

PUBLIC INSPECTION COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No. 1545-0047

2016

Open to Public
Inspection

A For the 2016 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 THE CLEVELAND CLINIC FOUNDATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 6801 BRECKSVILLE RD RK1-85 City or town, state or province, country, and ZIP or foreign postal code INDEPENDENCE, OH 44131 F Name and address of principal officer: DELOS M. COSGROVE SAME AS C ABOVE	D Employer identification number 34-0714585 E Telephone number 216-444-2200 G Gross receipts \$ 6,803,121,113. 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: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: WWW.CLEVELANDCLINIC.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 1921 M State of legal domicile: OH		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PATIENT CARE, RESEARCH & EDUCATION 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 22 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 18 5 Total number of individuals employed in calendar year 2016 (Part V, line 2a) 5 36897 6 Total number of volunteers (estimate if necessary) 6 1911 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 55,563,613. 7b Net unrelated business taxable income from Form 990-T, line 34 7b -2,792,717.															
Revenue	8 Contributions and grants (Part VIII, line 1h) 9 Program service revenue (Part VIII, line 2g) 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Prior Year</th> <th style="text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr><td style="text-align: right;">226,230,648.</td><td style="text-align: right;">245,922,291.</td></tr> <tr><td style="text-align: right;">4,869,018,511.</td><td style="text-align: right;">5,176,265,188.</td></tr> <tr><td style="text-align: right;">147,764,428.</td><td style="text-align: right;">137,262,100.</td></tr> <tr><td style="text-align: right;">86,627,710.</td><td style="text-align: right;">72,376,407.</td></tr> <tr><td style="text-align: right;">5,329,641,297.</td><td style="text-align: right;">5,631,825,986.</td></tr> </tbody> </table>	Prior Year	Current Year	226,230,648.	245,922,291.	4,869,018,511.	5,176,265,188.	147,764,428.	137,262,100.	86,627,710.	72,376,407.	5,329,641,297.	5,631,825,986.		
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Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 14 Benefits paid to or for members (Part IX, column (A), line 4) 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 16a Professional fundraising fees (Part IX, column (A), line 11e) b Total fundraising expenses (Part IX, column (D), line 25) 14,189,808. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 19 Revenue less expenses. Subtract line 18 from line 12	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td style="text-align: right;">118,808,523.</td><td style="text-align: right;">127,070,488.</td></tr> <tr><td style="text-align: right;">0.</td><td style="text-align: right;">0.</td></tr> <tr><td style="text-align: right;">2,661,500,472.</td><td style="text-align: right;">3,054,229,568.</td></tr> <tr><td style="text-align: right;">1,683,301.</td><td style="text-align: right;">1,524,725.</td></tr> <tr><td style="text-align: right;">2,012,647,016.</td><td style="text-align: right;">2,245,232,776.</td></tr> <tr><td style="text-align: right;">4,794,639,312.</td><td style="text-align: right;">5,428,057,557.</td></tr> <tr><td style="text-align: right;">535,001,985.</td><td style="text-align: right;">203,768,429.</td></tr> </tbody> </table>	118,808,523.	127,070,488.	0.	0.	2,661,500,472.	3,054,229,568.	1,683,301.	1,524,725.	2,012,647,016.	2,245,232,776.	4,794,639,312.	5,428,057,557.	535,001,985.	203,768,429.
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Net Assets or Fund Balances	20 Total assets (Part X, line 16) 21 Total liabilities (Part X, line 26) 22 Net assets or fund balances. Subtract line 21 from line 20	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Beginning of Current Year</th> <th style="text-align: center;">End of Year</th> </tr> </thead> <tbody> <tr><td style="text-align: right;">9,069,861,870.</td><td style="text-align: right;">10,001,576,185.</td></tr> <tr><td style="text-align: right;">4,691,944,158.</td><td style="text-align: right;">5,304,554,307.</td></tr> <tr><td style="text-align: right;">4,377,917,712.</td><td style="text-align: right;">4,697,021,878.</td></tr> </tbody> </table>	Beginning of Current Year	End of Year	9,069,861,870.	10,001,576,185.	4,691,944,158.	5,304,554,307.	4,377,917,712.	4,697,021,878.						
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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 STEVEN C. GLASS, CHIEF FINANCIAL OFFICER Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P00089502 Firm's name ▶ ERNST & YOUNG, LLP Firm's EIN ▶ 34-6565596 Firm's address ▶ 950 MAIN AVENUE, #1800 CLEVELAND, OH 44113 Phone no. 2168615000	

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

Form **8453-EO****Exempt Organization Declaration and Signature for
Electronic Filing**

OMB No. 1545-1879

For calendar year 2016, or tax year beginning _____, 2016, and ending _____, 20____

2016Department of the Treasury
Internal Revenue Service**For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868**

Name of exempt organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

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

Check the box for the type of return being filed with Form 8453-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 of 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-). 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	5,631,825,986.
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 of Officer

6 ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) 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.

☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2016 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.

Sign
Here

Signature of officer

Date

CHIEF FINANCIAL OFFICER

Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-file (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's
Use
Only

ERO's
signature
Firm's name (or
yours if self-employed),
address, and ZIP code

Date

Check if
also paid
preparer ☐Check
if self-
employed ☐

ERO's SSN or PTIN

EIN

Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid
Preparer
Use Only

Print/type preparer's name

Preparer's signature

Date

Check if self-
employed ☐

PTIN

Firm's name

Firm's EIN

ERNST & YOUNG, LLP

34-6565596

Firm's address 950 MAIN AVENUE, #1800
CLEVELAND, OH 44113

Phone no.

2168615000

Part III Statement of Program Service Accomplishments

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

☒ X

- 1** Briefly describe the organization's mission:
 TO PROVIDE BETTER CARE OF THE SICK, INVESTIGATION OF THEIR PROBLEMS,
 AND FURTHER EDUCATION OF THOSE WHO SERVE.
-
- 2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
 If "Yes," describe these new services on Schedule O.
- 3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
 If "Yes," describe these changes on Schedule O.
- 4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.
- 4a** (Code:) (Expenses \$ 4,877,282,670. including grants of \$ 127,070,488.) (Revenue \$ 5,176,265,188.)
 SEE PROGRAM SERVICE STATEMENT IN SCHEDULE O.
-
- 4b** (Code:) (Expenses \$ including grants of \$) (Revenue \$)
-
- 4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)
-
- 4d** Other program services (Describe in Schedule O.)
 (Expenses \$ including grants of \$) (Revenue \$)
- 4e** Total program service expenses ▶ 4,877,282,670.

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>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7 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>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d 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>	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f 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>	12a	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>	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16 X	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17 X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18 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>	19	X

Form **990** (2016)

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	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? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part I		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	X	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	X	
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	X	
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	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)? If "Yes," complete Schedule R, Part V, line 2	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		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

Form 990 (2016)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☒

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
3b If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	X	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	X	
4b If "Yes," enter the name of the foreign country: SEE SCHEDULE O See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d If "Yes," indicate the number of Forms 8282 filed during the year		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		X
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966?		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c Enter the amount of reserves on hand		
14a Did the organization receive any payments for indoor tanning services during the tax year?		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Form 990 (2016)

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

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

Section A. Governing Body and Management

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	22													
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.														
b Enter the number of voting members included in line 1a, above, who are independent		18												
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2							X				
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?				3						X				
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?					4								X	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?						5							X	
6 Did the organization have members or stockholders?							6			X				
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?								7a		X				
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?									7b	X				
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:														
a The governing body?										8a	X			
b Each committee with authority to act on behalf of the governing body?											8b	X		
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O												9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **AK, CA, CO, FL, GA, IL, KS, KY, LA, MA, MD, MN**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records: **ROBERT F. WAITKUS - 216-445-2526**
6801 BRECKSVILLE ROAD, RK1-85, INDEPENDENCE, OH 44131

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.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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) COSGROVE, DELOS M. MD DIRECTOR, PRESIDENT, CEO	50.00	X		X				5,731,361.	0.	440,491.
(2) DONLEY, BRIAN G. MD DIRECTOR & CHIEF OF STAFF	50.00	X		X				1,346,216.	0.	44,281.
(3) RICH, ROBERT E., JR. DIRECTOR/BOARD CHAIR	5.00	X		X				0.	0.	0.
(4) SCAMINACE, JOSEPH M. DIRECTOR/BOARD VICE CHAIR	5.00	X		X				0.	0.	0.
(5) ERZURUM, SERPIL, MD DIRECTOR, CHAIR LERNER RESEARCH INST	50.00	X		X				477,210.	0.	358,074.
(6) AULETTA, PATRICK V. DIRECTOR - CCF	5.00	X						0.	0.	0.
(7) FEDELI, UMBERTO P. DIRECTOR - CCF	5.00	X						0.	0.	0.
(8) HOOVER, CAROLE DIRECTOR - CCF	5.00	X						0.	0.	0.
(9) LERNER, MARK DIRECTOR - CCF	5.00	X						0.	0.	0.
(10) LERNER, NORMA DIRECTOR - CCF	5.00	X						0.	0.	0.
(11) MACDONALD, WILLIAM E, III DIRECTOR - CCF	5.00	X						0.	0.	0.
(12) MARTIN, DANIEL MD CHAIR - COLE EYE INST, DIR - CCF	50.00	X						1,366,366.	0.	44,134.
(13) MILLER, PAMELA DIRECTOR - CCF	5.00	X						0.	0.	0.
(14) MILLER, SAMUEL DIRECTOR - CCF	5.00	X						0.	0.	0.
(15) MOONEY, BETH E. DIRECTOR - CCF	5.00	X						0.	0.	0.
(16) MORINO, MARIO DIRECTOR - CCF	5.00	X						0.	0.	0.
(17) NANCE, FREDERICK DIRECTOR - CCF	5.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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) PETRAS, MICHAEL DIRECTOR - CCF	5.00	X						0.	0.	0.
(19) POLLOCK, LARRY DIRECTOR - CCF	5.00	X						0.	0.	0.
(20) ROSS, RONALD J. DIRECTOR - CCF	5.00	X						0.	0.	0.
(21) WEISS, MORRY DIRECTOR - CCF	5.00	X						0.	0.	0.
(22) WEINBERG, RONALD DIRECTOR - CCF	5.00	X						0.	0.	0.
(23) GLASS, STEVEN C. CFO & TREASURER	50.00			X				1,543,736.	0.	52,276.
(24) HAMILTON, THOMAS INTERIM CHAIR - RESEARCH INST	50.00			X				345,557.	0.	-44,062.
(25) HARRINGTON, MICHAEL CAO & CONTROLLER	50.00			X				703,977.	0.	44,241.
(26) MCHUGH, LINDA ASSISTANT SECRETARY (PART YEAR)	50.00			X				707,477.	0.	55,824.
1b Sub-total								12,221,900.	0.	995,259.
c Total from continuation sheets to Part VII, Section A								17,968,440.	0.	1,100,947.
d Total (add lines 1b and 1c)								30,190,340.	0.	2,096,206.

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 **5,109**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SIEMENS MEDICAL SOLUTIONS, INC. PO BOX 121102, DALLAS, TX 75312	HEALTHCARE IT & ENGINEERING SERVICES	19,971,483.
DONLEYS/TURNER JOINT VENTURE 5430 WARNER RD, CLEVELAND, OH 44125	CONSTRUCTION SERVICES	19,482,913.
SODEXO INC. & AFFILIATES, 1669 PHOENIX PARKWAY #210, COLLEGE PARK, GA 30349	LAUNDRY & FOOD SERVICE	9,862,272.
WHITING-TURNER CONTRACTING CO, 5875 LANDERBROOK DR, STE 100, CLEVELAND, OH	CONSTRUCTION SERVICES	9,849,358.
NICHOLS MANAGEMENT GROUP LTD, 571 YORK ST, PO BOX 1288, YORK HARBOR, ME 03911	HEALTHCARE CONSULTING SERVICES	9,235,793.

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 **467**

SEE PART VII, SECTION A CONTINUATION SHEETS

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(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(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			
(27) MEEHAN, MICHAEL RECORDING SECRETARY	50.00			X				343,238.	0.	-13,592.
(28) OBLANDER, JASON ASSISTANT SECRETARY (PART YEAR)	50.00			X				203,574.	0.	20,758.
(29) PEACOCK, WILLIAM CHIEF OF OPERATIONS	50.00			X				1,440,292.	0.	46,814.
(30) ROWAN, DAVID W. CHIEF LEGAL OFFICER	50.00			X				1,428,943.	0.	44,897.
(31) HARRISON, A. MARC CHIEF INTL BUS DEVELOPMENT	50.00				X			1,185,404.	0.	80,260.
(32) MIHALJEVIC, TOMISLAV CHIEF EXEC OFFICER - CCAD	50.00				X			2,027,420.	0.	150,435.
(33) LEWIS, BRENDA PHYSICIAN (2016 RETIREE)	50.00					X		1,899,184.	0.	677,801.
(34) CHURCH, JAMES PHYSICIAN (2016 RETIREE)	50.00					X		2,711,368.	0.	-316,508.
(35) WHITLOW, PATRICK PHYSICIAN (2016 RETIREE)	50.00					X		1,807,770.	0.	262,128.
(36) COSTIN, JOHN INSTITUTE CHAIRMAN	50.00					X		1,909,833.	0.	44,081.
(37) SCHOENWALD, PATRICK PHYSICIAN (2016 RETIREE)	50.00					X		1,615,259.	0.	127,772.
(38) JOSEPH HAHN FORMER OFFICER	0.00						X	252,142.	0.	-23,899.
(39) BRUCE LYTLE FORMER KEY EMPLOYEE	0.00						X	1,144,013.	0.	0
Total to Part VII, Section A, line 1c								17,968,440.		1,100,947

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c 6,289,095.				
	d Related organizations	1d				
	e Government grants (contributions)	1e 108,252,549.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 131,380,647.				
	g Noncash contributions included in lines 1a-1f: \$	9,378,317.				
	h Total. Add lines 1a-1f		245,922,291.			
Program Service Revenue	2 a NET PATIENT SERVICES	Business Code 612990	2,929,115,945.	2,929,115,945.		
	b MEDICARE/MEDICAID PAYM	921990	1,815,937,841.	1,815,937,841.		
	c OTHER PROGRAM SERVICES	900099	308,856,416.	303,341,546.	5,514,870.	
	d OTHER ANCILLARY SERVICE	900099	50,243,099.			50,243,099.
	e MANAGEMENT FEES	561000	28,241,483.	15,990,271.	12,251,212.	
	f All other program service revenue	900099	43,870,404.	5,475,091.	38,395,313.	
	g Total. Add lines 2a-2f		5,176,265,188.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		50,911,763.			50,911,763.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties		25,067,502.			25,067,502.
	6 a Gross rents	(i) Real 9,907,930.				
	b Less: rental expenses	0.				
	c Rental income or (loss)	9,907,930.				
	d Net rental income or (loss)		9,907,930.			9,907,930.
	7 a Gross amount from sales of assets other than inventory	(i) Securities 1252582086. (ii) Other 2,111,620.				
	b Less: cost or other basis and sales expenses	1163917302. 4,426,067.				
	c Gain or (loss)	88,664,784. -2,314,447.				
	d Net gain or (loss)		86,350,337.			86,350,337.
	8 a Gross income from fundraising events (not including \$ 6,289,095. of contributions reported on line 1c). See Part IV, line 18	a 553,002.				
	b Less: direct expenses	b 2,951,758.				
	c Net income or (loss) from fundraising events		-2,398,756.			-2,398,756.
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a INCOME(LOSS) ON INVEST	523000	64,640,923.		-597,782.	65,238,705.	
b LIFE INSURANCE TRUST	525990	131,077.			131,077.	
c FOREIGN CURRENCY	525990	73,310.			73,310.	
d All other revenue	523000	-25,045,579.			-25,045,579.	
e Total. Add lines 11a-11d		39,799,731.				
12 Total revenue. See instructions.		5,631,825,986.	5,069,860,694.	55,563,613.	260,479,388.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	28,273,002.	28,273,002.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	97,803,654.	97,803,654.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	993,832.	993,832.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	20,175,601.	4,662,792.	15,512,809.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,372,256.	1,372,256.		
7 Other salaries and wages	2,350,860,393.	2,049,631,769.	293,266,767.	7,961,857.
8 Pension plan accruals and contributions (Include section 401(k) and 403(b) employer contributions)	260,513,866.	227,549,495.	32,498,765.	465,606.
9 Other employee benefits	265,147,482.	231,185,234.	33,076,802.	885,446.
10 Payroll taxes	156,159,970.	136,131,347.	19,480,753.	547,870.
11 Fees for services (non-employees):				
a Management	3,335,001.	2,918,964.	416,037.	
b Legal	5,560,010.	4,866,406.	693,604.	
c Accounting	2,705,741.		2,705,741.	
d Lobbying	646,043.	646,043.		
e Professional fundraising services. See Part IV, line 17	1,524,725.			1,524,725.
f Investment management fees	12,665,365.		12,665,365.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	202,397,685.	175,626,509.	25,248,847.	1,522,329.
12 Advertising and promotion	28,662,114.	24,994,531.	3,575,561.	92,022.
13 Office expenses	55,238,900.	48,006,290.	6,890,981.	341,629.
14 Information technology	71,445,617.	62,440,363.	8,912,748.	92,506.
15 Royalties	2,373,668.	2,077,556.	296,112.	
16 Occupancy	97,598,914.	85,423,577.	12,175,337.	
17 Travel	19,443,160.	16,675,156.	2,425,509.	342,495.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	7,931,511.	6,726,257.	989,446.	215,808.
20 Interest	100,620,358.	88,068,100.	12,552,258.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	262,130,819.	229,397,119.	32,700,478.	33,222.
23 Insurance	48,720,375.	42,642,572.	6,077,803.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	977,180,704.	977,180,699.		5.
b BAD DEBT EXPENSE	169,795,800.	169,795,800.		
c EQUIPMENT RENTAL & MAIN	85,452,933.	74,763,431.	10,660,142.	29,360.
d STATE FRANCHISE FEE	42,145,219.	42,145,219.		
e All other expenses	49,182,839.	45,284,697.	3,763,214.	134,928.
25 Total functional expenses. Add lines 1 through 24e	5,428,057,557.	4,877,282,670.	536,585,079.	14,189,808.
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 SheetCheck 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	286,518,858.	1	491,971,898.
	2 Savings and temporary cash investments	11,247,454.	2	5,841,909.
	3 Pledges and grants receivable, net	185,192,090.	3	213,848,890.
	4 Accounts receivable, net	682,297,457.	4	773,876,276.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	6,056,685.	5	6,571,698.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	10,779,355.	7	20,865,657.
	8 Inventories for sale or use	80,964,447.	8	81,650,111.
	9 Prepaid expenses and deferred charges	38,333,021.	9	40,835,674.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 5,702,569,970.		
	b Less: accumulated depreciation	10b 3,071,296,750.		
	10c	2,538,752,550.	10c	2,631,273,220.
	11 Investments - publicly traded securities	2,291,976,054.	11	2,356,077,966.
	12 Investments - other securities. See Part IV, line 11	2,256,212,917.	12	2,259,200,987.
	13 Investments - program-related. See Part IV, line 11	12,000,000.	13	205,406,335.
	14 Intangible assets	56,571,825.	14	59,279,083.
15 Other assets. See Part IV, line 11	612,959,157.	15	854,876,481.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	9,069,861,870.	16	10,001,576,185.	
Liabilities	17 Accounts payable and accrued expenses	701,145,678.	17	793,258,480.
	18 Grants payable	203,000.	18	193,000.
	19 Deferred revenue	97,122,689.	19	94,330,575.
	20 Tax-exempt bond liabilities	2,446,272,503.	20	2,845,510,506.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	36,471,901.	23	8,951,457.
	24 Unsecured notes and loans payable to unrelated third parties	108,360,527.	24	98,647,256.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,302,367,860.	25	1,463,663,033.
	26 Total liabilities. Add lines 17 through 25	4,691,944,158.	26	5,304,554,307.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	3,666,994,974.	27	3,926,221,007.
	28 Temporarily restricted net assets	447,595,723.	28	493,893,080.
	29 Permanently restricted net assets	263,327,015.	29	276,907,791.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	4,377,917,712.	33	4,697,021,878.
	34 Total liabilities and net assets/fund balances	9,069,861,870.	34	10,001,576,185.

Form 990 (2016)

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	5,631,825,986.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,428,057,557.
3	Revenue less expenses. Subtract line 2 from line 1	3	203,768,429.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,377,917,712.
5	Net unrealized gains (losses) on investments	5	74,272,397.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	41,063,340.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	4,697,021,878.

Part XII Financial Statements and Reporting

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

☐**1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:

☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis**b** Were the organization's financial statements audited by an independent accountant?

If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:

☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis**c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

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?**b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2016)

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.

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

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

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						

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. 632021 09-21-16 Schedule A (Form 990 or 990-EZ) 2016

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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	231,877,777.	217,746,821.	247,936,164.	226,230,648.	245,922,291.	1169713701.
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	231,877,777.	217,746,821.	247,936,164.	226,230,648.	245,922,291.	1169713701.
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)						7,826,942.
6 Public support. Subtract line 5 from line 4.						1161886759.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4	231,877,777.	217,746,821.	247,936,164.	226,230,648.	245,922,291.	1169713701.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	73,634,612.	81,291,626.	78,908,086.	82,576,423.	85,887,195.	402,297,942.
9 Net income from unrelated business activities, whether or not the business is regularly carried on				67,175.		67,175.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	73,659,562.	169,623,102.	66,618,979.	88,700,962.	64,845,310.	463,447,915.
11 Total support. Add lines 7 through 10						2035526733.
12 Gross receipts from related activities, etc. (see instructions)					12	23,195,919,916.
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 2016 (line 6, column (f) divided by line 11, column (f))	14	57.08	%
15 Public support percentage from 2015 Schedule A, Part II, line 14	15	58.54	%
16a 33 1/3% support test - 2016. 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 checked="" type="checkbox"/>		
b 33 1/3% support test - 2015. 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 - 2016. 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 - 2015. 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"/>		

Schedule A (Form 990 or 990-EZ) 2016

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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2016. 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 - 2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

- 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? If "Yes" to a, b, or c, provide detail in Part VI.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

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

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

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

	Yes	No
1		

Section D. All Type III Supporting Organizations

- 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? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

- 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
- a ☐ The organization satisfied the Activities Test. Complete line 2 below.
- b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.
- c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

- a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
- b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.
- 3 Parent of Supported Organizations. Answer (a) and (b) below.
- a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.
- b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

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

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

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

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

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<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) 2016

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 2016 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-2016	(iii) Distributable Amount for 2016
1	Distributable amount for 2016 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions		
3	Excess distributions carryover, if any, to 2016:		
a			
b			
c	From 2013		
d	From 2014		
e	From 2015		
f	Total of lines 3a through e		
g	Applied to underdistributions of prior years		
h	Applied to 2016 distributable amount		
i	Carryover from 2011 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.		
4	Distributions for 2016 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2016 distributable amount		
c	Remainder. Subtract lines 4a and 4b from 4		
5	Remaining underdistributions for years prior to 2016, 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 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions		
7	Excess distributions carryover to 2017. Add lines 3j and 4c		
8	Breakdown of line 7:		
a			
b	Excess from 2013		
c	Excess from 2014		
d	Excess from 2015		
e	Excess from 2016		

Schedule A (Form 990 or 990-EZ) 2016

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

SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:**INCOME(LOSS) ON INVESTMENTS**

2012 AMOUNT: \$ 73,581,934.

2013 AMOUNT: \$ 105,143,245.

2014 AMOUNT: \$ 66,455,024.

2015 AMOUNT: \$ 44,378,305.

2016 AMOUNT: \$ 64,640,923.

FOREIGN CURRENCY

2012 AMOUNT: \$ 77,628.

2015 AMOUNT: \$ 610,292.

2016 AMOUNT: \$ 73,310.

MISCELLANEOUS INCOME

2014 AMOUNT: \$ 17,623.

GROSS INCOME FROM GAMING

2013 AMOUNT: \$ 19,855.

2014 AMOUNT: \$ 146,332.

DERIVATIVE INCOME

2013 AMOUNT: \$ 64,077,165.

CANCELLATION OF DEBT

2013 AMOUNT: \$ 382,837.

INVESTMENT IN AFFILIATES

Part VI

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

2015 AMOUNT: \$ 43,529,075.

LIFE INSURANCE TRUST

2015 AMOUNT: \$ 183,290.

2016 AMOUNT: \$ 131,077.

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

OMB No. 1545-0047

2016

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
---	--

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		\$ 10,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 8,380,561.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 5,817,796.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 5,748,122.	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.)

Employer identification number

34-0714585

[illegible]

Name of organization

Employer identification number

THE CLEVELAND CLINIC FOUNDATION

34-0714585

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

**Open to Public
Inspection**

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

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

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

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

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

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

Name of organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
--	---

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-.

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

Schedule C (Form 990 or 990-EZ) 2016

LHA

632041 11-10-16

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)			
b Total lobbying expenditures to influence a legislative body (direct lobbying)			
c Total lobbying expenditures (add lines 1a and 1b)			
d Other exempt purpose expenditures			
e Total exempt purpose expenditures (add lines 1c and 1d)			
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:		
Not over \$500,000	20% of the amount on line 1e.		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.		
Over \$17,000,000	\$1,000,000.		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a. If zero or less, enter -0-			
i Subtract line 1f from line 1c. If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			

☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(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					

Schedule C (Form 990 or 990-EZ) 2016

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

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		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		10,661.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		509,983.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		85,063.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	X		40,336.
i Other activities?		X	
j Total. Add lines 1c through 1i			646,043.
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.

SCHEDULE C - PART II-B, LINES 1B-1I

PART II-B 1B PAID STAFF OR MANAGEMENT - REPRESENTS ACTIVITIES DESCRIBED

IN PART II-B LINES 1C-1I CONDUCTED BY MEMBERS OF THE CCF GOVERNMENT

RELATIONS OFFICE

PART II-B 1D MAILINGS TO MEMBERS, LEGISLATORS, OR THE PUBLIC - REPRESENTS

LETTERS SENT TO LEGISLATORS AND ORGANIZATIONS ON VARIOUS HEALTHCARE

Part IV Supplemental Information (continued)

RELATED TOPICS AND ISSUES

PART II-B 1F GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES -

REPRESENTS PAYMENT TO CERTAIN ORGANIZATIONS FOR LOBBYING SERVICES AS WELL

AS PAYMENT OF DUES TO CERTAIN TRADE ORGANIZATIONS WHERE A PORTION OF THE

DUES ARE USED TO CONDUCT LOBBYING ACTIVITIES

PART II-B 1G DIRECT CONTACT WITH LEGISLATORS, THEIR STAFFS, GOVERNMENT

OFFICIALS, OR A LEGISLATIVE BODY - REPRESENTS MEETINGS WITH AND TOURS

CONDUCTED FOR LEGISLATORS AND/OR THEIR STAFF MEMBERS

PART II-B 1H RALLIES, DEMONSTRATIONS, SEMINARS, CONVENTIONS, SPEECHES,

LECTURES, OR ANY SIMILAR MEANS - REPRESENTS ORGANIZATION OF AND

PARTICIPATION IN TRADE ASSOCIATION MEETINGS AND CONFERENCES

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.**

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

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input checked="" type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the Tax Year
a Total number of conservation easements	2
b Total acreage restricted by conservation easements	50.05
c Number of conservation easements on a certified historic structure included in (a)	0
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	0

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ 0

4 Number of states where property subject to conservation easement is located ▶ 1

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

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ 71

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ 11,000.

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

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

Schedule D (Form 990) 2016

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

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

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	274,060,795.	258,255,184.	243,662,812.	206,890,438.	174,481,177.
b Contributions	14,886,901.	23,968,927.	8,934,335.	18,444,444.	12,707,046.
c Net investment earnings, gains, and losses	14,552,559.	-918,904.	14,503,200.	24,356,278.	21,848,808.
d Grants or scholarships					
e Other expenditures for facilities and programs	6,665,455.	7,244,412.	7,670,162.	6,028,347.	2,146,594.
f Administrative expenses					
g End of year balance	296,834,800.	274,060,795.	258,255,184.	243,662,812.	206,890,438.

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 ☐ 100.00 %
 c Temporarily restricted endowment ☐ %

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

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

- (i) unrelated organizations
 (ii) related organizations

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

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

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

Part VI Land, Buildings, and Equipment.

