARE PROVIDED IN ENGLISH AND SPANISH. INFORMATION IS ALSO GIVEN

OUT REGARDING AVAILABILITY AND ELIGIBILITY FOR FINANCIAL SERVICES IN

ENGLISH AND SPANISH AT NUMEROUS COMMUNITY EVENTS SUCH AS HEALTH FAIRS.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 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.

FACILITY REPORTING GROUP A

PART V, SECTION B, LINE 20E: DURING 2015 HOUSTON HOSPITALS BEGAN USING PRESUMPTIVE ELIGIBILITY TO IDENTIFY PATIENTS ELIGIBLE FOR FREE CARE. THE FINANCIAL ASSISTANCE POLICY DETAILS PRESUMPTIVE ELIGIBILITY AS FOLLOWS: PRIOR TO THE ISSUANCE OF THE FIRST POST DISCHARGE BILLING STATEMENT, ALL UNINSURED PATIENT ACCOUNTS WILL BE REVIEWED USING PREDICTIVE ANALYTICS TO ESTIMATE THE HOUSEHOLD INCOME OF THE PATIENT/GUARANTOR. IF THE ESTIMATED HOUSEHOLD INCOME IS EQUAL TO, OR LESS THAN OR EQUAL TO, 125% OF FEDERAL POVERTY GUIDELINES, THE PATIENT SHALL NOT BE REQUIRED TO PAY FOR THEIR CARE. PRESUMPTIVE ELIGIBILITY DETERMINATIONS ARE BASED UPON PUBLICLY AVAILABLE INFORMATION FROM CREDIT BUREAUS, US CENSUS DATA, US POSTAL SERVICE, INSURANCE DATABASES, STATE AND LOCAL PUBLIC RECORDS, TELEPHONE COMPANY DATABASES AND THE WHITE PAGES.

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? 8

Name and address	Type of Facility (describe)
1 THE SURGERY CENTER 1647 WATSON BOULEVARD WARNER ROBINS, GA 31093	HOSPITAL-BASED OUTPATIENT SURGERY CENTER
2 HOUSTON LAKE MED-STOP 2510 HIGHWAY 127 KATHLEEN, GA 31047	HOSPITAL-BASED URGENT CARE FACILITY
3 HOUSTON LAKE REHAB 2510 HIGHWAY 127 KATHLEEN, GA 31047	HOSPITAL-BASED OUTPATIENT REHAB FACILITY
4 PAVILION MED-STOP 233 N. HOUSTON ROAD, SUITE 140 WARNER ROBINS, GA 31093	HOSPITAL-BASED URGENT CARE FACILITY
5 PAVILION REHAB 233 N. HOUSTON ROAD, SUITE 140 WARNER ROBINS, GA 31093	HOSPITAL-BASED OUTPATIENT REHAB FACILITY
6 PAVILION DIAGNOSTIC CENTER 233 N. HOUSTON ROAD, SUITE 140 WARNER ROBINS, GA 31093	HOSPITAL-BASED OUTPATIENT IMAGING CENTER
7 LAKE JOY MED-STOP 1118 HIGHWAY 96 WEST KATHLEEN, GA 31047	HOSPITAL-BASED URGENT CARE FACILITY
8 HOUSTON HEALTHCARE IMAGING SERVICES 114 SUTHERLIN DRIVE WARNER ROBINS, GA 31088	HOSPITAL-BASED OUTPATIENT IMAGING CENTER

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.

PART I, LINE 6A:

THE ORGANIZATION PREPARED A WRITTEN REPORT IN 2017 THAT DESCRIBES HOUSTON HEALTHCARE'S PROGRAMS AND SERVICES THAT PROMOTE THE HEALTH OF THE COMMUNITY. THIS REPORT IS AVAILABLE ON THE WEBSITE AND WAS DISTRIBUTED TO THE PUBLIC.

PART I, LINE 7:

HOUSTON HEALTHCARE PROVIDES THE FACILITY (FREE STANDING BUILDING) FOR THE HOUSTON COUNTY VOLUNTEER MEDICAL CLINIC. THIS CLINIC IS AN INTEGRAL PART OF OUR COMMUNITY HEALTHCARE SYSTEM AND PROVIDES FREE MEDICAL AND PHARMACEUTICAL HELP FOR THOSE CITIZENS OF HOUSTON COUNTY THAT HAVE AN EMPLOYED FAMILY MEMBER IN THEIR HOUSEHOLD BUT DO NOT HAVE HEALTH INSURANCE. THE TOTAL INCOME FOR THE HOUSEHOLD MUST BE LESS THAN 200% OF THE IDENTIFIED POVERTY LEVEL.

IN ADDITION TO PROVIDING THE BUILDING, HOUSTON HEALTHCARE STAFF MEMBERS INCLUDING THE PERRY HOSPITAL ADMINISTRATOR SERVE ON THE BOARD OF TRUSTEES FOR THE FREE HEALTH CLINIC. HOUSTON HEALTHCARE ALSO PROVIDES THE SECRETARY

Part VI Supplemental Information (Continuation)

FOR THE BOARD WHO TAKES MINUTES, AND COORDINATES MEETING PLANS AS WELL AS OTHER COMMUNICATION FOR THE BOARD MEETINGS. IN ADDITION, HOUSTON HEALTHCARE PROVIDES CHRONIC DISEASE MANAGEMENT CLASSES, DIAGNOSTIC TESTING, SERVES AS A REFERRAL SOURCE FOR PATIENTS SEEN AT THE FREE CLINIC AND ASSISTS WITH OBTAINING GRANTS AND OTHER FUNDING.

WORKSHEET 2 FROM THE SCHEDULE H INSTRUCTIONS WAS USED TO DETERMINE THE CCR; LINE 7A WAS CALCULATED BY APPLYING THE COST-TO-CHARGE RATIO TO THE TOTAL CHARITY CARE CHARGES; LINE 7B WAS CALCULATED USING WORKSHEET 3 AND THE COST-TO-CHARGE RATIO; LINE 7C: N/A; LINE 7E IS A COMPILATION OF COST RELATED TO THE PROGRAMS AND ACTIVITIES REPORTED IN WORKSHEET 4. LABOR COST PLUS ANY SUPPLIES PURCHASED LESS ANY REVENUE GENERATED BY THE ACTIVITY; LINE 7F COSTS ARE TRACKED BY OUR COMMUNITY BENEFIT CBISA SOFTWARE; LINE 7G IS A SUMMARY OF PAYMENTS MADE TO BEHAVIORAL HEALTH PHYSICIANS FOR SEEING OUR UNINSURED AND MEDICAID BEHAVIORAL HEALTH POPULATION (AS REPORTED ON WORKSHEET 6); LINE 7H: N/A; LINE 7I IS A SUMMARY OF CASH PAYMENTS REPORTED ON WORKSHEET 8.

PART II, COMMUNITY BUILDING ACTIVITIES:

HOUSTON HEALTHCARE STAFF PROVIDE AND PARTICIPATE IN NUMEROUS COMMUNITY BUILDING ACTIVITIES. SOME EXAMPLES INCLUDE: SERVING ON THE REGIONAL AND PERRY CHAMBER OF COMMERCE BOARDS, WITH FOCUS ON EDUCATION, BUSINESS DEVELOPMENT AND COMMUNITY AND GOVERNMENT AFFAIRS. HOUSTON HEALTHCARE ALSO WORKS DILIGENTLY TO RECRUIT NEEDED PHYSICIANS TO THE AREA. EACH YEAR STAFF MEMBERS PROMOTE AND RAISE FUNDS FOR THE UNITED WAY OF CENTRAL GEORGIA, MARCH OF DIMES AND AMERICAN CANCER SOCIETY.

COMMUNITY PHYSICAL IMPROVEMENTS- HOUSTON HEALTHCARE PURCHASED THE OLD

Part VI Supplemental Information (Continuation)

HOUSTON MALL IN 2012, RENOVATED AND CONVERTED IT TO THE HOUSTON HEALTH PAVILION. THE HOUSTON HEALTH PAVILLION HAS PROVIDED MUCH NEEDED SPACE FOR HEALTH RELATED SERVICES, COMMUNITY EDUCATION, SUPPORT GROUPS, AND OTHER TRAINING. THE DIRECTOR OF COMMUNITY EDUCATION SERVES AS A BOARD MEMBER OF THE WORRALL FOUNDATION WHICH HAS THE GOAL OF PURCHASING LAND TO CREATE ADDITIONAL OUTDOOR PARKS IN THE AREA IN ORDER TO ENCOURAGE FAMILIES TO BECOME MORE PHYSICALLY ACTIVE. THE NEWEST PARK COMPLETED IN 2016 IS HERITAGE PARK IN PERRY, GEORGIA. THERE ARE ALSO PLANS FOR MORE PARKS AND FITNESS TRAILS IN THE NEAR FUTURE.

ECONOMIC DEVELOPMENT- HOUSTON HEALTHCARE WORKS DIRECTLY WITH THE WARNER ROBINS HOUSING AUTHORITY WHO PROVIDES LOWER COST HOUSING FOR RESIDENTS WITH LIMITED INCOMES, BY PROVIDING HEALTH RELATED CLASSES FOR THE RESIDENTS. HOUSTON HEALTHCARE STAFF ALSO SERVE ON THE HUMAN NEEDS COALITION THAT ADDRESSES THE ISSUE OF THE HOMELESS, AND COLLABORATES WITH COMMUNITY PARTNERS AND THE VECTR CENTER TO IMPROVE NEIGHBORHOOD HOUSING.

COMMUNITY SUPPORT: - DISASTER READINESS PREPAREDNESS PROVIDED BY HOUSTON HEALTHCARE IS OVER AND ABOVE LICENSURE REQUIREMENTS AND INCLUDES COMMUNICATION AWARENESS EVENTS AND GENERAL EDUCATION. THIS INCLUDES THE ARES (AMATEUR RADIO EMERGENCY SERVICES) PROGRAM, WHICH PROVIDES SUPPORT TO THE GENERAL PUBLIC AND OTHER HEALTHCARE PARTNERS IN THE AREA OF EMERGENCY COMMUNICATION IN THE EVENT OF A COMMUNITY DISASTER AS WELL AS DETECTION OF SEVERE WEATHER CONDITIONS THROUGH THE USE OF COMMUNICATION WEATHER SPOTTERS TRAINED BY THE NATIONAL WEATHER SERVICE VIA AMATEUR RADIO OPERATORS WITHIN THE COMMUNITY. THIS IS PROVIDED AND INSTALLED WITHIN HOUSTON HEALTHCARE- AS A FREE ACCESS COMMUNICATION USE REPORTER FOR PUBLIC USE.

Part VI Supplemental Information (Continuation)

LEADERSHIP DEVELOPMENT AND TRAINING- HOUSTON HEALTHCARE PARTICIPATES IN ROBINS REGIONAL LEADERSHIP AND PERRY LEADERSHIP PROGRAMS ALONG WITH THE YOUTH LEADERSHIP PROGRAMS. HOUSTON HEALTHCARE STAFF SERVE ON REGIONAL AND CITY CHAMBER OF COMMERCE BOARDS, WHICH FOCUS ON BUSINESS DEVELOPMENT, EDUCATION, AS WELL AS COMMUNITY AND GOVERNMENT AFFAIRS. HOUSTON HEALTHCARE HAS VOLUNTEER CHAPLAINS FOR HOUSTON MEDICAL CENTER AND PERRY HOSPITAL WHO ARE COMMUNITY MEMBERS.

COALITION BUILDING- COALITIONS INITIATED AND LED BY HOUSTON HEALTHCARE:

1. FAITH COMMUNITY NURSES- THIS COALITION IS MADE UP OF VOLUNTEER REGISTERED NURSES SERVING CHURCHES IN THE CENTRAL GEORGIA AREA. HOUSTON HEALTHCARE PROVIDES AN ORIENTATION PROGRAM AS WELL AS MONTHLY MEETINGS AND TRAINING FOR THIS GROUP. THE FAITH COMMUNITY NURSES PROVIDE HEALTH EDUCATION, HEALTH SCREENINGS, AS WELL AS LINKING PERSONS TO HEALTH RESOURCES. THIS GROUP SERVES AREA CHURCHES AND THEIR SURROUNDING NEIGHBORHOODS. IN ADDITION, THE GROUP ADDRESSES SOCIAL CONCERNS SUCH AS PROVIDING FOOD BANKS, CLOTHING CLOSETS, SOUP KITCHENS, ETC. HOUSTON HEALTHCARE SERVES AS THE RESOURCE CENTER AND PARTNER FOR THESE ACTIVITIES.

2. CENTRAL GEORGIA PERINATAL COALITION -THIS HOUSTON HEALTHCARE LED COALITION INCLUDES PUBLIC HEALTH, SCHOOL COUNSELORS, RAINBOW HOUSE, DISTRICT PUBLIC HEALTH, LOCAL OB/GYN REPRESENTATIVES AND OTHERS. IT SEEKS TO PROVIDE OPTIMAL SERVICES FOR PREGNANT WOMEN AND DECREASE RATES OF PRE-TERM BIRTHS, AND OTHER POOR BIRTH OUTCOMES. THE COALITION ADDRESSES ACCESS TO CARE FOR ALL PREGNANT WOMEN, FOCUSES AND PROVIDES ADDITIONAL SERVICES/RESOURCES FOR WOMEN WHO ARE LOWER INCOME AND UNINSURED, AS WELL AS FOR WOMEN WHO HAVE A MEDICAL CONDITION THAT COMPLICATES THEIR PREGNANCY.

Part VI Supplemental Information (Continuation)

HOUSTON HEALTHCARE STAFF MEMBERS ALSO SERVE ON NUMEROUS COMMUNITY

COALITIONS WITH EXAMPLES THAT INCLUDE:

*KID'S JOURNEY/FAMILY CONNECTIONS BOARD OF TRUSTEES AND COALITION- HOUSTON HEALTHCARE STAFF SERVE AS MEMBERS OF THE BOARD OF TRUSTEES TO IMPROVE THE HEALTH OF CHILDREN AND FAMILIES. THIS COALITION HAS TWO STRATEGY TEAMS: 1) HEALTH OF CHILDREN AND FAMILIES 2) PREVENTION OF ABUSE AND NEGLECT 3) YOUTH SUCCESS IN SCHOOLS

*RAINBOW HOUSE BOARD OF TRUSTEES- ONE HOUSTON HEALTHCARE STAFF SERVES ON THIS BOARD WHICH PROVIDES EDUCATION AND ACTIVITIES TO PREVENT CHILD ABUSE.

*SUICIDE PREVENTION BOARD AND COALITION- TWO HOUSTON HEALTHCARE STAFF PERSONS SERVE ON THIS BOARD WHICH FOCUSES ON SUICIDE PREVENTION, COMMUNITY EDUCATION AND ASSISTANCE WITH OTHER BEHAVIORAL HEALTH ISSUES. A TOP PRIORITY IS SUICIDE PREVENTION AND COMMUNITY EDUCATION.