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		236,725,509.		236,725,509.
b Buildings		2,898,605,894.	1,603,161,402.	1,295,444,492.
c Leasehold improvements		78,765,717.	59,746,671.	19,019,046.
d Equipment		1,804,156,303.	1,326,918,078.	477,238,225.
e Other		684,316,547.	81,470,599.	602,845,948.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				2,631,273,220.

Schedule D (Form 990) 2016

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) HEDGE FUNDS	1,110,397,267.	END-OF-YEAR MARKET VALUE
(B) PRIVATE EQUITY	696,785,941.	END-OF-YEAR MARKET VALUE
(C) REAL ESTATE	452,017,779.	END-OF-YEAR MARKET VALUE
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	2,259,200,987.	

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) OTHER ASSETS	196,709,447.
(2) PERPETUAL & BENEFICIAL TRUSTS	35,930,719.
(3) INVESTMENT IN AFFILIATES	165,843,427.
(4) DUE FROM AFFILIATES	456,392,888.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	854,876,481.

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	75,642.
(2) ACCRUED PENSION	597,233,393.
(3) OTHER LIABILITIES	122,357,863.
(4) ACCRUED BENEFITS	163,804,237.
(5) FUTURE GIFT ANNUITY PAYMENTS	8,770,748.
(6) DEFERRED ANNUITY TRUST	1,035,913.
(7) INTEREST RATE SWAPS	139,421,631.
(8) DUE TO AFFILIATES	430,963,606.
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	1,463,663,033.

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

Schedule D (Form 990) 2016

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 II, LINE 9:

THE CONSERVATION COVENANTS REPORTED IN PART II ARE RELATED TO TWO WETLANDS

LOCATED ON THE CLEVELAND CLINIC FOUNDATION'S PROPERTY IN TWINSBURG, OHIO

AND AVON, OHIO. THESE EASEMENTS ARE NOT REQUIRED TO BE REPORTED ON THE

BALANCE SHEET SEPARATE FROM THE VALUE OF THE LAND. EXPENSES TO MONITOR,

INSPECT, AND PROTECT THIS LAND ARE REFLECTED IN THE STATEMENT OF EXPENSES.

PART V, LINE 4:

THE ENDOWMENT FUNDS OF THE CLEVELAND CLINIC FOUNDATION ARE USED IN

FURTHERANCE OF ITS EXEMPT PURPOSE. SPECIFICALLY, THESE FUNDS ARE USED FOR

EDUCATION, RESEARCH, AND PATIENT CARE.

Part XIII Supplemental Information (continued)

PART X, LINE 2:

THE CLEVELAND CLINIC HEALTH SYSTEM'S AUDITED FINANCIAL STATEMENTS ARE
REPORTED ON A CONSOLIDATED BASIS, INCLUDING EXEMPT, TAXABLE, AND FOREIGN
ENTITIES TO WHICH THE ASC 740-10 LIABILITY RELATES. THE ASC 740-10
FOOTNOTE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE CLEVELAND CLINIC
HEALTH SYSTEM READS AS FOLLOWS:
AT DECEMBER 31, 2016 AND 2015, THE LIABILITY FOR UNCERTAINTY IN INCOME
TAXES WAS \$2.3 MILLION AND \$4.1 MILLION, RESPECTIVELY. THE SYSTEM DOES
NOT EXPECT A SIGNIFICANT INCREASE OR DECREASE IN UNRECOGNIZED TAX BENEFITS
WITHIN THE NEXT 12 MONTHS. THE SYSTEM RECOGNIZES INTEREST AND PENALTIES
ACCRUED RELATED TO THE LIABILITY FOR UNRECOGNIZED TAX BENEFITS IN THE
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS.

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
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Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
CENTRAL AMERICA & THE CARIBBEAN	0	0	PROGRAM SERVICES	INVESTMENT IN WHOLLY-OWNED FOREIGN ENTITY	2,120,000.
NORTH AMERICA	0	0	PROGRAM SERVICES	INVESTMENT IN WHOLLY-OWNED FOREIGN ENTITY	31,831,000.
EUROPE	1	1	PROGRAM SERVICES	INVESTMENT IN WHOLLY-OWNED FOREIGN ENTITY	156,087,000.
MIDDLE EAST & NORTH AFRICA	1	28	PROGRAM SERVICES	INVESTMENT IN WHOLLY-OWNED FOREIGN ENTITY	589,000.
MIDDLE EAST & NORTH AFRICA	1	4	UNRELATED BUSINESS		1,965,000.
CENTRAL AMERICA & CARIBBEAN	0	0	FUNDRAISING		0.
EAST ASIA & PACIFIC	0	0	FUNDRAISING		0.
EUROPE	0	0	FUNDRAISING		64,000.
3 a Sub-total	3	33			192,656,000.
b Total from continuation sheets to Part I	0	0			764,792,000.
c Totals (add lines 3a and 3b)	3	33			957,448,000.

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

Schedule F (Form 990) 2016

Part I Continuation of Activities per Region. (Schedule F (Form 990), Part I, line 3)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
MIDDLE EAST & NORTH AFRICA	0	0	FUNDRAISING		30,000.
NORTH AMERICA	0	0	FUNDRAISING		0.
SOUTH ASIA	0	0	FUNDRAISING		10,000.
EUROPE	0	0	INVESTING		473,570,000.
CENTRAL AMERICA & CARRIBEAN	0	0	INVESTING		291,182,000.
NORTH AMERICA	0	0	INVESTING		0.
Totals					764,792,000.

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

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			EUROPE	RESEARCH	101,943	CHECK	0.		
			EUROPE	RESEARCH	53,682	CHECK	0.		
			EUROPE	RESEARCH	23,797	CHECK	0.		
			EUROPE	RESEARCH	89,537	CHECK	0.		
			CENTRAL AMERICA & CARIBBEAN	RESEARCH	38,400	CHECK	0.		
			NORTH AMERICA	RESEARCH	9,500	CHECK	0.		
			NORTH AMERICA	RESEARCH	10,000	CHECK	0.		
			NORTH AMERICA	RESEARCH	40,619	CHECK	0.		

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

3 Enter total number of other organizations or entities

Part IV Foreign Forms

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

Schedule F (Form 990) 2016

Part V Supplemental Information

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

PART I, LINE 2:

A MAJORITY OF THE RESEARCH GRANTS PROVIDED TO FOREIGN ORGANIZATIONS ARE

PART OF A NATIONAL INSTITUTES OF HEALTH OR FEDERALLY FUNDED PROGRAM. AS

SUCH, THE FOREIGN ORGANIZATION IS REQUIRED TO MEET AND ADHERE TO FEDERAL

GRANT REPORTING REQUIREMENTS WITH RESPECT TO THE USE OF THE FUNDS ON AN

ON-GOING BASIS IN ORDER TO BE ELIGIBLE TO PARTICIPATE OR CONTINUE TO

PARTICIPATE IN THE RESEARCH STUDY. FOR THOSE GRANTS THAT ARE NOT

FEDERALLY FUNDED, A CONTRACT EXISTS WITH THE FOREIGN GRANTEE ORGANIZATION

THAT ESTABLISHES HOW THE FUNDS ARE TO BE USED AND REQUIRES CERTAIN

REPRESENTATIONS AND ACCOUNTING REGARDING THEIR USE. CLEVELAND CLINIC

MAINTAINS OVERSIGHT OF THESE GRANTS AND REGULARLY MONITORS THEIR

COMPLIANCE WITH EITHER THE FEDERAL REGULATIONS OR THE CONTRACT

PROVISIONS.

PART I, LINE 3:

THE ACCRUAL METHOD IS USED TO ACCOUNT FOR EXPENDITURES.

Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1. Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☒ Mail solicitations
- b ☒ Internet and email solicitations
- c ☒ Phone solicitations
- d ☒ In-person solicitations
- e ☒ Solicitation of non-government grants
- f ☒ Solicitation of government grants
- g ☒ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☒ **Yes** ☐ **No**
- b** If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
BLACKBAUD - 2000 DANIEL ISLAND DR, CHARLESTON, SC	ONLINE GIVING		X	2,922,472.	224,458.	2,698,014.
RR DONNELLEY - 111 SOUTH WACKER DRIVE, CHICAGO, IL	DIRECT MAIL		X	346,174.	937,813.	-591,639.
HARRIS CONNECT, LLC - 1511 ROUTE 22, STE C-25, BREWSTER,	PHONE SOLICITATION		X	206,121.	362,454.	-156,333.
Total				3,474,767.	1,524,725.	1,950,042.

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

AK AL AR AZ CA CO CT DE FL GA HI IA ID IL IN KS KY LA MA MD ME MI MN MO MS

MT NC ND NE NH NJ NM NV NY OH OK OR PA RI SC SD TN TX UT VA VT WA WI WV WY

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

Schedule G (Form 990 or 990-EZ) 2016

SEE PART IV FOR CONTINUATIONS

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		VELOSANO (event type)	CARES GALA (event type)	3 (total number)	
Revenue	1 Gross receipts	4,670,000.	1,113,479.	1,058,618.	6,842,097.
	2 Less: Contributions	4,464,000.	890,783.	934,312.	6,289,095.
	3 Gross income (line 1 minus line 2)	206,000.	222,696.	124,306.	553,002.
Direct Expenses	4 Cash prizes			5,375.	5,375.
	5 Noncash prizes			35,409.	35,409.
	6 Rent/facility costs	157,100.	149,030.	207,743.	513,873.
	7 Food and beverages	110,324.	140,817.	156,337.	407,478.
	8 Entertainment	54,877.	281,424.	23,736.	360,037.
	9 Other direct expenses	1,198,386.	149,118.	282,082.	1,629,586.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				2,951,758.
	11 Net income summary. Subtract line 10 from line 3, column (d)				-2,398,756.

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
	2 Cash prizes				
Direct Expenses	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities:

a Is the organization licensed to conduct gaming activities in each of these states?

☐ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year?

☐ Yes ☐ No

b If "Yes," explain:

- 11 Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity conducted in:
- | | | |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer

☐ Employee

☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions

PART I, LINE 2B, COLUMN (V):

THE CLEVELAND CLINIC FOUNDATION'S PHILANTHROPY INSTITUTE CONDUCTS

FUNDRAISING ACTIVITIES ON BEHALF OF THE ENTIRE CLEVELAND CLINIC HEALTH

SYSTEM. THE AMOUNTS RECEIVED FROM RR DONNELLY AND HARRIS CONNECT, LLC IN

PART I REPRESENT ONLY THE PARENT'S GROSS RECEIPTS FROM FUNDRAISING

ACTIVITIES. TOTAL GROSS RECEIPTS RECEIVED AT THE HEALTH SYSTEM LEVEL

EXCEED AMOUNTS PAID TO PROFESSIONAL FUNDRAISERS.

Part IV	Supplemental Information (continued)
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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.**
▶ **Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b If "Yes," was it a written policy? If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.	X	
<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 250 %	X	
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 type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	X	
b If "Yes," did the organization make it available to the public?	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(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)			51,738,791.	0.	51,738,791.	.98%
b Medicaid (from Worksheet 3, column a)			584,889,501.	375,537,223.	209,352,278.	3.98%
c Costs of other means-tested government programs (from Worksheet 3, column b)			0.	0.		.00%
d Total Financial Assistance and Means-Tested Government Programs			636,628,292.	375,537,223.	261,091,069.	4.96%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			20,816,332.	41,721.	20,774,611.	.40%
f Health professions education (from Worksheet 5)			228,440,686.	23,357,294.	205,083,392.	3.90%
g Subsidized health services (from Worksheet 6)			8,973,727.	1,736,394.	7,237,333.	.14%
h Research (from Worksheet 7)			209,436,987.	146,002,648.	63,434,339.	1.21%
i Cash and in-kind contributions for community benefit (from Worksheet 8)			10,444,478.	1,485,000.	8,959,478.	.17%
j Total. Other Benefits			478,112,210.	172,623,057.	305,489,153.	5.82%
k Total. Add lines 7d and 7j			1114740502.	548,160,280.	566,580,222.	10.78%

	(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			9,380.	0.	9,380.	.00%
2 Economic development			2,777.	0.	2,777.	.00%
3 Community support			942,798.	0.	942,798.	.02%
4 Environmental improvements			3,979.	0.	3,979.	.00%
5 Leadership development and training for community members			0.	0.		.00%
6 Coalition building			44,021.	1,000.	43,021.	.00%
7 Community health improvement advocacy			6,210.	0.	6,210.	.00%
8 Workforce development			43,521.	0.	43,521.	.00%
9 Other			0.	0.		.00%
10 Total			1,052,686.	1,000.	1,051,686.	.02%

[illegible]

Part V	Facility Information
--------	----------------------

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 6

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

[illegible]

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 THE CLEVELAND CLINIC FOUNDATIONLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <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: <u>20 16</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.CLEVELANDCLINIC.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 type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>WWW.CLEVELANDCLINIC.ORG</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group THE CLEVELAND CLINIC FOUNDATION

	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?	13 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>250</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 X	
15 Explained the method for applying for financial assistance?	15 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 checked="" type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	16 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.CLEVELANDCLINIC.ORG</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.CLEVELANDCLINIC.ORG</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.CLEVELANDCLINIC.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 checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j <input checked="" type="checkbox"/> Other (describe in Section C)		

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Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group THE CLEVELAND CLINIC FOUNDATION

	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 checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e <input 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)		

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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 THE CLEVELAND CLINIC FOUNDATION

	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 checked="" 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

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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 CLEVELAND CLINIC REHABILITATIONLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 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 type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input 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 type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The significant health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input 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>20</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		
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		
6b 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		
7 Did the hospital facility make its CHNA report widely available to the public?		
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input type="checkbox"/> Hospital facility's website (list url):		
b <input type="checkbox"/> Other website (list url):		
c <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11		
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>20</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?		
a If "Yes," (list url):		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
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 CLEVELAND CLINIC REHABILITATION

	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>250</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input checked="" 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.CLEVELANDCLINIC.ORG</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.CLEVELANDCLINIC.ORG</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.CLEVELANDCLINIC.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 checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j <input type="checkbox"/> Other (describe in Section C)		

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Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group CLEVELAND CLINIC REHABILITATION

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

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	21		x
If "No," indicate why:			
a <input checked="" 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)			

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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 CLEVELAND CLINIC REHABILITATION

22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☒ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C.

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

Yes No

23

X

24

X

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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 REPORTING GROUP A

Line number of hospital facility, or line numbers of hospital

facilities in a facility reporting group (from Part V, Section A): 3, 4, 5, 6

	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 type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input 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 type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The significant health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input 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 _____		
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		
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		
6b 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		
7 Did the hospital facility make its CHNA report widely available to the public?		
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input type="checkbox"/> Hospital facility's website (list url): _____		
b <input type="checkbox"/> Other website (list url): _____		
c <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11		
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 _____		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?		
a If "Yes," (list url): _____		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
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 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?	13 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>250</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 X	
15 Explained the method for applying for financial assistance?	15 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?	16 X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input type="checkbox"/> The FAP was widely available on a website (list url):		
b <input type="checkbox"/> The FAP application form was widely available on a website (list url):		
c <input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url):		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j <input type="checkbox"/> Other (describe in Section C)		

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Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group **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 checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?		x
If "No," indicate why:		
a <input checked="" 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)		

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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 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 checked="" 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

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Part V Facility Information (continued)

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

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 5: INPUT FROM THE COMMUNITY WAS RECEIVED THROUGH

KEY INFORMANT INTERVIEWS WHICH TOOK PLACE JANUARY 2016 THROUGH JULY 2016.

THE KEY INFORMANTS WERE IDENTIFIED BY EACH HOSPITAL FACILITY'S LEADERSHIP

AS PERSONS OR ORGANIZATIONS THAT REPRESENTED THE BROAD INTERESTS OF EACH

FACILITY'S "COMMUNITY," AS DEFINED IN THE RELEVANT CHNA REPORT. THEY WERE

SELECTED BASED ON THEIR INVOLVEMENT WITH THE COMMUNITY AND THEIR

PARTICIPATION IN OVERALL COMMUNITY HEALTH. THE KEY INFORMANTS INCLUDED

PERSONS WITH SPECIAL KNOWLEDGE OF OR EXPERTISE IN PUBLIC HEALTH; LOCAL

PUBLIC HEALTH DEPARTMENTS; AGENCIES WITH CURRENT DATA OR INFORMATION ABOUT

THE HEALTH NEEDS AND SOCIAL NEEDS OF THE COMMUNITY; REPRESENTATIVES OF

SOCIAL SERVICE ORGANIZATIONS; AND LEADERS, REPRESENTATIVES, AND MEMBERS OF

MEDICALLY UNDERSERVED, LOW-INCOME, AND MINORITY POPULATIONS. EACH KEY

INFORMANT WAS INTERVIEWED OVER THE PHONE BY THE CONSULTANT, VERITE

HEALTHCARE CONSULTING, LLC, USING THE SAME SET OF QUESTIONS FOR EACH

PARTICIPANT. A LIST OF EACH PARTICIPANT ORGANIZATION IS IDENTIFIED IN

APPENDIX G OF THE RELEVANT HOSPITAL FACILITY'S CHNA.

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 6A: CLEVELAND CLINIC FOUNDATION MAIN CAMPUS

COLLABORATED WITH OTHER CLEVELAND CLINIC HEALTH SYSTEM HOSPITALS,

INCLUDING: AKRON GENERAL MEDICAL CENTER, CLEVELAND CLINIC CHILDREN'S

HOSPITAL, CLEVELAND CLINIC CHILDREN'S HOSPITAL FOR REHABILITATION, EDWIN

SHAW REHABILITATION INSTITUTE, EUCLID HOSPITAL, FAIRVIEW HOSPITAL,

HILLCREST HOSPITAL, LODI COMMUNITY HOSPITAL, LUTHERAN HOSPITAL, MARYMOUNT

Part V Facility Information (continued)

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

HOSPITAL, MEDINA HOSPITAL, SOUTH POINTE HOSPITAL, CLEVELAND CLINIC FLORIDA

HEALTH SYSTEM. CLEVELAND CLINIC FOUNDATION MAIN CAMPUS ALSO COLLABORATED

WITH ASHTABULA COUNTY MEDICAL CENTER, AND GLENBEIGH.

CLEVELAND CLINIC REHABILITATION:

PART V, SECTION B, LINE 2: CLEVELAND CLINIC REHABILITATION OPENED IN
DECEMBER 2015.

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 11: IN GENERAL THE KEY NEEDS IDENTIFIED IN ALL

CCHS HOSPITAL FACILITIES WERE THE FOLLOWING: ACCESS TO AFFORDABLE

HEALTHCARE; CHRONIC DISEASE AND OTHER HEALTH CONDITIONS; ECONOMIC

DEVELOPMENT AND COMMUNITY CONDITIONS; HEALTH PROFESSIONS EDUCATION AND

RESEARCH; HEALTHCARE FOR THE ELDERLY; AND WELLNESS. HOW THE FACILITY WILL

ADDRESS EACH NEED IS DESCRIBED IN DETAIL IN THE RELEVANT HOSPITAL

FACILITY'S IMPLEMENTATION STRATEGY REPORT.

CLEVELAND CLINIC CANNOT DIRECTLY ADDRESS THOSE COMMUNITY NEEDS THAT DO NOT

RELATE DIRECTLY TO THE HOSPITAL'S MISSION TO DELIVER HEALTH CARE. THESE

ARE NEEDS THAT OTHER GOVERNMENTAL AND/OR NONPROFIT ORGANIZATIONS HAVE THE

MORE APPROPRIATE EXPERTISE AND RESOURCES TO ADDRESS. ALTHOUGH CLEVELAND

CLINIC CANNOT ADDRESS THESE NEEDS DIRECTLY, IT DOES SUPPORT GOVERNMENTAL

AND OTHER AGENCIES IN THEIR EFFORTS TO HELP WITH THESE NEEDS.

CLEVELAND CLINIC CANNOT ADDRESS THE FOLLOWING COMMUNITY NEED IDENTIFIED IN

THE COMMUNITY HEALTH NEEDS ASSESSMENT: ECONOMIC DEVELOPMENT AND COMMUNITY

CONDITIONS (INCLUDING BETTER EMPLOYMENT OPPORTUNITIES, LOWER CRIME RATES,

Part V Facility Information (continued)

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

ADEQUATE SOCIAL SERVICES, AND OTHER ENVIRONMENTAL CONDITIONS).

CLEVELAND CLINIC CANNOT FOCUS ON OR OTHERWISE ADDRESS THE NEED FOR

COMMUNITY SERVICES UNRELATED TO THE DELIVERY OF HEALTHCARE. ALTHOUGH

CLEVELAND CLINIC IS NOT DIRECTLY INVOLVED WITH DEVELOPING COMMUNITY

INFRASTRUCTURE AND IMPROVING THE ECONOMY BECAUSE ITS MISSION RELATES TO

DELIVERY OF QUALITY HEALTHCARE, IT DOES AND WILL CONTINUE TO SUPPORT LOCAL

CHAMBERS OF COMMERCE AND COMMUNITY DEVELOPMENT ORGANIZATIONS, COLLABORATE

WITH LEADERS OF REGIONAL ECONOMIC IMPROVEMENT AND PROVIDE IN-KIND DONATION

OF TIME, SKILL AND/OR SPONSORSHIPS TO SUPPORT EFFORTS IN THESE AREAS.

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 13B: PATIENTS WHO DO NOT MEET FINANCIAL CRITERIA

FOR ASSISTANCE BASED ON FEDERAL POVERTY LEVEL MAY NONETHELESS QUALIFY FOR

ASSISTANCE IF THEIR MEDICAL EXPENSES EXCEED 15% OF THEIR ANNUAL FAMILY

INCOME.

CLEVELAND CLINIC REHABILITATION:

PART V, SECTION B, LINE 13B: PATIENTS WHO DO NOT MEET FINANCIAL CRITERIA

FOR ASSISTANCE BASED ON FEDERAL POVERTY LEVEL MAY NONETHELESS QUALIFY FOR

ASSISTANCE IF THEIR MEDICAL EXPENSES EXCEED 15% OF THEIR ANNUAL FAMILY

INCOME.

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 15E: IN ADDITION TO APPLYING BY COMPLETING A

FINANCIAL ASSISTANCE APPLICATION, PATIENTS MAY BE EVALUATED UPON

Part V Facility Information (continued)

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

SCHEDULING OR PRIOR TO ADMISSION BY CCHS. UNINSURED PATIENTS THAT CCHS

DETERMINES THROUGH THIRD PARTY VERIFICATION SOURCES TO HAVE ANNUAL FAMILY

INCOME UNDER 400% OF THE FEDERAL POVERTY GUIDELINES WILL BE DEEMED

ELIGIBLE AND NOTIFIED AS SUCH IN WRITING. IF THE PATIENT BELIEVES THEY

QUALIFY FOR ADDITIONAL ASSISTANCE, THEY MAY SUBMIT A COMPLETED APPLICATION

FOR CONSIDERATION.

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 16J: INFORMING THE PUBLIC THAT FINANCIAL

ASSISTANCE IS AVAILABLE IS AN IMPORTANT ELEMENT OF OUR FINANCIAL

ASSISTANCE PROGRAM AND THE CLEVELAND CLINIC CONTINUOUSLY STRIVES TO

IMPROVE ITS COMMUNICATIONS WITH PATIENTS ON THE AVAILABILITY OF FINANCIAL

ASSISTANCE. INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS

AVAILABLE ON THE CLEVELAND CLINIC WEBSITE. PATIENT BILLS INCLUDE DETAILED

INFORMATION REGARDING THE FINANCIAL ASSISTANCE POLICY. A PLAIN LANGUAGE

SUMMARY OF THE FINANCIAL ASSISTANCE POLICY IS AVAILABLE THROUGHOUT CCF,

INCLUDING IN PATIENT REGISTRATION AREAS, ONLINE, AND WITH FINANCIAL

COUNSELORS WHO ARE PRESENT ON-SITE AT EACH CLEVELAND CLINIC HOSPITAL AND

OHIO FAMILY HEALTH CENTER TO ASSIST PATIENTS IN QUALIFYING FOR

GOVERNMENTAL ASSISTANCE PROGRAMS AND FINANCIAL ASSISTANCE. A DESCRIPTION

OF THE POLICY IS ALSO INCLUDED IN OUR INSURANCE AND BILLING INFORMATION

PATIENT BROCHURE, WHICH IS AVAILABLE AT REGISTRATION DESKS WITH FINANCIAL

COUNSELORS.

CLEVELAND CLINIC REHABILITATION:

PART V, SECTION B, LINE 16J: INFORMING THE PUBLIC THAT FINANCIAL

Part V Facility Information (continued)

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

ASSISTANCE IS AVAILABLE IS AN IMPORTANT ELEMENT OF OUR FINANCIAL
 ASSISTANCE PROGRAM AND CLEVELAND CLINIC REHABILITATION CONTINUOUSLY
 STRIVES TO IMPROVE ITS COMMUNICATIONS WITH PATIENTS ON THE AVAILABILITY OF
 FINANCIAL ASSISTANCE. INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY
 IS AVAILABLE ON THE CLEVELAND CLINIC WEBSITE. PATIENT BILLS INCLUDE
 DETAILED INFORMATION REGARDING THE FINANCIAL ASSISTANCE POLICY. A PLAIN
 LANGUAGE SUMMARY OF THE FINANCIAL ASSISTANCE POLICY IS AVAILABLE
 THROUGHOUT THE FACILITY, INCLUDING IN PATIENT REGISTRATION AREAS, ONLINE,
 AND WITH FINANCIAL COUNSELORS WHO ARE PRESENT ON-SITE TO ASSIST PATIENTS
 IN QUALIFYING FOR GOVERNMENTAL ASSISTANCE PROGRAMS AND FINANCIAL
 ASSISTANCE. A DESCRIPTION OF THE POLICY IS ALSO INCLUDED IN OUR INSURANCE
 AND BILLING INFORMATION PATIENT BROCHURE, WHICH IS AVAILABLE AT
 REGISTRATION DESKS WITH FINANCIAL COUNSELORS.

THE CLEVELAND CLINIC FOUNDATION:

PART V, SECTION B, LINE 20E: IN ADDITION TO ITEMS LISTED IN 20A-D, CCHS
 NOTIFIES INDIVIDUALS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE IN
 COMMUNICATIONS WITH PATIENTS ABOUT APPOINTMENT REMINDERS, IN THEIR
 DISCHARGE SUMMARY, IN THE ON HOLD MESSAGE IF THEY CALL CUSTOMER SERVICE,
 AND ON WEB PAGES INCLUDING THE ONLINE BILL PAY PORTAL.

SCHEDULE H, PART V, SECTION B. FACILITY REPORTING GROUP A

FACILITY REPORTING GROUP A CONSISTS OF:

- FACILITY 4: SELECT SPECIALTY - REGENCY WEST
- FACILITY 5: SELECT SPECIALTY - REGENCY EAST
- FACILITY 3: SELECT SPECIALTY - FAIRHILL

Part V Facility Information (continued)

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

- FACILITY 6: SELECT SPECIALTY - GATEWAY

GROUP A-FACILITY 4 -- SELECT SPECIALTY - REGENCY WEST

PART V, SECTION B, LINE 2: ON JULY 1, 2016, THE CLEVELAND CLINIC

FOUNDATION ENTERED INTO A JOINT VENTURE TO OPERATE THE LONG TERM ACUTE

CARE FACILITY.

GROUP A-FACILITY 5 -- SELECT SPECIALTY - REGENCY EAST

PART V, SECTION B, LINE 2: ON JULY 1, 2016, THE CLEVELAND CLINIC

FOUNDATION ENTERED INTO A JOINT VENTURE TO OPERATE THE LONG TERM ACUTE

CARE FACILITY.

GROUP A-FACILITY 3 -- SELECT SPECIALTY - FAIRHILL

PART V, SECTION B, LINE 2: ON JULY 1, 2016, THE CLEVELAND CLINIC

FOUNDATION ENTERED INTO A JOINT VENTURE TO OPERATE THE LONG TERM ACUTE

CARE FACILITY.

GROUP A-FACILITY 6 -- SELECT SPECIALTY - GATEWAY

PART V, SECTION B, LINE 2: ON JULY 1, 2016, THE CLEVELAND CLINIC

FOUNDATION ENTERED INTO A JOINT VENTURE TO OPERATE THE LONG TERM ACUTE

CARE FACILITY.