*SAFE KIDS COALITION- HOUSTON HEALTHCARE PARTNERS WITH SAFE KIDS TO PREVENT INJURIES AND PROMOTE SAFE PRACTICES FOR CHILDREN AND HAS ONE STAFF MEMBER SERVING ON THIS COALITION. THE COALITION WORKS COLLABORATIVELY TO IDENTIFY NEEDS AND PLAN ACTIVITIES. (DISTRIBUTION/ FITTING OF BIKE HELMETS, DISTRIBUTION OF SMOKE DETECTORS, CAR SEAT SAFETY, POISON PREVENTION AND WATER SAFETY) THE COALITION WORKS CLOSELY WITH THE DEPARTMENT OF FAMILY & CHILDREN SERVICES AND PUBLIC HEALTH AND PROVIDE SAFETY EDUCATION TO LOCAL SCHOOLS AND CHILD CARE CENTERS.

*HUMAN NEEDS COALITION- THIS COALITION ADDRESSES THE ISSUE OF PERSONS WHO ARE HOMELESS. HOUSTON HEALTHCARE STAFF SERVE ON THE COALITION ALONG WITH LOCAL CHURCHES, VETERANS ASSOCIATION, HOUSING AUTHORITY, FOOD BANKS AND OTHERS.

*CHIP (COMMUNITY HEALTH IMPROVEMENT PLAN)-THE GEORGIA DEPARTMENT OF PUBLIC HEALTH'S NORTH CENTRAL HEALTH DISTRICT LEADS THIS GROUP WHICH INCLUDES 13

Part VI Supplemental Information (Continuation)

COUNTIES IN THE NORTH CENTRAL AREA OF GEORGIA. A REPRESENTATIVE FROM HOUSTON HEALTHCARE SERVES ON THE PLANNING AND IMPLEMENTATION OF THE HEALTH IMPROVEMENT INITIATIVE FOR CHIP.

WORKFORCE DEVELOPMENT- RECRUITMENT OF PHYSICIANS AND OTHER HEALTH PROFESSIONALS TO MEDICAL SHORTAGE AREAS AND COLLABORATION WITH EDUCATIONAL INSTITUTIONS TO TRAIN AND RECRUIT HEALTH PROFESSIONALS NEEDED IN THE COMMUNITY OTHER THAN THE HEALTH PROFESSIONS EDUCATION ACTIVITIES REPORTED IN PART 1, LINE 7.

DUE TO PHYSICIAN SHORTAGES IN SPECIALTY AREAS AND PRIMARY CARE, RECRUITMENT EFFORTS WERE INCREASED IN 2018. EXAMPLES OF TARGETED AREAS INCLUDE OTOLARYNGOLOGY, UROLOGY, PSYCHIATRY, FAMILY MEDICINE RESIDENCY FACULTY AND PRIMARY CARE. HOUSTON HEALTHCARE MADE DONATIONS TO ASSIST WITH COSTS OF INSTRUCTORS FOR HEALTH PROFESSIONAL TRAINING AT CENTRAL GEORGIA TECHNICAL COLLEGE AND MIDDLE GEORGIA STATE COLLEGE AND SERVES AS A CLINICAL SITE FOR SEVERAL HEALTH PROFESSIONS TO INCLUDE NURSING, PHARMACY, RADIOLOGY, RESPIRATORY THERAPY AND PHYSICAL THERAPY. HOUSTON HEALTHCARE OFFERS A FAMILY MEDICINE RESIDENCY PROGRAM, WHICH PROVIDES CLINICAL AS WELL AS HANDS-ON PATIENT TRAINING TO PHYSICIANS ENTERING THE FIELD OF FAMILY MEDICINE, WHILE HELPING TO FULFILL A NEED FOR PRIMARY CARE PHYSICIANS IN THE MIDDLE GEORGIA AREA AND IMPROVE ACCESS TO HEALTHCARE FOR THE COMMUNITY WE SERVE.

PART III, LINE 2:

BAD DEBT IS TREATED AS A DEDUCTION FROM REVENUE AND INCLUDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. BAD DEBT IS NOT INCLUDED IN TOTAL EXPENSES FOR BOOK OR TAX PURPOSES.

Part VI Supplemental Information (Continuation)

THE ALLOWANCE FOR BAD DEBTS IS CALCULATED ON OUTSTANDING ACCOUNTS RECEIVABLE (NET OF PAYMENTS AND DISCOUNTS) AND CONSIDERS HISTORICAL COLLECTION RATES, THE INSURED STATUS

PART III, LINE 3:

HOUSTON HOSPITALS USES PRESUMPTIVE ELIGIBILITY TO IDENTIFY PATIENTS ELIGIBLE FOR FREE CARE; THEREFORE, WE ESTIMATED \$0.00 OF THE BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY.

PART III, LINE 8:

SECTION B, LINES 5-7 ARE CALCULATED USING WORKSHEET A, PROVIDED IN THE SCHEDULE H INSTRUCTIONS, AND THE 2019 AS-FILED MEDICARE COST REPORTS. 100% OF THE HOSPITAL'S MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFITS SINCE THE ORGANIZATION PROVIDES HEALTHCARE ACCESS FOR MEDICARE PATIENTS AND ACCEPTS PAYMENT BELOW COST BENEFITING OUR COMMUNITY LARGELY MADE UP OF MEDICARE BENEFICIARIES.

PART III, LINE 9B:

THE BAD DEBT COLLECTION PRACTICES POLICY FOR HOUSTON HOSPITALS STATES THAT COLLECTIONS ARE CEASED UPON THE PATIENT'S APPROVAL FOR INDIGENT OR CHARITY CARE. THE PATIENT LIABILITY BILLING AND COLLECTION POLICY PROVIDED THE GUIDELINE FOR THE COLLECTION OF PATIENT LIABILITY. COLLECTION EFFORT SHOULD ONLY BE CONDUCTED FOR THE PATIENT LIABILITY. THE POLICY DEFINES THE PATIENT LIABILITY AS THE AMOUNT OWED BY THE PATIENT AND /OR GUARANTOR AFTER APPLICATION OF ALL INSURANCE BENEFITS AND FINANCIAL ASSISTANCE POLICY DISCOUNTS. IF THE PERSON IS A 100% SELF-PAY PATIENT AND DOES NOT

Part VI Supplemental Information (Continuation)

QUALIFY FOR FINANCIAL ASSISTANCE, THEN IT IS THE ENTIRE BALANCE LESS ANY DISCOUNTS. THE FINANCIAL ASSISTANCE POLICY PROVIDES GUIDELINES TO QUALIFY FOR FREE OR DISCOUNTED FINANCIAL ASSISTANCE.

PART VI, LINE 2:

IN ADDITION TO THE CHNA - COMPLETED IN LATE 2017, OTHER METHODS UTILIZED IN OBTAINING HEALTH NEEDS OF THE COMMUNITY INCLUDED:

*KEY INFORMANT SURVEY GROUP- THE FOCUS GROUP PARTICIPANTS INCLUDED KEY INFORMANTS-INCLUDING PHYSICIANS, OTHER HEALTH PROFESSIONALS, SOCIAL SERVICE PROVIDERS, AND BUSINESS AND COMMUNITY LEADERS. A LIST OF RECOMMENDED PARTICIPANTS FOR THE FOCUS GROUP WAS PROVIDED BY HOUSTON HEALTHCARE, WITH POTENTIAL PARTICIPANTS CHOSEN BECAUSE OF THEIR ABILITY TO IDENTIFY PRIMARY CONCERNS OF THE POPULATIONS WITH WHOM THEY WORK, AS WELL AS THE COMMUNITY OVERALL. PARTICIPANTS INCLUDED A REPRESENTATIVE OF PUBLIC HEALTH, AS WELL AS SEVERAL INDIVIDUALS WHO WORK WITH LOW-INCOME, MINORITY AND OTHER MEDICALLY UNDERSERVED POPULATIONS.

*COMMUNITY HEALTH SURVEY- THIS SURVEY WAS BASED LARGELY ON THE CENTERS FOR DISEASE CONTROL AND PREVENTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM AS WELL AS OTHER PUBLIC HEALTH SURVEYS AND CUSTOMIZED QUESTIONS ADDRESSING GAPS IN INDICATOR DATA RELATIVE TO HEALTH PROMOTION AND DISEASE PREVENTION OBJECTIVES. THE FINAL SURVEY INSTRUMENT WAS DEVELOPED BY HOUSTON HEALTHCARE AND PRC. THE STUDY AREA FOR THE SURVEY INCLUDED EACH OF THE ZIP CODES DEFINING HOUSTON COUNTY AND INCLUDED A RANDOM SAMPLE OF 200 INDIVIDUALS AGE 18 AND OLDER IN HOUSTON COUNTY.

*COMMUNITY COALITIONS INPUT -SEVERAL COALITIONS WERE ASKED FOR THEIR INPUT

Part VI Supplemental Information (Continuation)

IN IDENTIFYING COMMUNITY HEALTH NEEDS. FEEDBACK FROM COALITIONS WAS CONSIDERED IMPORTANT BECAUSE THIS INFORMATION WAS FROM PEOPLE WORKING DIRECTLY WITH A CERTAIN POPULATION. IT WAS NOTED THAT THE NUMBER ONE PRIORITY WAS DIFFERENT, DEPENDING ON WHICH GROUP OR COALITION PROVIDED INFORMATION BUT OVERALL THE SAME CONCERNS WERE SHARED. EACH COALITION WAS ASKED TO LIST THE TOP FIVE HEALTH NEEDS. COALITIONS PARTICIPATING IN THE DISCUSSIONS INCLUDED: 1-PERINATAL COALITION, 2-FAITH COMMUNITY NURSES, 3-KID'S JOURNEY/FAMILY CONNECTIONS COALITION, 4-SAFE KIDS COALITION, 5-COMMUNITY BENEFIT WORK TEAM.

RESOURCES FROM OTHER ORGANIZATIONS WERE REVIEWED TO PREVENT DUPLICATION OF SERVICES AND ENHANCE RESOURCES. RESOURCES OF OTHER ORGANIZATIONS WERE ALSO REVIEWED TO ENSURE IDENTIFIED NEEDS WERE MET.

REVIEW OF OTHER COMMUNITY SURVEYS OR ASSESSMENTS -WERE CONDUCTED WITH SOME EXAMPLES INCLUDING:

*GA KIDS COUNT DATA 2016 SNAPSHOT BIRTH TO 21- GA FAMILY CONNECTION PARTNERSHIP

*2016 GA DEPARTMENT OF PUBLIC HEALTH, NORTH CENTRAL HEALTH DISTRICT, HOUSTON COUNTY, HEALTH IMPROVEMENT PLAN 2016-2020

*2015 COUNTY HEALTH RANKINGS AND ROADMAPS- ROBERT WOOD JOHNSON FOUNDATION

*MARCH OF DIMES 2016 PREMATURE BIRTH RATE FOR GEORGIA

*HEALTHY PEOPLE 2020

*SENIOR CARE SURVEY NOVEMBER 2017

*COMMUNITY EDUCATION SURVEYS 2017

REVIEW/EVALUATION OF PAST YEAR COMMUNITY BENEFIT OUTCOMES ALSO CONTRIBUTED TO THE TOTAL ASSESSMENT. OUR PROCESS INCLUDES THE COMPLETION OF THE COMMUNITY HEALTH NEEDS ASSESSMENT WITH PRIORITIES, AND IMPLEMENTATION PLAN

Part VI Supplemental Information (Continuation)

FOR THE NEXT THREE YEARS. IN ORDER TO EVALUATE OUR PROGRESS, HOUSTON HEALTHCARE HAS DEVELOPED AN ANNUAL WORK PLAN WITH GOALS, OBJECTIVES, EXPECTED OUTCOMES AND ACTUAL OUTCOMES. THERE ALSO IS A THREE YEAR SCORE CARD THAT COMPARES LONGER TERM OUTCOMES.

PART VI, LINE 3:

INFORMATION REGARDING THE INDIGENT CARE TRUST FUND IS AVAILABLE AT EACH OF OUR REGISTRATION AREAS AND DISPLAYED WITH SIGNAGE AND CARDS. WE ALSO INFORM OUR PATIENTS AND FAMILIES OF OUR FINANCIAL ASSISTANCE POLICY DURING THE INPATIENT AND OUTPATIENT ADMISSION PROCESS. OUR SYSTEM WEBSITE PROVIDES INFORMATION ON OUR PATIENT FINANCIAL SERVICES, WHICH INCLUDES BILLING, INSURANCE, AND OUR INDIGENT AND CHARITY CARE GUIDELINES AND POLICY. THE FIRST BILLING STATEMENT SENT OUT TO PATIENTS ALSO ADDRESSES THIS PROCESS WITH SPECIFIC INSTRUCTIONS. THESE CARDS WITH FINANCIAL INFORMATION ARE AVAILABLE AT COMMUNITY EVENTS, HEALTH FAIRS AND EDUCATION SEMINARS. THE CARDS AND SIGNAGE ARE PROVIDED IN ENGLISH AND SPANISH.

PART VI, LINE 4:

GEOGRAPHIC SERVICE AREA- HOUSTON HEALTHCARE SERVES THE MEDICAL NEEDS OF RESIDENTS IN THE CENTRAL GEORGIA AREA WITH THE PRIMARY SERVICE AREA BEING HOUSTON AND PEACH COUNTIES. RESIDENTS IN SURROUNDING COUNTIES ALSO TURN TO HOUSTON HEALTHCARE FOR THEIR MEDICAL SERVICES, WITH THESE COUNTIES INCLUDING BLECKLEY, CRAWFORD, DODGE, DOOLY, MACON, PULASKI, TAYLOR, TWIGGS AND BIBB COUNTY. THESE AREAS ARE CONSIDERED OUR SECONDARY SERVICE AREA. ALL HOUSTON HEALTHCARE FACILITIES ARE LOCATED IN HOUSTON COUNTY AND ARE GOVERNED BY TWO BOARDS OF TRUSTEES. THE EXECUTIVE TEAM ALSO OVERSEES ALL OPERATION AND ACTIVITIES FOR THE HOUSTON HEALTHCARE SYSTEM.