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? 113

Name and address	Type of Facility (describe)
1 RICHARD E. JACOBS HEALTH CENTER 33100 CLEVELAND CLINIC BOULEVARD AVON, OH 44011	FAMILY HEALTH CENTER
2 BEACHWOOD FAMILY HEALTH & SURGERY CE 26900 CEDAR ROAD BEACHWOOD, OH 44122	FAMILY HEALTH CENTER
3 TWINSBURG FAMILY HEALTH & SURGERY CE 8701 DARROW ROAD TWINSBURG, OH 44087	FAMILY HEALTH CENTER
4 STRONGSVILLE FAMILY HEALTH & SURGERY 16761 SOUTH PARK CENTER STRONGSVILLE, OH 44136	FAMILY HEALTH CENTER
5 INDEPENDENCE FAMILY HEALTH CENTER 5001 ROCKSIDE RD, CROWN CENTRE II INDEPENDENCE, OH 44131	FAMILY HEALTH CENTER
6 LORAIN FAMILY HEALTH & SURGERY CENTE 5700 COOPER FOSTER PARK ROAD LORAIN, OH 44053	FAMILY HEALTH CENTER
7 WILLOUGHBY HILLS FAMILY HEALTH CENTE 2550 & 2570 SOM CENTER ROAD WILLOUGHBY HILLS, OH 44094	FAMILY HEALTH CENTER
8 WOOSTER FAMILY HEALTH CENTER 1740 CLEVELAND ROAD WOOSTER, OH 44691	FAMILY HEALTH CENTER
9 CLEVELAND CLINIC CANCER CENTERS 417 QUARRY LAKES DRIVE SANDUSKY, OH 44870	OUTPATIENT PHYSICIAN CLINIC
10 BRUNSWICK FAMILY HEALTH CENTER 3574 CENTER ROAD BRUNSWICK, OH 44212	FAMILY HEALTH CENTER

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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? 113

Name and address	Type of Facility (describe)
11 CLEVELAND CLINIC CANCER CENTERS 1125 ASPIRA COURT MANSFIELD, OH 44906	OUTPATIENT PHYSICIAN CLINIC
12 SOLON FAMILY HEALTH CENTER 29800 BAINBRIDGE ROAD SOLON, OH 44139	FAMILY HEALTH CENTER
13 ELYRIA FAMILY HEALTH & SURGERY CENTE 303 CHESTNUT COMMONS DRIVE ELYRIA, OH 44035	FAMILY HEALTH CENTER
14 CLEVELAND CLINIC HEART & VASCULAR 1400 WEST MAIN STREET (BELLEVUE HOSP BELLEVUE, OH 44811	OUTPATIENT PHYSICIAN CLINIC
15 SUPERIOR MEDICAL SHEFFIELD FAMILY HE 5334 MEADOW LANE CT SHEFFIELD VILLAGE, OH 44035	OUTPATIENT PHYSICIAN CLINIC
16 STEPHANIE TUBBS JONES HEALTH CENTER 13944 EUCLID AVENUE EAST CLEVELAND, OH 44112	FAMILY HEALTH CENTER
17 NORTH COAST CANCER 509 W. MCPHERSON HIGHWAY CLYDE, OH 43410	OUTPATIENT PHYSICIAN CLINIC
18 LANDERBROOK OFFICE AND ENDOSCOPY CEN 5900 LANDERBROOK DRIVE MAYFIELD HEIGHTS, OH 44124	OUTPATIENT PHYSICIAN CLINIC
19 AVON POINTE FAMILY HEALTH CENTER 36901 AMERICAN WAY AVON, OH 44011	FAMILY HEALTH CENTER
20 NORTH COAST GASTROENTEROLOGY 30701 CLEMENS ROAD WESTLAKE, OH 44145	OUTPATIENT PHYSICIAN CLINIC

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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? 113

Name and address	Type of Facility (describe)
21 CHAGRIN FALLS FAMILY HEALTH CENTER 551 EAST WASHINGTON STREET CHAGRIN FALLS, OH 44022	FAMILY HEALTH CENTER
22 CLEVELAND CLINIC LYNDHURST CAMPUS 1950 RICHMOND ROAD LYNDHURST, OH 44124	OUTPATIENT PHYSICIAN CLINIC
23 SUPERIOR MEDICAL AMHERST FAMILY HEAL 5172 LEAVITT ROAD LORAIN, OH 44053	OUTPATIENT PHYSICIAN CLINIC
24 AVON LAKE FAMILY HEALTH CENTER 450 AVON BELDEN ROAD AVON LAKE, OH 44012	FAMILY HEALTH CENTER
25 CLEVELAND CLINIC UROLOGICAL INSTITUT 20997 LORAIN FAIRVIEW PARK, OH 44126	OUTPATIENT PHYSICIAN CLINIC
26 MADISON MEDICAL OFFICE 2999 MCMACKIN ROAD MADISON, OH 44057	OUTPATIENT PHYSICIAN CLINIC
27 OHIO RENAL CARE GROUP PD/HOME DIALYS 11203 STOKES BOULEVARD CLEVELAND, OH 44104	DIALYSIS CENTER & DIAGNOSTIC CENTER
28 MENTOR MEDICAL OFFICE 7060 WAYSIDE DRIVE MENTOR, OH 44060	OUTPATIENT PHYSICIAN CLINIC
29 CCF GASTROENTEROLOGY 7530 FREDLE DRIVE CONCORD, OH 44077	OUTPATIENT PHYSICIAN CLINIC
30 COMMUNITY PEDIATRICS 8254 MAYFIELD ROAD CHESTERLAND, OH 44026	OUTPATIENT PHYSICIAN CLINIC

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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? 113

Name and address	Type of Facility (describe)
31 ASHLAND OPHTHALMOLOGY/SUGARBUSH EYE 21 SUGARBUSH COURT ASHLAND, OH 44805	OUTPATIENT PHYSICIAN CLINIC
32 CLEVELAND CLINIC SUMMIT OPHTHALMOLOG 1 PARK WEST BOULEVARD, STE 150 AKRON, OH 44320	OUTPATIENT PHYSICIAN CLINIC
33 WESTERN RESERVE NEUROSURGERY 1900 23RD STREET CUYAHOGA FALLS, OH 44223	OUTPATIENT PHYSICIAN CLINIC
34 MENTOR REHABILITATION AND SPORTS THE 7533 CENTER STREET MENTOR, OH 44060	OUTPATIENT PHYSICIAN CLINIC
35 MIDDLEBURG HEIGHTS ORTHOPAEDICS 7010 ENGLE ROAD STE 105 MIDDLEBURG HEIGHTS, OH 44130	OUTPATIENT PHYSICIAN CLINIC
36 NORTH COAST CANCER 272 BENEDICT AVENUE NORWALK, OH 44857	OUTPATIENT PHYSICIAN CLINIC
37 CLEVELAND CLINIC SUPERIOR MEDICAL CA 1959 COOPER FOSTER PARK ROAD LORAIN, OH 44053	DIAGNOSTIC CENTER
38 OHIO RENAL CARE GROUP, WESTLAKE 26024 DETROIT AVENUE WESTLAKE, OH 44145	DIALYSIS CENTER
39 OHIO RENAL CARE GROUP, WEST 14670 SNOW ROAD BROOKPARK, OH 44142	DIALYSIS CENTER
40 SOUTH RUSSELL FAMILY PRACTICE 5192 CHILLICOTHE ROAD SOUTH RUSSELL, OH 44022	OUTPATIENT PHYSICIAN CLINIC

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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? 113

Name and address	Type of Facility (describe)
41 WILLOUGHBY HILLS BEHAVIORAL HEALTH 2785 SOM CENTER ROAD WILLOUGHBY HILLS, OH 44094	OUTPATIENT PHYSICIAN CLINIC
42 LAKEWOOD FAMILY HEALTH CENTER 16215 MADISON AVENUE LAKEWOOD, OH 44107	FAMILY HEALTH CENTER
43 COMMUNITY PEDIATRICS 2001 CROCKER ROAD WESTLAKE, OH 44145	OUTPATIENT PHYSICIAN CLINIC
44 OHIO RENAL CARE GROUP, SOLON 6020 ENTERPRISE PARKWAY SOLON, OH 44139	DIALYSIS CENTER
45 LORAIN ORTHOPAEDICS 5275 NORTH ABBE ROAD ELYRIA, OH 44035	OUTPATIENT PHYSICIAN CLINIC
46 NORTH RIDGEVILLE MEDICAL OFFICE 35105 CENTER RIDGE ROAD NORTH RIDGEVILLE, OH 44039	OUTPATIENT PHYSICIAN CLINIC
47 THERAPY SERVICES CUYAHOGA FALLS 63 GRAHAM ROAD CUYAHOGA FALLS, OH 44223	OUTPATIENT PHYSICIAN CLINIC
48 OHIO RENAL CARE GROUP, FARNSWORTH 3764 PEARL RD CLEVELAND, OH 44109	DIALYSIS CENTER
49 OHIO RENAL CARE GROUP, EUCLID 26450 EUCLID AVENUE EUCLID, OH 44132	DIALYSIS CENTER
50 OHIO RENAL CARE GROUP OF NORTH RANDA 4750 NORTHFIELD ROAD NORTH RANDALL, OH 44128	DIALYSIS CENTER

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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? 113

Name and address	Type of Facility (describe)
51 CANFIELD ORTHOPAEDICS AND REHABILITA 3736 BOARDMAN CANFIELD ROAD CANFIELD, OH 44406	OUTPATIENT PHYSICIAN CLINIC
52 CHARDON REHABILITATION AND SPORTS TH 325 CENTER STREET CHARDON, OH 44024	OUTPATIENT PHYSICIAN CLINIC
53 OHIO RENAL CARE GROUP, ELYRIA 1050 N. ABBE RD. N ELYRIA, OH 44035	DIALYSIS CENTER
54 CLEVELAND CLINIC DIABETES AND ENDOCR 3733 PARK EAST DRIVE, STE 105 BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
55 LORAIN KOLCZUN ORTHOPAEDICS 5800 COOPER FOSTER PARK ROAD LORAIN, OH 44053	OUTPATIENT PHYSICIAN CLINIC
56 OHIO RENAL CARE GROUP, OHIO ACUTES 2500 METROHEALTH DRIVE CLEVELAND, OH 44109	DIALYSIS CENTER
57 MOHICAN EYE CENTER 484 PARK AVENUE WEST MANSFIELD, OH 44906	OUTPATIENT PHYSICIAN CLINIC
58 OHIO RENAL CARE GROUP, MENTOR 8840 TYLER BLVD MENTOR, OH 44060	DIALYSIS CENTER
59 OHIO RENAL CARE GROUP, WADSWORTH 1160 WILLIAMS RESERVE BLVD WADSWORTH, OH 44281	DIALYSIS CENTER
60 OBERLIN OPHTHALMOLOGY/LAKELAND EYE 309 WEST LORAIN STREET OBERLIN, OH 44074	OUTPATIENT PHYSICIAN CLINIC

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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? 113

Name and address	Type of Facility (describe)
61 OHIO RENAL CARE GROUP, LAKEWOOD 13900 DETROIT RD LAKEWOOD, OH 44109	DIALYSIS CENTER
62 WADSWORTH PRIMARY CARE ONE PARK CENTER DRIVE WADSWORTH, OH 44281	OUTPATIENT PHYSICIAN CLINIC
63 MOHICAN EYE CENTER 637 NORTH UNION STREET LOUDONVILLE, OH 44842	OUTPATIENT PHYSICIAN CLINIC
64 CLEVELAND CLINIC CHILDREN'S CENTER F 21016 HILLIARD BOULEVARD ROCKY RIVER, OH 44116	OUTPATIENT PHYSICIAN CLINIC
65 NPCC - CANAL PLACE 520 SOUTH MAIN STREET AKRON, OH 44311	OUTPATIENT PHYSICIAN CLINIC
66 SUGARBUSH EYE AND LASER CENTER 1456 PARK AVENUE WEST, STE P MANSFIELD, OH 44906	OUTPATIENT PHYSICIAN CLINIC
67 EXPRESS CARE 313 EUCLID AVENUE CLEVELAND, OH 44114	OUTPATIENT PHYSICIAN CLINIC
68 THE LANGSTON HUGHES CENTER CLEVELAND 2390 E 79TH ST. CLEVELAND, OH 44104	OUTPATIENT PHYSICIAN CLINIC
69 OLMSTED TOWNSHIP PRIMARY CARE 27089 BAGLEY ROAD OLMSTED TOWNSHIP, OH 44138	OUTPATIENT PHYSICIAN CLINIC
70 ACCESS TO CARE 29000 AURORA ROAD OLON, OH 44139	OUTPATIENT PHYSICIAN CLINIC

Schedule H (Form 990) 2016

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? 113

Name and address	Type of Facility (describe)
71 ASHTABULA COUNTY MEDICAL CENTER 2422 LAKE AVENUE ASHTABULA, OH 44004	OUTPATIENT PHYSICIAN CLINIC
72 BOARDMAN STAR IMAGING 7067 TIFFANY BOULEVARD BOARDMAN, OH 44512	DIAGNOSTIC CENTER
73 CCF GASTROENTEROLOGY 3700 PARK EAST DRIVE BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
74 CENTER FOR ARTHRITIS 1716 NORTH ROAD SE WARREN, OH 44484	OUTPATIENT PHYSICIAN CLINIC
75 CLEVELAND CLINIC ADMINISTRATIVE CAMP 3275 SCIENCE PARK DRIVE, BLDG 5 BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
76 CLEVELAND CLINIC EYE CARE 21245 LORAIN ROAD FAIRVIEW PARK, OH 44126	OUTPATIENT PHYSICIAN CLINIC
77 CLEVELAND CLINIC FAMILY MEDICINE 19300 DETROIT AVENUE ROCKY RIVER, OH 44116	OUTPATIENT PHYSICIAN CLINIC
78 CLEVELAND CLINIC SPINE & SURGERY 34 EXECUTIVE DRIVE NORWALK, OH 44857	OUTPATIENT PHYSICIAN CLINIC
79 CLEVELAND CLINIC STAR IMAGING 1449 BOARDMAN-CANFIELD ROAD BOARDMAN, OH 44512	DIAGNOSTIC CENTER
80 CLUB VIEW VISION CENTER OPTOMETRIC 1650 E. MANSFIELD STREET BUCYRUS, OH 44820	OUTPATIENT PHYSICIAN CLINIC

Schedule H (Form 990) 2016

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? 113

Name and address	Type of Facility (describe)
81 COLE EYE INSTITUTE 2000 AUBURN DRIVE, STE 100 BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
82 COLUMBUS STAR IMAGING 1550 KENNY ROAD COLUMBUS, OH 43212	DIAGNOSTIC CENTER
83 COLUMBUS STAR IMAGING 921 JASONWAY AVENUE COLUMBUS, OH 43214	DIAGNOSTIC CENTER
84 COLUMBUS STAR IMAGING 6096 EAST MAIN STREET COLUMBUS, OH 44213	DIAGNOSTIC CENTER
85 COLUMBUS STAR IMAGING 975 & 985 BETHEL ROAD COLUMBUS, OH 43214	OUTPATIENT PHYSICIAN CLINIC
86 DAYTON STAR IMAGING 5529 FAR HILLS AVENUE DAYTON, OH 45429	OUTPATIENT PHYSICIAN CLINIC
87 FAIRVIEW WESTOWN PHYSICIAN CENTER 10694 LORAIN AVENUE CLEVELAND, OH 44111	OUTPATIENT PHYSICIAN CLINIC
88 GRADISEK FAMILY VISION CARE 1142 W. 37TH STREET LORAIN, OH 44052	OUTPATIENT PHYSICIAN CLINIC
89 INDEPENDENCE CANCER CENTER 6100 WEST CREEK ROAD INDEPENDENCE, OH 44131	OUTPATIENT PHYSICIAN CLINIC
90 KINDRED HEALTH CARE CLEVELAND 11900 FAIRHILL ROAD CLEVELAND, OH 44120	OUTPATIENT PHYSICIAN CLINIC

Schedule H (Form 990) 2016

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? 113

Name and address	Type of Facility (describe)
91 LAKE HEALTH (REGIONAL NEUROSCIENCES) 36001 EUCLID AVENUE WILLOUGHBY, OH 44094	OUTPATIENT PHYSICIAN CLINIC
92 LAKEWEST MEDICAL BUILDING 36100 EUCLID AVENUE STE 280 WILLOUGHBY, OH 44094	OUTPATIENT PHYSICIAN CLINIC
93 LAKEWOOD FAMILY MEDICINE - ROCKPORT 11851 DETROIT AVENUE LAKEWOOD, OH 44107	OUTPATIENT PHYSICIAN CLINIC
94 MARYMOUNT REHABILITATION AND SPORTS 2525 EAST ROYALTON ROAD BROADVIEW HEIGHTS, OH 44147	OUTPATIENT PHYSICIAN CLINIC
95 NILES STAR IMAGING 652 YOUNGSTOWN WARREN ROAD NILES, OH 44446	DIAGNOSTIC CENTER
96 NILES STAR IMAGING 650 YOUNGSTOWN-WARREN ROAD NILES, OH 44446	OUTPATIENT PHYSICIAN CLINIC
97 NPCC - BEACHWOOD 26110 EMERY ROAD WARRENSVILLE HEIGHTS, OH 44128	OUTPATIENT PHYSICIAN CLINIC
98 OUTPATIENT PEDIATRIC CLINIC 1912 HAYES AVENUE SANDUSKY, OH 44870	OUTPATIENT PHYSICIAN CLINIC
99 ROCKSIDE MEDICAL CENTER 6701 ROCKSIDE ROAD INDEPENDENCE, OH 44131	OUTPATIENT PHYSICIAN CLINIC
100 SLEEP DISORDERS CENTER 24901 COUNTRY CLUB BOULEVARD NORTH OLMS TED, OH 44070	DIAGNOSTIC CENTER

Schedule H (Form 990) 2016

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? 113

Name and address	Type of Facility (describe)
101 SLEEP DISORDERS CENTER 8971 WILCOX DRIVE TWINSBURG, OH 44087	DIAGNOSTIC CENTER
102 SLEEP DISORDERS CENTER 5051 WEST CREEK ROAD INDEPENDENCE, OH 44131	DIAGNOSTIC CENTER
103 SLEEP DISORDERS CENTER 3122 EASTPOINTE DRIVE MEDINA, OH 44256	DIAGNOSTIC CENTER
104 SLEEP DISORDERS CENTER 5785 HEISLEY ROAD MENTOR, OH 44060	DIAGNOSTIC CENTER
105 SUMMIT OPHTHALMOLOGY 1587 BOETTLER ROAD GREEN, OH 44685	OUTPATIENT PHYSICIAN CLINIC
106 THERAPY SERVICES SOUTH 17800 JEFFERSON PARK DRIVE, STE 101 MIDDLEBURG HTS, OH 44130	OUTPATIENT PHYSICIAN CLINIC
107 THERAPY SERVICES WEST 826 WESTPOINT PKWY, STE 1200 WESTLAKE, OH 44145	OUTPATIENT PHYSICIAN CLINIC
108 VALLEY CITY FAMILY MEDICINE 6605 CENTER ROAD VALLEY CITY, OH 44280	OUTPATIENT PHYSICIAN CLINIC
109 WELLINGTON MEDICAL OFFICE 805 PATRIOT DRIVE, UNIT E WELLINGTON, OH 44090	OUTPATIENT PHYSICIAN CLINIC
110 WEST VALLEY MEDICAL 20455 LORAIN ROAD, #301 FAIRVIEW PARK, OH 44126	OUTPATIENT PHYSICIAN CLINIC

Schedule H (Form 990) 2016

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 3C:

CCF PROVIDES MEDICALLY NECESSARY SERVICES TO ALL PATIENTS, REGARDLESS OF

RACE, COLOR, CREED, GENDER OR COUNTRY OF NATIONAL ORIGIN AND WITHOUT

REGARD TO THE PATIENT'S ABILITY TO PAY. CCF HAS A FINANCIAL ASSISTANCE

POLICY THAT IS AMONG THE MOST GENEROUS IN NORTHEAST OHIO. THIS POLICY

APPLIES TO ALL CCF FACILITIES, AND THE AMOUNT OF CARE PROVIDED UNDER THE

POLICY IS DETERMINED BY NEED AND IS NOT LIMITED OR RATIONED BY BUDGETED

AMOUNTS.

UNDER THE POLICY, CCF PROVIDES FREE CARE TO INDIVIDUALS WITHOUT INSURANCE

WITH INCOMES UP TO 250% OF THE FEDERAL POVERTY LEVEL AND DISCOUNTED CARE

ON A SLIDING SCALE UP TO 400% OF THE FEDERAL POVERTY LEVEL. IN ADDITION,

THE POLICY CONTAINS ADDITIONAL WAYS TO QUALIFY BASED ON FINANCIAL OR

MEDICAL NEED. UNLIKE THE FINANCIAL ASSISTANCE POLICIES OF MOST HOSPITALS,

THE CCF POLICY APPLIES TO BOTH HOSPITAL CHARGES AND CERTAIN PROFESSIONAL

FEES FOR SERVICES PROVIDED BY CCF EMPLOYED PHYSICIANS.

PART I, LINE 7:

THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE COST AMOUNTS REPORTED IN

632100 11-02-16

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ITEM 7. FOR CERTAIN CATEGORIES, THE BEST AVAILABLE DATA WAS DERIVED FROM

A COST ACCOUNTING SYSTEM. IN OTHER CATEGORIES, SPECIFIC COST-TO-CHARGE

RATIOS WERE CALCULATED AND APPLIED TO THAT CATEGORY.

PART I, LINE 7G:

CCF EMPLOYS ITS PHYSICIANS, THEREFORE THE ASSOCIATED COSTS AND CHARGES

RELATING TO THESE PHYSICIAN SERVICES ARE INCLUDED IN ALL RELEVANT

CATEGORIES OF PART I.

PART I, LN 7 COL(F):

ADDITIONAL BAD DEBT EXPENSE ADDED FOR PURPOSES OF CALCULATING THE

PERCENTAGES BUT NOT REPORTED ON FORM 990 IS \$891,819.

PART I, LINE 6A

SCH H PART I LINE 6A - AN ANNUAL COMMUNITY BENEFIT REPORT IS PREPARED

FOR THE HEALTH SYSTEM AS A WHOLE, WHICH INCLUDES THE PARENT

ORGANIZATION AND RELATED AFFILIATES.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7

NOTE THAT THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFITS OF \$566,580,222 AS REPORTED ON PART I, LINE 7 DIFFERS FROM THE TOTAL COMMUNITY BENEFIT FOR CLEVELAND CLINIC AS REPORTED AS A COMPONENT OF THE OVERALL SYSTEM'S COMMUNITY BENEFIT REPORT. THE AMOUNT DIFFERS IN TWO RESPECTS:

- 1) IRS DOES NOT CONSIDER COMMUNITY BUILDING ACTIVITIES AS REPORTED IN PART II TO BE COMMUNITY BENEFIT WHERE THESE ACTIVITIES ARE INCLUDED IN COMMUNITY BENEFIT PER CHA GUIDELINES, AND
- 2) THE PROPORTIONATE SHARE OF JOINT VENTURE COMMUNITY BENEFIT IS INCLUDED IN LINE 7.

PART II, COMMUNITY BUILDING ACTIVITIES:

CLEVELAND CLINIC ADDRESSES VARIOUS COMMUNITY CONCERNS, INCLUDING HEALTH IMPROVEMENT, POVERTY, WORKFORCE DEVELOPMENT, AND ACCESS TO HEALTH CARE.

CLEVELAND CLINIC DEVOTES EMPLOYEE TIME AND TALENT TO PARTICIPATE IN

COMMUNITY COLLABORATION BOARDS, HEALTH ADVOCACY PROGRAMS, AND PHYSICAL

632100 11-02-16

Schedule H (Form 990) 2016

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.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IMPROVEMENT PROJECTS TO PROMOTE THE HEALTH OF THE COMMUNITIES THE
ORGANIZATION SERVES.

PART III, LINE 2:

ANY DISCOUNTS PROVIDED OR PAYMENTS MADE TO A PARTICULAR PATIENT ACCOUNT
ARE APPLIED TO THAT PATIENT ACCOUNT PRIOR TO ANY BAD DEBT WRITE-OFF AND
ARE THUS, NOT INCLUDED IN BAD DEBT EXPENSE.

PART III, LINE 4:

TEXT OF FOOTNOTE FROM AUDITED FINANCIAL STATEMENTS:

PATIENT RECEIVABLES ARE REDUCED BY AN ALLOWANCE FOR UNCOLLECTIBLE
ACCOUNTS. THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON
MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS
CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN
HEALTHCARE COVERAGE, MAJOR PAYOR SOURCES AND OTHER COLLECTION INDICATORS.
PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THIS REVIEW ARE THEN USED TO

MAKE MODIFICATIONS TO THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS TO

ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES. AFTER

SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE SYSTEM FOLLOWS ESTABLISHED

GUIDELINES FOR PLACING CERTAIN PAST-DUE PATIENT BALANCES WITH COLLECTION

AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION

EFFORTS AS DETERMINED BY THE SYSTEM.

PART III, LINE 8:

MEDICARE ALLOWABLE COSTS ARE CALCULATED USING A COST-TO-CHARGE RATIO.

CCF HAS USED THE CHA METHODOLOGY FOR REPORTING COMMUNITY BENEFIT SINCE

2004 AS IT WAS THE EMERGING COMMUNITY BENEFIT REPORTING STANDARD AND NOW

HAS BEEN ADOPTED IN LARGE PART BY THE IRS FOR 990 REPORTING PURPOSES. THE

CHA MODEL DOES NOT INCLUDE MEDICARE SHORTFALL AS COMMUNITY BENEFIT.

PART III, LINE 9B:

YES, CLEVELAND CLINIC HAS A WRITTEN DEBT COLLECTION POLICY. IT IS OUR

632100 11-02-16

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.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

POLICY NOT TO PURSUE COLLECTION PRACTICES AGAINST PATIENTS KNOWN TO
 QUALIFY FOR FINANCIAL ASSISTANCE PROGRAMS OR BEFORE REASONABLE EFFORTS
 HAVE BEEN MADE TO MAKE SUCH DETERMINATION. IN CERTAIN CASES IT MAY NOT BE
 EASILY DETERMINED WHETHER OR NOT A PATIENT QUALIFIES FOR FINANCIAL
 ASSISTANCE; HOWEVER, IF AFTER COLLECTION PRACTICES HAVE BEGUN IT LATER
 BECOMES KNOWN THAT A PATIENT QUALIFIES, THE COLLECTION EFFORTS CEASE.
 ADDITIONALLY, OUR EXTERNAL THIRD-PARTY (COLLECTION) AGENCIES ARE TRAINED
 ON OUR FINANCIAL ASSISTANCE POLICY AND ASSIST A PATIENT IN NEED BY
 SUPPLYING OUR APPLICATION FOR FINANCIAL ASSISTANCE.

PART III, LINE 5, 6, & 7

IN ADDITION TO THE MEDICARE PROGRAMS REFLECTED IN THE COST REPORTS, CCF
 INCURS COSTS AND RECEIVES REIMBURSEMENT FOR OTHER MEDICARE ELIGIBLE
 SERVICES. THE TOTAL REVENUE RECEIVED AND COSTS ASSOCIATED WITH THE
 ADDITIONAL MEDICARE SERVICES ARE \$650,730,297 AND \$961,492,542
 RESPECTIVELY. THIS RESULTS IN ADDITIONAL MEDICARE SHORTFALL OF
 \$310,762,245 WHICH, NETTED WITH THE SURPLUS OF \$2,907,587 AS REPORTED

ON THE COST REPORTS BRINGS THE TOTAL MEDICARE SHORTFALL TO

632100 11-02-16

Part VI Supplemental Information

Provide the following information.

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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

\$307,854,661.

PART VI, LINE 2:

IN ADDITION TO THE CHNA PROCESS, CCF'S INSTITUTES AND DEPARTMENTS MAY
GATHER, ANALYZE, AND REVIEW RELEVANT HEALTH STATISTICS AND DEMOGRAPHIC
DATA FOR THE COMMUNITY FOR THAT PARTICULAR FACILITY'S COMMUNITY. THE DATA
IS USED TO EVALUATE POTENTIAL NEW OR REVISED HEALTH SERVICES THAT CCF MAY
PROVIDE TO PARTICULAR GROUPS OF PATIENTS WITHIN THE COMMUNITIES IT SERVES.