Part VI Supplemental Information (Continuation)

DEMOGRAPHICS- MEETING DIVERSE HEALTH NEEDS OF HOUSTON COUNTY RESIDENTS IS AN ONGOING CHALLENGE. HOUSTON COUNTY HAS A YOUNGER POPULATION THAN THE STATE AND THE NATION IN THAT THE MEDIAN AGE IS 35.1. BETWEEN 2000 AND 2010, ACCORDING TO THE US CENSUS, THE POPULATION OF HOUSTON COUNTY INCREASED BY 26.3 % WITH THE NUMBER OF HISPANIC RESIDENTS INCREASING BY 158.2 %. HOUSTON HEALTHCARE'S DIVERSE POPULATION SERVED INCLUDES: 63.3% CAUCASIAN, 28.6 % AFRICAN AMERICAN, 6.1% HISPANIC AND 2% OTHER. (US CENSUS BUREAU AMERICAN COMMUNITY SURVEY 5 YEAR ESTIMATES 2008-2012) WITH OVER 2,400 EMPLOYEES, HOUSTON HEALTHCARE REMAINS THE 3RD LARGEST EMPLOYER IN HOUSTON COUNTY. ROBINS AIR FORCE BASE IS THE LARGEST WITH OVER 21,377 CONTRACTORS, CIVIL SERVICE AND MILITARY STAFF, FOLLOWED BY HOUSTON COUNTY BOARD OF EDUCATION WITH 4,564 TEACHERS AND STAFF. PERDUE FARMS, WITH OVER 1,820 POULTRY WORKERS, MANY OF WHOM ARE HISPANIC, IS THE 4TH LARGEST AND FRITO-LAY, PRODUCER OF SNACK FOOD WITH OVER 1,300 WORKERS IS THE 5TH LARGEST. (HOUSTON DEVELOPMENT AUTHORITY)

POPULATION OF HOUSTON COUNTY IS ESTIMATED BY THE CENSUS REPORT AT 140,699 IN 2014 WHICH INCLUDES PERRY WITH A POPULATION OF 13,839 AND WARNER ROBINS WITH A POPULATION OF 66,558. PERRY'S MEDIAN HOUSEHOLD INCOME IS \$49,976 PER YEAR WITH 20.5 % OF INDIVIDUALS LIVING BELOW THE FEDERAL POVERTY LEVEL; WARNER ROBIN'S MEDIAN HOUSEHOLD INCOME IS \$45,183 PER YEAR WITH 21.9 % OF INDIVIDUALS LIVING BELOW POVERTY LEVEL. THE LATEST CENSUS ESTIMATE SHOWS 31.9 % OF HOUSTON COUNTY RESIDENTS LIVE BELOW 200% OF THE FEDERAL POVERTY LEVEL. (COMMUNITY COMMONS, RETRIEVED JULY 2014/US CENSUS BUREAU AMERICAN COMMUNITY SURVEY 5 YEAR ESTIMATES 2008-2012)

THE THREE LEADING CAUSES OF DEATH INCLUDE CARDIOVASCULAR DISEASE, CANCER AND STROKE. THERE

Part VI Supplemental Information (Continuation)

ARE ALSO AN INCREASING NUMBER OF PERSONS WITH DIABETES. THE PRC COMMUNITY HEALTH NEEDS ASSESSMENT REPORTS THAT AN AVERAGE OF 14% OF PERSONS IN HOUSTON COUNTY ARE DIAGNOSED WITH DIABETES. GEORGIA ALSO CONTINUES WITH HIGHER RATES OF PRE-TERM BIRTHS (LESS THAN 37 WEEKS) AND LOW BIRTH NEWBORNS THAN THE AVERAGE FOR THE US.

HOUSTON COUNTY'S OVERALL RATE OF TOBACCO USAGE IS LOWER THAN THE STATE AVERAGE BUT REMAINS HIGH AMONG THE LOWER INCOME POPULATION. THE OBESITY RATE IN CENTRAL GEORGIA RESIDENTS IS 30.3 PERCENT. THESE FACTS DEMONSTRATE THE NEED FOR EDUCATION ON LIFESTYLE CHANGES RELATED TO NUTRITION, EXERCISE AND TOBACCO AVOIDANCE. THESE STATS AND OTHERS PROMPTED OUR DEDICATION TO IMPROVING THE COMMUNITY WE SERVE BY ESTABLISHING AN IMPLEMENTATION PLAN THAT INCLUDES PRIORITY AREAS, MEASURABLE GOALS AND OBJECTIVES ALONG WITH COLLABORATION AMONG HOUSTON HEALTHCARE LEADERSHIP AND OTHER COMMUNITY LEADERS.

OTHER HOSPITALS SERVING THE COMMUNITY- THERE ARE NO OTHER HOSPITALS WITHIN HOUSTON COUNTY BESIDES HOUSTON HEALTHCARE; HOWEVER SOME COMMUNITY MEMBERS UTILIZE HOSPITALS OUTSIDE OF OUR COUNTY.

NUMBER OF FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS - IN OUR SERVICE AREA, CRAWFORD, PEACH, TWIGGS AND MACON COUNTIES ARE UNDERSERVED BY PRIMARY HEALTH PROFESSIONALS, ACCORDING TO THE STATE OFFICE OF RURAL HEALTH, GENERALLY MEANING MORE THAN 3,000 PEOPLE PER DOCTOR. BIBB AND HOUSTON COUNTIES CONTINUE TO HAVE POCKETS OF UNDERSERVED POPULATIONS.

PART VI, LINE 5:

HOUSTON HEALTHCARE BOARD MEMBERS ARE ACTIVE COMMUNITY MEMBERS. THEY ARE

Part VI Supplemental Information (Continuation)

EMPLOYED OR RETIRED FROM VARIOUS COMMUNITY ORGANIZATIONS SUCH AS LOCAL SCHOOLS, LOCAL AND STATE GOVERNMENT, PHYSICIAN PRACTICES, LAW FIRMS AND INSURANCE AGENCIES. THEIR EDUCATION, EXPERIENCE AND COMMUNITY INVOLVEMENT ENABLE OUR ORGANIZATION TO PROVIDE MUCH NEEDED SERVICES AND BENEFITS TO MEET COMMUNITY NEEDS. AN OPEN MEDICAL STAFF ENABLES THE ORGANIZATION TO PROVIDE THE SERVICES NEEDED BY THE COMMUNITY AND ALLOWS NEEDED ACCESS TO THE INDIGENT, AS WELL AS MEDICARE, MEDICAID AND CHAMPUS TRICARE POPULATIONS.

HOUSTON HEALTHCARE SUPPORTS THE VOLUNTEER MEDICAL CLINIC BY PROVIDING A BUILDING FOR THE FREE CLINIC AS WELL AS ACCEPTING REFERRALS FROM THE CLINIC FOR REQUIRED SERVICES SUCH AS LAB AND RADIOLOGY. ADVOCACY INITIATIVES ARE ONGOING TO IMPROVE HEALTH AND INCREASE ACCESS THROUGH LOCAL PARTNERSHIPS WITH OTHERS IN THE COMMUNITY INCLUDING PUBLIC HEALTH AND RAFB. HOUSTON HEALTHCARE COLLABORATES WITH ROBINS AIR FORCE BASE THROUGH RELAY HEALTH (ACCESS MEDICAL RECORDS), MENTAL HEALTH COLLABORATION EFFORTS TO IMPROVE TRANSITION OF CARE, PHYSICIAN GRAND ROUNDS, EDUCATIONAL TRAINING CLASSES AND MOU FOR PHYSICAL THERAPY TECHNICIANS.

PART VI, LINE 6:

HOUSTON HEALTHCARE IS NOT AFFILIATED WITH ANY OTHER HEALTH CARE SYSTEM.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

GA

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

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

OMB No. 1545-0047

2019

**Open to Public
Inspection**

Name of the organization **HOUSTON HOSPITALS, INC** Employer identification number **71-1045290**

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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
MIDDLE GEORGIA STATE UNIVERSITY FOUNDATION - 100 UNIVERSITY PARKWAY - MACON, GA 31206	23-7066010	501(C)(3)	75,000.	0.	N/A	N/A	NURSING EDUCATION
CENTRAL GEORGIA TECHNICAL COLLEGE FOUNDATION - 3300 MACON TECH DRIVE - MACON, GA 31206	58-1923671	501(C)(3)	75,000.	0.	N/A	N/A	NURSING EDUCATION

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

3 Enter total number of other organizations listed in the line 1 table ▶ **0.**

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

Schedule I (Form 990) (2019)

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

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

PART I, LINE 2:

THE ORGANIZATION HAS GUIDELINES IN PLACE THAT ARE USED IN REVIEWING THE ELIGIBILITY AND APPROPRIATENESS OF GRANTEES AND CONTRIBUTION RECIPIENTS. GRANTS ARE NOT MADE TO INDIVIDUALS OR POLITICAL ORGANIZATIONS, BUT TO CHARITIES AND RELATED ORGANIZATIONS THAT COMPLEMENT AND/OR FURTHER THE MISSION OF HOUSTON HEALTHCARE AND REFLECT POSITIVELY ON OUR ORGANIZATION. EACH GRANT IS MADE ON AN ANNUAL BASIS. ALL GRANTS REQUIRE WRITTEN DOCUMENTATION OF APPROVAL.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2019

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization: **HOUSTON HOSPITALS, INC**
 Employer identification number: **71-1045290**

Part I Questions Regarding Compensation

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.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the 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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- 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.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

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

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2019

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

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) CARY MARTIN CEO (TERM ENDING 2019)	(i)	287,454.	0.	196,996.	5,600.	6,677.	496,727.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) SEAN WHILDEN CFO	(i)	261,042.	0.	6,000.	5,347.	11,478.	283,867.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) CHARLES BRISCOE PRESIDENT & CEO (TERM BEG. 2019)	(i)	342,944.	0.	7,939.	5,430.	30,597.	386,910.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) LARRY STEWART, M.D. CMO	(i)	277,459.	0.	3,000.	0.	22,787.	303,246.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) CHRIS BEASLEY CIO	(i)	157,708.	0.	0.	3,235.	20,036.	180,979.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) SHELLISA HOUSTON-MARTIN CNO	(i)	164,937.	0.	0.	3,375.	2,452.	170,764.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) STEPHEN MACHEN ADMINISTRATOR HMC	(i)	192,076.	0.	0.	3,647.	16,263.	211,986.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) J. DAVID CAMPBELL ADMINISTRATOR PH	(i)	167,812.	0.	6,000.	3,185.	15,494.	192,491.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) MICHAEL O'HARA VP HUMAN RESOURCES	(i)	186,760.	0.	6,000.	3,431.	24,613.	220,804.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) NATTLIE ROGERS DIRECTOR - PHARMACY	(i)	208,405.	0.	0.	2,604.	12,474.	223,483.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) SHAMIKA CLINTON ASST. DIR. OF PHARMACY	(i)	181,586.	0.	0.	2,592.	10,483.	194,661.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) PAIGE DAWSON PHARMACIST	(i)	171,476.	0.	0.	3,118.	7,585.	182,179.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) LATOYA JACKSON PHYSICIAN	(i)	250,897.	0.	0.	5,069.	4,841.	260,807.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) JUAN VALAZQUEZ PHYSICIAN	(i)	229,697.	72,500.	0.	4,927.	28,369.	335,493.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							

Supplemental Information on Tax-Exempt Bonds

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

Name of the organization **HOUSTON HOSPITALS, INC** Employer identification number **71-1045290**

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A HOSPITAL AUTHORITY OF HOUSTON COUNTY	58-0833515	442042DL8	11/01/16	17792249.	REFUNDING SERIES '13 BONDS		X		X		X
B HOSPITAL AUTHORITY OF HOUSTON COUNTY	58-0833515	442042DM6	11/01/16	62733826.	ADVANCE REFUNDING SERIES '07 BONDS		X		X		X
C											
D											

Part II Proceeds											
	A		B		C		D				
1	Amount of bonds retired										
2	Amount of bonds legally defeased										
3	Total proceeds of issue		17,753,184.	62,606,460.							
4	Gross proceeds in reserve funds		381,567.								
5	Capitalized interest from proceeds										
6	Proceeds in refunding escrows				62,449,287.						
7	Issuance costs from proceeds		72,000.	281,000.							
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds										
11	Other spent proceeds										
12	Other unspent proceeds										
13	Year of substantial completion		2016		2016						
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?			X		X					
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?			X	X						
16	Has the final allocation of proceeds been made?		X		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		X						

Part III Private Business Use								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government05 %		.05 %		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 505 %		.05 %		%		%
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 non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X					

Part IV Arbitrage								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X					
b Exception to rebate?		X		X				
c No rebate due?		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				

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

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

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

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:
DURING 2016, '07 BONDS SERIES WAS CALLED AND PAID OFF. THERE WAS NO ARBITRAGE REBATE DUE BASED ON THE REBATE COMPUTATION PERFORMED ON 8/23/17 AND FINAL 10/1/17.

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
BRIAN GRAHAM	FAMILY MEMBER OF BO	57,537.	EMPLOYMENT		X
AMY DAWSON	FAMILY MEMBER OF BO	46,794.	EMPLOYMENT		X

Part V Supplemental Information.

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BRIAN GRAHAM

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF BOARD MEMBER

(C) AMOUNT OF TRANSACTION \$ 57,537.

(D) DESCRIPTION OF TRANSACTION: EMPLOYMENT

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: AMY DAWSON

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF BOARD MEMBER

(C) AMOUNT OF TRANSACTION \$ 46,794.

(D) DESCRIPTION OF TRANSACTION: EMPLOYMENT

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE L, PART V

ALL TRANSACTIONS ARE AT FAIR MARKET VALUE

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 www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

HOUSTON HOSPITALS, INC

Employer identification number

71-1045290

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

COST-EFFECTIVE SERVICES WHILE PROMOTING HEALTH AND WELLNESS.

FORM 990, PART VI, SECTION A, LINE 6:

THE BOARD OF DIRECTORS OF HOUSTON HEALTHCARE SYSTEM, INC., A RELATED
501(C)(3) ORGANIZATION, APPOINTS THE BOARD OF DIRECTORS OF HOUSTON
HOSPITALS, INC.

FORM 990, PART VI, SECTION A, LINE 7A:

THE BOARD OF DIRECTORS OF HOUSTON HEALTHCARE SYSTEM, INC., A RELATED
501(C)(3) ORGANIZATION, APPOINTS THE BOARD OF DIRECTORS OF HOUSTON
HOSPITALS, INC.

FORM 990, PART VI, SECTION A, LINE 7B:

CERTAIN ACTIONS OF THE BOARD OF DIRECTORS OF HOUSTON HOSPITALS, INC. MUST
BE APPROVED BY THE BOARD OF DIRECTORS OF HOUSTON HEALTHCARE SYSTEM, INC., A
RELATED 501(C)(3) ORGANIZATION.

FORM 990, PART VI, SECTION B, LINE 11B:

A DRAFT OF THE FORM 990 IS PREPARED BY THE ORGANIZATION AND PROVIDED TO AN
INDEPENDENT TAX ACCOUNTANT FOR REVIEW AND PREPARATION OF THE COMPLETE
RETURN. AFTER REVIEW AND COMMENTS FROM THE OFFICERS, THE RETURN IS
FINALIZED. PRIOR TO FILING, A COPY OF THE FINALIZED RETURN IS PROVIDED TO
THE ORGANIZATION'S BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 12C:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2019)

Name of the organization

HOUSTON HOSPITALS, INC

Employer identification number

71-1045290

ON AN ANNUAL BASIS, BOARD MEMBERS COMPLETE A CONFLICT OF INTEREST STATEMENT DISCLOSING ANY POTENTIAL CONFLICTS. THE STATEMENTS ARE REVIEWED BY MANAGEMENT FOR DISCLOSURES.