PART VI, LINE 3:

INFORMING THE PUBLIC THAT FINANCIAL ASSISTANCE IS AVAILABLE IS AN
IMPORTANT ELEMENT OF OUR FINANCIAL ASSISTANCE PROGRAM AND THE CLEVELAND
CLINIC CONTINUOUSLY STRIVES TO IMPROVE ITS COMMUNICATIONS WITH PATIENTS ON
THE AVAILABILITY OF FINANCIAL ASSISTANCE. INFORMATION ABOUT THE
FINANCIAL ASSISTANCE POLICY IS POSTED ON THE CLEVELAND CLINIC WEBSITE.
ALL PATIENT BILLS INCLUDE DETAILED INFORMATION REGARDING THE FINANCIAL
ASSISTANCE POLICY AND AN INSERT DESCRIBING THE FINANCIAL ASSISTANCE

Part VI Supplemental Information

Provide the following information.

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

PROGRAM IS INCLUDED WITH BILLING STATEMENTS. A PLAIN LANGUAGE SUMMARY OF
 THE FINANCIAL ASSISTANCE POLICY IS AVAILABLE THROUGHOUT CCF, INCLUDING IN
 PATIENT REGISTRATION AREAS, ONLINE, AND WITH FINANCIAL COUNSELORS WHO ARE
 PRESENT ON-SITE AT EACH CLEVELAND CLINIC HOSPITAL AND OHIO FAMILY HEALTH
 CENTER TO ASSIST PATIENTS IN QUALIFYING FOR GOVERNMENTAL ASSISTANCE
 PROGRAMS AND FINANCIAL ASSISTANCE. A DESCRIPTION OF THE POLICY IS ALSO
 INCLUDED IN OUR INSURANCE AND BILLING INFORMATION PATIENT BROCHURE, WHICH
 IS AVAILABLE AT REGISTRATION DESKS AND WITH FINANCIAL COUNSELORS.

PART VI, LINE 4:

THE CLEVELAND CLINIC'S COMMUNITY IS DEFINED BY BOTH MISSION AND GEOGRAPHY.
 THE GEOGRAPHIC COMMUNITY IS DEFINED BY THE HOSPITAL FACILITY'S IMMEDIATELY
 CONTIGUOUS AREAS AS WELL AS THE BROADER SURROUNDING COUNTIES/REGIONS FROM
 WHICH THE MAJORITY OF DISCHARGED INPATIENTS RESIDE. ADDITIONALLY, THE
 COMMUNITY INCLUDES PATIENTS WHO REQUIRE THE EXPERTISE AND SPECIALIZED
 SERVICES OF THE CLEVELAND CLINIC. THE COMMUNITY FOR MEDICAL RESEARCH AND
 EDUCATION IS THE PUBLIC AT LARGE.

Part VI Supplemental Information

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

PART VI, LINE 5:

ONE OF THE HALLMARKS OF A CHARITABLE ORGANIZATION IS THAT THE ORGANIZATION
SERVES A BROAD, INDEFINITE CHARITABLE CLASS. ONE OF THE KEY INDICATORS
THAT AN ORGANIZATION SERVES THE BROADER COMMUNITY IS CONTROL OF THE
ORGANIZATION BY INDEPENDENT COMMUNITY LEADERS. CCF AND ITS NORTHEAST OHIO
REGIONAL HOSPITAL GOVERNING BOARDS ARE MADE UP OF MEMBERS OF THE COMMUNITY
WHO DIRECT AND GUIDE MANAGEMENT IN CARRYING OUT THE MISSION OF CCF AND ITS
SUBORDINATES. TRUSTEES/DIRECTORS ARE SELECTED ON THE BASIS OF THEIR
EXPERTISE AND EXPERIENCE IN A VARIETY OF AREAS BENEFICIAL TO THE CLEVELAND
CLINIC AND THE HEALTH SYSTEM AND ARE NOT COMPENSATED FOR THEIR SERVICES.

ANOTHER HALLMARK OF A CHARITABLE ORGANIZATION IS THAT SURPLUS FUNDS ARE
USED TO FURTHER CHARITABLE PURPOSES AND ACTIVITIES. SURPLUS FUNDS FOR
CCF AND ITS SUBORDINATES ARE REINVESTED AND USED TO CARRY OUT THE
ORGANIZATION'S EXEMPT MISSION -- PATIENT CARE, RESEARCH, AND EDUCATION.

PART VI, LINE 6:

CLEVELAND CLINIC IS THE PARENT ORGANIZATION OF THE HEALTH SYSTEM, AN

632100 11-02-16

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.

INTEGRATED HEALTH SYSTEM CONSISTING OF AN ACADEMIC MEDICAL CENTER, MEDICAL
SCHOOL, COMMUNITY HOSPITALS, FAMILY HEALTH CENTERS, VARIOUS ANCILLARY
SERVICES, AND A LARGE GROUP OF EMPLOYED PHYSICIANS AND PHYSICIAN
RESEARCHERS.

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.

OMB No. 1545-0047

2016

Open to Public
Inspection

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

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number
34-0714585

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 non-cash assistance	(h) Purpose of grant or assistance
ALICE FLAHERTY EXCELLENCE IN NURSING SCHOLARSHIP FUND, INC. - 24179 AMBOUR DR - NORTH OLMSTED, OH 44070	47-0974372	501(C)(3)	10,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
ALZHEIMERS ASSOCIATION 12200 FAIRHILL RD CLEVELAND, OH 44120	34-1311175	501(C)(3)	13,000.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN CANCER SOCIETY 10501 EUCLID AVE CLEVELAND, OH 44106	13-1788491	501(C)(3)	58,730.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVE DALLAS, TX 75231	59-0637852	501(C)(3)	241,145.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN LUNG ASSOCIATION 1740 BROADWAY NEW YORK, NY 10019	13-1632524	501(C)(3)	21,500.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN NATIONAL RED CROSS 431 18TH ST NW WASHINGTON, DC 20006	53-0196605	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT

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

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

80.

4.

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

Schedule I (Form 990) (2016)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)							
(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 non-cash assistance	(h) Purpose of grant or assistance
ANTIOCH BAPTIST CHURCH 8869 CEDAR AVE CLEVELAND, OH 44106	36-4497121	501(C)(3)	5,500.	0.			COMMUNITY SUPPORT
ARTHRITIS FOUNDATION 1330 WEST PEACHTREE ST NW ATLANTA, GA 30309	58-1341679	501(C)(3)	8,500.	0.			HEALTHCARE RESEARCH & EDUCATION
AUTISM SPEAKS, INC. 1 E 33RD ST, 4TH FL NEW YORK, NY 10016	20-2329938	501(C)(3)	20,000.	0.			HEALTHCARE RESEARCH & EDUCATION
AVON LAKE CITY SCHOOLS 175 AVON BELDEN RD AVON LAKE, OH 44012	34-6000164	GOV. ENTITY	14,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
BOY SCOUTS OF AMERICA 2241 WOODLAND AVE CLEVELAND, OH 44115	34-0714322	501(C)(3)	7,500.	0.			COMMUNITY SUPPORT
BOYS AND GIRLS CLUBS OF CLEVELAND 6114 BROADWAY AVE CLEVELAND, OH 44127	34-0770686	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
BURTON BELL CARR DEVELOPMENT, INC. 7201 KINSMAN RD CLEVELAND, OH 44104	34-1657533	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
BUSINESS VOLUNTEERS UNLIMITED 1300 E 9TH ST, STE 1805 CLEVELAND, OH 44114	34-1724581	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
CANCER SERVICES OF ERIE COUNTY 505 E PERKINS AVE SANDUSKY, OH 44870	34-0877577	501(C)(3)	7,500.	0.			HEALTHCARE RESEARCH & EDUCATION

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(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 non-cash assistance	(h) Purpose of grant or assistance
CARE ALLIANCE 1795 W 25TH ST CLEVELAND, OH 44113	34-1748776	501(C)(3)	20,000.	0.			HEALTHCARE RESEARCH & EDUCATION
CASE WESTERN RESERVE UNIVERSITY 2040 ADELBERT RD CLEVELAND, OH 44106	34-1018992	501(C)(3)	35,500.	0.			SUPPORT EDUCATIONAL ACTIVITIES
CENTERS FOR FAMILIES AND CHILDREN 601 LAKESIDE AVE CLEVELAND, OH 44114	23-7084455	501(C)(3)	16,000.	0.			COMMUNITY SUPPORT
CHAGRIN FALLS BUSINESS & COMMUNITY PARTNERSHIP - 57 E WASHINGTON ST - CHAGRIN FALLS, OH 44022	31-1564112	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
CHAGRIN VALLEY PHA HORSE SHOWS, INC. - 9129 OLD MEADOW DR - CHAGRIN FALLS, OH 44023	23-7275317	501(C)(3)	6,700.	0.			COMMUNITY SUPPORT
CLEVELAND CLINIC EDUCATIONAL FOUNDATION - 9500 EUCLID AVE - CLEVELAND, OH 44195	34-0714553	501(C)(3)	22,945,312.	0.			HEALTHCARE RESEARCH & EDUCATION
CLEVELAND INTERNATIONAL FILM FESTIVAL, INC. - 2510 MARKET AVE - CLEVELAND, OH 44113	34-1262368	501(C)(3)	12,000.	0.			COMMUNITY SUPPORT
CLEVELAND LEADERSHIP CENTER 1375 E 9TH ST CLEVELAND, OH 44114	34-1927317	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
CLEVELAND METROPARKS 4101 FULTON PARKWAY CLEVELAND, OH 44144	34-6000704	GOV. ENTITY	60,000.	0.			COMMUNITY SUPPORT

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)							(h) Purpose of grant or assistance
(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 non-cash assistance	
CLEVELAND METROPOLITAN SCHOOL DISTRICT - 1380 E 6TH ST - CLEVELAND, OH 44114	34-6000662	GOV. ENTITY	10,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
CLEVELAND MUSEUM OF NATURAL HISTORY - 1 WADE OVAL DR - CLEVELAND, OH 44106	34-0714338	501(C)(3)	31,250.	0.			COMMUNITY SUPPORT
CLEVELAND SCHOOL OF SCIENCE & MEDICINE - 2075 STOKES BLVD - CLEVELAND, OH 44106	34-3740643	501(C)(3)	10,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
CLEVELAND SOCCER ACADEMY 26555 RICHMOND RD BEDFORD HTS, OH 44146	32-0348599	501(C)(3)	7,000.	0.			COMMUNITY SUPPORT
CLEVELAND SOCIETY FOR THE BLIND 1909 E 101ST ST CLEVELAND, OH 44106	34-0714652	501(C)(3)	7,500.	0.			HEALTHCARE RESEARCH & EDUCATION
COLON CANCER ALLIANCE 1025 VERMONT AVE NW, STE 1066 WASHINGTON, DC 20005	86-0947831	501(C)(3)	12,500.	0.			HEALTHCARE RESEARCH & EDUCATION
CORNERSTONE OF HOPE 6600 DAISY AVE INDEPENDENCE, OH 44131	34-1945499	501(C)(3)	6,000.	0.			COMMUNITY SUPPORT
CUYAHOGA COMMUNITY COLLEGE PO BOX 92928 CLEVELAND, OH 44194	34-0896630	501(C)(3)	10,550.	0.			SUPPORT EDUCATIONAL ACTIVITIES
DANCING CLASSROOMS NORTHEAST OHIO 1085 ROCKSIDE RD, STE 6 PARMA, OH 44134	26-2300532	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(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 non-cash assistance	(h) Purpose of grant or assistance
DIABETES PARTNERSHIP OF CLEVELAND 3601 S GREEN RD, STE 100 CLEVELAND, OH 44122	34-0762558	501(C)(3)	6,200.	0.			HEALTHCARE RESEARCH & EDUCATION
DIVERSITY CENTER OF NORTHEAST OHIO, INC. - 3659 GREEN RD, STE 220 - CLEVELAND, OH 44122	20-1966761	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
EFFECTIVE LEADERSHIP ACADEMY 4480 RICHMOND RD WARRENSVILLE HTS. OH 44128	26-3385437	501(C)(3)	28,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
ESPERANZA, INC. 4115 BRIDGE AVE CLEVELAND, OH 44113	34-1403492	501(C)(3)	15,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
FAIRFAX RENAISSANCE DEVELOPMENT CORPORATION - 8111 QUINCY AVE, STE 100 - CLEVELAND, OH 44104	34-1706856	501(C)(3)	800,611.	0.			COMMUNITY SUPPORT
FAMICOS FOUNDATION, INC. 1325 ANSEL RD CLEVELAND, OH 44106	34-1053534	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
FATIMA FAMILY CENTER 6600 LEXINGTON AVE CLEVELAND, OH 44103	26-1323950	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
FRIENDS OF BREAKTHROUGH SCHOOLS 3615 SUPERIOR AVE CLEVELAND, OH 44114	20-4948838	501(C)(3)	10,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
GATHERING PLACE 23300 COMMERCE PARK BEACHWOOD, OH 44122	34-1879035	501(C)(3)	35,000.	0.			COMMUNITY SUPPORT

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)							
(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 non-cash assistance	(h) Purpose of grant or assistance
GIRL SCOUTS OF LAKE ERIE COUNCIL 19201 VILLAVIEW RD CLEVELAND, OH 44119	34-0714415	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
GREATER CLEVELAND FOOD BANK, INC. 15500 S WATERLOO RD CLEVELAND, OH 44110	34-1292848	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
GREATER CLEVELAND HABITAT FOR HUMANITY - 2110 W 110TH ST - CLEVELAND, OH 44102	31-1209423	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
GREATER CLEVELAND SPORTS COMMISSION - 50 PUBLIC SQUARE, STE 950 - CLEVELAND, OH 44113	31-1381131	501(C)(3)	7,000.	0.			COMMUNITY SUPPORT
HISPANIC ALLIANCE, INC. 3110 W 25TH ST CLEVELAND, OH 44109	26-2001603	501(C)(3)	7,500.	0.			COMMUNITY SUPPORT
HISPANIC ROUNDTABLE COMMUNITY PROGRAMS - 1900 E 9TH ST - CLEVELAND, OH 44114	20-0932464	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT
HISPANIC UNITY OF FLORIDA, INC. 5840 JOHNSON ST HOLLYWOOD, FL 33021	59-2230272	501(C)(3)	25,000.	0.			COMMUNITY SUPPORT
INNER CITY TENNIS CLINICS INCORPORATED - PO BOX 32551 - CLEVELAND, OH 44132	27-1789893	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
KARAMU HOUSE 2355 E 89TH ST CLEVELAND, OH 44106	34-0714448	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(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 non-cash assistance	(h) Purpose of grant or assistance
KEEP MEMORY ALIVE 888 W BONNEVILLE AVE LAS VEGAS, NV 89106	88-0515534	501(C)(3)	48,500.	0.			HEALTHCARE RESEARCH & EDUCATION
KIDNEY FOUNDATION OF OHIO, INC. 2831 PROSPECT AVE CLEVELAND, OH 44115	34-0827748	501(C)(3)	13,200.	0.			HEALTHCARE RESEARCH & EDUCATION
MAIN STREET MEDINA 23 PUBLIC SQUARE, STE 220 MEDINA, OH 44256	26-1802645	501(C)(3)	10,500.	0.			COMMUNITY SUPPORT
MALTZ MUSEUM OF JEWISH HERITAGE 2929 RICHMOND RD BEACHWOOD, OH 44122	04-3684531	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
MARCH OF DIMES FOUNDATION 614 SUPERIOR AVE NW CLEVELAND, OH 44113	13-1846366	501(C)(3)	12,000.	0.			HEALTHCARE RESEARCH & EDUCATION
MEDWISH INTERNATIONAL 17325 EUCLID AVE CLEVELAND, OH 44112	34-1903712	501(C)(3)	10,000.	1,611,953.	ESTIMATED VALUE	MEDICAL SUPPLIE	HEALTHCARE RESEARCH & EDUCATION
MEDWORKS 1950 RICHMOND RD LYNDHURST, OH 44124	26-3858369	501(C)(3)	15,000.	0.			HEALTHCARE RESEARCH & EDUCATION
METRO HEALTH SYSTEM 2500 METROHEALTH DR CLEVELAND, OH 44109	34-6004382	501(C)(3)	234,195.	0.			HEALTHCARE RESEARCH & EDUCATION
NATIONAL KIDNEY FOUNDATION 30 E 33RD ST NEW YORK, NY 10016	13-1673104	501(C)(3)	16,500.	0.			HEALTHCARE RESEARCH & EDUCATION

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)							
(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 non-cash assistance	(h) Purpose of grant or assistance
NATIONAL MULTIPLE SCLEROSIS SOCIETY - 1422 EUCLID AVE - CLEVELAND, OH 44115	13-5661935	501(C)(3)	15,000.	0.			HEALTHCARE RESEARCH & EDUCATION
NORTH UNION FARMERS MARKET 13212 SHAKER SQUARE, STE 302 CLEVELAND, OH 44120	34-1812026	501(C)(3)	48,500.	0.			COMMUNITY SUPPORT
NORTHEAST OHIO NEIGHBORHOOD HEALTH SERVICES, INC. - 4800 PAYNE AVE - CLEVELAND, OH 44103	34-1014291	501(C)(3)	6,500.	0.			HEALTHCARE RESEARCH & EDUCATION
OPEN DOORS, INC. 3311 PERKINS AVE CLEVELAND, OH 44114	04-3697716	501(C)(3)	16,300.	0.			COMMUNITY SUPPORT
RAINEY INSTITUTE 1523 E 55TH ST CLEVELAND, OH 44144	34-6555952	501(C)(3)	17,500.	0.			COMMUNITY SUPPORT
RECOVERY RESOURCES 3950 CHESTER AVE CLEVELAND, OH 44114	34-1211116	501(C)(3)	15,000.	0.			HEALTHCARE RESEARCH & EDUCATION
REGIONAL TRANSIT AUTHORITY PO BOX 6566 CLEVELAND, OH 44101	34-1170830	GOV. ENTITY	250,000.	0.			COMMUNITY SUPPORT
RESEARCH AMERICA 1101 KING ST ALEXANDRIA, VA 22314	52-1609875	501(C)(3)	10,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
RETREAT & REFRESH STROKE CAMP 2000 W PIONEER PKWY, STE 16 PEORIA, IL 61615	64-0954851	501(C)(3)	7,500.	0.			HEALTHCARE RESEARCH & EDUCATION

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)							
(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 non-cash assistance	(h) Purpose of grant or assistance
RONALD McDONALD HOUSE OF CLEVELAND, INC. - 10415 EUCLID AVE - CLEVELAND, OH 44106	34-1269123	501(C)(3)	35,336.	0.			HEALTHCARE RESEARCH & EDUCATION
SAINT MARTIN DE PORRES HIGH SCHOOL 6111 LAUSCHE AVE CLEVELAND, OH 44103	52-2401852	501(C)(3)	156,684.	0.			SUPPORT EDUCATIONAL ACTIVITIES
SOUTH EUCLID UNITED CHURCH OF CHRIST - 4217 BLUESTONE RD - SOUTH EUCLID, OH 44121	34-0714615	501(C)(3)	291,667.	0.			COMMUNITY SUPPORT
SUSAN G KOMEN BREAST CANCER FOUNDATION - 26210 EMERY RD, STE 307 - CLEVELAND, OH 44128	34-1793460	501(C)(3)	20,000.	0.			HEALTHCARE RESEARCH & EDUCATION
THE CLEVELAND FOUNDATION 1422 EUCLID AVE, STE 1300 CLEVELAND, OH 44115	34-0714588	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
THE FREE CLINIC OF GREATER CLEVELAND - 12201 EUCLID AVE - CLEVELAND, OH 44106	23-7078501	501(C)(3)	22,500.	0.			HEALTHCARE RESEARCH & EDUCATION
THE RESEARCH AND EDUCATIONAL FOUNDATION OF THE OHIO HOSPITAL ASSOCIATION - 155 E BROAD ST, STE 301 - COLUMBUS, OH 43215	31-6060347	501(C)(3)	6,000.	0.			HEALTHCARE RESEARCH & EDUCATION
THE VILLAGE AT MARYMOUNT 5200 MARYMOUNT VILLAGE DR GARFIELD HTS, OH 44125	20-5652595	501(C)(3)	26,500.	0.			HEALTHCARE RESEARCH & EDUCATION
TRANSPLANT GAMES OF AMERICA 217 GRANDVILLE AVE SW, STE 301 GRAND RAPIDS, MI 49503	46-1252372	501(C)(3)	50,000.	0.			COMMUNITY SUPPORT

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)							
(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 non-cash assistance	(h) Purpose of grant or assistance
UNITED WAY OF GREATER CLEVELAND 1331 EUCLID AVE CLEVELAND, OH 44115	34-6516654	501(C)(3)	67,196.	12,500.	ESTIMATED VALUE	ARTWORK	COMMUNITY SUPPORT
UNIVERSITY CIRCLE INCORPORATED 10831 MAGNOLIA DR CLEVELAND, OH 44106	34-0823464	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
UNIVERSITY SETTLEMENT 4800 BROADWAY AVE CLEVELAND, OH 44105	34-0714776	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT
URBAN LEAGUE OF CLEVELAND 12001 SHAKER BLVD CLEVELAND, OH 44120	34-0720563	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
VALUES-IN-ACTION FOUNDATION 23611 CHAGRIN BLVD, STE 380 BEACHWOOD, OH 44122	34-1795459	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
YOUTH OPPORTUNITIES UNLIMITED 1361 EUCLID AVE CLEVELAND, OH 44115	34-1381135	501(C)(3)	30,000.	0.			COMMUNITY SUPPORT

Schedule I (Form 990)

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
SCHOLARSHIPS	215	7,501,470.	0.		
FELLOWSHIPS	1988	89,388,085.	0.		
STUDENT STIPENDS	59	833,645.	0.		
LODGING FOR INDIGENT	627	80,454.	0.		

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:

CCF CONTRIBUTES FINANCIAL AND IN-KIND SUPPORT TO OTHER TAX EXEMPT

ORGANIZATIONS AND AGENCIES THAT FURTHER THE CCF MISSION OF PATIENT CARE,

RESEARCH, AND EDUCATION. THESE ORGANIZATIONS ARE TO USE THE SUPPORT TO

STRENGTHEN THE OVERALL HEALTH OF THE COMMUNITIES WE SERVE.

SCHEDULE I, PART III

THE SCHOLARSHIPS, FELLOWSHIPS, AND STUDENT STIPENDS LISTED ARE IN

FURTHERANCE OF THE CLEVELAND CLINIC FOUNDATION'S MISSION TO INCREASE

Part IV Supplemental Information

KNOWLEDGE, AWARENESS, AND QUALITY OF PATIENT CARE AND RESEARCH THROUGH
EDUCATION.

THE INDIGENT AID LISTED IS PERFORMED IN FURTHERANCE OF THE CLEVELAND
CLINIC FOUNDATION'S MISSION TO PROVIDE BETTER CARE OF THE SICK AND THE
INVESTIGATION INTO THEIR PROBLEMS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input checked="" type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input checked="" type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (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	X	
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?	X	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <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?		X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c Participate in, or receive payment from, an equity-based compensation arrangement?		X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?		X
b Any related organization?		X
If "Yes" on line 5a or 5b, describe in Part III.		
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?		X
b Any related organization?		X
If "Yes" on line 6a or 6b, describe in Part III.		
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III		X
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		X
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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

Schedule J (Form 990) 2016

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) COSGROVE, DELOS M. MD	5,282,530.	0.	448,831.	423,330.	17,161.	6,171,852.	0.
DIRECTOR, PRESIDENT, CEO	0.	0.	0.	0.	0.	0.	0.
(2) DONLEY, BRIAN G. MD	1,227,410.	0.	118,806.	26,500.	17,781.	1,390,497.	0.
DIRECTOR & CHIEF OF STAFF	0.	0.	0.	0.	0.	0.	0.
(3) ERZURUM, SERPIL, MD	454,640.	0.	22,570.	356,814.	1,260.	835,284.	0.
DIRECTOR, CHAIR LERNER RESEARCH INST	0.	0.	0.	0.	0.	0.	0.
(4) MARTIN, DANIEL MD	1,244,557.	0.	121,809.	26,500.	17,634.	1,410,500.	0.
CHAIR - COLE EYE INST, DIR - CCF	0.	0.	0.	0.	0.	0.	0.
(5) GLASS, STEVEN C.	1,407,410.	0.	136,326.	34,495.	17,781.	1,596,012.	0.
CFO & TREASURER	0.	0.	0.	0.	0.	0.	0.
(6) HAMILTON, THOMAS	333,332.	0.	12,225.	-63,403.	19,341.	301,495.	0.
INTERIM CHAIR - RESEARCH INST	0.	0.	0.	0.	0.	0.	0.
(7) HARRINGTON, MICHAEL	644,450.	0.	59,527.	26,500.	17,741.	748,218.	0.
CAO & CONTROLLER	0.	0.	0.	0.	0.	0.	0.
(8) MCHUGH, LINDA	645,845.	0.	61,632.	38,865.	16,959.	763,301.	0.
ASSISTANT SECRETARY (PART YEAR)	0.	0.	0.	0.	0.	0.	0.
(9) MEEHAN, MICHAEL	311,023.	0.	32,215.	-30,860.	17,268.	329,646.	0.
RECORDING SECRETARY	0.	0.	0.	0.	0.	0.	0.
(10) OBLANDER, JASON	199,760.	0.	3,814.	7,092.	13,666.	224,332.	0.
ASSISTANT SECRETARY (PART YEAR)	0.	0.	0.	0.	0.	0.	0.
(11) PEACOCK, WILLIAM	1,329,732.	0.	110,560.	28,855.	17,959.	1,487,106.	0.
CHIEF OF OPERATIONS	0.	0.	0.	0.	0.	0.	0.
(12) ROWAN, DAVID W.	1,298,294.	0.	130,649.	26,500.	18,397.	1,473,840.	0.
CHIEF LEGAL OFFICER	0.	0.	0.	0.	0.	0.	0.
(13) HARRISON, A. MARC	694,518.	0.	490,886.	26,500.	53,760.	1,265,664.	0.
CHIEF INTL BUS DEVELOPMENT	0.	0.	0.	0.	0.	0.	0.
(14) MIHALJEVIC, TOMISLAV	1,279,998.	0.	747,422.	26,500.	123,935.	2,177,855.	0.
CHIEF EXEC OFFICER - CCAD	0.	0.	0.	0.	0.	0.	0.
(15) LEWIS, BRENDA	316,656.	0.	1,582,528.	668,584.	9,217.	2,576,985.	0.
PHYSICIAN (2016 RETIREE)	0.	0.	0.	0.	0.	0.	0.
(16) CHURCH, JAMES	669,298.	0.	2,042,070.	-333,776.	17,268.	2,394,860.	0.
PHYSICIAN (2016 RETIREE)	0.	0.	0.	0.	0.	0.	0.

Schedule J (Form 990) 2016

Part III Supplemental Information

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

PART I, LINE 1A:

LISTED BENEFITS

THE BENEFITS CHECKED IN PART I, QUESTION 1A, WERE PROVIDED TO CERTAIN

PERSONS LISTED IN FORM 990, PART VII, SECTION A ON AN EXCEPTION BASIS ONLY

FOR AN APPROPRIATE BUSINESS PURPOSE. ANY REIMBURSEMENT OF THE EXPENSES

LISTED MET CLEVELAND CLINIC'S WRITTEN POLICY REGARDING SUBSTANTIATION AND

REIMBURSEMENT. WHERE REQUIRED BY IRS RULES AND REGULATIONS, THE LISTED

BENEFITS WERE INCLUDED IN TAXABLE INCOME.

PART I, LINE 4B:

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:

JAMES CHURCH - PARTICIPATED IN AND RECEIVED PAYMENT FROM A SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES, \$1,993,907 OF

INCOME REPORTED IN PART VII AND SCHEDULE J REPRESENT THE AMOUNT VESTED IN

THE PLAN.

BRENDA LEWIS - PARTICIPATED IN AND RECEIVED PAYMENT FROM A SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES, \$1,580,401 OF

Part III Supplemental Information

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

INCOME REPORTED IN PART VII AND SCHEDULE J REPRESENT THE AMOUNT VESTED IN

THE PLAN.

PATRICK SCHOENWALD - PARTICIPATED IN AND RECEIVED PAYMENT FROM A

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES,

\$1,247,050 OF INCOME REPORTED IN PART VII AND SCHEDULE J REPRESENT THE

AMOUNT VESTED IN THE PLAN.

PATRICK WHITLOW - PARTICIPATED IN AND RECEIVED PAYMENT FROM A SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES, \$1,800,356 OF

INCOME REPORTED IN PART VII AND SCHEDULE J REPRESENT THE AMOUNT VESTED IN

THE PLAN.

DELOS M. COSGROVE - PARTICIPATES IN A SPLIT DOLLAR LIFE INSURANCE PLAN FROM

WHICH NO CASH PAYMENTS WERE RECEIVED. DR COSGROVE'S 2016 BASE SALARY

INCLUDES A SINGLE, FIXED ANNUAL PAYMENT WHICH IS INTENDED TO OFFSET THE

DILUTION IN THE ACTUARIAL VALUE OF HIS SUPPLEMENTAL RETIREMENT PLAN. THIS

DILUTION IS A RESULT OF DR COSGROVE WORKING BEYOND HIS EXPECTED RETIREMENT

AGE AS DEFINED BY THE PLAN.

Part III Supplemental Information

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

THE FOLLOWING INDIVIDUALS PARTICIPATE IN A NONQUALIFIED SUPPLEMENTAL

RETIREMENT PLAN AND THE ANNUAL INCREASE OR DECREASE IN THE ACTUARIAL VALUE

IS INCLUDED IN SCHEDULE J, PART II, COLUMN C, RETIREMENT AND OTHER DEFERRED

COMPENSATION: JAMES CHURCH - \$360,276 DECREASE, DELOS M. COSGROVE -

\$396,830 INCREASE, SERPIL ERZURUM - \$330,314 INCREASE, JOSEPH F. HAHN -

\$23,899 DECREASE, THOMAS HAMILTON - \$89,903 DECREASE, BRENDA LEWIS -

\$643,266 INCREASE, MICHAEL J. MEEHAN - \$57,360 DECREASE, AND PATRICK

WHITLOW \$260,388 INCREASE.

THE FOLLOWING INDIVIDUALS PARTICIPATE IN A QUALIFIED DEFINED BENEFIT PLAN

AND THE ANNUAL INCREASE OR DECREASE IN THE ACTUARIAL VALUE IS INCLUDED IN

SCHEDULE J, PART II, COLUMN C, RETIREMENT AND OTHER DEFERRED COMPENSATION:

STEVEN C. GLASS - \$7,995 INCREASE, LINDA MCHUGH - \$12,365 INCREASE, JASON

OBLANDER - \$961 INCREASE AND WILLIAM PEACOCK - \$2,355 INCREASE.

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

ENTITY

1

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

OMB No. 1545-0047

2016
Open to Public
Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number
34-0714585

Part I Bond Issues		SEE PART VI FOR COLUMNS (A) AND (F) CONTINUATIONS										
	(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	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	67756DAY2	05/29/13	309,434,914	BOND 2013: REFUND 2004A, 2003A AND FACILITY IMPROV				X		X
B	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	67756A3Z3	05/09/12	519,383,182	BOND 2012: REFUND 2009, 2003A AND FACILITY IMPROV				X		X
C	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	677561HU9	11/02/11	208,951,439	BOND 2011A: REFUND 2003A SERIES				X		X
D	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	NOTAPPLIC	11/02/11	41,120,000	BOND 2011B: REFUND 1992A, B AND 1989 SERIES				X		X
Part II Proceeds												

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		32,649,771		20,888,557		27,068,716		12,000,000
2 Amount of bonds legally defeased								
3 Total proceeds of issue		309,434,914		519,383,182		208,951,439		41,120,000
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								2,302,465
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		2,129,301		3,825,815		2,003,385		735,249
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		20,001,498		411,300,530				
11 Other spent proceeds		287,304,115		104,256,837		206,948,054		38,082,286
12 Other unspent proceeds								
13 Year of substantial completion	2013		2012		2011		2011	
14 Were the bonds issued as part of a current refunding issue?	X			X		X		No
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?	X			X		X		X
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X			X		X		X

Part III Private Business Use

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

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

ENTITY

2

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. ► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number
34-0714585

Part I Bond Issues
SEE PART VI FOR COLUMNS (A) AND (F) CONTINUATIONS

(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
OHIO HIGHER EDUCATIONAL FACILITY A COMMISSION	34-6849674	677561FV9	08/25/09	807,007,320.	BONDS 2009A&B: REFUND 2008B, FACILITY CONSTRUCT			X		X	
OHIO HIGHER EDUCATIONAL FACILITY B COMMISSION	34-6849674	67756AG22	10/15/08	451,686,386.	BOND 2008A: REFUND 06A, 04A, AND 01A; FACILITY IM			X		X	
OHIO HIGHER EDUCATIONAL FACILITY C COMMISSION	34-6849674	67756AJ37	10/15/08	670,000,000.	BOND 2008B: REFUND 06A, 04A, AND 01A; FACILITY IM			X		X	

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		134,226,007.		42,008,165.		300,750,000.		
2 Amount of bonds legally defeased		70,000.		435,000.				
3 Total proceeds of issue		807,007,320.		451,686,386.		670,000,000.		
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		1,099,225.		800,000.		1,200,000.		
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		501,164,780.		218,639,952.		324,315,217.		
11 Other spent proceeds		304,743,315.		251,263,651.		372,706,929.		
12 Other unspent proceeds								
13 Year of substantial completion	2011		2008		2008			
14 Were the bonds issued as part of a current refunding issue?	X		X		X			
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		
16 Has the final allocation of proceeds been made?	X		X		X			
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

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

632121 10-19-16 LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. 109

Schedule K (Form 990) 2016

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c Are there any research agreements that may result in private business use of bond-financed property?	X		X		X		X	
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X		X	
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	1.04	%	.80	%	1.29	%		%
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	.00	%	.08	%	.01	%		%
6 Total of lines 4 and 5	1.04	%	.88	%	1.30	%		%
7 Does the bond issue meet the private security or payment test?	X		X		X		X	
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?	X		X		X		X	
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X		X	

Part IV Arbitrage

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

34-0714585

Schedule K (Form 990) 2016 THE CLEVELAND CLINIC FOUNDATION

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X			
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			
c Are there any research agreements that may result in private business use of bond-financed property?	X		X		X			
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X			
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		1.28 %		.69 %		.69 %		%
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		.03 %		.02 %		.02 %		%
6 Total of lines 4 and 5		1.31 %		.71 %		.71 %		%
7 Does the bond issue meet the private security or payment test?		X		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			X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		.05 %		.55 %		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?	X		X					
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X			

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Part IV Arbitrage (Continued)

5a Were gross proceeds invested in a guaranteed investment contract (GIC)?

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?

7 Has the organization established written procedures to monitor the requirements of section 148?

Part V Procedures To Undertake Corrective Action

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?

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

(F) DESCRIPTION OF PURPOSE:

BOND 2013: REFUND 2004A, 2003A AND FACILITY IMPROVEMENTS

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

(F) DESCRIPTION OF PURPOSE:

BOND 2012: REFUND 2009, 2003A AND FACILITY IMPROVEMENTS

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

(F) DESCRIPTION OF PURPOSE: BOND 2011A: REFUND 2003A SERIES

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

(F) DESCRIPTION OF PURPOSE: BOND 2011B: REFUND 1992A & B AND 1989 SERIES

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

(F) DESCRIPTION OF PURPOSE:

BONDS 2009A&B: REFUND 2008B, FACILITY CONSTRUCTION, EQUIPPING AND IMPROVING

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

(F) DESCRIPTION OF PURPOSE:

BOND 2008A: REFUND 06A, 04A, AND 01A; FACILITY IMPROVEMENTS

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

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

(F) DESCRIPTION OF PURPOSE:

BOND 2008B: REFUND 06A, 04A, AND 01A; FACILITY IMPROVEMENTS

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

DATE THE REBATE COMPUTATION WAS PERFORMED: 11/01/2016

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

DATE THE REBATE COMPUTATION WAS PERFORMED: 11/02/2016

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

DATE THE REBATE COMPUTATION WAS PERFORMED: 08/25/2014

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

DATE THE REBATE COMPUTATION WAS PERFORMED: 10/15/2013

(A) ISSUER NAME: OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

DATE THE REBATE COMPUTATION WAS PERFORMED: 10/15/2013

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Information about Schedule L (Form 990 or 990-EZ) and its Instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

Open To Public Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

[illegible]

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

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
D. COSGROVE	CEO/PRES	INSURANC		X	229,247.	6,571,698.		X	X		X	
Total						6,571,698.						

Total	\$ 6,571,698.
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Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

[illegible]

Schedule L (Form 990 or 990-EZ) 2016

SEE PART V FOR CONTINUATIONS

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
KATHERINE MCHUGH	FAMILY MEMBER OF LI	37,605.	EMPLOYMENT		X

Part V Supplemental Information

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

SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS:

(A) NAME OF PERSON: D. COSGROVE

(B) RELATIONSHIP WITH ORGANIZATION: CEO/PRESIDENT

(C) PURPOSE OF LOAN: INSURANCE PREMIUM PAYMENTS TREATED AS A LOAN

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

(A) NAME OF PERSON: KATHERINE MCHUGH

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF LINDA MCHUGH, CCF OFFICER

(C) AMOUNT OF TRANSACTION \$ 37,605.

(D) DESCRIPTION OF TRANSACTION: EMPLOYMENT AGREEMENT WITH CCF

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

OMB No. 1545-0047

2016

**Open To Public
Inspection**

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**
▶ **Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.**

Name of the organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
--	---

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art	X	20	1,019,746.	APPRAISAL
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications	X		31,344.	SALE COMPARABLE GOODS
5	Clothing and household goods	X		318,429.	SALE COMPARABLE GOODS
6	Cars and other vehicles	X	1	29,935.	COST
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	154	7,736,844.	AVERAGE HIGH/LOW
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential	X	1	210,000.	APPRAISAL
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory	X	6	8,192.	COST
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other (MEDICAL EQUIP)	X	3	22,355.	SALE COMPARABLE GOOD
26	Other (EVENT TICKETS)	X	9	1,472.	COST
27	Other ()				
28	Other ()				

29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29	11
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		X
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b	If "Yes," describe in Part II.		
33	If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

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

Schedule M (Form 990) (2016)

Part II

Supplemental Information. Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, LINE 32B:

THE CLEVELAND CLINIC FOUNDATION WILL AT TIMES HIRE INDEPENDENT THIRD

PARTIES TO SELL CERTAIN NON-CASH CONTRIBUTIONS SUCH AS AUCTION ITEMS OR

REAL ESTATE.

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.

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

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2016

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Inspection

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PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

CLEVELAND CLINIC WAS ESTABLISHED IN 1921 WITH THE SAME MISSION THAT

CONTINUES TODAY: BETTER CARE FOR THE SICK, INVESTIGATION OF THEIR

PROBLEMS, AND FURTHER EDUCATION OF THOSE WHO SERVE. CONSISTENT WITH

ITS TRIPARTITE MISSION, CLEVELAND CLINIC'S PRIMARY PROGRAM SERVICES ARE

FOCUSED ON PATIENT CARE PROVIDED ON A CHARITABLE BASIS, MEDICAL

RESEARCH, AND EDUCATION OF BOTH MEDICAL PROFESSIONALS AND THE

COMMUNITY. THE FOUNDERS RECOGNIZED THAT IT IS IN THE BEST INTEREST OF

PATIENTS TO POOL THE TALENTS OF MEDICAL SPECIALISTS TO DEVELOP, TEACH,

AND APPLY THE BEST MEDICAL TECHNIQUES.

THIS STATEMENT IS NOT INTENDED TO IDENTIFY ALL THE ACTIVITIES BY WHICH

CLEVELAND CLINIC FULFILLS ITS CHARITABLE PURPOSES, BUT RATHER IS A

SUMMARY OF ITS PRIMARY PROGRAM SERVICES AND CONTRIBUTIONS TO THE

COMMUNITY.

CLEVELAND CLINIC IS THE PARENT OF THE CLEVELAND CLINIC HEALTH SYSTEM

AND REPORTS COMMUNITY BENEFIT ON A SYSTEM-WIDE BASIS, THEREFORE THE

COMMUNITY BENEFIT NUMBERS REPORTED HERE ARE FOR THE HEALTH SYSTEM. THE

COMMUNITY BENEFIT THAT THE CLEVELAND CLINIC HEALTH SYSTEM PROVIDES

INCLUDES PATIENT CARE PROVIDED ON A CHARITABLE BASIS, RESEARCH,

EDUCATION, MEDICAID SHORTFALL, SUBSIDIZED HEALTH SERVICES, AND

COMMUNITY OUTREACH PROGRAMS.

THE CLEVELAND CLINIC HEALTH SYSTEM DEFINES AND MEASURES COMMUNITY

BENEFIT (INCLUDING FINANCIAL ASSISTANCE) USING THE CATHOLIC HEALTH

ASSOCIATION ("CHA") COMMUNITY BENEFIT MODEL, WHICH RECOMMENDS REPORTING

FINANCIAL ASSISTANCE ON A COST BASIS. USING THIS MODEL, IN 2016

CLEVELAND CLINIC AND ITS AFFILIATES PROVIDED \$808.7 MILLION IN BENEFITS

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

Schedule O (Form 990 or 990-EZ) (2016)

632211 08-25-16

Name of the organization

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TO THE COMMUNITIES WE SERVE.

THE CURRENT COMMUNITY BENEFIT REPORT IS AVAILABLE ON OUR WEBSITE AT

CLEVELANDCLINIC.ORG. (COMMUNITY BENEFIT AMOUNTS REPORTED IN THIS

PROGRAM SERVICE STATEMENT REFER TO OUR 2016 COMMUNITY CONNECTIONS,

BASED ON THE CHA REPORTING METHODOLOGY. SEE FORM 990, SCHEDULE H FOR A

RECONCILIATION OF SCHEDULE H TO COMMUNITY BENEFIT REPORTING.)

I. PATIENT CARE

CLEVELAND CLINIC IS DEDICATED TO THE COMMUNITIES WE SERVE, STRIVING TO

PROVIDE COMPASSIONATE, HIGH QUALITY HEALTHCARE TO ALL WHO NEED IT AND

SUPPORTING PROGRAMS AND INITIATIVES THAT IMPROVE THE HEALTH AND

WELL-BEING OF OUR COMMUNITIES. THROUGH OUR FINANCIAL ASSISTANCE

EFFORTS AND AS A LEADING MEDICAID PROVIDER IN OHIO, WE PROVIDE

HEALTHCARE TO THOSE WHO OTHERWISE COULD NOT AFFORD IT.

DURING 2016, CLEVELAND CLINIC RECORDED 1,274 TOTAL STAFFED BEDS,

153,716 EMERGENCY VISITS, 92,188 SURGICAL CASES, 52,424 ADMISSIONS, AND

MORE THAN 6.0 MILLION TOTAL CLINIC VISITS. IT IS THE POLICY OF

CLEVELAND CLINIC TO TREAT ALL PATIENTS WITH COMPASSION, DIGNITY AND

RESPECT, REGARDLESS OF THEIR RACE, CREED, OR ABILITY TO PAY.

CLEVELAND CLINIC'S PATIENT CARE SERVICES ARE PROVIDED VIA

PATIENT-ORIENTED INSTITUTES, WHICH ARE STRUCTURED ON THE BASIS OF ORGAN

SYSTEM OR DISEASE. THE INSTITUTES FACILITATE A MULTIDISCIPLINARY

APPROACH, AND ARE DESIGNED TO ENHANCE CONVENIENCE FOR PATIENTS AND THE

EXCHANGE OF KNOWLEDGE, RESEARCH AND EDUCATIONAL COLLABORATION FOR

BETTER PATIENT OUTCOMES. SOME OF THE INSTITUTES ARE: ANESTHESIOLOGY,

COLE EYE, DIGESTIVE DISEASE, EMERGENCY SERVICES, ENDOCRINOLOGY &

METABOLISM, GLICKMAN UROLOGICAL & KIDNEY, HEAD & NECK, MILLER FAMILY

HEART & VASCULAR, IMAGING, MEDICINE, NEUROLOGICAL, NURSING, OB/GYN &

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WOMEN'S HEALTH, ORTHOPAEDIC & RHEUMATOLOGY, PATHOLOGY & LABORATORY

MEDICINE, PEDIATRIC & CHILDREN'S HOSPITAL, RESPIRATORY, TAUSSIG CANCER

AND WELLNESS.

NOTABLE ACHIEVEMENTS

CLEVELAND CLINIC WAS AGAIN RECOGNIZED FOR ITS QUALITY OF CARE IN U.S.

NEWS & WORLD REPORT'S PRESTIGIOUS ANNUAL "AMERICA'S BEST HOSPITALS"

SURVEY IN 2016. OVERALL, CLEVELAND CLINIC WAS RANKED 2ND AMONG THE

NATION'S MORE THAN 5,000 HOSPITALS. CLEVELAND CLINIC WAS RANKED

AMERICA'S NUMBER ONE CENTER FOR CARDIAC CARE FOR THE 22ND YEAR IN A

ROW. UROLOGY, NEPHROLOGY, AND GASTROENTEROLOGY PROGRAMS WERE ALL

RANKED SECOND IN THE NATION.

FINANCIAL ASSISTANCE

THE CLEVELAND CLINIC FINANCIAL ASSISTANCE POLICY ASSISTS POOR AND

INDIGENT PATIENTS BY PROVIDING FREE CARE FOR MEDICALLY NECESSARY

SERVICES TO UNINSURED PATIENTS WITH INCOMES UP TO 250 PERCENT OF THE

FEDERAL POVERTY LEVEL AND ALSO OFFERS DISCOUNTS ON MEDICALLY NECESSARY

SERVICES FOR UNINSURED PATIENTS WHOSE INCOME IS UP TO 400 PERCENT OF

THE POVERTY LEVEL.

PATIENTS WITH EXCEPTIONAL CIRCUMSTANCES MAY ALSO BE ELIGIBLE FOR

FINANCIAL ASSISTANCE. THIS POLICY IS DESIGNED TO PREVENT MEDICAL BILLS

FROM CAUSING A PATIENT OR FAMILY UNDUE FINANCIAL HARDSHIP.

THE CLEVELAND CLINIC HEALTH SYSTEM PROVIDED FINANCIAL ASSISTANCE AT A

COST OF \$86.2 MILLION IN 2016.

II. RESEARCH

CLEVELAND CLINIC'S MISSION INCLUDES CONDUCTING RESEARCH TO ADVANCE

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BIOMEDICAL SCIENCE TO ULTIMATELY IMPROVE PATIENT CARE, PREVENT DISEASE,
AND FIND CURES FOR MEDICAL ISSUES. CLEVELAND CLINIC'S LERNER RESEARCH
INSTITUTE ("LRI") IS ITS RESEARCH INSTITUTE LOCATED ON THE MAIN CAMPUS
AND HOME TO A COMPLETE SPECTRUM OF LABORATORY-, TRANSLATIONAL-, AND
CLINICAL-BASED RESEARCH.

LRI HAS APPROXIMATELY 175 FACULTY-LEVEL SCIENTISTS ORGANIZED IN THE
FOLLOWING DEPARTMENTS: BIOMEDICAL ENGINEERING, CANCER BIOLOGY, CELLULAR
AND MOLECULAR MEDICINE, GENOMIC MEDICINE, IMMUNOLOGY, MOLECULAR
CARDIOLOGY, NEUROSCIENCES, OPHTHALMIC RESEARCH, PATHOBIOLOGY,
QUANTITATIVE HEALTH SCIENCES, STEM CELL BIOLOGY AND REGENERATIVE
MEDICINE, AND TRANSLATIONAL HEMATOLOGY AND ONCOLOGY RESEARCH.

LRI IS ONE OF THE LEADING NIH-FUNDED RESEARCH INSTITUTES IN THE UNITED
STATES AND HAS SPEARHEADED NUMEROUS ADVANCES IN THE DIAGNOSIS AND
TREATMENT OF COMPLEX MEDICAL PROBLEMS. SCIENTISTS AND THEIR TEAMS ARE
PURSUING A WIDE RANGE OF BIOMEDICAL QUESTIONS AT LRI, INCLUDING THOSE
RELATED TO CARDIOVASCULAR, CANCER, NEUROLOGICAL, MUSCULOSKELETAL, AND
METABOLIC DISEASES. ALTOGETHER, NEARLY 1,500 SCIENTISTS AND SUPPORT
PERSONNEL WORK AT LRI. THIS INCLUDES APPROXIMATELY 240 RESEARCH
FELLOWS, 150 GRADUATE STUDENTS AND 200 UNDERGRADUATE STUDENTS.

IN ADDITION TO BASIC PRE-CLINICAL RESEARCH, THE CLEVELAND CLINIC AND
ITS EMPLOYED PHYSICIANS PARTICIPATE OR ARE PRIMARY INVESTIGATORS IN
MANY CLINICAL TRIALS. IN 2016, CLEVELAND CLINIC WAS INVOLVED IN
APPROXIMATELY 5,500 ACTIVE HUMAN SUBJECTS' RESEARCH STUDIES. THE
ONGOING COLLABORATION BETWEEN PHYSICIAN INVESTIGATORS AND STUDY
VOLUNTEERS IS CENTRAL TO TESTING THE SAFETY AND EFFECTIVENESS OF DRUGS
AND MEDICAL PROCEDURES AND HELPS TO SET THE STANDARDS FOR PATIENT CARE.

RESEARCH AT CLEVELAND CLINIC IS FUNDED BY EXTERNAL SOURCES, SUCH AS
FEDERAL GRANTS, BUT IS ALSO SUBSTANTIALLY SUPPORTED BY THE CLINIC'S OWN

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INTERNAL RESOURCES. IN 2016, CLEVELAND CLINIC PROVIDED COMMUNITY

BENEFIT IN RESEARCH OF \$212.5 MILLION, WHICH INCLUDED

EXTERNALLY-SPONSORED FUNDING OF \$148.5 MILLION.

THE CLEVELAND CLINIC'S RESEARCH ACTIVITIES ARE INTENDED TO IMPROVE

PATIENT CARE AND THE HEALTH OF THE PUBLIC AT LARGE, BY PROVIDING THE

LATEST ADVANCES IN MEDICINE DIRECTLY TO PATIENTS AND BY REFINING THE

PRACTICE OF MEDICINE THROUGH THE DEVELOPMENT AND PROMULGATION OF NEW

TECHNIQUES, DEVICES, AND TREATMENT PROTOCOLS.

III. EDUCATION

ON ITS MAIN CAMPUS, CLEVELAND CLINIC OPERATES A MEDICAL SCHOOL AND

RELATED RESEARCH INSTITUTE. THE PRIMARY FOCUS OF CLEVELAND CLINIC

LEARNER COLLEGE OF MEDICINE OF CASE WESTERN RESERVE UNIVERSITY (THE

"LEARNER COLLEGE OF MEDICINE") IS THE TEACHING AND TRAINING OF MEDICAL

STUDENTS WHO HAVE A PARTICULAR INTEREST IN RESEARCH. MANY CLEVELAND

CLINIC PHYSICIANS SERVE AS FACULTY FOR THE LEARNER COLLEGE OF MEDICINE,

FURTHERING THE INTEGRATION OF CLINICAL CARE WITH RESEARCH AND

EDUCATION. THE LEARNER COLLEGE OF MEDICINE CURRENTLY PROVIDES ALL

STUDENTS WITH FULL TUITION SCHOLARSHIPS.

IN ADDITION TO TRAINING THIS NATION'S FUTURE DOCTORS, CLEVELAND CLINIC

SPONSORS A WIDE RANGE OF HIGH QUALITY MEDICAL EDUCATION TRAINING

THROUGH ITS EDUCATION INSTITUTE INCLUDING ACCREDITED TRAINING PROGRAMS

FOR NURSES AND HEALTH SCIENCE PROFESSIONALS.

CLEVELAND CLINIC DEVOTES SUBSTANTIAL RESOURCES TO EDUCATION PROGRAMS,

WHICH, IN 2016, PROVIDED A NET COMMUNITY BENEFIT OF \$272.3 MILLION.

THESE EDUCATIONAL ACTIVITIES ENSURE RESIDENTS AND PATIENTS IN ALL OF

THE CLEVELAND CLINIC'S COMMUNITIES ARE RECEIVING THE HIGHEST STANDARD

OF MEDICAL CARE AND HAVE TRAINED HEALTH PROFESSIONALS TO CARE FOR THEM

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IN THE FUTURE. SOME OF THESE EDUCATION PROGRAMS INCLUDE:

-GRADUATE MEDICAL EDUCATION: CLEVELAND CLINIC MAINTAINS ONE OF THE

LARGEST GRADUATE MEDICAL EDUCATION PROGRAMS IN THE COUNTRY. IN 2016,

1,125 RESIDENTS AND FELLOWS TRAINED IN 75 ACCREDITED TRAINING PROGRAMS,

APPROVED BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION

(ACGME), INCLUDING 130 ADVANCED FELLOWS IN 80 FELLOWSHIP PROGRAMS.

LERNER COLLEGE OF MEDICINE: SINCE ITS INCEPTION IN MAY 2002, THE

CLEVELAND CLINIC LERNER COLLEGE OF MEDICINE OF CASE WESTERN RESERVE

UNIVERSITY HAS LINKED ONE OF THE NATION'S TOP HOSPITALS WITH ONE OF THE

NATION'S LEADING RESEARCH UNIVERSITIES. THERE WERE MORE THAN 1,700

APPLICANTS FOR 32 POSITIONS FOR THE 2016-17 ACADEMIC YEAR. THE

PROGRAM'S STUDENTS HAVE MATCHED AT SOME OF THE MOST PRESTIGIOUS

HOSPITALS THROUGHOUT THE UNITED STATES AND HAVE CONTRIBUTED 97

PUBLICATIONS TO THE WORLD'S STORE OF SCIENTIFIC KNOWLEDGE BASED ON 2016

CALENDAR YEAR (WHICH INCLUDES PUBLISHED ARTICLES AND ABSTRACT

SUBMISSIONS), AND 60 STUDENTS PARTICIPATED IN LOCAL AND NATIONAL

MEETINGS WITH PRESENTATIONS AND POSTERS.

-VISITING MEDICAL STUDENTS: VISITING MEDICAL STUDENT EDUCATION

REPRESENTS A MAJOR ACADEMIC COMMITMENT BY CLEVELAND CLINIC. IN 2016,

557 MEDICAL STUDENTS FROM 237 MEDICAL SCHOOLS AROUND THE WORLD ROTATED

THROUGH CLEVELAND CLINIC.

CENTER FOR CONTINUING EDUCATION: CLEVELAND CLINIC MAINTAINS ONE OF THE

LARGEST CONTINUING MEDICAL EDUCATION (CME) PROGRAMS IN THE COUNTRY AND

ENJOYS THE HIGHEST ACCME RANKING: "ACCREDITATION WITH COMMENDATION".

IN 2016, THE CENTER FOR CONTINUING EDUCATION CERTIFIED 1,659 CME

ACTIVITIES THAT OFFERED OVER 10,000 CME CREDITS TO 228,261

PARTICIPANTS. OF THAT NUMBER, 1,023 WERE LIVE COURSES THAT ATTRACTED

81,407 PARTICIPANTS. CLEVELAND CLINIC IS ONE OF THE LARGEST PROVIDERS

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OF ONLINE CME AMONG THE NATION'S ACADEMIC MEDICAL CENTERS. THE CENTER'S WEBSITE HAD 397 ACTIVITIES THAT ATTRACTED 116,541 ACTIVITY VIEWERS. JOURNAL CME CONTINUES TO REACH A LARGE NUMBER OF LEARNERS, WITH THE CLEVELAND CLINIC JOURNAL OF MEDICINE (CCJM) PARTICIPANTS RECEIVING MORE THAN 83,000 CERTIFICATES. IN 2016, THE CENTER ISSUED 202,443 CME CERTIFICATES FOR ALL ACTIVITIES COMBINED.

-THE CCJM ENJOYED A CIRCULATION OF MORE THAN 108,000 AND RANKED NO. 1 IN READERSHIP AMONG JOURNALS DIRECTED TO OFFICE-BASED INTERNISTS AND CARDIOLOGISTS. EACH YEAR, THE PRINT AND ONLINE VERSIONS ARE READ OR ACCESSED BY APPROXIMATELY 2 MILLION PEOPLE AROUND THE WORLD. IN 2016 THE CCJM WEBSITE RECORDED 2,240,297 PAGE VIEWS FROM 664,548 UNIQUE VISITORS.