FORM 990, PART VI, SECTION B, LINE 15:

A COMPREHENSIVE REVIEW OF THE CEO'S TOTAL COMPENSATION IS CONDUCTED BY THE BENEFITS AND COMPENSATION COMMITTEE OF HOUSTON HEALTHCARE SYSTEM, INC. MINUTES REFLECTING THE DELIBERATIONS OF THE COMMITTEE ARE RECORDED AND FILED. THE COMMITTEE IS COMPRISED OF THREE MEMBERS OF THE BOARD OF DIRECTORS. IN CONSIDERING AN ADJUSTMENT TO THE COMPENSATION PACKAGE FOR THE CEO, VARIOUS STUDIES ARE CONSIDERED AND FACTORED INTO THE FINAL DECISION, INCLUDING THE GEORGIA VHA EXECUTIVE COMPENSATION SURVEY-CEO, THE GEORGIA HOSPITAL ASSOCIATION SURVEY OF EXECUTIVE COMPENSATION, AND AN EXECUTIVE SALARY SURVEY OF GEORGIA HOSPITAL EXECUTIVES CONDUCTED ANNUALLY BY HR ADVANTAGE, A COMPENSATION CONSULTANT WITH NATION-WIDE REACH. ALL OF THE ENTITIES AND INDIVIDUALS PROVIDE COMPENSATION DATA INDEPENDENT OF THE OTHERS. SUBSEQUENT TO THE REVIEW, A RECOMMENDATION REGARDING THE CEO'S COMPENSATION IS REVIEWED AND MODIFIED/APPROVED BY THE BOARD OF DIRECTORS OF HOUSTON HOSPITALS, INC. A SIMILAR PROCESS IS EMPLOYED FOR THE CFO. THE REVIEWS ARE PERFORMED ON AN ANNUAL BASIS.

FORM 990, PART VI, SECTION C, LINE 19:

GOVERNING DOCUMENTS, THE CONFLICT OF INTEREST POLICY, AND ANNUAL FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

OTHER FEES:

PROGRAM SERVICE EXPENSES

29,498,334.

Name of the organization HOUSTON HOSPITALS, INC	Employer identification number 71-1045290
--	--

MANAGEMENT AND GENERAL EXPENSES	4,110,631.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	33,608,965.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	33,608,965.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN PENSION OBLIGATION	-2,301,475.
------------------------------	-------------

FORM 990, PART XII, LINE 2C:

THERE HAS BEEN NO CHANGE IN EITHER THE OVERSIGHT OR SELECTION PROCESS.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization

HOUSTON HOSPITALS, INC

Employer identification number

71-1045290

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
HOUSTON HEALTHCARE SYSTEM, INC. - 71-1045299 P.O. BOX 2886 WARNER ROBINS, GA 31099	PARENT	GEORGIA	501(C)(3)	LINE 12C, III-FI	N/A		X
HOUSTON HEALTHCARE EMS, INC. - 26-3941348 P.O. BOX 2886 WARNER ROBINS, GA 31099	AMBULANCE SERVICE	GEORGIA	501(C)(3)	LINE 10	HOUSTON HEALTHCARE SYSTEM, INC.		X
HOUSTON HEALTHCARE PROPERTIES, INC. - 27-0174397, P.O. BOX 2886, WARNER ROBINS, GA 31099	REAL ESTATE MANAGEMENT	GEORGIA	501(C)(2)		HOUSTON HEALTHCARE SYSTEM, INC.		X

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

Schedule R (Form 990) 2019

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	
PATIENT SELECT, LLC - 58-2345231, 1601 WATSON BOULEVARD, WARNER ROBINS, GA 31093	MSO	GA	HOUSTON HEALTHCARE SYSTEM, INC.	N/A	0.	0.		X	N/A	X		.00%

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
HOUSTON HEALTH VENTURES, INC. - 27-2814306 1601 WATSON BOULEVARD WARNER ROBINS, GA 31093	PATIENT SERVICES	GA	HOUSTON HEALTHCARE SYSTEM, INC.	C CORP	0.	0.	.00%		X

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		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)	X	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) HOUSTON HEALTHCARE EMS, INC.	R	845,524.	CASH
(2) HOUSTON HEALTHCARE PROPERTIES, INC.	R	47,387.	CASH
(3) HOUSTON HEALTHCARE PROPERTIES, INC.	K	572,564.	CASH
(4) HOUSTON HEALTHCARE SYSTEM, INC.	R	7,410,097.	CASH
(5) HOUSTON HEALTH VENTURES, INC.	S	1,701.	CASH
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. HOUSTON HOSPITALS, INC	Taxpayer identification number (TIN) 71-1045290
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 1601 WATSON BOULEVARD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WARNER ROBINS, GA 31093	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

SEAN WHILDEN

- The books are in the care of ▶ **1601 WATSON BOULEVARD - WARNER ROBBINS, GA 31093**
Telephone No. ▶ **478-542-7959** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **NOVEMBER 16, 2020**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year **2019** or
▶ tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Electronic Filing PDF Attachment

HOUSTON HEALTHCARE SYSTEM, INC.

**COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2019 AND 2018

**HOUSTON HEALTHCARE SYSTEM, INC.
TABLE OF CONTENTS
DECEMBER 31, 2019 AND 2018**

INDEPENDENT AUDITORS' REPORT	1
COMBINED FINANCIAL STATEMENTS	
Combined Balance Sheets	3
Combined Statements of Operations and Changes in Net Assets	5
Combined Statements of Cash Flows	6
Notes to the Combined Financial Statements	8
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet	32
Combining Statement of Operations and Changes in Net Assets	34

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Houston Healthcare System, Inc.

We have audited the accompanying combined financial statements of Houston Healthcare System, Inc. (a Georgia corporation), which comprise the combined balance sheets as of December 31, 2019 and 2018 and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Houston Healthcare System, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary combining information referred to in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Warren Averett, LLC

Atlanta, Georgia
March 24, 2020

**HOUSTON HEALTHCARE SYSTEM, INC.
COMBINED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018**

ASSETS		
	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,069,000	\$ 10,725,000
Assets limited as to use – current portion	791,000	610,000
Patient accounts receivable, net	22,949,000	26,616,000
Estimated third-party payor receivable	444,000	82,000
Insurance recoveries – current portion	1,216,000	1,651,000
Supplies, at lower of cost (first-in, first-out) or market and other assets	6,647,000	6,545,000
Total current assets	39,116,000	46,229,000
ASSETS LIMITED AS TO USE		
Internally designated for capital acquisition and other	224,923,000	207,634,000
Held by trustee under indenture agreement	2,352,000	2,295,000
	227,275,000	209,929,000
Less amounts required to meet current obligations	791,000	610,000
Total assets limited as to use	226,484,000	209,319,000
PROPERTY AND EQUIPMENT, NET	136,076,000	143,035,000
OTHER ASSETS		
Long-term investments and other	3,670,000	3,374,000
Insurance recoveries	3,972,000	5,411,000
Total other assets	7,642,000	8,785,000
TOTAL ASSETS	\$ 409,318,000	\$ 407,368,000

See notes to the combined financial statements.

**HOUSTON HEALTHCARE SYSTEM, INC.
COMBINED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018**

LIABILITIES AND NET ASSETS		
	2019	2018
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 4,025,000	\$ 3,835,000
Accounts payable and accrued expenses	8,049,000	6,652,000
Accrued compensation and benefits	17,896,000	16,849,000
Estimated third-party payor settlements	2,539,000	3,833,000
Other current liabilities	3,754,000	6,412,000
Total current liabilities	36,263,000	37,581,000
LONG-TERM DEBT, NET OF CURRENT INSTALLMENTS	64,781,000	69,547,000
SELF-INSURANCE RESERVES	10,721,000	13,385,000
ACCRUED PENSION LIABILITY	9,408,000	9,893,000
TOTAL LIABILITIES	121,173,000	130,406,000
NET ASSETS		
Without donor imposed restrictions	288,145,000	276,962,000
Total net assets	288,145,000	276,962,000
TOTAL LIABILITIES AND NET ASSETS	\$ 409,318,000	\$ 407,368,000

See notes to the combined financial statements.

HOUSTON HEALTHCARE SYSTEM, INC.
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Net patient service revenue	\$ 250,661,000	\$ 237,385,000
Other revenue	2,697,000	2,174,000
Total operating revenues	<u>253,358,000</u>	<u>239,559,000</u>
OPERATING EXPENSES		
Salaries and benefits	146,192,000	141,397,000
Supplies and drugs	42,009,000	42,605,000
Other expenses	63,859,000	56,293,000
Depreciation and amortization	17,061,000	18,583,000
Interest expense	2,596,000	2,753,000
Total operating expenses	<u>271,717,000</u>	<u>261,631,000</u>
OPERATING LOSS	(18,359,000)	(22,072,000)
NONOPERATING REVENUES (EXPENSES)		
Investment income	5,179,000	4,682,000
Other components of net periodic pension costs	(163,000)	1,039,000
Net realized gains on sales of securities	14,973,000	12,740,000
Net unrealized gains (losses) on securities	11,865,000	(26,968,000)
Noncapital grants, contributions, and other	(11,000)	(124,000)
Total nonoperating revenues (expenses)	<u>31,843,000</u>	<u>(8,631,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>13,484,000</u>	<u>(30,703,000)</u>
Changes in pension assets and benefit obligations not included in net periodic pension costs	<u>(2,301,000)</u>	<u>(4,348,000)</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR IMPOSED RESTRICTIONS	11,183,000	(35,051,000)
NET ASSETS AT BEGINNING OF YEAR	<u>276,962,000</u>	<u>312,013,000</u>
NET ASSETS AT END OF YEAR	<u>\$ 288,145,000</u>	<u>\$ 276,962,000</u>

See notes to the combined financial statements.

HOUSTON HEALTHCARE SYSTEM, INC.
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,183,000	\$ (35,051,000)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	17,061,000	18,678,000
Bond premium / discount amortization	(740,000)	(900,000)
(Gain) loss on sale of assets	(38,000)	164,000
Net unrealized (gains) losses on securities	(11,865,000)	26,968,000
Net realized (gains) on securities	(14,973,000)	(12,740,000)
Changes in:		
Patient accounts receivable, net	3,667,000	3,123,000
Supplies and other assets	(102,000)	1,664,000
Self-insurance reserves and insurance recoveries	(790,000)	602,000
Long-term investments and other	(353,000)	157,000
Accounts payable and accrued expenses	2,444,000	2,558,000
Estimated third-party payor settlements	(1,656,000)	(168,000)
Other current liabilities	(2,658,000)	326,000
Accrued pension obligations	(485,000)	(1,327,000)
Net cash provided by operating activities	<u>695,000</u>	<u>4,054,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of assets limited as to use	(182,217,000)	(137,053,000)
Proceeds from sale of assets limited as to use	176,766,000	133,548,000
Withdrawals from assets limited as to use	15,000,000	17,000,000
Capital expenditures	(10,335,000)	(8,261,000)
Proceeds from sale of property and equipment	271,000	-
Net cash (used in) provided by investing activities	<u>(515,000)</u>	<u>5,234,000</u>

See notes to the combined financial statements.

**HOUSTON HEALTHCARE SYSTEM, INC.
 COMBINED STATEMENTS OF CASH FLOWS – CONTINUED
 FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	\$ (3,836,000)	\$ (3,654,000)
Net cash used in financing activities	(3,836,000)	(3,654,000)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,656,000)	5,634,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,725,000	5,091,000
AT END OF YEAR	\$ 7,069,000	\$ 10,725,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 3,396,000	\$ 3,579,000

See notes to the combined financial statements.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES**

Organization

Houston Healthcare System, Inc. (the System), located in Warner Robins, Georgia, is a not-for-profit corporation that operates acute care hospitals and freestanding outpatient treatment facilities. The System provides a full range of inpatient, outpatient, and emergency services to the residents of Houston County and surrounding areas. The following entities comprise the System: Houston Hospitals, Inc. operates two acute care hospitals, Houston Medical Center and Perry Hospital, which provide inpatient, outpatient, and urgent care services; Houston Healthcare EMS, Inc. provides ambulance services to the residents of Houston County; Houston Healthcare Properties, Inc. owns and manages the non-hospital property of the System; Houston Health Ventures, Inc. is a for-profit corporation engaged in joint ventures that assist and promote the tax exempt purposes of the System; Houston Primary Care Physicians, LLC and Houston Physician Specialties, LLC operate free-standing primary care and specialty physician practices. All intercompany transactions have been eliminated.

Effective January 1, 2009, the Hospital Authority of Houston County, Georgia (the Authority) implemented a reorganization plan for Houston Hospitals, Inc. and related facilities whereby all the assets, liabilities, management and governance of the facilities were transferred to Houston Hospitals, Inc., pursuant to a lease and transfer agreement which provides for a nominal rate to the Authority by the System. The lease term expires December 31, 2048.

Adoption of New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Subtopic 842)*. The purpose of this ASU is to increase transparency and comparability among organizations by recognizing leased assets and leased liabilities on the balance sheets and disclosing key information about leasing arrangements. The amendments in this ASU require that lessees recognize the rights and obligations resulting from leases as assets and liabilities on their balance sheets, initially measured at the present value of the lease payments over the term of the lease, including payments to be made in optional periods to extend the lease and payments to purchase the underlying assets if the lessee is reasonably certain of exercising those options. The main difference between previous accounting principles generally accepted in the United States of America (GAAP) and Topic 842 is the recognition of leased assets and leased liabilities by lessees for those leases classified as operating leases under previous GAAP.

At transition, entities are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. These practical expedients relate to the identification and classification of leases that commenced before the effective date, among other matters. An entity that elects to apply the practical expedients will, in effect, continue to account for leases that commence before the effective date in accordance with previous GAAP unless the lease is modified, except that lessees are required to recognize a right-to-use asset and a leased liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. The System adopted this ASU on January 1, 2019, and the adoption of this ASU did not have a material impact on its financial position or changes in net assets.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less, excluding cash and cash equivalents included in assets limited as to use.

Investments and Investment Income

Investments in equity and debt securities are measured at fair value in the combined balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in excess of revenues over (under) expenses unless the income or loss is restricted by donor or law.

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustee under indenture agreements and designated assets set aside by the Board of Trustees (the Board) for future capital improvements and other, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the System have been reclassified in the combined balance sheets at December 31, 2019 and 2018.

Property and Equipment

Property and equipment acquisitions are recorded at cost and generally defined as items with an acquisition cost of \$2,500 per unit or greater, a useful life of three years or more, and qualify as tangible personal property. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life subsequent of the equipment. Such amortization is included in depreciation and amortization in the combined financial statements.

The System retired fully depreciated assets during the year 2019 of approximately \$62,000,000. Subsequent to year end, the System evaluated estimated useful lives for all depreciable assets and, as a result, made changes to asset lives which will be treated as a change in estimate during the year ending 2020. The estimated impact of the change in estimate is a reduction in depreciation expense of approximately \$5,400,000.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support, and are excluded from excess of revenues over (under) expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations addressing how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets

The System evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate. The System has not recorded any impairment charges in the accompanying combined statements of operations and changes in net assets for the years ended December 31, 2019 and 2018.

Cost of Borrowing

Interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. There was no capitalized interest cost for the years ended December 31, 2019 and 2018.

Long-Term Investments and Other

Long-term investments and other consist of notes receivable and investments in unconsolidated companies. Notes receivable are from loans secured by promissory contracts. Investments in unconsolidated companies represent the System's participation in joint ventures and partnerships, which are accounted for on the cost and equity methods and are not material to the System's combined financial statements.

Deferred Financing Costs

Deferred financing costs related to the issuance of long-term debt were deferred and are being amortized using the straight-line method, which approximates the effective interest method. Unamortized deferred financing costs are presented in the accompanying combined balance sheets as an adjustment to the carrying value of the related debt.

Excess of Revenues Over (Under) Expenses

The combined statements of operations and changes in net assets include excess of revenues over (under) expenses. Changes in unrestricted net assets which are excluded from excess of revenues over (under) expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, changes in pension assets and benefit obligations not included in net periodic pension costs, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Net Patient Service Revenue

Net patient service revenues are recorded at the transaction price estimated by the System to reflect the total consideration due from patients and third-party payors in exchange for providing goods and services for patient care. These services are considered to be a single performance obligation and have a duration of less than one year. Revenues are recorded as these goods and services are provided.

The transaction price, which involves significant estimates, is determined based on the System's standard charges for the goods and services provided, with a reduction recorded for price concessions related to third-party contractual arrangements as well as patient discounts and other patient price concessions. During the years ended December 31, 2019 and 2018, the impact of changes to the inputs used to determine the transaction price was considered immaterial to the current periods.

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as support without donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as unrestricted net assets and reported in the combined statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying combined financial statements.

Risk Management

The System is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The System is partially self-insured for employee health and professional liability as disclosed in Notes 12 and 13. The System is also partially self-insured for workers' compensation.

Estimated Malpractice Costs and Other Self-Insurance Costs

The provision for estimated medical malpractice claims and other self-insurance plans includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Income Taxes

The System is a not-for-profit corporation that has been recognized as tax-exempt pursuant to Section 501(c)3 of the Internal Revenue Code.

The System applies accounting policies that prescribe when to recognize and how to measure the combined financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by the relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, the System only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on the results of management's evaluation, no liability is recognized in the accompanying combined balance sheets for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of December 31, 2019 and 2018 or for the years then ended. The System's tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Houston Health Ventures, Inc. is a for-profit corporation and wholly owned subsidiary of the System. The System has not recorded a current or deferred tax provision, as this would not have a material effect on the combined financial statements.

Fair Value Measurements

The standards for fair value measurement of financial assets and liabilities define fair value, establish a framework for measuring fair value, and expand disclosures about fair value measurement. The guidance also emphasizes that fair value is based on a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Fair value measurements are disclosed by level within the hierarchy.

Under the guidance for fair value measurement of nonfinancial assets and liabilities, measurements occur on a nonrecurring basis, and recognition at fair value occurs when nonfinancial assets and liabilities are deemed to be other-than-temporarily impaired. The System does not have any nonfinancial assets or nonfinancial liabilities at December 31, 2019 and 2018 that require disclosure by levels within the hierarchy.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Subsequent Events

The System has evaluated the impact of subsequent events through March 24, 2020, representing the date on which the combined financial statements were issued.

The outbreak of the novel coronavirus has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the System, its performance, and its financial results.

2. PATIENT SERVICE REVENUE

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. The System does not believe there are any significant credit risks associated with receivables due from third-party payors.

A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

The System is reimbursed for certain reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicare Administrative Contractor (MAC). The System's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the System. The System's Medicare cost reports have been audited by the MAC through 2014 for Houston Medical Center and through 2016 for Perry Hospital.

Revenue from the Medicare program accounted for approximately 38% and 42% of the System's net patient service revenue for 2019 and 2018, respectively. Laws and regulations governing the Medicare program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined. The 2019 net patient service revenue increased approximately \$332,000 (decreased \$181,000 for 2018) primarily due to changes in previously estimated settlements.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. PATIENT SERVICE REVENUE – CONTINUED

The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. However, there has been an increase in regulatory initiatives at the federal level including the initiation of the Recovery Audit Contractor (RAC) program. The RAC program was created to review Medicare claims for medical necessity and coding appropriateness. The RACs have the authority to pursue improper payments with a three year look back from the date the claim was paid. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare program.

Medicaid

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services rendered to the Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology.

The System is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicaid fiscal intermediary. The System's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through 2016 for Houston Medical Center and 2015 for Perry Hospital.

Revenue from the Medicaid program accounted for approximately 9% and 10% of the System's net patient service revenue for 2019 and 2018, respectively. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined.

Payment arrangements with these managed care organizations consist primarily of prospectively determined rates per discharge, discounts from established charges, or prospectively determined per diems.

The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. However, there has been an increase in regulatory initiatives at the state level including the initiation of the Medicaid Integrity Contractor (MIC) program. This program was created to review Medicaid claims for medical necessity and coding appropriateness. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid program.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. PATIENT SERVICE REVENUE – CONTINUED

During 2010, the State of Georgia (the State) enacted legislation known as the Provider Payment Agreement Act (the Act) whereby hospitals in the State are assessed a “provider payment” in the amount of 1.45% of their net patient service revenue. The Act became effective July 1, 2010, the beginning of state fiscal year 2011. The provider payments are due on a quarterly basis to the State’s Department of Community Health. The payments are to be used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients. The provider payment results in an increase in payments for Medicaid services to hospitals of approximately 11.88%. Approximately \$3,158,000 and \$3,149,000 of provider payments relating to the Act are included in other expense in the accompanying combined statements of operations and changes in net assets for years 2019 and 2018, respectively.

Other Agreements

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under these agreements include prospectively determined rates per discharge, prospectively determined daily rates, fixed rate fee schedules, and discounts from established charges.

The System recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the System’s uninsured patients will be unable or unwilling to pay for the services provided. Therefore, the System records an implicit price concession equal to the estimated uncollectible portion of the charges related to uninsured patients in the period the services are provided.

The System’s net patient revenues during the years ended December 31, 2019 and 2018 have been presented in the following table based on an allocation of the estimated transaction price with the patient between the primary patient classification and insurance coverage:

	<u>2019</u>	<u>2018</u>
Medicare	\$ 101,032,000	\$ 100,544,000
Medicaid	24,936,000	23,979,000
Other third-party payors	115,955,000	109,507,000
Self-pay	<u>8,738,000</u>	<u>3,355,000</u>
Total	<u>\$ 250,661,000</u>	<u>\$ 237,385,000</u>

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. PATIENT SERVICE REVENUE – CONTINUED

Patient Accounts Receivable

Patient accounts receivable are recorded at net realizable value based on certain assumptions determined by each payor. For third-party payors including Medicare, Medicaid, and other third-party payors, the net realizable value is based on the estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data by payor. For self-pay accounts receivable, which includes patients who are uninsured and the patient responsibility portion for patients with insurance, the net realizable value is determined using estimates of historical collection experience. These estimates are adjusted for estimated conversions of patient responsibility portions, expected recoveries and any anticipated changes in trends. Patient accounts receivable can be impacted by the effectiveness of the System's collection efforts. Additionally, significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental healthcare coverage could affect the net realizable value of accounts receivable. The System also continually reviews the net realizable value of accounts receivable by monitoring historical cash collections as a percentage of trailing net patient revenues, as well as by analyzing current period net revenue and admissions by payor classification, aged accounts receivable by payor, days revenue outstanding, and the composition of self-pay receivables between pure self-pay patients and the patient responsibility portion of third-party insured receivables.

Charity Care

In the ordinary course of business, the System renders services to patients who are financially unable to pay for hospital care. The System's policy is to not pursue collections for such amounts; therefore, the related charges for those patients who are financially unable to pay and that otherwise do not qualify for reimbursement from a governmental program are not reported in net operating revenues, and are; therefore, classified as charity care. The System determines amounts that qualify for charity care primarily based on the patient's household income relative to the federal poverty level guidelines, as established by the federal government. These charity care services are estimated to be \$47,541,000 and \$47,375,000 for the years ended December 31, 2019 and 2018, respectively, representing the value (at the System's standard charges) of these charity care services that are excluded from net operating revenues. The estimated cost incurred by the System to provide these charity care services to patients who are unable to pay was approximately \$14,301,000 and \$14,690,000 for the years ended December 31, 2019 and 2018, respectively. The estimated cost of these charity care services was determined using a ratio of cost to gross charges and applying that ratio to the gross charges associated with providing care to charity patients for the period.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

3. UNCOMPENSATED SERVICES

The System was compensated for services at amounts less than its established rates. The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Gross patient charges	\$ 883,407,000	\$ 792,474,000
Uncompensated services:		
Charity and indigent care	47,541,000	47,375,000
Medicare	288,715,000	255,594,000
Medicaid	88,838,000	82,503,000
Other allowances	207,652,000	169,617,000
Total uncompensated care	<u>632,746,000</u>	<u>555,089,000</u>
	<u>\$ 250,661,000</u>	<u>\$ 237,385,000</u>

4. INVESTMENTS

Assets Limited as to Use

The composition of assets limited as to use at December 31, 2019 and 2018 is set forth in the following table. Investments are stated at fair value.

	<u>2019</u>	<u>2018</u>
Internally designated for capital acquisition and other:		
Cash and cash equivalents	\$ 3,290,000	\$ 2,613,000
Mutual funds – fixed income	41,165,000	35,587,000
Mutual funds – equities	24,973,000	28,744,000
Mutual funds – real estate	7,018,000	-
Government agency obligations	46,129,000	37,399,000
U.S. corporate bonds	31,801,000	26,192,000
U.S. equities	43,126,000	48,771,000
International assets – corporate obligations	4,026,000	4,306,000
International assets – equities	23,395,000	24,022,000
	<u>224,923,000</u>	<u>207,634,000</u>
Held by trustee under indenture agreement:		
Cash and cash equivalents	<u>2,352,000</u>	<u>2,295,000</u>
	<u>2,352,000</u>	<u>2,295,000</u>
	<u>\$ 227,275,000</u>	<u>\$ 209,929,000</u>

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

4. INVESTMENTS – CONTINUED

The System's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could affect the amounts reported in the accompanying combined financial statements.

Subsequent to yearend and as of March 24, 2020, the fair market value of the Hospital's investments declined by approximately \$35,706,000.

5. CONCENTRATIONS OF CREDIT RISK

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Medicare	29%	29%
Medicaid	8%	8%
Blue Cross	13%	14%
Other third-party payors	24%	19%
Patients	26%	30%
	<u>100%</u>	<u>100%</u>

At December 31, 2019, the System had deposits at major financial institutions which exceeded the Federal Deposit Insurance Corporation limits. Management believes the credit risks related to these deposits are minimal.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

6. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 14,910,000	\$ 14,910,000
Land improvements	3,776,000	3,841,000
Buildings and improvements	205,100,000	218,844,000
Equipment	<u>105,803,000</u>	<u>144,441,000</u>
	329,589,000	382,036,000
Less accumulated depreciation	<u>197,583,000</u>	<u>242,433,000</u>
	132,006,000	139,603,000
Construction in progress	<u>4,070,000</u>	<u>3,432,000</u>
Property and equipment, net	<u>\$ 136,076,000</u>	<u>\$ 143,035,000</u>

Depreciation expense for the years ended December 31, 2019 and 2018 amounted to approximately \$17,038,000 and \$18,600,000, respectively.

Contracts of approximately \$5,680,000 exist for the purchase of various equipment and renovations to facilities. At December 31, 2019, the remaining commitment on these contracts approximated \$1,836,000.

7. LONG-TERM DEBT

A summary of long-term debt at December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Revenue certificates – Series 2016A, payable in annual installments ranging from \$1,360,000 on October 1, 2017 to \$1,420,000 on October 1, 2031, with an interest rate of 5% paid semi-annually secured by gross revenues	\$ 13,210,000	\$ 14,000,000
Revenue certificates – Series 2016B, payable in annual installments ranging from \$2,900,000 on October 1, 2018 to \$5,465,000 on October 1, 2031, with an interest rate of 5% paid semi-annually secured by gross revenues	<u>50,875,000</u>	<u>53,920,000</u>
Total revenue certificates	64,085,000	67,920,000
Less current maturities	4,025,000	3,835,000
Plus net premiums, discounts, and deferred issue costs	<u>4,721,000</u>	<u>5,462,000</u>
Total long-term debt	<u>\$ 64,781,000</u>	<u>\$ 69,547,000</u>

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

7. LONG-TERM DEBT – CONTINUED

Discounts and premiums on long-term debt are amortized using the straight-line method over the life of the related bonds, which approximates the effective interest method.

With the reorganization plan implemented by the Authority on January 1, 2009, Houston Hospitals, Inc. (Hospitals), along with the Authority, entered into a master trust indenture (MTI) with a commercial bank as the trustee in which Hospitals pledged its gross revenues to the payment of all obligations issued from time-to-time under the terms of the MTI. Such obligations take the form of tax-exempt issuances of the Authority, the proceeds of which are loaned to Hospitals as conduit obligations under related loan agreements. Such conduit obligations issued under the MTI are secured by a lien on the gross revenues of the members of the Obligated Group, which have joint and severable liability for such obligations. The Obligated Group is currently composed of the Authority, Houston Healthcare System, Inc., Houston Hospitals, Inc., Houston Healthcare Properties, Inc., Houston Healthcare EMS, Inc., Houston Primary Care Physicians, LLC, and Houston Physician Specialists, LLC. The MTI provides the terms for the addition and removal of members of the Obligated Group.

On November 1, 2016, the Authority issued \$16,115,000 of Series 2016A Revenue Anticipation Certificates (the Series 2016A Certificates). In connection with the issuance of the Series 2016A Certificates, the Authority loaned the proceeds of the Series 2016A Certificates to the System to refund the previously issued Series 2013 Revenue Anticipation Certificates and to pay costs of issuance of the Series 2016A Certificates. The Series 2016A Certificates have outstanding sinking fund redemptions and maturities ranging from \$1,360,000 to \$1,420,000 through fiscal year 2031.

On November 1, 2016, the Authority issued \$56,820,000 of Series 2016B Revenue Anticipation Certificates (the “Series 2016B Certificates”). In connection with the issuance of the Series 2016B Certificates, the Authority loaned the proceeds of the Series 2016B Certificates to the System for the purpose of (1) redeeming the Authority’s Revenue Anticipation Certificates Series 2007 maturing in years 2018 through and including 2042 on October 1, 2017, (2) paying interest on the Series 2016B Certificates up to October 1, 2017, and (3) paying the costs of issuance of the Series 2016B Certificates. The Series 2016B Certificates have outstanding sinking fund redemptions and maturities ranging from \$2,900,000 to \$5,465,000 through fiscal year 2031.

Under the terms of the MTI and related loan agreements, the System is required (1) to maintain certain deposits with a trustee and (2) meet certain financial and nonfinancial covenants as long as the certificates are outstanding. The System is in compliance with these requirements for 2019 and 2018.

**HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

7. LONG-TERM DEBT – CONTINUED

Scheduled principal repayments on long-term debt are as follows:

<u>For the Years Ending December 31,</u>	<u>Amount</u>
2020	\$ 4,025,000
2021	4,225,000
2022	4,440,000
2023	4,660,000
2024	4,895,000
Thereafter	<u>41,840,000</u>
	<u>\$ 64,085,000</u>

8. NET ASSETS

At December 31, 2019 and 2018, net assets without donor imposed restrictions were as follows:

	<u>2019</u>	<u>2018</u>
Without donor imposed restrictions:		
Internally designated for capital acquisition and other	\$ 224,923,000	\$ 207,634,000
Held by trustee under indenture agreement	2,352,000	2,295,000
Undesignated	<u>60,870,000</u>	<u>67,033,000</u>
Total net assets without donor imposed restrictions	<u>\$ 288,145,000</u>	<u>\$ 276,962,000</u>

9. LIQUIDITY

The following reflects the System's financial assets at December 31, 2019 and 2018, reduced by amounts not available for general use within one year of the combined balance sheet dates because of contractual or internal designations. Amounts not available include amounts set aside by the Board of Trustees for future capital acquisition and other reserves that could be drawn upon if the Board approves the action.