-CENTER FOR HEALTH SCIENCES EDUCATION: CLEVELAND CLINIC IS A MAJOR EDUCATION AND TRAINING SITE FOR A NUMBER OF HEALTH SCIENCE STUDENTS FROM VARIOUS ACADEMIC PROGRAMS THROUGHOUT THE REGION. THE CLEVELAND CLINIC HEALTH SYSTEM CURRENTLY OFFERS 14 IN-HOUSE ALLIED HEALTH PROGRAMS AND HAS 54 AFFILIATED PROGRAMS WITH REGIONAL ACADEMIC INSTITUTIONS. IN 2016, CLEVELAND CLINIC HOSTED MORE THAN 2,500 CLINICAL ROTATIONS FOR HEALTH SCIENCE STUDENTS.

-CENTER FOR INTERNATIONAL MEDICAL EDUCATION: THIS CENTER IS RESPONSIBLE FOR COORDINATING CLEVELAND CLINIC'S INTERNATIONAL EDUCATIONAL INITIATIVES AND FOR ENSURING THE PROVISION OF HIGH QUALITY EDUCATIONAL EXPERIENCES FOR THE GLOBAL MEDICAL COMMUNITY. IN 2016, 816 INTERNATIONAL PHYSICIANS AND MEDICAL STUDENTS TRAVELED TO CLEVELAND CLINIC TO PARTICIPATE IN OBSERVERSHIPS; 355 PHYSICIANS ATTENDED SYMPOSIA HELD AT CLEVELAND CLINIC ON PATIENT EXPERIENCE, CARDIOLOGY, COLORECTAL SURGERY, SPINE SURGERY, GASTROENTEROLOGY, LEUKEMIA, UROLOGY, CONGENITAL HEART DISEASE, BREAST CANCER, AND OBESITY; AND OUR OWN

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STAFF TRAVELED TO MORE THAN 16 COUNTRIES TO SHARE CLINICAL AND SURGICAL INNOVATIONS.

IV. ADDITIONAL COMMUNITY BENEFIT

PATIENT CARE PROVIDED ON A CHARITABLE BASIS, RESEARCH, AND EDUCATION

DESCRIBED ABOVE ARE INTEGRAL COMPONENTS OF THE COMMUNITY BENEFIT THE

CLEVELAND CLINIC ANNUALLY REPORTS TO THE COMMUNITY. THE OTHER

COMPONENTS OF OUR COMMUNITY BENEFIT ARE:

COMMUNITY EDUCATION

EDUCATING THE COMMUNITY HAS ALSO BEEN A PRIORITY AT CLEVELAND CLINIC.

OUR CENTER FOR CONSUMER HEALTH INFORMATION EXPANDS KNOWLEDGE THROUGH A

VARIETY OF MEDIA TO PATIENTS AND THE NORTHEAST OHIO COMMUNITY.

FOLLOWING ARE SOME OF THE PROGRAMS OFFERED DURING 2016:

-HEALTH INFORMATION RESOURCE CENTER: THE ON-CAMPUS PATIENT AND FAMILY

HEALTH AND EDUCATION CENTER IS A PLACE WHERE PATIENTS, VISITORS, AND

EMPLOYEES CAN TAKE ADVANTAGE OF HEALTH INFORMATION RESOURCES. THE

CONSUMER HEALTH INFORMATION STAFF ALSO FULFILLS REQUESTS FOR HEALTH

INFORMATION MADE IN WRITING, BY EMAIL, OR BY PHONE. IN 2016, THE

CENTER FULFILLED 23,753 REQUESTS AND SERVED 10,777 PEOPLE WHO CAME INTO

THE CENTER FOR INFORMATION.

-HEALTH TALKS AND CCTV: THE CENTER FOR CONSUMER HEALTH INFORMATION

HOSTED 27 COMMUNITY HEALTH TALKS/HEALTH EXCHANGE PROGRAMS AND MANAGED

2,275 SCHEDULED CLOSED-CIRCUIT TELEVISION WEEKLY PROGRAMS AND 1,007

WEEKLY ON-DEMAND TELEVISED PROGRAMS.

-INTERNET SITE: THE CENTER FOR CONSUMER HEALTH INFORMATION WEBSITE

(WWW.CLEVELANDCLINIC.ORG/HEALTH) CONTINUES TO BE A SOURCE OF

INFORMATION FOR USERS AROUND THE WORLD. THE WEBSITE ALSO FEATURES LIVE

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WEBCHATS WITH A HEALTH EDUCATOR, ALLOWING THE PUBLIC TO POST QUESTIONS

AND HAVE THEM ANSWERED IN REAL TIME. WEBCHATS TAKE PLACE MONDAY

THROUGH FRIDAY, FROM 9 AM TO 3:00 PM. BY THE END OF 2016, WE HELD 6,793

WEBCHATS.

MEDICAID SHORTFALL

THE CLEVELAND CLINIC HEALTH SYSTEM IS A LEADING PROVIDER OF MEDICAID

SERVICES IN OHIO. IN MANY STATES, INCLUDING OHIO, MEDICAID PAYMENTS

HAVE NOT BEEN SUFFICIENT TO COVER THE COST OF TREATING MEDICAID

BENEFICIARIES. IN 2016, THE HEALTH SYSTEM'S UNPAID MEDICAID COSTS WERE

\$328.5 MILLION (THIS FIGURE IS NET OF AN HCAP BENEFIT OF \$3.1 MILLION).

SUBSIDIZED HEALTH SERVICES

IN ADDITION TO FINANCIAL ASSISTANCE AND COSTS NOT COVERED BY MEDICAID

PAYMENTS, ANOTHER CLINICAL COMMUNITY BENEFIT CATEGORY IS "SUBSIDIZED

HEALTH SERVICES." THESE SERVICES YIELD LOW OR NEGATIVE MARGINS BUT ARE

NEEDED IN THE COMMUNITY. CLEVELAND CLINIC HEALTH SYSTEM PROVIDED

SUBSIDIZED HEALTH SERVICES IN 2016 AT A COST OF \$19.6 MILLION.

COMMUNITY OUTREACH PROGRAMS

THE CLEVELAND CLINIC HEALTH SYSTEM IS ACTIVELY ENGAGED IN A BROAD ARRAY

OF COMMUNITY OUTREACH PROGRAMS, PROVIDING OR CONTRIBUTING TO MORE THAN

300 SUCH PROGRAMS IN 2016 FOR A TOTAL NET COMMUNITY BENEFIT OF \$38.1

MILLION. THESE PROGRAMS ARE DESIGNED TO SERVE THE VULNERABLE AND

AT-RISK POPULATIONS IN OUR COMMUNITIES. OUR WELL-ESTABLISHED OUTREACH

PROGRAMS RANGE FROM FREE WELLNESS INITIATIVES, HEALTH SCREENINGS,

CLINICAL SERVICES, AND EDUCATION TO ENROLLMENT ASSISTANCE FOR

GOVERNMENT-FUNDED HEALTH PROGRAMS.

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

OUTREACH PROGRAMS ADDRESS DOCUMENTED HEALTH NEEDS OF OUR COMMUNITIES

AND FALL INTO THREE MAIN CATEGORIES: COMMUNITY HEALTH SERVICES, CASH

AND IN-KIND DONATIONS, AND COMMUNITY BUILDING. IN 2016, SOME

HIGHLIGHTS INCLUDED:

-WELLNESS INITIATIVES IN THE AREAS OF DISEASE/INJURY PREVENTION AND

BEHAVIORAL CHANGE, INCLUDING TOBACCO CESSATION, NUTRITION IMPROVEMENT,

EXERCISE, HELP WITH SUBSTANCE ABUSE, CHILD SAFETY, TEEN PARENTING AND

DOMESTIC VIOLENCE. PROGRAMS WERE PROVIDED TO SCHOOLS, FAITH-BASED

ORGANIZATIONS, COMMUNITY CENTERS, COLLABORATING CITIES AND COUNTIES.

-HEALTH FAIRS PROVIDED THOUSANDS OF PEOPLE WITH FREE SCREENINGS. THE

CLEVELAND CLINIC MINORITY MEN'S HEALTH FAIR, CELEBRATING SISTERHOOD,

AND NEIGHBORHOOD FAIRS EDUCATED COMMUNITY MEMBERS ON THE BENEFITS OF

PREVENTATIVE CARE.

-CLEVELAND CLINIC PROVIDED NO-COST CLINICAL CARE TO UNDER- AND

UNINSURED FAMILIES AT COMMUNITY SITES, INCLUDING LANGSTON HUGHES HEALTH

& EDUCATION CENTER AND THE PEDIATRIC MOBILE UNIT, WHICH PROVIDED

WELLNESS SERVICES TO OUR COMMUNITIES. IN ADDITION, LABORATORY AND

VISION SERVICES WERE DONATED TO CLEVELAND-AREA ORGANIZATIONS.

-COMMUNITY CLASSES AND INTERACTIVE WEBCHATS OFFERED HEALTH EDUCATION IN

THE AREAS OF HEART DISEASE, STROKE, CANCER, DIABETES, ASTHMA AND BRAIN

HEALTH. OUR HOSPITALS AND FAMILY HEALTH CENTERS PROVIDED CLASSES FOR

HEALTH SENIOR AND YOUTH LIFESTYLES.

-LET'S MOVE IT INITIATIVE CONNECTED RESIDENTS WITH LOCAL RESOURCES IN A

COLLABORATIVE EFFORT TO STRENGTHEN COMMUNITIES THROUGH WELLNESS

ACTIVITIES, ACADEMIC ACHIEVEMENT AND CAREER PREPAREDNESS.

-COMMUNITY FARMERS MARKETS, URBAN GARDENS, AND A MOBILE FOOD PANTRY

PROVIDED ACCESS TO FRESH LOCAL PRODUCTS AND SUPPLEMENTAL FOOD PROGRAMS.

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

V. CONCLUSION

THE PURPOSE OF THE CLEVELAND CLINIC IS TO BENEFIT HUMANITY THROUGH THE
EFFICIENT, EFFECTIVE, AND ETHICAL PRACTICE OF MEDICINE, BY ADVANCING
SCIENTIFIC INVESTIGATION AND MEDICAL EDUCATION, BY MAINTAINING THE
HIGHEST STANDARDS OF QUALITY, AND BY FOSTERING CREATIVITY AND
INNOVATION.

FORM 990, PART V, LINE 4B, LIST OF FOREIGN COUNTRIES:

CANADA, CAYMAN ISLANDS, GREECE, TURKEY,

LUXEMBOURG, SOUTH KOREA, UNITED KINGDOM, SAUDI ARABIA,

GERMANY, IRELAND, BELGIUM, ITALY,

ISRAEL, SWEDEN

FORM 990, PART VI, SECTION A, LINE 2:

RONALD WEINBERG AND WILLIAM PEACOCK - BUSINESS

FORM 990, PART VI, SECTION A, LINE 3:

CCF HOTEL SERVICES, LLC, A SINGLE MEMBER DISREGARDED ENTITY OF CCF, HAS
ENTERED INTO A MANAGEMENT AGREEMENT WITH INTERCONTINENTAL HOTELS
CORPORATION TO MANAGE THE TWO HOTELS OWNED BY CCF HOTEL SERVICES, LLC.

THE CLEVELAND CLINIC FOUNDATION ("CCF") HAS ENTERED INTO A MANAGEMENT
AGREEMENT WITH KESSLER REHABILITATION SERVICES, INC. AS PART OF A JOINT
VENTURE WITH HOSPITAL HOLDINGS CORPORATION ("SELECT MEDICAL") TO MANAGE AND
OPERATE AN INPATIENT REHABILITATION HOSPITAL FACILITY OWNED BY CCF.

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

PURSUANT TO NONPROFIT CORPORATION LAW, THERE CAN BE NO SHAREHOLDERS OR

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

OTHER "EQUITY OWNERS" OF A NONPROFIT CORPORATION. MANAGEMENT AND CONTROL

RIGHTS ARE HELD AND EXERCISED BY THE "MEMBERS" OF THE NONPROFIT

CORPORATION. CCF IS AN OHIO NONPROFIT CORPORATION AND IT HAS BOTH MEMBERS

AND TRUSTEES. IT DOES NOT HAVE STOCKHOLDERS.

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

PURSUANT TO NONPROFIT CORPORATION LAW, THE "MEMBERS" OF THE CORPORATION

ELECT THE BOARD OF DIRECTORS (TRUSTEES), AND THE BOARD THEN CONDUCTS THE

AFFAIRS OF THE CORPORATION. IN ADDITION, ONE NONPROFIT CORPORATION MAY BE

THE "MEMBER" OF ANOTHER NONPROFIT CORPORATION. CCF IS AN OHIO NONPROFIT

CORPORATION AND IT HAS MEMBERS WHO ELECT THE DIRECTORS.

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

PURSUANT TO NONPROFIT CORPORATION LAW, CERTAIN OF THE DECISIONS OF THE

GOVERNING BODIES MUST BE APPROVED BY THE MEMBERS. FOR EXAMPLE, ANY CHANGES

TO THE ARTICLES OF INCORPORATION AND CODE OF REGULATIONS MUST BE APPROVED

BY A VOTE OF THE MEMBERS.

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

THE FORM 990 IS REVIEWED BY EXPERIENCED AND QUALIFIED MEMBERS OF THE

FINANCE DIVISION TAX DEPARTMENT. PRIOR TO FILING, KEY SECTIONS OF THE FORM

ARE REVIEWED WITH EXPERIENCED AND QUALIFIED MEMBERS OF THE LAW DEPARTMENT.

IN ADDITION, THE ENTIRE RETURN IS ALSO REVIEWED WITH THE CFO, THE AUDIT

COMMITTEE CHAIRPERSON AND THE AUDIT COMMITTEE VICE CHAIRPERSON. THE PAID

PREPARER (BIG 4 PUBLIC ACCOUNTING FIRM) CONDUCTS AN IN DEPTH REVIEW OF THE

FORM. ANNUALLY, THE 990 FILING IS REVIEWED AND DISCUSSED WITH THE ENTIRE

AUDIT COMMITTEE. UPON CONFIRMATION OF SUCCESSFUL E-FILING FROM THE IRS, A

COPY OF THE FINAL E-FILED RETURN WILL BE MADE AVAILABLE TO APPROPRIATE

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

MEMBERS OF THE GOVERNING BODY. IN ADDITION TO POSTING ON GUIDESTAR, THE

FINAL E-FILED RETURN WILL BE POSTED ON THE ORGANIZATION'S WEBSITE AT

WWW.CLEVELANDCLINIC.ORG.

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

CCF HAS ADOPTED A CONFLICT OF INTEREST ("COI") POLICY CONSISTENT WITH THE

MODEL IRS COI POLICY. IT APPLIES TO DIRECTORS, OFFICERS AND TRUSTEES OF CCF

AND ALL ITS AFFILIATES, BOTH EXEMPT AND TAXABLE. UNDER THE BOARD OF

DIRECTORS POLICY AND PROCEDURES FOR DEALING WITH CONFLICT OF INTEREST

ISSUES (THE POLICY), A TRUSTEE OR DIRECTOR WHO HAS A CONFLICT OF INTEREST

WITH RESPECT TO A PROPOSED CONTRACT, TRANSACTION, OR ARRANGEMENT MUST

REFRAIN FROM VOTING ON ANY MATTER RELATING TO THE CONTRACT, TRANSACTION, OR

ARRANGEMENT. IN ADDITION, THE TRUSTEES, DIRECTORS AND OFFICERS MUST

ANNUALLY DISCLOSE ANY INTERESTS AS DEFINED IN THE POLICY THAT MAY BE

CONSIDERED A POTENTIAL CONFLICT OF INTEREST. FAILURE TO TIMELY REPLY IS TO

BE ADDRESSED BY THE COMMITTEE UNDER THE POLICY. THE TRUSTEES, OFFICERS AND

DIRECTORS HAVE A CONTINUING OBLIGATION TO NOTIFY THE CHIEF GOVERNANCE

OFFICER AT ANY TIME DURING THE YEAR IF ANY OF THEIR DISCLOSURES CHANGE OR

IF A NEW DISCLOSURE IS REQUIRED UNDER THE POLICY. THE BOARD CONFLICT OF

INTEREST COMMITTEE MEETS AT LEAST FOUR TIMES A YEAR AND REVIEWS THE

DISCLOSURES, ANY PROPOSED ARRANGEMENTS THAT MAY INVOLVE A POTENTIAL

CONFLICT OF INTEREST, AND DOCUMENTS THEIR CONCLUSIONS. UNDER THE POLICY,

THE INTERESTED PERSONS MAY ATTEND A MEETING AT THE DISCRETION OF THE BOARD

OR COMMITTEE TO PROVIDE INFORMATION OR ANSWER QUESTIONS, BUT THEY MAY NOT

BE PRESENT DURING FINAL CONSIDERATION OR VOTING ON THE ARRANGEMENTS.

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

ALL CCF OFFICERS AND KEY EMPLOYEE POSITIONS HAVE THEIR COMPENSATION

Name of the organization	THE CLEVELAND CLINIC FOUNDATION	Employer identification number	34-0714585
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REVIEWED IN ADVANCE ANNUALLY BY THE COMPENSATION COMMITTEE OF THE CCF BOARD

OF DIRECTORS, WHICH IS VESTED WITH BOARD-DELEGATED POWERS TO ACT ON BEHALF

OF THE BOARD WITH RESPECT TO COMPENSATION MATTERS. IN REVIEWING AND

ESTABLISHING COMPENSATION FOR THESE OFFICERS AND KEY EMPLOYEES, THE

COMMITTEE USES A PROCESS WHICH IS INTENDED TO CREATE THE PRESUMPTION IN

REGULATION 53.4958-6(A) THAT PAYMENTS OF COMPENSATION TO THESE PERSONS

CONSTITUTE REASONABLE COMPENSATION, DEFINED AS AMOUNTS THAT ARE WITHIN THE

RANGE OF COMPENSATION PAID BY SIMILARLY SITUATED ORGANIZATIONS TO SIMILARLY

QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS.

IN THIS PROCESS, NO MEMBER OF THE COMMITTEE WHO HAS A CONFLICT OF INTEREST

WITHIN THE MEANING OF REGULATION 53.4958-6(C)(1)(III) WITH RESPECT TO THE

COMPENSATION ARRANGEMENT AT ISSUE IS PERMITTED TO PARTICIPATE IN THE REVIEW

AND APPROVAL OF THAT COMPENSATION ARRANGEMENT.

IN ESTABLISHING COMPENSATION FOR EMPLOYED PHYSICIANS FOR PHYSICIAN

SERVICES, CCF PARTICIPATES IN PRODUCTIVITY AND COMPENSATION SURVEYS WITH

SIMILARLY SITUATED ORGANIZATIONS ACROSS THE U.S. IN ADDITION, CCF ENGAGES

THE SERVICES OF AN INDEPENDENT COMPENSATION CONSULTANT WHO EACH YEAR

PROVIDES CCF WITH A CUSTOMIZED COMPENSATION REPORT REGARDING PHYSICIAN

COMPENSATION. BY USING THIS DATA, CCF HAS BEEN ABLE TO DEVELOP

MARKET-BASED COMPENSATION FOR PHYSICIAN SERVICES.

IN ESTABLISHING COMPENSATION FOR OFFICERS AND KEY EMPLOYEES PERFORMING

NON-PHYSICIAN SERVICES, THE COMPENSATION COMMITTEE RETAINS AND CONSULTS

WITH AN INDEPENDENT COMPENSATION CONSULTANT, WHO PREPARES A CUSTOMIZED

REPORT FOR THE COMMITTEE REGARDING AMOUNTS PAID BY SIMILARLY SITUATED

ORGANIZATIONS TO SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

POSITIONS. THE COMMITTEE USES THE MARKET-BASED DATA PROVIDED BY THE
 CONSULTANT, AND WHERE APPROPRIATE, PERFORMANCE REVIEWS AND COMPENSATION
 RECOMMENDATIONS BY THE CHIEF EXECUTIVE OFFICER AND CHIEF OF STAFF, TO
 ESTABLISH MARKET-BASED COMPENSATION.

AFTER MAKING ITS COMPENSATION DECISIONS, THE COMMITTEE CONTEMPORANEOUSLY
 DOCUMENTS ITS DELIBERATIONS AND DECISIONS IN CCF'S WRITTEN OR ELECTRONIC
 BOOKS AND RECORDS.

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990:

AK, CA, CO, FL, GA, IL, KS, KY, LA, MA, MD, MN, MS, NC, ND, NH, NJ, NM, OH, OK, OR, PA, SC, TN, UT

WA, WI, NY, NV

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

CCF MAKES CERTAIN OF ITS KEY DOCUMENTS AVAILABLE TO THE PUBLIC ON ITS
 WEBSITE, WWW.CLEVELANDCLINIC.ORG, UNDER THE "ABOUT CLEVELAND CLINIC"
 SECTION. IN THIS SECTION, THE FINANCIAL STATEMENTS, ANNUAL REPORT,
 COMMUNITY BENEFIT REPORT, CCF'S CONFLICT OF INTEREST POLICY, AND CORPORATE
 COMPLIANCE POLICIES ARE AVAILABLE.

FORM 990, PART VI, SECTION C, LINE 18:

THE MOST RECENTLY FILED FORM 990 IS AVAILABLE ON THE CCF WEBSITE,
 WWW.CLEVELANDCLINIC.ORG, UNDER THE "ABOUT CLEVELAND CLINIC" SECTION.
 ALL OTHER DOCUMENTS WHICH ARE REQUIRED TO BE AVAILABLE TO THE PUBLIC
 CAN BE OBTAINED UPON REQUEST.

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

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

DONATED CAPITAL AND ASSETS RELEASED FROM RESTRICTION FOR

CAPITAL PURPOSES 724,049.

GIFTS AND BEQUESTS 83,871,770.

TRANSFERS OF NET ASSETS -19,560,757.

NET INVESTMENT INCOME 21,810,647.

NET ASSETS RELEASED FROM RESTRICTION FOR OPERATIONS -36,211,245.

RETIREMENT BENEFITS ADJUSTMENT -6,834,750.

NET CHANGE IN UNREALIZED GAINS ON NON-TRADING INVESTMENTS 320,129.

EQUITY AND OTHER TRANSFERS -2,406,501.

CURRENT YEAR ELIMINATION ADJUSTMENT -650,000.

ROUNDING -2.

TOTAL TO FORM 990, PART XI, LINE 9 41,063,340.

**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.

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

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization

Employer identification number
34-0714585

THE CLEVELAND CLINIC FOUNDATION

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
ADEO, L.L.C. - 46-5704174					
9500 EUCLID AVENUE					
CLEVELAND, OH 44195	TECHNOLOGY SERVICES	OHIO	354.	226,216.	THE CLEVELAND CLINIC FOUNDATION
CC CHINA, L.L.C. - 20-5776477					
9500 EUCLID AVENUE	INACTIVE	OHIO			THE CLEVELAND CLINIC FOUNDATION
CLEVELAND, OH 44195					
CC WEB SOLUTIONS, L.L.C. - 26-3222020					
6801 BRECKSVILLE RD	DOMAIN HOLDING COMPANY	OHIO			THE CLEVELAND CLINIC FOUNDATION
INDEPENDENCE, OH 44131					
CCF AMBULATORY SURGERY CENTERS, L.L.C. -					
34-1939710, 9500 EUCLID AVENUE, CLEVELAND,	HEALTHCARE SERVICES	OHIO	19,915,813.	56,543.	THE CLEVELAND CLINIC FOUNDATION
OH 44195					

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
COMMUNITY WEST FOUNDATION - 34-1456398	ADVANCE THE HEALTH AND WELL-BEING OF THE COMMUNITY	OHIO	501(C)(3)	LINE 7	N/A		X
20545 CENTER RIDGE ROAD							
ROCKY RIVER, OH 44116							
LAKWOOD HOSPITAL FOUNDATION, INC -	SUPPORT LAKWOOD HOSPITAL ASSOCIATION	OHIO	501(C)(3)	LINE 12C, III-FI	N/A		X
34-6519834, 14601 DETROIT AVENUE, STE 240,							
LAKWOOD, OH 44107							
MEDINA COUNTY HEALTH CORPORATION -	SUPPORT MEDINA HOSPITAL	OHIO	501(C)(3)	LINE 12C, III-FI	MEDINA HOSPITAL		X
27-0756266, 1000 E. WASHINGTON ST, MEDINA,	SUPPORT CHARITABLE PURPOSES OF HOSPITALS & UNIVERSITIES	OHIO	501(C)(3)	LINE 12C, III-FI			
OH 44256							
NATIONAL HEALTHCARE RESEARCH & EDUCATION							
FINANCE CORP - 31-1707979, 2001 ROSS AVENUE,							
DALLAS, TX 75201		TEXAS	501(C)(3)	LINE 12C, III-FI	N/A		X

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

Schedule R (Form 990) 2016

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN 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
CCF HOTEL SERVICES, L.L.C. - 34-0666034 9500 EUCLID AVENUE CLEVELAND, OH 44195	HOTEL OPERATIONS	OHIO	33,232,713.	141,633,310.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC CARE COORDINATION, L.L.C. - 45-5282492, 6801 BRECKSVILLE RD, INDEPENDENCE, OH 44131	HEALTHCARE SERVICES	OHIO			THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC FLORIDA NAPLES, L.L.C. - 31-1741150, 2950 CLEVELAND CLINIC BLVD, WESTON, FL 33331	HEALTHCARE SERVICES	FLORIDA			CLEVELAND CLINIC FLORIDA (A NON-PROFIT CORPORATION)
CLEVELAND CLINIC GLOBAL SOLUTIONS, L.L.C. - 26-3666730, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES & IP LICENSING	OHIO	5,582,570.	24,197,810.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC MEDICARE ACO, L.L.C. - 47-1281189, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	36,614,051.	7,323,942.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC OB/GYN SPECIALTIES, L.L.C. - 34-1938153, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	6,436,930.		THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC WELLNESS ENTERPRISE, L.L.C. - 26-3859233, 1950 RICHMOND ROAD, LYNDHURST, OH 44124	HEALTHCARE SERVICES	OHIO	4,691,301.		THE CLEVELAND CLINIC FOUNDATION
CLINIC MEDICAL SERVICES COMPANY, L.L.C. - 34-1932969, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	56,151,508.	3,300.	THE CLEVELAND CLINIC FOUNDATION
CLINIC PHYSICIAN SERVICES COMPANY, L.L.C. - 34-1907574, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	26,877,680.	32,432.	THE CLEVELAND CLINIC FOUNDATION
CLINIC REGIONAL PHYSICIANS, L.L.C. - 26-2636530, 25875 SCIENCE PARK DR, BEACHWOOD, OH 44122	HEALTHCARE SERVICES	OHIO			THE CLEVELAND CLINIC FOUNDATION

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN 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
INTELLIS EPM, L.L.C. - 27-0645368					
6801 BRECKSVILLE RD					
INDEPENDENCE, OH 44131	MEDICAL TECHNOLOGY	OHIO			THE CLEVELAND CLINIC FOUNDATION
MEDINA HEALTH VENTURES, L.L.C.					
1000 E WASHINGTON STREET	INACTIVE	OHIO			MEDINA HOSPITAL
MEDINA, OH 44256					
MERIDIA MEDICAL GROUP, L.L.C. - 34-1898545					CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION
6801 BRECKSVILLE RD	INACTIVE	OHIO			CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION
INDEPENDENCE, OH 44131					
NORTHEAST OHIO NEUROLOGICAL ASSOCIATES, L.L.C. - 20-0442351, 6801 BRECKSVILLE RD,	HEALTHCARE SERVICES	OHIO			THE CLEVELAND CLINIC FOUNDATION
INDEPENDENCE, OH 44131					
OHIO STAR IMAGING, L.L.C.	INACTIVE	OHIO			THE CLEVELAND CLINIC FOUNDATION
9500 EUCLID AVENUE					
CLEVELAND, OH 44195					THE CLEVELAND CLINIC FOUNDATION
PSW, L.L.C. - 26-1614376					
9500 EUCLID AVENUE	REAL ESTATE HOLDINGS	OHIO			THE CLEVELAND CLINIC FOUNDATION
CLEVELAND, OH 44195					
REJ HOLDINGS, L.L.C. - 27-3245990					THE CLEVELAND CLINIC FOUNDATION
3050 SCIENCE PARK DRIVE	REAL ESTATE HOLDINGS	OHIO			THE CLEVELAND CLINIC FOUNDATION
BEACHWOOD, OH 44122					
TATARA VASCULAR, L.L.C. - 47-4282964					THE CLEVELAND CLINIC FOUNDATION
10000 CEDAR AVE	MEDICAL TECHNOLOGY	DELAWARE			THE CLEVELAND CLINIC FOUNDATION
CLEVELAND, OH 44106					
THE BRENTWOOD CENTER OF EXCELLENCE, L.L.C. - 20-1476092, 6801 BRECKSVILLE RD,					CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION
INDEPENDENCE, OH 44131	HEALTHCARE SERVICES	OHIO			
WOOSTER CLINIC, L.L.C. - 34-1855775					
9500 EUCLID AVENUE					THE CLEVELAND CLINIC FOUNDATION
CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	46,050,902.	12,857.	