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 7,069,000	\$ 10,725,000
Patients accounts receivable, net	22,949,000	26,616,000
Estimated third-party payor receivable	444,000	82,000
Insurance recoveries – current portion	<u>1,216,000</u>	<u>1,651,000</u>
	<u>\$ 31,678,000</u>	<u>\$ 39,074,000</u>

As part of the System's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

10. PENSION PLAN

Plan Description

The System contributes to a defined benefit pension plan (the Plan) managed by a trustee. All full-time and part-time employees who regularly worked 32 or more hours per week that were hired prior to May 1, 2009, age 21 or older and with at least one year of service, are eligible to participate in the Plan. Plan participants under the age of 45 as of January 1, 2011 no longer accumulate benefits. System employees who are vested are entitled to an annual benefit payable monthly for life, in an amount equal to 1% of final average earnings up to covered compensation, plus 1.55% of final average earnings in excess of covered compensation, times credited service up to 30 years. Participants are 100% vested after five years of employment. Participants are fully vested at age 65. The System's funding policy is to make the minimum annual contribution required by applicable regulations. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

The measurement date was December 31, 2019 and 2018.

The following table sets forth the Plan's funded status and amounts recognized in the combined financial statements at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Plan assets at fair value at December 31	\$ 126,055,000	\$ 105,620,000
Projected benefit obligation at December 31	<u>135,463,000</u>	<u>115,513,000</u>
Funded status	<u>\$ (9,408,000)</u>	<u>\$ (9,893,000)</u>
Amounts recognized in the combined balance sheets consist of:		
Noncurrent liabilities	<u>\$ (9,408,000)</u>	<u>\$ (9,893,000)</u>
Amounts recognized in net assets without donor imposed restrictions:		
Net actuarial loss	<u>\$ 26,208,000</u>	<u>\$ 23,907,000</u>

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. PENSION PLAN – CONTINUED

The following table sets forth the components of net periodic pension cost and other amounts recognized in net assets without donor imposed restrictions for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Service cost	\$ 1,051,000	\$ 1,364,000
Interest cost	4,703,000	4,256,000
Expected return on Plan assets	(6,690,000)	(7,016,000)
Amortization of net actuarial loss	<u>2,150,000</u>	<u>1,721,000</u>
Net periodic cost	<u>1,214,000</u>	<u>325,000</u>
Other changes in Plan assets and benefit obligations recognized in net assets without donor imposed restrictions:		
Net actuarial loss	4,451,000	6,069,000
Amortization of net actuarial loss	<u>(2,150,000)</u>	<u>(1,721,000)</u>
Total recognized in net assets without donor imposed restrictions	<u>2,301,000</u>	<u>4,348,000</u>
Total recognized in net periodic benefit cost and net assets without donor imposed restrictions	<u>\$ 3,515,000</u>	<u>\$ 4,673,000</u>

The components of net periodic cost above other than service cost are included in nonoperating revenues (expenses) in the combined statements of operations and changes in net assets.

The System's expected rate of return on Plan assets is determined by the Plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

	<u>2019</u>	<u>2018</u>
Weighted-average assumptions used to determine pension benefit obligations:		
Discount rate	3.33%	4.45%
Rate of increase in future compensation levels	2.00%	2.00%
Weighted-average assumptions used to determine net period benefit cost:		
Discount rate	4.45%	3.77%
Expected long-term return on Plan assets	6.50%	6.50%
Rate of increase in future compensation levels	2.00%	2.00%

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. PENSION PLAN – CONTINUED

The change in projected benefit obligation for the Plan for the years ended December 31, 2019 and 2018 included the following components:

	<u>2019</u>	<u>2018</u>
Projected benefit obligation, end of year	\$ 115,513,000	\$ 121,084,000
Service cost	1,051,000	1,364,000
Interest cost	4,703,000	4,256,000
Actuarial loss (gain)	18,295,000	(7,728,000)
Benefits paid	<u>(4,099,000)</u>	<u>(3,463,000)</u>
Projected benefit obligation, end of year	<u>\$ 135,463,000</u>	<u>\$ 115,513,000</u>
Accumulated benefit obligation	<u>\$ 133,061,000</u>	<u>\$ 113,248,000</u>

The change in fair value of Plan assets for the years ended December 31, 2019 and 2018 is included the following components:

	<u>2019</u>	<u>2018</u>
Plan assets at fair value, beginning of year	\$ 105,620,000	\$ 109,864,000
Actual return on assets	20,534,000	(6,781,000)
Employer contributions	4,000,000	6,000,000
Benefits paid	<u>(4,099,000)</u>	<u>(3,463,000)</u>
Plan assets at fair value, end of year	<u>\$ 126,055,000</u>	<u>\$ 105,620,000</u>

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. PENSION PLAN – CONTINUED

Plan Assets

The composition of Plan assets at December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>%</u>	<u>2018</u>	<u>%</u>
Cash and cash equivalents	\$ 3,705,000	3%	\$ 3,314,000	3%
Mutual funds – fixed income	14,950,000	12%	13,915,000	13%
Mutual funds – equities	29,939,000	24%	31,259,000	30%
Mutual funds – real estate	10,669,000	8%	-	0%
Government agency obligations	12,233,000	10%	10,744,000	10%
U.S. Corporate bonds	11,951,000	9%	11,194,000	11%
U.S. Equities	30,833,000	24%	24,148,000	23%
International assets – government agency obligations	-	0%	162,000	0%
International assets – corporate obligations	1,158,000	1%	1,783,000	2%
International assets – equities	10,617,000	8%	9,101,000	9%
	<u>\$ 126,055,000</u>	<u>100%</u>	<u>\$ 105,620,000</u>	<u>100%</u>

The System's investment strategy is to manage the portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds. The portfolio is diversified by investing in multiple types of investment-grade securities. The investment policy requires assets of the Plan to be primarily invested in securities with at least an investment grade rating to minimize interest rate and credit risk. The Plan assets are long-term in nature and are intended to generate returns while preserving capital. The target allocation for the Plan's investments is 45% U.S. equity, 10% international equity, 35% fixed income, and 10% other securities.

Pension assets are invested in equities, fixed income securities, and cash and cash equivalents. The allocation between different investment vehicles is determined by the System's investment committee, based on current market conditions, short-term and long-term market outlooks, and cash needs for distributions and Plan expenses. Assumptions for expected returns on Plan assets are based on historical performance, long-term market outlook, and a diversified investment approach designed to provide steady, consistent returns that minimize market fluctuations. The System utilizes the services of a professional investment advisor in the selection of individual fund managers. The investment advisor tracks the performance of each fund manager and makes recommendations for redistributions, as needed, to comply with targeted allocations or to replace underperforming funds.

The System attempts to mitigate investment risk by rebalancing between investment classes as the System's contributions and monthly benefit payments are made. Although changes in interest rates may affect the fair value of a portion of the investment portfolio and cause unrealized gains and losses, such gains or losses would not be realized unless the investments are sold.

Subsequent to yearend and as of March 24, 2020, the fair market value of the plan's investments declined by approximately \$24,020,000.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. PENSION PLAN – CONTINUED

The fair values of the System's Plan assets at December 31, 2019 and 2018, by asset category (see Note 15) are as follows:

	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
December 31, 2019				
Cash and cash equivalents	\$ 3,705,000	\$ 3,705,000	\$ -	\$ -
Mutual funds – fixed income	14,950,000	14,950,000	-	-
Mutual funds – equities	29,939,000	29,939,000	-	-
Mutual funds – real estate	10,669,000	10,669,000	-	-
Government agency obligations	12,233,000	-	12,233,000	-
U.S. corporate bonds	11,951,000	-	11,951,000	-
U.S. equities	30,833,000	30,833,000	-	-
International assets – corporate obligations	1,158,000	-	1,158,000	-
International assets – equities	10,617,000	10,617,000	-	-
Total	\$ 126,055,000	\$ 100,713,000	\$ 25,342,000	\$ -

	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
December 31, 2018				
Cash and cash equivalents	\$ 3,314,000	\$ 3,314,000	\$ -	\$ -
Mutual funds – fixed income	13,915,000	13,915,000	-	-
Mutual funds – equities	31,259,000	31,259,000	-	-
Government agency obligations	10,744,000	-	10,744,000	-
U.S. corporate bonds	11,194,000	-	11,194,000	-
U.S. equities	24,148,000	24,148,000	-	-
International assets – Government agency obligations	162,000	-	162,000	-
International assets – corporate obligations	1,783,000	-	1,783,000	-
International assets – equities	9,101,000	9,101,000	-	-
Total	\$ 105,620,000	\$ 81,737,000	\$ 23,883,000	\$ -

See Note 15 for the methods and assumptions used by the System in estimating the fair value of the above Plan assets.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. PENSION PLAN – CONTINUED

Estimated Contributions

The System plans to contribute approximately \$3,000,000 to the Plan in 2020. No Plan assets are expected to be returned to the System during 2020.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service and decrements as appropriate, are expected to be paid as follows:

<u>For the Years Ending December 31,</u>	<u>Pension Benefits</u>
2020	\$ 5,054,000
2021	5,572,000
2022	5,990,000
2023	6,371,000
2024	6,756,000
2025 - 2029	37,667,000

The expected benefits to be paid are based on the same assumptions used to measure the System's benefit obligation at December 31, 2019.

The System will recognize approximately \$2,150,000 of actuarial loss during the next 12 months beginning January 1, 2020.

11. DEFINED CONTRIBUTION PLAN

The System has a defined contribution retirement plan (the Retirement Plan) covering substantially all employees. The Retirement Plan is a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code which allows employee contributions upon employment and at least 1,000 hours of work and allows employer contributions upon attainment of the age of 21 and at least one year of service. Participants may contribute up to 20% of their annual compensation up to a maximum dollar limitation. Employer contributions are made at a matching level of 50% of the participants' annual contribution to the Retirement Plan, up to a maximum of 4% of the employee's annual compensation. The System made contributions to the Retirement Plan of approximately \$2,302,000 and \$2,400,000 for the years ended December 31, 2019 and 2018, respectively.

12. EMPLOYEE HEALTH PLAN

The System has a self-insurance program under which a third-party administrator processes and pays claims. The System reimburses the third-party administrator for claims incurred and paid and has purchased stop-loss insurance coverage for claims in excess of \$650,000 for each individual employee. Under this self-insurance program, approximately \$17,298,000 and \$17,371,000 were paid or accrued during the years ended December 31, 2019 and 2018, respectively.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

13. PROFESSIONAL LIABILITY CLAIMS

The System is covered by a claims-made general and professional liability insurance policy with excess coverage not to exceed \$35 million. Self-insured retention related to this policy in 2019 and 2018 was \$1 million per occurrence and \$5 million in aggregate. The System uses a third-party administrator to review and analyze incidents that may result in a claim against the System. In conjunction with the third-party administrator, incidents are assigned reserve amounts for the ultimate liability that may result from an asserted claim. The System also uses independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Long-term accrued professional claims are included in self-insurance reserves and the current portion is included in other current liabilities in the combined balance sheets, and in management's opinion, provide an adequate reserve for loss contingencies.

Various claims and assertions have been made against the System in its normal course of providing services. In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance.

Obligations covered by reinsurance contracts are included in the reserves for professional liability risks, as the System remains liable to the extent the reinsurers do not meet their obligations under the reinsurance contracts. The current amount receivable under the reinsurance contracts include \$1,061,000 and \$1,644,000 at December 31, 2019 and 2018, respectively, recorded in insurance recoveries – current portion and the long-term portion of \$3,703,000 and \$5,056,000, respectively, is recorded in insurance recoveries.

14. FUNCTIONAL EXPENSES

The System provides general health care services to residents within its geographic location. The following tables present expenses by both their nature and function for the years ended December 31:703

	2019			2018		
	Health Care Services	General and Administrative	Total	Health Care Services	General and Administrative	Total
Salaries and benefits	\$ 132,503,000	\$ 13,689,000	\$ 146,192,000	\$ 126,150,000	\$ 15,247,000	\$ 141,397,000
Supplies and drugs	41,787,000	222,000	42,009,000	42,229,000	376,000	42,605,000
Other expenses	48,997,000	14,862,000	63,859,000	39,068,000	17,225,000	56,293,000
Depreciation and amortization	14,180,000	2,881,000	17,061,000	13,394,000	5,189,000	18,583,000
Interest expense	1,869,000	727,000	2,596,000	1,984,000	769,000	2,753,000
Total operating expenses	<u>\$ 239,336,000</u>	<u>\$ 32,381,000</u>	<u>\$ 271,717,000</u>	<u>\$ 222,825,000</u>	<u>\$ 38,806,000</u>	<u>\$ 261,631,000</u>

The financial statements report certain categories of expenses that are attributable to health care services as well as general and administrative functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, depreciation and amortization, and interest, all of which are allocated based on a square footage basis, as well as certain employee benefits, which are allocated based on salaries.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The System's assets and liabilities recorded at fair value or for which fair value is required to be disclosed have been categorized based upon a fair value hierarchy in accordance with accounting standards which require that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1 – Observable quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – Unobservable inputs for the asset or liability that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used by the System in estimating the fair value of its financial instruments:

- *Cash and cash equivalents, accounts payable, accrued expenses, and estimated third-party payor settlements:* The carrying amount reported in the combined balance sheets approximates its fair value, due to the short-term nature of these instruments.
- *Assets limited as to use:* Fair values, which are the amounts reported in the combined balance sheets, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.
- *Long-term debt:* The fair value of the System's fixed rate long-term debt is estimated based on quoted market value, and would be classified as Level 1 in the fair value hierarchy.

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar investments in active or inactive markets. Valuation techniques utilized to determine fair value are consistently applied. All assets have been valued using a market approach.

- *Government agency obligations:* Level 2 assets are valued using pricing models maximizing the use of observable inputs for similar securities.
- *U.S. Corporate bonds:* Level 2 assets are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing values on yields currently available on comparable securities of issuers with similar credit ratings. The corporate bonds contain credit ratings of A3 to AAA.

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

15. FAIR VALUE OF FINANCIAL INSTRUMENTS-CONTINUED

The carrying amount and estimated fair values of the System's long-term debt at December 31, 2019 and 2018 are as follows:

	December 31, 2019		December 31, 2018	
	Carrying	Fair Value	Carrying	Fair Value
	Amount		Amount	
Long-term debt	\$ 68,806,000	\$ 70,427,000	\$ 73,382,000	\$ 74,222,000

The estimated fair values of the System's investments at December 31, 2019 and 2018 and the level within the fair value hierarchy are as follows:

December 31, 2019	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
		Cash and cash equivalents	\$ 5,642,000	\$ 5,642,000
Mutual funds – fixed income	41,165,000	41,165,000	-	-
Mutual funds – equities	24,973,000	24,973,000	-	-
Mutual funds – real estate	7,018,000	7,018,000	-	-
Government agency obligations	46,129,000	-	46,129,000	-
U.S. corporate bonds	31,801,000	-	31,801,000	-
U.S. equities	43,126,000	43,126,000	-	-
International assets – corporate obligations	4,026,000	-	4,026,000	-
International assets – equities	23,395,000	23,395,000	-	-
Total	\$ 227,275,000	\$ 145,319,000	\$ 81,956,000	\$ -

December 31, 2018	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
		Cash and cash equivalents	\$ 4,908,000	\$ 4,908,000
Mutual funds – fixed income	35,587,000	35,587,000	-	-
Mutual funds – equities	28,744,000	28,744,000	-	-
Government agency obligations	37,399,000	-	37,399,000	-
U.S. corporate bonds	26,192,000	-	26,192,000	-
U.S. equities	48,771,000	48,771,000	-	-
International assets – corporate obligations	4,306,000	-	4,306,000	-
International assets – equities	24,022,000	24,022,000	-	-
Total	\$ 209,929,000	\$ 142,032,000	\$ 67,897,000	\$ -

HOUSTON HEALTHCARE SYSTEM, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

16. MEDICAID UPPER PAYMENT LIMIT

The Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Benefits Improvement and Protection Act of 2000 (BIPA) provides for enhanced payments to Medicaid providers under the Upper Payment Limit (UPL) methodology. Subsequent to the implementation of the UPL methodology, federal budget concerns have led to reconsideration of the BIPA legislation with possible elimination or reduction of enhanced Medicaid payments. Legislation has been enacted to reduce the level of UPL payments. These reductions are anticipated to remain in effect in future periods. Net patient service revenue includes enhanced payments for December 31, 2019 and 2018 of approximately \$1,133,000 and \$2,011,000, respectively.

17. INDIGENT CARE TRUST FUND

The System participates in the Georgia Indigent Care Trust Fund (ICTF) Program. The System receives ICTF payments for treating a disproportionate number of Medicaid and other indigent patients. ICTF payments are based on the System's estimated uncompensated cost of services to Medicaid and uninsured patients. The amount of ICTF payments recognized in net patient revenue was approximately \$4,511,000 and \$3,222,000 for the years ended December 31, 2019 and 2018, respectively.

18. COMMITMENTS AND CONTINGENCIES

Compliance Plan

The healthcare industry has recently been subjected to increased scrutiny from governmental agencies at both the national and state level with respect to compliance with regulations. Areas of noncompliance identified at the national level include Medicare and Medicaid, Internal Revenue Service (IRS), and other regulations governing the healthcare industry. The System has implemented a compliance plan focusing on such issues. There can be no assurance that the System will not be subjected to future investigations with accompanying monetary damages.

Health Care Reform

In recent years, there has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare on the national or at the state level. In 2010, legislation was enacted which included cost controls on hospitals, insurance market reforms, delivery system reforms and various individual and business mandates among other provisions. The costs of certain provisions will be funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these changes will not adversely affect the System.

Litigation

The System is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's future financial position or results from operations.

SUPPLEMENTARY INFORMATION

**HOUSTON HEALTHCARE SYSTEM, INC.
COMBINING BALANCE SHEET
DECEMBER 31, 2019**

ASSETS	Houston Medical Center	Perry Hospital	Houston Healthcare EMS, Inc.	Houston Healthcare System, Inc.	Houston Healthcare Ventures, Inc.	Houston Healthcare Properties, Inc.	Houston Primary Care Physicians, LLC	Houston Physician Specialties, LLC	Eliminations	Total
CURRENT ASSETS										
Cash and cash equivalents	\$ 5,431,000	\$ 1,000	\$ 23,000	\$ 12,000	\$ 1,361,000	\$ 49,000	\$ 7,000	\$ 185,000	\$ -	7,069,000
Assets limited as to use – current portion	791,000	-	-	-	-	-	-	-	-	791,000
Patient accounts receivable, net	20,352,000	2,274,000	323,000	-	-	-	-	-	-	22,949,000
Intercompany receivables	10,263,000	-	-	-	-	47,000	-	-	(10,310,000)	-
Estimated third-party payor receivable	371,000	73,000	-	-	-	-	-	-	-	444,000
Insurance recoveries – current portion	1,216,000	-	-	-	-	-	-	-	-	1,216,000
Supplies, at lower of cost (first-in, first-out) or market and other assets	6,134,000	513,000	-	-	-	-	-	-	-	6,647,000
Total current assets	<u>44,558,000</u>	<u>2,861,000</u>	<u>346,000</u>	<u>12,000</u>	<u>1,361,000</u>	<u>96,000</u>	<u>7,000</u>	<u>185,000</u>	<u>(10,310,000)</u>	<u>39,116,000</u>
ASSETS LIMITED AS TO USE										
Internally designated for capital acquisition and other	224,923,000	-	-	-	-	-	-	-	-	224,923,000
Held by trustee under indenture agreement	2,352,000	-	-	-	-	-	-	-	-	2,352,000
	227,275,000	-	-	-	-	-	-	-	-	227,275,000
Less amounts required to meet current obligations	791,000	-	-	-	-	-	-	-	-	791,000
Total assets limited as to use	<u>226,484,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,484,000</u>
PROPERTY AND EQUIPMENT, NET	<u>99,235,000</u>	<u>7,091,000</u>	<u>652,000</u>	<u>-</u>	<u>-</u>	<u>28,330,000</u>	<u>63,000</u>	<u>705,000</u>	<u>-</u>	<u>136,076,000</u>
OTHER ASSETS										
Long-term investments and other	1,142,000	-	-	1,876,000	652,000	-	-	-	-	3,670,000
Insurance recoveries	3,972,000	-	-	-	-	-	-	-	-	3,972,000
Total other assets	<u>5,114,000</u>	<u>-</u>	<u>-</u>	<u>1,876,000</u>	<u>652,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,642,000</u>
TOTAL ASSETS	<u>\$ 375,391,000</u>	<u>\$ 9,952,000</u>	<u>\$ 998,000</u>	<u>\$ 1,888,000</u>	<u>\$ 2,013,000</u>	<u>\$ 28,426,000</u>	<u>\$ 70,000</u>	<u>\$ 890,000</u>	<u>\$ (10,310,000)</u>	<u>\$ 409,318,000</u>

See independent auditors' report.

**HOUSTON HEALTHCARE SYSTEM, INC.
COMBINING BALANCE SHEET
DECEMBER 31, 2019**

LIABILITIES AND NET ASSETS	Houston Medical Center	Perry Hospital	Houston Healthcare EMS, Inc.	Houston Healthcare System, Inc.	Houston Healthcare Ventures, Inc.	Houston Healthcare Properties, Inc.	Houston Primary Care Physicians, LLC	Houston Physician Specialties, LLC	Eliminations	Total
CURRENT LIABILITIES										
Current maturities of long-term debt	\$ 4,025,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,025,000
Accounts payable and accrued expenses	8,019,000	3,000	-	-	-	25,000	15,000	(13,000)	-	8,049,000
Intercompany payables	-	2,052,000	846,000	-	2,000	-	3,311,000	4,099,000	(10,310,000)	-
Accrued compensation and benefits	15,889,000	971,000	237,000	-	-	-	388,000	411,000	-	17,896,000
Estimated third-party payor settlements	2,436,000	103,000	-	-	-	-	-	-	-	2,539,000
Other current liabilities	3,754,000	-	-	-	-	-	-	-	-	3,754,000
Total current liabilities	34,123,000	3,129,000	1,083,000	-	2,000	25,000	3,714,000	4,497,000	(10,310,000)	36,263,000
LONG-TERM DEBT, NET OF CURRENT INSTALLMENTS	64,781,000	-	-	-	-	-	-	-	-	64,781,000
SELF-INSURANCE RESERVES	10,721,000	-	-	-	-	-	-	-	-	10,721,000
ACCRUED PENSION LIABILITY	9,408,000	-	-	-	-	-	-	-	-	9,408,000
TOTAL LIABILITIES	119,033,000	3,129,000	1,083,000	-	2,000	25,000	3,714,000	4,497,000	(10,310,000)	121,173,000
NET ASSETS										
Without donor imposed restrictions	256,358,000	6,823,000	(85,000)	1,888,000	2,011,000	28,401,000	(3,644,000)	(3,607,000)	-	288,145,000
Total net assets	256,358,000	6,823,000	(85,000)	1,888,000	2,011,000	28,401,000	(3,644,000)	(3,607,000)	-	288,145,000
TOTAL LIABILITIES AND NET ASSETS	\$ 375,391,000	\$ 9,952,000	\$ 998,000	\$ 1,888,000	\$ 2,013,000	\$ 28,426,000	\$ 70,000	\$ 890,000	\$ (10,310,000)	\$ 409,318,000

See independent auditors' report.

HOUSTON HEALTHCARE SYSTEM, INC.
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Houston Medical Center	Perry Hospital	Houston Healthcare EMS, Inc.	Houston Healthcare System, Inc.	Houston Healthcare Ventures, Inc.	Houston Healthcare Properties, Inc.	Houston Primary Care Physicians, LLC	Houston Physician Specialties, LLC	Eliminations	Total
OPERATING REVENUES										
Net patient service revenue	\$ 215,645,000	\$ 25,168,000	\$ 5,165,000	\$ -	\$ -	\$ -	\$ 959,000	\$ 3,724,000	\$ -	\$ 250,661,000
Other revenue	2,245,000	210,000	83,000	-	-	921,000	1,899,000	-	(2,661,000)	2,697,000
Total operating revenues	217,890,000	25,378,000	5,248,000	-	-	921,000	2,858,000	3,724,000	(2,661,000)	253,358,000
OPERATING EXPENSES										
Salaries and benefits	118,869,000	12,469,000	4,272,000	-	-	2,000	4,640,000	5,940,000	-	146,192,000
Supplies and drugs	37,917,000	3,661,000	166,000	-	-	-	69,000	196,000	-	42,009,000
Other expenses	57,445,000	5,695,000	1,184,000	-	2,000	204,000	1,012,000	978,000	(2,661,000)	63,859,000
Depreciation and amortization	13,999,000	1,043,000	321,000	-	-	1,647,000	3,000	48,000	-	17,061,000
Interest expense	2,596,000	-	-	-	-	-	-	-	-	2,596,000
Overhead allocation	(4,853,000)	3,496,000	468,000	-	-	41,000	606,000	242,000	-	-
Total operating expenses	225,973,000	26,364,000	6,411,000	-	2,000	1,894,000	6,330,000	7,404,000	(2,661,000)	271,717,000
OPERATING LOSS	(8,083,000)	(986,000)	(1,163,000)	-	(2,000)	(973,000)	(3,472,000)	(3,680,000)	-	(18,359,000)
NONOPERATING REVENUES (EXPENSES)										
Investment income	5,179,000	-	-	-	-	-	-	-	-	5,179,000
Other components of net periodic pension costs	(163,000)	-	-	-	-	-	-	-	-	(163,000)
Net realized gains on sales of securities	14,185,000	-	-	134,000	654,000	-	-	-	-	14,973,000
Net unrealized gains on securities	11,865,000	-	-	-	-	-	-	-	-	11,865,000
Noncapital grants, contributions, and other	(119,000)	108,000	-	-	-	-	-	-	-	(11,000)
Total nonoperating revenues (expenses)	30,947,000	108,000	-	134,000	654,000	-	-	-	-	31,843,000
EXCESS OF REVENUES OVER (UNDER) EXPENSES	22,864,000	(878,000)	(1,163,000)	134,000	652,000	(973,000)	(3,472,000)	(3,680,000)	-	13,484,000
Changes in pension assets and benefit obligations not included in net periodic pension costs	(2,301,000)	-	-	-	-	-	-	-	-	(2,301,000)
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR IMPOSED RESTRICTIONS	20,563,000	(878,000)	(1,163,000)	134,000	652,000	(973,000)	(3,472,000)	(3,680,000)	-	11,183,000
NET ASSETS AT BEGINNING OF YEAR	235,795,000	7,701,000	1,078,000	1,754,000	1,359,000	29,374,000	(172,000)	73,000	-	276,962,000
NET ASSETS AT END OF YEAR	\$ 256,358,000	\$ 6,823,000	\$ (85,000)	\$ 1,888,000	\$ 2,011,000	\$ 28,401,000	\$ (3,644,000)	\$ (3,607,000)	\$ -	\$ 288,145,000

See independent auditors' report.

Phase 3- Implementation Plan

- Three Year Implementation Plan -January 1, 2018- December 31, 2020
- Annual Year Work Plan

Phase Three – Implementation Plan Narrative

Writing/ finalizing the Houston Healthcare Community Benefit 3 Year Plan

Houston Healthcare includes Perry Hospital and Houston Medical Center. Both facilities are in Houston County and serve the same populations. Residents can and often do utilize both facilities along with the other resources provided through Houston Healthcare. Because the service area is the same population, the needs and the plan to address them are the same.

Houston Healthcare will utilize various methods to reach the goals set in the implementation plan. Healthy People 2020 information states “Educational and community-based programs and strategies will play a key role in improving the health of the community.” Community settings such as churches, lower income housing projects, and worksites increase the access to populations with health disparities. Barriers such as low literacy rates, non-traditional work hours, and limited education contribute to a decreased understanding of addressing health challenges early and setting healthy lifestyles as a priority to prevent illness. Houston Healthcare has explored and is continuing to seek methods to reach all populations within the service area but especially those with the greatest need. This is accomplished by taking needed health information out into the communities we serve. Community partnerships provide a vehicle to broaden the outreach as well as to provide feedback on methods to reach vulnerable populations. An example of one of these partnerships includes the Faith Community Nurses. The Faith Community Nurse Program was established by Houston Healthcare and continues as a method to reach the Faith Community as well as populations or neighborhoods the church serves through such avenues as “Soup Kitchens or Clothing Closets”. Houston Healthcare also partners with the Houston County Health Department, local housing authority, the free or lower cost medical clinics, senior centers and others to impact the health of our community.

Description of Plan

Every three years a Community Health Needs Assessment is completed and a three-year implementation plan is created. The three- year plan addresses the needs identified in the Community Health Needs Assessment. The implementation plan includes the four priority areas of (1) Improve Modifiable Risk Factors (2) Improve Ease of Access to Appropriate Health Care, (3) Improve individual’s Management of Chronic Disease, and (4) Additional Assistance for Vulnerable Populations. Each year a detailed annual work plan is developed to measure the progress of reaching the goals and address the priorities described in the three -year plan. Anticipated impact or outcomes are reviewed each year. The three-year plan will be evaluated by utilizing a score card.

This narrative will address each of the four priority areas and will include:

Priority Area

A- An overview of the health priority

B- The Goal and Strategies

C- The Score Card- objective, baseline, and strategies (Complete Score Card is in appendix 3)

1- Priority Area – Improve Modifiable Risk Factors

Overview: Major Risk Factor- Overweight or obesity

The Nutrition and weight status information included in Healthy People 2020 reflect strong science supporting the health benefits of maintaining a healthy body weight through a balanced diet and exercise. The information also emphasizes that efforts to change diet and weight should address individual behaviors, as well as policies and environments that support these behaviors in settings such as schools, worksites, health care organizations, and communities. Our community adults as well as children will face chronic obesity-related health problems like heart disease, high blood pressure, cancer, and asthma if the present trends continue. The Community Health Needs Assessment defined overweight as BMI of 25.0 to 29.0 and obesity as BMI over 30.