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			
CCF/MHS RENAL CARE COMPANY LTD. - 34-1863789, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	MEDICAL SERVICES	OH	THE CLEVELAND CLINIC FOUNDATION	RELATED	4,023,773.	12,796,150.		X	N/A	X	60.00%
MONTROSE SLEEP CENTER, L.L.C. - 20-0494491, 4125 MEDINA ROAD, AKRON, OH 44333	SLEEP LAB	OH	N/A	N/A			X		N/A	X	
CLEVELAND HEALTH NETWORK MSO, L.L.C. - 31-1566180, 4700 ROCKSIDE ROAD, STE 200, INDEPENDENCE, OH 44131	MEDICAL SERVICES	OH	N/A	RELATED	0.	22,014.	X		N/A	X	79.90%
PROGNOSTIX, L.L.C. - 30-0624422, 10000 CEDAR AVE, CLEVELAND, OH 44106	MEDICAL SERVICES	OH	THE CLEVELAND CLINIC FOUNDATION	RELATED	-402.	149,024.	X		N/A	X	78.00%

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
33 GROSVENOR PLACE, LTD.			CLEVELAND						
1 WAVERLEY PLACE, UNION STREET			CLINIC UK						
ST. HELLIER, JERSEY JE1 1SG			HOLDINGS, LTD	C CORP	11,181,650.	302,978,611.	100.00%	X	
AKRON GENERAL INNOVATIONS, INC. - 38-3928798									
1 AKRON GENERAL AVENUE	PARTNERSHIP		AKRON GENERAL						
AKRON, OH 44307	INVESTMENTS	OH	PARTNERS	C CORP	-10,288.	10,000.	100.00%	X	
CCF BOLTON, INC. - 20-4596571			CLINIC MEDICAL						
6801 BRECKSVILLE ROAD	BUSINESS SERVICES	OH	SOLUTIONS, INC.	C CORP	0.	0.		X	
INDEPENDENCE, OH 44131			THE CLEVELAND						
CCHS INDEMNITY CO., LTD. - 98-0207086		CAYMAN	CLINIC						
23 LIME TREE BAY, BOX 1051		ISLANDS	FOUNDATION	C CORP	83,958,474.	180,656,616.	100.00%	X	
GRAND CAYMAN, CAYMAN ISLANDS KY1-1102	INSURANCE COMPANY		THE CLEVELAND						
CLEVELAND CLINIC CANADA-TORONTO, INC.			CLINIC						
181 BAY STREET, BOX818			FOUNDATION	C CORP	8,353,963.	1,471,379.	100.00%	X	
TORONTO, CANADA M5J 2T3	HEALTH CARE SERVICES	CANADA							

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(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
CLEVELAND CLINIC EMR, INC. - 20-4856025 6801 BRECKSVILLE ROAD			CLINIC MEDICAL SOLUTIONS, INC.	C CORP	0.	6,517,503.			X
INDEPENDENCE, OH 44131	MEDICAL SERVICES	OH							
CLEVELAND CLINIC FLORIDA HEALTH PLAN, INC. - 65-0338016, 6801 BRECKSVILLE ROAD,			CLINIC MEDICAL SOLUTIONS, INC.	C CORP	0.				
INDEPENDENCE, OH 44131	BUSINESS SERVICES	FL							
CLEVELAND CLINIC HEALTH SYSTEM PHYSICIAN ORGANIZATION - 34-1877409, 6801 BRECKSVILLE ROAD, INDEPENDENCE, OH 44131	MEDICAL SERVICES	OH	CLINIC MEDICAL SOLUTIONS, INC.	C CORP	8,373,773.	15,393,362.			X
CLEVELAND CLINIC LONDON, LTD.			CLEVELAND CLINIC UK HOLDINGS, LTD	C CORP	0.	3,051,441.	100.00%	X	
20-22 BEDFORD ROW LONDON, UNITED KINGDOM CW1R 4JS	HOSPITAL OPERATING COMPANY	UNITED KINGDOM							
CLEVELAND CLINIC UK HOLDINGS, LTD.			THE CLEVELAND CLINIC FOUNDATION	C CORP	-2,662,217.	521,327,045.	100.00%	X	
20-22 BEDFORD ROW LONDON, UNITED KINGDOM CW1R 4JS	HOLDING COMPANY	UNITED KINGDOM							
CLEVELAND HEALTH NETWORK - 34-1770780 6000 WEST CREEK ROAD, STE 20	MEDICAL SERVICES	OH	N/A	C CORP	3,595.	1,382,453.		X	
INDEPENDENCE, OH 44131									
CLEVELAND HEALTH NETWORK MANAGED CARE ORGANIZATION - 34-1808138, 6000 WEST CREEK ROAD, STE 20, INDEPENDENCE, OH 44131	HEALTHCARE SERVICES	OH	CLEVELAND HEALTH NETWORK	C CORP	1,751,484.	4,428,725.		X	
CLINIC MEDICAL SOLUTIONS, INC. - 34-1695388 18101 LORAIN AVENUE			THE CLEVELAND CLINIC FOUNDATION						
CLEVELAND, OH 44111	HEALTH CARE SERVICES	OH		C CORP	14,425,996.	8,485,752.		X	
CMCD, INC. - 34-1256599									
1000 E WASHINGTON STREET MEDINA, OH 44256	REAL ESTATE	OH	MEDINA HOSPITAL	C CORP	0.	311,040.	100.00%	X	
CUSTOM ORTHOPAEDIC SOLUTIONS, INC. - 27-4838981, 10000 CEDAR AVENUE, CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	2,060,378.	561,290.	100.00%	X	
I-COMET TECHNOLOGIES INC. - 45-2063841 10000 CEDAR AVENUE			THE CLEVELAND CLINIC FOUNDATION						
CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE		C CORP	0.	0.	.00%		X
IMAGEIQ, INC. - 27-4427530 10000 CEDAR AVENUE			THE CLEVELAND CLINIC FOUNDATION						
CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE		C CORP	2,624,902.	1,150,070.	92.02%	X	

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(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
INFUSEON THERAPEUTICS, INC. - 46-1776182 10000 CEDAR AVENUE CLEVELAND, OH 44106	SCIENTIFIC RESEARCH	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	283,518.	100.00%	X	
ION-VAC, INC. - 46-1560044 10000 CEDAR AVENUE CLEVELAND, OH 44106	SCIENTIFIC RESEARCH	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	107,072.	100.00%	X	
IVHR, INC. - 45-4657632 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	OH	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.		100.00%	X	
LAKEWOOD HEALTHCARE FOUNDATION - 34-1574608 14519 DETROIT AVENUE LAKEWOOD, OH 44107	HEALTHCARE SERVICES	OH	N/A	C CORP	0.	0.			X
MCZ, INC. - 34-1256598 1000 E WASHINGTON STREET MEDINA, OH 44256	LEASING	OH	MEDINA HOSPITAL	C CORP	7,807.	500.	100.00%	X	
MEDINVEST, INC. - 20-3978297 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131	HOLDING COMPANY	OH	CLINIC MEDICAL SOLUTIONS, INC.	C CORP	0.	0.	100.00%	X	
MERIDIA HEALTH VENTURES, INC. - 34-1533871 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131	HEALTH CARE SERVICES	OH	CLEVELAND CLINIC HOME CARE	C CORP	0.	0.	100.00%	X	
MERLOT ORTHOPEDIX, INC. - 11-3779414 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL DEVICE MANUFACTURING	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.		57.30%	X	
NEOMEDICS, INC. - 02-0656618 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131	BUSINESS SERVICES	OH	CLINIC MEDICAL SOLUTIONS, INC.	C CORP	0.	0.	100.00%	X	
NEUROTERAPIA, INC. - 47-3977513 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	1,249,404.	100.00%	X	
OPTOQUEST CORPORATION - 26-3589643 10000 CEDAR AVENUE CLEVELAND, OH 44106	SCIENTIFIC RESEARCH	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	506,462.	1,022,267.	100.00%	X	
PINE FALLS CONDOMINIUM ASSOCIATES, INC. - 34-1617589, 6100 WEST CREEK, SUITE 25, INDEPENDENCE, OH 44131	CONDO RENTALS	OH	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	0.	75.00%	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?**a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)**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) CLEVELAND CLINIC CANADA - TORONTO, INC.	A	100,000.FMV	
(2) CLEVELAND CLINIC EDUCATIONAL FOUNDATION	B	22,945,312.FMV	
(3) IVHR, INC.	B	15,648,542.FMV	
(4) CLEVELAND CLINIC CANADA - TORONTO, INC.	C	202,134.FMV	
(5) LAKEWOOD HOSPITAL ASSOCIATION	C	1,226,581.FMV	
(6) AKRON GENERAL MEDICAL CENTER	D	144,277,805.FMV	

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Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)CCHS INDEMNITY COMPANY, LTD.	D	3,593,803.FMV	
(8)AKRON GENERAL HEALTH SYSTEM	E	7,617,087.FMV	
(9)CLEVELAND CLINIC EDUCATIONAL FOUNDATION	J	2,962,526.FMV	
(10)CLEVELAND CLINIC MEDICAL SERVICES, INC.	J	439,728.FMV	
(11)CLINIC MEDICAL SOLUTIONS, INC.	J	288,773.FMV	
(12)LAKEWOOD HOSPITAL ASSOCIATION	J	31,644.FMV	
(13)CLEVELAND CLINIC AVON HOSPITAL	K	937,000.FMV	
(14)CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION	K	3,061,365.FMV	
(15)FAIRVIEW HOSPITAL	K	653,721.FMV	
(16)LAKEWOOD HOSPITAL ASSOCIATION	K	22,456.FMV	
(17)MARYMOUNT HOSPITAL, INC.	K	662,280.FMV	
(18)CLEVELAND CLINIC CHILDREN'S HOSPITAL FOR REHABILITATION	L	3,231,859.FMV	
(19)CLEVELAND CLINIC FLORIDA (A NONPROFIT CORPORATION)	L	14,984,439.FMV	
(20)CLEVELAND CLINIC FLORIDA HEALTH SYSTEM NONPROFIT CORPORATION	L	13,786,240.FMV	
(21)CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION	L	80,962,733.FMV	
(22)CLEVELAND CLINIC HOME CARE SERVICES	L	6,194,032.FMV	
(23)CLEVELAND CLINIC NEVADA	L	162,458.FMV	
(24)FAIRVIEW HOSPITAL	L	50,902,048.FMV	

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-f)	(c) Amount involved	(d) Method of determining amount involved
(7) LAKEWOOD HOSPITAL ASSOCIATION	L	1,428,888.FMV	
(8) LUTHERAN HOSPITAL	L	13,272,993.FMV	
(9) MARYMOUNT HOSPITAL, INC.	L	23,315,493.FMV	
(10) MEDINA HOSPITAL	L	14,573,094.FMV	
(11) CLEVELAND CLINIC MEDICAL SERVICES, INC.	M	9,143,000.FMV	
(12) IMAGEIQ, INC.	M	96,000.FMV	
(13) PARTNERS PHYSICIAN GROUP	M	266,782.FMV	
(14) CCHS INDEMNITY COMPANY, LTD.	P	40,685,000.FMV	
(15) CLEVELAND CLINIC EDUCATIONAL FOUNDATION	Q	1,248,814.FMV	
(16) CUSTOM ORTHOPAEDIC SOLUTIONS, INC.	D	421,317.FMV	
(17) NEUROTERAPIA, INC.	D	939,500.FMV	
(18) OPTOQUEST CORPORATION	D	1,016,492.FMV	
(19) SHIELD BIOTECH, INC.	D	147,292.FMV	
(20) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	D	1,484,427.FMV	
(21) SHIELD BIOTECH, INC.	L	303,680.FMV	
(22) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	E	1,496,140.FMV	
(23) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	L	276,329.FMV	
(24)			

Part VII	Supplemental Information.
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Provide additional information for responses to questions on Schedule R. See instructions.

[illegible]

August 1, 2017

The accompanying consolidated financial statements of The Cleveland Clinic Foundation and its controlled affiliates (System) as of and for the years ended December 31, 2016 and 2015 have been reissued to reflect the retrospective adoption of Accounting Standards Update (ASU) 2017-07.

In March 2017, the Financial Accounting Standards Board issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This ASU requires the service cost component of net periodic benefit cost related to defined benefit pension and postretirement benefit plans to be reported in the same financial statement line as other compensation costs arising from services rendered during the period. The other components of net periodic benefit cost are required to be presented separately from service costs and outside of operating income in the statement of operations. Only the service cost component of net periodic benefit cost will be eligible for capitalization in assets. ASU 2017-07 is effective for the System for annual reporting periods beginning after December 15, 2018 and interim periods within annual reporting periods beginning after December 15, 2019 with early adoption permitted in the first quarter of 2017. Upon adoption, the System is required to apply the new guidance retrospectively to all periods presented in the consolidated financial statements, except for the guidance limiting the capitalization of net periodic benefit costs in assets which is required to be applied prospectively. The System early adopted ASU 2017-07 on January 1, 2017. The adoption of ASU 2017-07 for the System was applied retrospectively to the years ended December 31, 2016 and 2015. The following table presents the impact of adoption on the System's consolidated statements of operations and changes in net assets (in thousands):

Year ended December 31, 2016			
	Previously Reported	Impact of Adoption	As Reported
Salaries, wages and benefits	\$ 4,534,869	\$ (103,887)	\$ 4,430,982
Operating income	139,352	103,887	243,239
Other, net	(7,212)	(103,887)	(111,099)
Net nonoperating gains	374,155	(103,887)	270,268

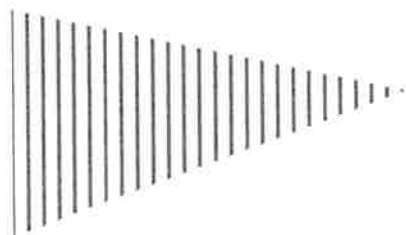
Year ended December 31, 2015			
	Previously Reported	Impact of Adoption	As Reported
Salaries, wages and benefits	\$ 3,799,214	\$ (9,738)	\$ 3,789,476
Operating income	480,224	9,738	489,962
Other, net	793	(9,738)	(8,945)
Net nonoperating gains	137,994	(9,738)	128,256

The adoption and retrospective application of ASU 2017-07 had no impact on excess of revenues over expenses or the consolidated balance sheets.

CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

The Cleveland Clinic Foundation
d.b.a. Cleveland Clinic Health System
Years Ended December 31, 2016 and 2015
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

Cleveland Clinic Health System

Consolidated Financial Statements
and Supplementary Information

Years Ended December 31, 2016 and 2015

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Report of Independent Auditors

The Board of Directors
The Cleveland Clinic Foundation

We have audited the accompanying consolidated financial statements of The Cleveland Clinic Foundation and controlled affiliates, d.b.a. Cleveland Clinic Health System, which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Cleveland Clinic Foundation and controlled affiliates, d.b.a. Cleveland Clinic Health System, at December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 21, 2017, except for paragraph 6 of
Note 3 and Note 21, as to which the date is
July 31, 2017

Cleveland Clinic Health System

Consolidated Balance Sheets (In Thousands)

	December 31	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 520,628	\$ 249,580
Patient receivables, net of allowances for uncollectible accounts of \$186,241 in 2016 and \$213,516 in 2015	1,059,171	950,304
Investments for current use	52,126	53,852
Other current assets	396,892	408,139
Total current assets	2,028,817	1,661,875
Investments:		
Long-term investments	6,476,259	6,184,378
Funds held by trustees	75,892	125,723
Assets held for self-insurance	128,128	93,662
Donor-restricted assets	612,221	565,161
	7,292,500	6,968,924
Property, plant, and equipment, net	4,512,078	4,388,667
Other assets:		
Pledges receivable, net	150,709	141,468
Trusts and interests in foundations	67,219	86,741
Other noncurrent assets	410,007	353,751
	627,935	581,960
Total assets	<u>\$ 14,461,330</u>	<u>\$ 13,601,426</u>

	December 31	
	2016	2015
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 482,427	\$ 412,559
Compensation and amounts withheld from payroll	322,493	295,668
Current portion of long-term debt	81,739	95,694
Variable rate debt classified as current	527,115	519,252
Other current liabilities	462,561	467,042
Total current liabilities	1,876,335	1,790,215
Long-term debt:		
Hospital revenue bonds	2,926,949	2,727,471
Notes payable and capital leases	516,719	466,020
	3,443,668	3,193,491
Other liabilities:		
Professional and general liability insurance reserves	146,109	139,617
Accrued retirement benefits	478,874	490,753
Other noncurrent liabilities	490,545	478,352
	1,115,528	1,108,722
Total liabilities	6,435,531	6,092,428
Net assets:		
Unrestricted	7,088,209	6,627,406
Temporarily restricted	627,426	586,276
Permanently restricted	310,164	295,316
Total net assets	8,025,799	7,508,998
Total liabilities and net assets	\$ 14,461,330	\$ 13,601,426

See accompanying notes.

Cleveland Clinic Health System

Consolidated Statements of Operations and Changes in Net Assets (In Thousands)

Operations

	Year Ended December 31	
	2016	2015
Unrestricted revenues		
Net patient service revenue	\$ 7,551,066	\$ 6,712,483
Provision for uncollectible accounts	(301,694)	(231,304)
Net patient service revenue less provision for uncollectible accounts	7,249,372	6,481,179
Other	787,835	675,793
Total unrestricted revenues	8,037,207	7,156,972
Expenses		
Salaries, wages, and benefits	4,430,982	3,789,476
Supplies	749,073	664,846
Pharmaceuticals	862,697	701,236
Purchased services and other fees	506,107	398,378
Administrative services	196,958	175,834
Facilities	343,377	300,652
Insurance	66,746	62,067
	7,155,940	6,092,489
Operating income before interest, depreciation, and amortization expenses	881,267	1,064,483
Interest	136,105	124,141
Depreciation and amortization	476,305	409,453
Operating income before special charges	268,857	530,889
Special charges – <i>Note 20</i>	25,618	40,927
Operating income	243,239	489,962
Nonoperating gains and losses		
Investment return	404,191	(56,328)
Derivative losses	(22,824)	(25,010)
Gain on remeasurement of Akron General equity investment	–	38,777
Akron General member substitution contribution	–	242,822
Goodwill impairment loss	–	(63,060)
Other, net	(111,099)	(8,945)
Net nonoperating gains	270,268	128,256
Excess of revenues over expenses	513,507	618,218

(continued on next page)

Changes in Net Assets

	Net Assets			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at January 1, 2015	\$ 5,998,053	\$ 519,730	\$ 284,712	\$ 6,802,495
Excess of revenues over expenses	618,218	—	—	618,218
Donated capital and assets released from restrictions for capital purposes	5,806	(5,760)	—	46
Gifts and bequests	—	107,982	24,639	132,621
Net investment loss	—	(732)	—	(732)
Net assets released from restrictions used for operations included in other unrestricted revenues	—	(44,493)	—	(44,493)
Retirement benefits adjustment	21,747	—	—	21,747
Change in interests in foundations	—	(17,351)	(17,480)	(34,831)
Change in value of perpetual trusts	—	—	(676)	(676)
Net change in unrealized losses on nontrading investments	(4,947)	—	—	(4,947)
Akron General member substitution contribution	—	27,553	4,121	31,674
Other	(11,471)	(653)	—	(12,124)
Increase in net assets	629,353	66,546	10,604	706,503
Balances at December 31, 2015	6,627,406	586,276	295,316	7,508,998
Excess of revenues over expenses	513,507	—	—	513,507
Donated capital and assets released from restrictions for capital purposes	23,448	(22,683)	—	765
Gifts and bequests	—	84,256	16,939	101,195
Net investment income	—	24,451	—	24,451
Net assets released from restrictions used for operations included in other unrestricted revenues	—	(45,292)	—	(45,292)
Retirement benefits adjustment	(17,789)	—	—	(17,789)
Change in interests in foundations	—	432	—	432
Change in value of perpetual trusts	—	—	(2,091)	(2,091)
Foreign currency translation loss	(59,181)	—	—	(59,181)
Net change in unrealized gains on nontrading investments	320	—	—	320
Other	498	(14)	—	484
Increase in net assets	460,803	41,150	14,848	516,801
Balances at December 31, 2016	\$ 7,088,209	\$ 627,426	\$ 310,164	\$ 8,025,799

See accompanying notes.

Cleveland Clinic Health System

Consolidated Statements of Cash Flows (In Thousands)

	Year Ended December 31	
	2016	2015
Operating activities and net nonoperating gains and losses		
Increase in net assets	\$ 516,801	\$ 706,503
Adjustments to reconcile increase in net assets to net cash provided by operating activities and net nonoperating gains and losses:		
Loss on extinguishment of debt	3,925	209
Retirement benefits adjustment	17,789	(21,747)
Net realized and unrealized (gains) losses on investments	(382,146)	97,816
Depreciation and amortization	491,292	418,890
Provision for uncollectible accounts	301,694	231,304
Foreign currency translation loss	59,181	—
Gain on change in terms of long-term lease	—	(6,856)
Donated capital	(765)	(46)
Restricted gifts, bequests, investment income, and other	(123,987)	(96,382)
Amortization of bond premiums and debt issuance costs	(1,657)	(2,552)
Net gain in value of derivatives	(8,835)	(558)
Goodwill impairment loss	—	63,060
Gain on remeasurement of Akron General equity investment	—	(38,777)
Akron General member substitution contribution	—	(274,496)
Changes in operating assets and liabilities:		
Patient receivables	(410,561)	(299,939)
Other current assets	31,113	(48,770)
Other noncurrent assets	(58,559)	(77,581)
Accounts payable and other current liabilities	91,924	35,818
Other liabilities	8,928	(3,495)
Net cash provided by operating activities and net nonoperating gains and losses	536,137	682,401
Financing activities		
Proceeds from long-term borrowings	502,448	375,000
Payments for advance refunding and redemption of long-term debt	(148,260)	—
Principal payments on long-term debt	(127,011)	(71,073)
Debt issuance costs	(949)	(89)
Change in pledges receivable, trusts, and interests in foundations	(10,203)	63,560
Restricted gifts, bequests, investment income, and other	123,987	96,382
Net cash provided by financing activities	340,012	463,780
Investing activities		
Expenditures for property and equipment	(664,703)	(453,536)
Proceeds from sale of property and equipment	1,585	1,170
Cash acquired through member substitution	—	15,367
Acquisition of business, net of cash acquired	—	(420,144)
Net change in cash equivalents reported in long-term investments	146,064	305,575
Purchases of investments	(2,757,671)	(2,828,674)
Sales of investments	2,671,903	2,413,319
Net cash used in investing activities	(602,822)	(966,923)
Effect of exchange rate changes on cash	(2,279)	—
Increase in cash and cash equivalents	271,048	179,258
Cash and cash equivalents at beginning of year	249,580	70,322
Cash and cash equivalents at end of year	\$ 520,628	\$ 249,580
Supplemental disclosure of noncash activity		
Assets acquired through capital leases	\$ 15,479	\$ 17,333

See accompanying notes.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

1. Organization and Consolidation

The Cleveland Clinic Foundation (Foundation) is a nonprofit, tax-exempt, Ohio corporation organized and operated to provide medical and hospital care, medical research, and education. The accompanying consolidated financial statements include the accounts of the Foundation and its controlled affiliates, d.b.a. Cleveland Clinic Health System (System).

The System is the leading provider of healthcare services in northeast Ohio. The System operates 14 hospitals with approximately 3,900 staffed beds. Thirteen of the hospitals are operated in the Northeast Ohio area, anchored by the Foundation. The System operates 21 outpatient Family Health Centers, 10 ambulatory surgery centers, as well as numerous physician offices located throughout a seven-county area of northeast Ohio, and specialized cancer centers in Sandusky and Mansfield, Ohio. In addition, the System operates a hospital and a clinic in Weston, Florida, health and wellness centers in West Palm Beach, Florida and Toronto, Canada, and a specialized neurological clinical center in Las Vegas, Nevada. Pursuant to agreements, the System also provides management services for Ashtabula County Medical Center, located in Ashtabula, Ohio, with approximately 180 staffed beds, Cleveland Clinic Abu Dhabi, a multispecialty hospital offering critical and acute care services that is part of Mubadala Development Company's network of healthcare facilities located in Abu Dhabi, United Arab Emirates with approximately 250 staffed beds, and in cooperation with Abu Dhabi Health Services Company, the Sheikh Khalifa Medical City, a network of healthcare facilities in Abu Dhabi, United Arab Emirates with approximately 711 staffed beds.

In November 2015, the Foundation became the sole member of Akron General Health System (Akron General), an integrated healthcare delivery system with a 532-registered bed flagship medical center located in Akron, Ohio. In addition to the flagship medical center, Akron General also includes Lodi Community Hospital, Edwin Shaw Rehabilitation Institute, three health and wellness centers, Visiting Nurse Services and affiliates, a physician group practice and other outpatient locations. The System previously had a 35% special membership interest in Akron General pursuant to an affiliation agreement as further described in Note 2.

All significant intercompany balances and transactions have been eliminated in consolidation.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Business Combinations

Effective November 1, 2015, the Foundation became the sole member of Akron General through a non-cash business combination transaction. The business combination was recorded under the acquisition method of accounting. Prior to November 1, 2015, the Foundation was a minority member in Akron General with limited reserve powers pursuant to an affiliation agreement that was effective in September 2014. The affiliation agreement provided for a \$100 million capital investment, comprised of \$10 million cash and \$90 million note payable, in Akron General in exchange for a 35% special membership interest.

The Foundation's investment in Akron General was \$147.8 million at October 31, 2015, which was recorded under the equity method of accounting. The Foundation recorded \$5.5 million in equity earnings in 2015 prior to the business combination transaction. Equity earnings on the Foundation's investment in Akron General are recorded in other unrestricted revenues in the consolidated statements of operations and changes in net assets.

On October 31, 2015, immediately prior to the business combination transaction, the investment in Akron General was remeasured to fair value using a combination of techniques consistent with the income and market approaches. As a result of this remeasurement, the System recorded a \$38.8 million gain on remeasurement of the 35% equity investment, which is reported in nonoperating gains and losses in the consolidated statement of operations and changes in net assets for the year ended December 31, 2015. The Foundation's investment in Akron General of \$147.8 million was derecognized on November 1, 2015 in conjunction with the accounting for the business combination transaction.

The fair value of Akron General's net assets as of November 1, 2015 by major type is as follows (in thousands):

Net working capital	\$ 29,869
Intangible assets	32,280
Property and equipment	330,176
Investments	215,966
Other assets	92,106
Noncurrent liabilities assumed	(278,096)
Subtotal	<u>422,301</u>
Less October 31, 2015 investment in Akron General	<u>(147,805)</u>
Fair value of net assets	<u>\$ 274,496</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Business Combinations (continued)

The fair value of net assets of \$274.5 million in the preceding table was recognized in the consolidated statement of operations and changes in net assets for the year ended December 31, 2015 as a nonoperating member substitution contribution of \$242.8 million, contributions of temporarily restricted net assets of \$27.6 million and contributions of permanently restricted net assets of \$4.1 million.