Baseline

- 27.5% of Houston County adults are at a healthy weight.
- 72.2% are overweight, 36.2% of these adults are obese.

Goal: Increase the number of adults at a healthy weight to at least 30% by December 2020

Strategy: The strategy will include promotion of the “plate method” and promotion of the Healthy People 2020 recommendations to “Consume a variety of nutrient-dense foods within and across the food groups, especially whole grains, fruits, vegetables, low-fat or fat-free milk or milk products, and lean meats and other protein sources. Limit the intake of saturated and *Trans* fats, added sugars, sodium, and alcohol.” The strategy also includes programs specifically designed to promote healthy weights such as the Healthy Living Class, Nutrition Education along with exercise classes. In addition, health screenings will be provided at worksites, churches and other community sites will include BMI measurements. The local school system is targeting youth promotion of healthy weight and Family Connections has also made it a priority in their strategic plan. Faith Community Nurses will assist with this effort in the local churches. Examples of City official involvement include City of Centerville and Perry are providing free indoor space for exercise; Perry did focus groups on recreation needs of the community and hired a Recreation Director. Robins Air Force base has made obtaining healthy weight as a priority area.

Overview: Major Risk Factor Tobacco

A major goal of Healthy People 2020 is prevention and cessation of tobacco usage. The report shares “Tobacco use remains the leading cause of premature and preventable death in our nation, responsible for 443,000 deaths each year. Tobacco use causes cancer, heart disease, lung disease as well as premature birth and low birth weight infants.” In Houston County, the leading causes of death include cardiovascular disease and cancer, with tobacco as a major contributor to these diseases.

Baseline

- 13.9% of persons living in Houston County smoke tobacco.
- The rate of tobacco usage is highest among residents age 45 to 59 (17.6%)
- Lower income residents had higher rates of tobacco usage at 22.7%.

Goal: Decrease the usage of tobacco among teens and adults to 12% by Dec. 2020

Strategy: Addressing this health issue requires multiple methods and partnerships. While it is recognized tobacco cessation is difficult, it is possible. Houston Healthcare refers to the Georgia Quit Line which offers individual assistance through a phone line. The Quit Line utilizes trained counselors, is free as well as anonymous, and is easily assessable. This resource will be shared at community outreach events. In addition, each hospitalized patient who states they are a tobacco user will receive tobacco cessation information along with information on the Georgia Quit Line. Community Partners include Houston County Public Health

assisting with tobacco cessation education, and The American Cancer Society assisting with the annual Great American Smoke Out.

Score Card Priority Area 1- Improve Modifiable Risk Factors

Goal and Objectives-	Base Line	Summary of Strategies	Tracking for 2020 Outcomes	Score
Goal: Decrease the number of persons developing illness or disease by improving modifiable risk factors				
1) Increase the proportion of churches that participate in the Faith Community Nurse program and turn in activity reports to at least 15.	12/30/2017 -Number of churches offering a health promotion program- 12 Number reporting activities- 7	HHC to partner with local churches providing training, support and resources for Faith Community Nurses. Faith Community Nurses broaden the outreach to address health related issues.	Faith Community Membership Reports	
2) Establish a worksite wellness screening program for at least 4 worksites	Presently screenings are provided for Flint Electric, and County Employees	Contact worksites to establish what efforts are in place to promote a healthy worksite. Review evidence based programs	Worksite outcomes from screenings	
3)Objective: Increase the proportion of adults in Houston County who are at a healthy weight (BMI 18.5- 24.9) to at least 30%	27.5 percent of persons aged 17 years and over in Houston County were at a healthy weight (BMI 18.5- 24.9)	Provide education, monitoring, cooking skills, exercise opportunities. Partner with, City officials, worksites, Farmer Markets, RAFB & schools in methods to promote healthy weight.	Community Health Needs Assessment (CHNA)	
4) Objective- Decrease the usage of tobacco to 12%.	13.9% smoke tobacco in Houston County	Promote Ga. Quit line; provide ed. materials to all in-patients who use tobacco, Partner on annual events such as Great American Smoke Out.	CHNA	

Priority Area-2 Improve Ease of Access to Healthcare

Overview: The ease of access to healthcare services is important in the achievement of a healthy life. The Healthy People 2020 review includes “Access to health care means the timely use of personal health services to achieve the best health outcomes”.

Limited access to health care impacts people's ability to reach their full potential, negatively affecting their quality of life. Barriers to services include:

- Lack of availability which is impacted by the number of health workers
- Limited financial ability to pay for services
- Lack of insurance coverage
- Lack of knowledge of resources for health services

These barriers to accessing health services lead to:

- Unmet health needs
- Delays in receiving appropriate care
- Inability to get preventive services
- Hospitalizations that could have been prevented

Baseline

The Community Health Needs Assessment information included:

- 11.0 % a lack of healthcare insurance coverage, however, 14.8% of lower income persons have no insurance coverage.
- 11.9% skipped prescription doses to save cost
- 12.3% of Houston County adults have gone to a hospital emergency room more than once in the past year. This is greater than the national average (8.5%) for ED usage.
- The number of primary care physicians is 52.3 per 100,000 population which is less than the state and national average.
- 71.8% of residents have a specific source of ongoing medical care
- 36.3% have completed an advance directive document

Goal: Improve the ease of access to appropriate health care services.

Strategy: Houston Healthcare is addressing this critical issue in multiple ways including: (1) Providing support for local technical schools and colleges for training additional health care workers, (2) Providing a physician's residency program, as well as serving as a clinical site for students going into a health care profession (3) Assisting and supporting the free Volunteer Medical Clinic which serves uninsured, lower income residents (4) Providing a phone referral service to link community persons to needed services or medication assistance and encourage establishing a medical home. (5) Health fairs and community screenings include information on qualifying for financial assistance and obtaining a medical home (6) Partnerships with groups such as Komen, March of Dimes, American Cancer Society and others to provide assistance in obtaining health services. (7) Houston Healthcare has added Care Managers to assist in-patients and ED patients to better navigate the health care system. (8) Houston Healthcare is also providing Med Stops for urgent care in three locations for easier access. (9) Policies and processes are in place to provide financial assistance.

Score Card Priority Area 2- Improve ease of access to Healthcare

2- Goal: Improve Access to Health Services	Baseline	Summary of Strategies	Tracking for 2020 Outcomes	Score
Objective: Increase the number of Houston County residents who have a specific source of ongoing healthcare by at least 75%	71.8% of adults have specific source of ongoing health care	Utilize Health Referral line, health fairs, and community screenings to assist and promote medical homes. Assist with promoting and supporting resources for uninsured and lower income persons. Care Managers, navigators, Referral Services are assisting patients with navigating the health care system and obtaining health insurance.	CHNA	
Objective: Increase the number of primary care physicians to 55 per 100,000	Primary Care physicians 52.3 per 100,000	HHC has established a Family Residency program to increase number of available primary care physicians. HHC is support local colleges and technical schools who are providing training, education for health professions.	CHNA	
Decrease the number of persons who frequently utilized the ED for health care to 10%	12.3% have utilized the ED more than once a year	Educate the community on appropriate usage of Med Stops, ED, as well as resources for health services. Place Care Managers in ED and explore programs to discover root causes of ED super users.	CHNA	

2- Priority Area-3 Improve Individual's Management of Chronic Diseases

Overview: Chronic diseases are the leading cause of death and disability in the United States resulting in 7 out of 10 deaths each year. Heart disease, cancer, and stroke alone cause more than 50 percent of all deaths each year. In the US, 107 million or almost 1 out of every 2 adults age 18 or older are diagnosed with a chronic illness. The six most common chronic illnesses include: arthritis, diabetes, asthma, cancer, and chronic obstructive pulmonary disease (COPD)

Baseline

- One half of all deaths in Houston County are from cancer or cardiovascular disease (heart disease and stroke)
- Heart Failure hospital readmission rate is 19.97% (2017 percentage)
- 18.3% of the population has diabetes
- 13.5% of the population has COPD
- Stroke rate is 43.4 per 100,000

Goal: Provide Chronic Disease Management to equip persons with skills needed to control their condition in such a way that decreases complications, and improves their quality of life.

Strategy: The first strategy is to prevent chronic disease. These efforts are listed in our first and second priority areas which include addressing risk factors, early identification through screenings and improving the access to appropriate health services. These play a key role in addressing chronic illness. Once a person has a chronic illness our strategy becomes; (1) to provide chronic disease management programs that empower and encourage the patient to be an active participant in their care. We strive to provide evidenced based chronic disease management programs which include: Diabetes Management- nationally recognized program from American Diabetes Association, Arthritis Management- Walk with Ease from Arthritis Association, as well as Heart Failure and Hypertension Management both based on chronic disease management models. (2) Provide a smooth transitional care process to provide hospitalized patients with education and skills to manage their illness. Transitional Care is a priority for Houston Healthcare and includes appropriate discharge planning and referrals.

Score Card Priority Area 3- Chronic Disease Management

3-Goal- Provide Chronic Disease Management to equip persons with skills	Baseline	Summary of Strategies	Tracking for 2020 Outcomes	Score
Objective (1) Decrease the number of persons who die from cancer to 159 per 100,000	Rate of cancer deaths is 161.8 per 100,000	Address modifiable risk factors as described. Promote recommended screenings for early detection Partner with American Cancer Society and		

		Komen in providing education, and screenings.		
Objective (2) Reduce the death rate from heart disease to 175 per 100,000	Heart- Rate of deaths from disease of the heart is 181.3 per 100,000.	Address modifiable risk factors as described. Provide heart healthy education, cooking schools, nutritional plans.	CHNA	
Objective (3): Decrease readmissions for Heart Failure to 18%	Readmission rate for heart failure 19.97%	Provide chronic disease management for heart failure, along with medication management. Collaborate with Respiratory Department, HHI, Nursing, and Care Managers in providing transitional care.	Meditech	
Objective (5)- Decrease the percentage of persons with diabetes to 16%	Baseline-18.3% of Houston County residents have diabetes	Provide evidence based programs such as Small Steps program to prevent or delay onset of diabetes. Provide nationally recognized Diabetes Management Program. Provide community screenings for diabetes.	CHNA	

Priority Area-4 Assist Vulnerable Populations- Improve the health of populations at higher risk for poor health specifically targeting women with higher risk pregnancies as well as older adults, persons with behavioral health challenges, and hospital/ED frequent users

Overview: Older adults are among the fastest growing age group. The Healthy People 2020 shares sixty percent of older adults will manage more than one chronic condition. Managing one chronic condition is challenging, however, with each additional disease, control becomes more difficult often involving more medications, and the need for increased monitoring, additional health services and education.

Another risk among older adults is accidental falls. Each year one out of three adults experience a fall. Falls often cause severe disability among survivors. Falls are the second leading cause of death due to unintentional injury among older adults. According to the Healthy People 2020 Report, “Behaviors such as participation in physical activity, self-management of chronic diseases, or use of preventive health services can improve health outcomes.” In our work with older adults the desire to maintain independence was identified as a major goal among this population. To support the older population to maintain their independence requires additional assistance in health education, monitoring, chronic disease management and opportunities to improve physical strength, balance and fitness.

Baseline:

- 68% of adults over age 60 have hypertension/ 43.4 per 100,000 deaths due to stroke
- 50.4% of adults over age 60 have high blood cholesterol
- 181.3 average deaths per 100,000 in Houston County due to heart disease
- Top two leading Causes of Accidental Death- Motor vehicle 33.9%, Falls 28.2%

Goal: Improve the health, function, and quality of life of older adults.

Strategy: (1) Provide free exercise program for older adults in collaboration with other community organization’s such as the City of Centerville and the Perry Recreation Department. (2) Provide health education programs which include health screenings, education at convenient locations, and referrals as needed to physician’s care and other resources. (3) Partner with other local organizations that are providing services for older adults by providing health related information as well as information on resources. Priorities for these health information programs includes: tools for medication management and the importance of being engaged and taking responsibility for personal health, prevention of falls, and chronic illness related information. (5) Ensure opportunities for caregiver training are available in order to establish support for older adults.

Overview: Low Birth Weight Infants

Preterm/ low birth weight is the leading cause of newborn death in the United States. Low birth weight babies, (newborns weighing less than 5 pounds 8 ounces) at birth are much more prone to illness and neonatal death than are babies of normal weight. Risk factors for low birth weight are continuing to be studied, however, known risk factors include women who are uninsured and lower income, tobacco usage and lack of prenatal care as well as pre-existing medical conditions.

Baseline:

- 8.5% low birth weight
- 23.2% no prenatal care in the first trimester
- 7% infant death rate

Goal: Increase the number of women having a healthy newborn by addressing the risk factors for newborn low birth weights and preterm births.

Strategy: The strategy is to target women with a higher risk pregnancy due to socio-economic risk or a medical risk. Activities will include (1) Partnering with other organizations providing pregnancy related services through the Perinatal Coalition. (2) Providing a Hispanic interpreter/care manager for uninsured and non-English speaking pregnant women and working with the local health department as well as local physicians to ensure all women have access to prenatal care (3) Providing a Nurse Care Manager for pregnant women with a medical condition (4) Providing a Nurse Educator to meet with pregnant teens in schools as requested.

Score Card- Priority Area 4- Additional Assistance for Vulnerable Populations

4-Goal-Assist Vulnerable Populations Improve the health of populations at higher risk for poor health specifically targeting pregnant women, newborns and older adults	Baseline	Summary of Strategies	Tracking for 2020 Outcomes	Score
Objective (1) Decrease the low birth weight percentage to 8%	Baseline- 8.5% low birth weight	(1) Collaborate with other organizations providing pregnancy related services through the Perinatal Coalition. (2) Provide a Hispanic interpreter/care manager for uninsured and non-English speaking pregnant women. (3) Provide a Nurse care manager for pregnant women with a medical condition (4) Provide a Nurse Educator to meet with pregnant teens in schools as requested.	CHNA	
Objective (2): Decrease the number of persons over 60 with high blood pressure to 58%	60.5% of persons over age 60 have hypertension	Partner with other local organizations that are providing services for older adults by providing health related information as well as information on resources. Priorities for the health information programs includes (1) tools for medication management and the (2) importance of being engaged and taking responsibility for personal health and (3) chronic illness related information.	CHNA	

Objective (3): Participants in the Senior Adult exercise program will have less than the national average of falls	33% of adults over the age of 65 report a fall (baseline from CDC)	Partner with local senior centers, recreation department and others to provide free exercise program specifically planned to increase strength, and improve fitness among older adults.	Senior Adult survey	
Objective (4)- Reduce the death rate from strokes to 40 per 100,000	Stroke- Rate of deaths from stroke is 43.4 per 100,000.	Provide the Stroke Prevention program including ongoing screening, monitoring, & education at easy to reach locations in the community such as senior centers. Provide hypertension management program.	CHNA	