The results of operations for Akron General are included in the consolidated statements of operations and changes in net assets beginning on November 1, 2015. For the two months ended December 31, 2015, Akron General had total unrestricted revenues of \$121.8 million, operating income of \$5.9 million and an excess of revenues over expenses of \$4.1 million. Additionally, for the two months ended December 31, 2015, Akron General recognized an increase in unrestricted net assets of \$1.1 million, including excess of revenues over expenses of \$4.1 million, and a decrease in temporarily and permanently restricted net assets of \$1.0 million.

On October 13, 2015, the Foundation through its subsidiary purchased all of the share capital of 33 Grosvenor Place Limited (Grosvenor Place) for approximately \$424.8 million, including net working capital. Grosvenor Place is a limited liability company existing under Luxembourg law and a private company incorporated under Jersey law that has a long-term leasehold interest in a six-story 198,000 square-foot building in London, England. Upon acquisition, Grosvenor Place currently leased office space to various tenants. The Foundation has established a plan to convert the building to a healthcare facility. The business combination was recorded under the acquisition method of accounting. Purchase price amounts have been assigned to assets acquired and liabilities assumed based on their respective fair values. The excess of the purchase price over the fair value of acquired net assets has been recorded as goodwill.

The fair value of Grosvenor Place's net assets as of October 13, 2015 by major type is as follows (in thousands):

Net working capital	\$ 2,833
Goodwill	63,060
Property	358,875
Fair value of net assets	<u>\$ 424,768</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Business Combinations (continued)

The results of operations for Grosvenor Place are included in the consolidated statements of operations and changes in net assets beginning on October 13, 2015. From October 13, 2015 through December 31, 2015, Grosvenor Place had total unrestricted revenues of \$3.9 million, operating income of \$0.1 million and a deficiency of revenues over expenses of \$63.0 million. The operations of Grosvenor Place had no impact on temporarily and permanently restricted net assets.

The following unaudited pro forma financial information presents the combined results of operations and changes in net assets of the System, Akron General and Grosvenor Place for the year ended December 31, 2015, as though the business combination transactions had occurred on January 1, 2015 (in thousands):

Total unrestricted revenues	\$ 7,734,115
Total unrestricted expenses	<u>7,242,571</u>
Operating income	491,544
Nonoperating gains and losses	<u>(80,814)</u>
Excess of revenues over expenses	410,730
 Increase in unrestricted net assets	 426,459
Increase in temporarily restricted net assets	38,922
Increase in permanently restricted net assets	6,547

This pro forma financial information is not necessarily indicative of the results of operations and changes in net assets that would have occurred had the System, Akron General and Grosvenor Place constituted a single entity during this period, nor is it necessarily indicative of future operating results and changes in net assets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Business Combinations (continued)

The pro forma financial information in the table above includes certain adjustments attributable to the Akron General and Grosvenor Place business combination transactions. The nonoperating gains and losses, excess of revenues over expenses and the increase in unrestricted net assets for the year ended December 31, 2015 in the table above excludes the gain on remeasurement, unrestricted member substitution contribution and impairment loss of \$38.8 million, \$242.8 million and \$63.1 million, respectively, that were reflected in the consolidated statement of operations and changes in net assets for the year ended December 31, 2015. In addition, the increases in temporarily restricted net assets and permanently restricted net assets for the year ended December 31, 2015 in the table above exclude the member substitution contributions of \$27.6 million and \$4.1 million, respectively, that were reflected in the consolidated statement of operations and changes in net assets for the year ended December 31, 2015.

3. Accounting Policies

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance, and requires significantly expanded disclosures about revenue recognition. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance in ASU 2014-09, including subsequent amendments, is effective for the System as of January 1, 2018. The System is currently evaluating the impact on the consolidated financial statements and the options of adopting using either a full retrospective or a modified approach.

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an entity's management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. This update is effective for annual periods ending after December 15, 2016. The System adopted ASU 2014-15 in 2016. The adoption of this standard had no impact on the consolidated financial statements.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

In April 2015, the FASB issued ASU 2015-03, *Imputation of Interest, Simplifying the Presentation of Debt Issuance Costs*. This ASU requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability, consistent with the presentation of a debt discount. This amends current guidance that requires debt issuance costs to be presented as assets on the balance sheet. ASU 2015-03 is effective for the System for reporting periods beginning after December 15, 2015. The System adopted ASU 2015-03 in 2016 and applied the new guidance retrospectively to all periods presented in the consolidated financial statements. The System has \$23.2 million of debt issuance costs at both December 31, 2016 and 2015, respectively, that have been reclassified under the new guidance.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU requires lessees to recognize assets and liabilities on the balance sheet for leases with lease terms greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This amends current guidance that requires only capital leases to be recognized on the lessee balance sheet. ASU 2016-02 will also require additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for the System for reporting periods beginning after December 15, 2018 with early adoption permitted. The System is currently evaluating the impact that ASU 2016-02 will have on its consolidated financial statements and will adopt the provisions upon the effective date.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. This standard intends to make certain improvements to the current reporting requirements for not-for-profit entities. This standard sets forth changes to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. ASU 2016-14 is effective for the System for reporting periods beginning after December 15, 2017. The System is currently evaluating the impact that ASU 2016-14 will have on its financial statements and will adopt the provisions upon the effective date.

In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This ASU requires the service cost component of net periodic benefit cost related to defined benefit pension and postretirement benefit plans to be reported in the same financial statement line as other compensation costs arising from services rendered during the period. The other components of net periodic benefit cost are required to be presented separately from service costs and outside of operating income in the statement of operations. Only the service cost component of net periodic benefit cost will be eligible for capitalization in assets. ASU 2017-07 is effective

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

for the System for annual reporting periods beginning after December 15, 2018 and interim periods within annual reporting periods beginning after December 15, 2019 with early adoption permitted in the first quarter of 2017. Upon adoption, the System is required to apply the new guidance retrospectively to all periods presented in the consolidated financial statements, except for the guidance limiting the capitalization of net periodic benefit costs in assets which is required to be applied prospectively. The System early adopted ASU 2017-07 on January 1, 2017. The adoption of ASU 2017-07 for the System was applied retrospectively to the years ended December 31, 2016 and 2015. The following table presents the impact of adoption on the System's consolidated statements of operations and changes in net assets (in thousands):

	Year ended December 31, 2016		
	Previously Reported	Impact of Adoption	As Reported
Salaries, wages, and benefits	\$ 4,534,869	\$ (103,887)	\$ 4,430,982
Operating income	139,352	103,887	243,239
Other, net	(7,212)	(103,887)	(111,099)
Net nonoperating gains	374,155	(103,887)	270,268
	Year ended December 31, 2015		
	Previously Reported	Impact of Adoption	As Reported
Salaries, wages, and benefits	\$ 3,799,214	\$ (9,738)	\$ 3,789,476
Operating income	480,224	9,738	489,962
Other, net	793	(9,738)	(8,945)
Net nonoperating gains	137,994	(9,738)	128,256

The adoption and retrospective application of ASU 2017-07 had no impact on excess of revenues over expenses or the consolidated balance sheets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Patient Service Revenue and Patient Receivables

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others, including retroactive adjustments under payment agreements with third-party payors. The System has agreements with third-party payors that generally provide for payments to the System at amounts different from its established rates. For uninsured patients who do not qualify for charity care, the System recognizes revenue based on established rates, subject to certain discounts as determined by the System. An estimated provision for uncollectible accounts is recorded that results in net patient service revenue being reported at the net amount expected to be received. The System has determined, based on an assessment at the consolidated entity level, that patient service revenue is primarily recorded prior to assessing the patient's ability to pay and as such, the entire provision for uncollectible accounts related to patient service revenue is recorded as a deduction from patient service revenue.

The System is paid a prospectively determined rate for the majority of inpatient acute care and outpatient, skilled nursing, and rehabilitation services provided (principally Medicare, Medicaid, and certain insurers). These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Payments for capital are received on a prospective basis for Medicare and on a cost reimbursement methodology for Medicaid. Payments are received on a prospective basis for the System's medical education costs, subject to certain limits. The System is paid for cost 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. Provision for estimated retroactive adjustments, if any, resulting from regulatory matters or other adjustments under payment agreements are estimated in the period the related services are provided. The System recorded an increase in net patient service revenue of \$12.0 million and \$24.0 million in 2016 and 2015, respectively, related to changes in estimates.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

In 2014, the Provider Reimbursement Review Board provided a favorable decision to the System regarding the graduate medical education program for Weston Hospital. The decision requires the Centers for Medicare and Medicaid Services (CMS) to reimburse Weston Hospital on its annual cost reports for graduate medical education under new program regulations, which includes all years since the hospital opened in 2001. The System recorded an increase in net patient service revenue of \$7.5 million and \$3.2 million in 2016 and 2015, respectively, related to changes in estimates.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation as well as significant regulatory action, and, in the normal course of business, the System is subject to contractual reviews and audits, including audits initiated by the Medicare Recovery Audit Contractor program. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. The System believes it is in compliance with applicable laws and regulations governing the Medicare and Medicaid programs and that adequate provisions have been made for any adjustments that may result from final settlements.

As part of integration efforts involving Akron General and through review of contractual relationships between Akron General and some of its independent physician practice groups, the System identified possible violations to the Federal Anti-Kickback Statute and Limitations on Certain Physician Referrals regulation (commonly referred to as the “Stark Law”), which may have resulted in false claims to federal and/or state health care programs and may result in liability under the False Claims Act. Akron General is cooperating with the appropriate government authorities on such possible violations.

There is a probable liability associated with the matters described above, which may put at risk federal reimbursements related to services provided to patients at Akron General by the practice groups, and potential fines and penalties that could be assessed. It is not possible to estimate the amount of the liability at this time and therefore no amount has been recognized in the consolidated financial statements.

Patient receivables are reduced by an allowance for uncollectible accounts. The allowance for uncollectible accounts is based upon management’s assessment of historical and expected net collections considering historical business and economic conditions, trends in healthcare coverage, major payor sources and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category. The results of this review are then used to make modifications to

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

the provision for uncollectible accounts to establish an appropriate allowance for uncollectible receivables. After satisfaction of amounts due from insurance, the System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the System.

Electronic Health Record Incentive Program

CMS implemented provisions of the American Recovery and Reinvestment Act of 2009 that provide annual incentive payments for the meaningful use of certified electronic health record (EHR) technology. CMS has defined meaningful use as meeting certain objectives and clinical quality measures based on current and updated technology capabilities over predetermined reporting periods as established by CMS. The objectives and clinical quality measures are implemented in stages with increasing requirements for participation. The Medicare EHR incentive program provides annual incentive payments to eligible professionals and eligible hospitals, as defined, that are meaningful users of certified EHR technology. The Medicaid EHR incentive program provides annual incentive payments to eligible professionals and hospitals for efforts to adopt, implement, and meaningfully use certified EHR technology in the first year of participation and successfully demonstrating meaningful use of certified EHR technology in subsequent participation years. Incentive payments are subject to retrospective adjustments after the submission of the annual cost reports by the System and audits thereof by the Medicare administrative contractor.

The System utilizes a grant accounting model to recognize EHR incentive revenues. The System records EHR incentive revenue ratably throughout the incentive reporting period when it is reasonably assured that it will meet the meaningful use objectives for the required reporting period and that the grants will be received. Beginning in 2015, CMS updated the EHR incentive reporting period for all hospitals to be based on the calendar year. The System believes that the professionals and hospitals that met meaningful use objectives for 2015, and that are eligible for EHR incentive payments in the 2016 program year, will continue to meet these objectives for the 2016 program year. Therefore, for the year ended December 31, 2016, the System has accrued EHR revenues related to the EHR reporting period in 2016. In 2016, the System recorded EHR incentive revenues of \$4.3 million, comprised of \$3.0 million of Medicare revenues and \$1.3 million of Medicaid revenues. In 2015, the System recorded EHR incentive revenues of \$7.0 million, comprised of \$5.7 million of Medicare revenues and \$1.3 million of Medicaid revenues. EHR incentive revenues are included in other unrestricted revenues in the consolidated statements of operations and changes in net assets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Charity Care

The System provides care to patients who do not have the ability to pay and who qualify for charity care pursuant to established policies of the System. Charity care is defined as services for which patients have the obligation and willingness to pay but do not have the ability to do so. The System does not report charity care as net patient service revenue. The cost of charity care provided in 2016 and 2015 approximated \$87 million and \$65 million, respectively. The System estimated these costs by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients.

The System participates in the Hospital Care Assurance Program (HCAP). Ohio created HCAP to financially support those hospitals that service a disproportionate share of low-income patients unable to pay for care. HCAP funds basic, medically necessary hospital services for patients whose family income is at or below the federal poverty level, which includes Medicaid patients and patients without health insurance. The System recorded HCAP revenues of \$3.1 million and \$9.3 million for the years ended December 31, 2016 and 2015, respectively, which are included in net patient service revenue.

Management Service Agreements

The System has management service agreements with regional, national and international organizations to provide advisory services for various healthcare ventures. The scope of these services range from managing current healthcare operations that are designed to improve clinical quality, innovation, patient care, medical education and research at other healthcare organizations and educational institutions to managing the construction, training, organizational infrastructure, and operational management of healthcare entities. The System recognizes revenues related to management service agreements on a pro rata basis over the term of the agreements as services are provided. Payments received in advance are recorded as deferred revenue until the services have been provided. The System has recorded deferred revenue related to management service agreements, included in other current liabilities, of \$13.6 million and \$15.0 million at December 31, 2016 and 2015, respectively. Revenue related to management service agreements for 2016 and 2015 was \$99.5 million and \$58.3 million, respectively, and is included in other unrestricted revenues.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Cash and Cash Equivalents

The System considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash equivalents are recorded at fair value in the consolidated balance sheets and exclude amounts included in long-term investments and investments for current use.

Inventories

Inventories (primarily supplies and pharmaceuticals) are stated at an average cost or the lower of cost (first-in, first-out method) or market and are recorded in other current assets.

Property, Plant, and Equipment

Property, plant, and equipment purchased by the System are recorded at cost. Donated property, plant, and equipment are recorded at fair value at the date of donation. Expenditures that substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs are expensed as incurred. Depreciation, including amortization of capital leased assets, is computed by the straight-line method using the estimated useful lives of individual assets. Buildings and building components are assigned useful lives ranging from five years to forty years. Equipment is assigned a useful life ranging from three to twenty years. Interest cost incurred on borrowed funds during the period of construction of capital assets and interest income on unexpended project funds are capitalized as a component of the cost of acquiring those assets. The System records costs and legal obligations associated with long-lived asset retirements. Assets acquired through capital lease arrangements are excluded from the consolidated statements of cash flows.

Impairment of Long-Lived Assets

The System evaluates the recoverability of long-lived assets and the related estimated remaining lives when indicators of impairment are present. For purposes of impairment analysis, assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The System records an impairment charge or changes the useful life if events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the consolidated balance sheets. Investments, excluding alternative investments, are primarily classified as trading. Investment transactions are recorded on a settlement date basis. Realized gains and losses are determined using the average cost method.

Commingled investment funds are valued using, as a practical expedient, the net asset value as provided by the respective investment companies and partnerships. There are no significant redemption restrictions on the commingled investment funds.

Investments in alternative investments, which include hedge funds, private equity/venture funds and real estate funds, are primarily limited partnerships that invest in marketable securities, privately held securities, real estate, and derivative products and are reported using the equity method of accounting based on net asset value information provided by the respective partnership or third-party fund administrators. Investments held by the partnerships consist of marketable securities as well as securities that do not have readily determinable values. The values of the securities held by the limited partnerships that do not have readily determinable values are determined by the general partner and are based on historical cost, appraisals, or other valuation estimates that require varying degrees of judgment. There is inherent uncertainty in such valuations, and the estimated fair values may differ from the values that would have been used had a ready market for the securities existed. Generally, the equity method investment balance of the System's holdings in alternative investments reflects net contributions to the partnerships and the System's share of realized and unrealized investment income and expenses. The investments may individually expose the System to securities lending, short sales, and trading in futures and forward contract options and other derivative products. The System's risk is limited to its carrying value. The financial statements of the limited partnerships are audited annually.

Alternative investments can be divested only at specified times in accordance with terms of the partnership agreements. Hedge fund redemptions typically contain restrictions that allow for a portion of the withdrawal proceeds to be held back from distribution while the underlying investments are liquidated. These redemptions are subject to lock-up provisions that are generally imposed upon initial investment in the fund. Private equity/venture funds and real estate funds are generally closed-end funds and have significant redemption restrictions that prohibit redemptions during the fund's life.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Investment return, including equity method income on alternative investments, is reported as nonoperating gains and losses, except for earnings on funds held by bond trustees and interest and dividends earned on assets held for self-insurance, which are included in other unrestricted revenues. Donor-restricted investment return on temporarily and permanently restricted investments is included in temporarily restricted net assets.

Certain of the System's assets and liabilities are exposed to various risks, such as interest rate, market, and credit risks.

Fair Value Measurements

Fair value measurements are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Authoritative guidance provides an option to elect fair value as an alternative measurement for selected financial assets and liabilities not previously recorded at fair value. The System did not elect fair value accounting for any assets or liabilities that are not currently required to be measured at fair value.

The framework for measuring fair value is comprised of a three-level hierarchy based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Goodwill and Other Intangibles

Goodwill has resulted from business combinations, primarily international business and physician practice acquisitions, and is based on the purchase price in excess of the fair values of assets acquired and liabilities assumed at the acquisition date. Annually, or when indicators of impairment exist, the System evaluates goodwill for impairment to determine whether there are events or circumstances that indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The System considers assets to be impaired and writes them down to fair value if the expected undiscounted cash flows are less than the carrying amounts.

Intangible assets other than goodwill are recorded at fair value in the period of acquisition. Intangible assets with finite lives, which consist primarily of patient medical records, non-compete agreements and leasehold interests, are amortized over their estimated useful lives, ranging from two to five years, with a weighted-average amortization period of approximately three years.

Derivatives and Hedging Activities

The System's derivative financial instruments consist of interest rate swaps and foreign currency forward contracts (Note 13), which are recognized as assets or liabilities in the consolidated balance sheets at fair value.

The System accounts for changes in the fair value of derivative instruments depending on whether they are designated and qualified as part of a hedging relationship and further, on the type of hedging relationship. The System has not designated any derivative instruments as hedges. Accordingly, the changes in fair value of derivative instruments and the related cash payments are recorded in derivative losses in the consolidated statements of operations and changes in net assets.

Foreign Currency Translation

The statements of operations of foreign subsidiaries whose functional currencies are other than the U.S. dollar are translated into U.S. dollars using average exchange rates for the period. The assets and liabilities of foreign subsidiaries whose functional currencies are other than the U.S. dollar are translated into U.S. dollars using exchange rates as of the balance sheet date. The U.S. dollar effects that arise from translating the net assets of these subsidiaries at changing rates are recorded as foreign currency translation gains and losses in the consolidated statements of operations and changes in net assets. Cumulative foreign currency translation losses included in unrestricted net assets were \$71.4 million and \$12.2 million at December 31, 2016 and 2015, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Debt Issuance Costs

Debt issuance costs are amortized over the period the obligation is outstanding using the straight-line method, which approximates the interest method.

Contributions

Unconditional donor pledges to give cash, marketable securities, and other assets are reported at fair value at the date the pledge is made to the extent estimated to be collectible by the System. Conditional donor promises to give and indications of intentions to give are not recognized until the condition is satisfied. Pledges received with donor restrictions that limit the use of the donated assets are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as other unrestricted revenues if the purpose relates to operations or reported as a change in unrestricted net assets if the purpose relates to capital.

No amounts have been reflected in the consolidated financial statements for donated services. The System pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the System with various programs.

Grants

Grant revenue is recognized in the period it is earned based on when the applicable project expenses are incurred and project milestones are achieved. Grant payments received in advance of related project expenses are deferred until the expenditure has been incurred and recorded as deferred revenue and included in other current liabilities. The System recorded research grant revenue, included in other unrestricted revenues, of \$189.2 million and \$176.5 million in 2016 and 2015, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the System. Temporarily restricted gifts and bequests are recorded as an addition to temporarily restricted net assets in the period received. Permanently restricted net assets consist of amounts held in perpetuity or for terms designated by donors, including the fair value of several perpetual trusts for which the System is an income beneficiary, or the beneficial interest in the fair value of underlying trust assets. Earnings on permanently restricted net assets are recorded as investment income in temporarily restricted net assets and subsequently used in accordance with the donor's designation. Temporarily and permanently restricted net assets are primarily restricted for research, education, and strategic capital projects.

Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments classified as nontrading, retirement benefits adjustments, foreign currency translation gains and losses, contributions of long-lived assets (including assets acquired using grants or contributions that by donor restriction were to be used for the purpose of acquiring such assets), and transfers of net assets to maintain donor-restricted endowment funds at the level required by donor stipulations or law.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue and Patient Receivables

Net patient service revenue before the provision for uncollectible accounts by major payor source for the years ended December 31, 2016 and 2015, are as follows (in thousands):

	2016		2015	
Medicare	\$ 2,521,242	33%	\$ 2,012,743	30%
Medicaid	572,130	8	420,960	6
Managed care and commercial	4,288,570	57	3,983,065	60
Self-pay	169,124	2	295,715	4
	<u>\$ 7,551,066</u>	<u>100%</u>	<u>\$ 6,712,483</u>	<u>100%</u>

The System has experienced an increase in Medicare and Medicaid revenue primarily as a result of the Affordable Care Act and other industry trends. The State of Ohio expanded Medicaid eligibility in 2014, which has increased enrollment in the Medicaid program and allowed former uninsured patients to shift into the expanded Medicaid program. The System records an estimated provision for uncollectible accounts in the year of service for self-pay accounts receivable, which includes patient receivables associated with self-pay patients and deductible and copayment balances for which third-party coverage provides for a portion of the services provided. The System's allowance for doubtful accounts was 15% and 18% of accounts receivable at December 31, 2016 and 2015, respectively. Write-offs on self-pay accounts receivable increased \$81.1 million in 2016 compared to 2015. The System does not maintain a material allowance for uncollectible accounts for third-party payors.

The System's concentration of credit risk relating to patient receivables is limited due to the diversity of patients and payors. Patient receivables consist of amounts due from government programs, commercial insurance companies, other group insurance programs, and private pay patients. Patient receivables due from Medicare, Medicaid, and one commercial payor account for approximately 29%, 8%, and 23% at December 31, 2016, and 25%, 6%, and 24% at December 31, 2015, respectively, of the System's total patient receivables. Revenues from the Medicare and Medicaid programs and one commercial payor account for approximately 33%, 8%, and 17% for 2016, and 30%, 6%, and 17% for 2015, respectively, of the System's net patient service revenue. Excluding these payors, no one payor represents more than 10% of the System's patient receivables or net patient service revenue.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

5. Cash, Cash Equivalents, and Investments

The composition of cash, cash equivalents, and investments at December 31, 2016 and 2015, is as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 687,410	\$ 562,406
Fixed income securities:		
U.S. treasuries	963,715	810,036
U.S. government agencies	20,270	22,158
U.S. corporate	167,025	147,703
U.S. government agencies asset-backed securities	25,102	18,519
Corporate asset-backed securities	2,829	7,295
Foreign	44,759	40,774
Fixed income mutual funds	222,670	172,996
Commingled fixed income funds	663,154	690,372
Common and preferred stocks:		
U.S.	422,947	418,135
Foreign	267,061	252,376
Equity mutual funds	381,686	262,774
Commingled equity funds	1,591,389	1,453,528
Commingled commodity funds	122,297	117,100
Alternative investments:		
Hedge funds	1,134,136	1,350,427
Private equity/venture funds	696,786	541,009
Real estate	452,018	404,748
Total cash, cash equivalents, and investments	<u>\$ 7,865,254</u>	<u>\$ 7,272,356</u>

Investments are primarily maintained in a master trust fund administered using a bank as trustee. The management of the majority of the System's investments is conducted by numerous external investment management organizations that are monitored by management and an external third-party advisor. Of these investment managers, 20 managers focus on equity investments, 11 managers focus on fixed income investments, and 107 managers focus on alternative investments. The alternative investments have separate administrators and custodian arrangements. Alternative investments also include three holdings in which the System invests directly.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

5. Cash, Cash Equivalents, and Investments (continued)

Total investment return (loss) is comprised of the following for the years ended December 31, 2016 and 2015 (in thousands):

	<u>2016</u>	<u>2015</u>
Other unrestricted revenues:		
Interest income and dividends	\$ 2,750	\$ 2,123
Nonoperating gains (losses), net:		
Interest income and dividends	61,430	49,851
Net realized gains on sales of investments	157,358	156,710
Net change in unrealized gains (losses) on investments	100,079	(314,771)
Equity method income on alternative investments	104,184	69,600
Investment management fees	(18,860)	(17,718)
	<u>404,191</u>	<u>(56,328)</u>
Other changes in net assets:		
Net change in unrealized gains (losses) on nontrading investments	320	(4,947)
Investment income (loss) on restricted investments	24,451	(732)
Total investment return (loss)	<u>\$ 431,712</u>	<u>\$ (59,884)</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

6. Other Current Assets and Liabilities and Other Noncurrent Assets and Liabilities

Other current and noncurrent assets at December 31, 2016 and 2015, consist of the following (in thousands):

	2016	2015
Current:		
Inventories	\$ 133,074	\$ 125,536
Pledges receivable current (<i>see Note 10</i>)	58,188	37,703
Prepaid expenses	52,989	54,211
Estimated amounts due from third-party payors	41,162	90,045
Research receivables	36,390	35,099
Other	75,089	65,545
Total other current assets	<u>\$ 396,892</u>	<u>\$ 408,139</u>
Noncurrent:		
Deferred compensation plan assets	\$ 162,820	\$ 136,012
Goodwill and other intangible assets	92,574	90,407
Note receivable	37,455	13,535
Investments in affiliates	37,244	33,868
Other	79,914	79,929
Total other noncurrent assets	<u>\$ 410,007</u>	<u>\$ 353,751</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

6. Other Current Assets and Liabilities and Other Noncurrent Assets and Liabilities (continued)

Other current and noncurrent liabilities at December 31, 2016 and 2015 consist of the following (in thousands):

	2016	2015
Current:		
Research deferred revenue	\$ 71,885	\$ 73,639
Interest payable	64,141	61,314
Current portion of professional and general liability insurance reserves (see Note 14)	52,125	52,223
Estimated amounts due to third-party payors	45,000	48,639
Management contracts and other deferred revenue	38,602	40,432
Employee benefit related liabilities	34,384	38,452
Foreign currency forward contracts (see Note 13)	11,076	—
State assessment liabilities	5,185	40,869
Other	140,163	111,474
Total other current liabilities	<u>\$ 462,561</u>	<u>\$ 467,042</u>
Noncurrent:		
Employee benefit related liabilities	\$ 216,666	\$ 190,962
Interest rate swap liabilities (see Note 13)	139,422	159,333
Pledge liabilities	34,134	33,518
Estimated amounts due to third-party payors	24,523	16,284
Gift annuity liabilities	11,114	10,480
Accrued income tax liabilities (see Note 16)	2,258	4,062
Other	62,428	63,713
Total other noncurrent liabilities	<u>\$ 490,545</u>	<u>\$ 478,352</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

7. Goodwill and Other Intangible Assets

In 2016, the System recorded goodwill of \$4.1 million related to the acquisitions of various physician practices. In 2015, the System recorded goodwill of \$79.2 million related to the acquisitions of Grosvenor Place and various physician practices. Subsequent to the acquisition of Grosvenor Place, the System established a plan to change the use of the facility. As a result of the expected changes in the business, the System determined that the fair value of the reporting unit was below the carrying amount. The fair value of the reporting unit was determined using techniques consistent with the market approach. The System recorded a goodwill impairment loss of \$63.1 million in the consolidated statement of operations and changes in net assets for the year ended December 31, 2015. Goodwill is recorded in other noncurrent assets in the consolidated balance sheets.

The changes in the carrying amount of goodwill for the years ended December 31, 2016 and 2015 are as follows (in thousands):

	Year Ended December 31	
	2016	2015
Balance, beginning of year	\$ 54,411	\$ 38,319
Goodwill acquired	4,086	79,152
Goodwill impairment loss	—	(63,060)
Balance, end of year	<u>\$ 58,497</u>	<u>\$ 54,411</u>

In 2016, the System acquired other intangible assets of \$0.4 million related to physician practice acquisitions. In 2015, the System acquired other intangible assets of \$34.7 million, comprised of \$32.3 million related to the member substitution of Akron General and \$2.4 million related to physician practice acquisitions. Other intangible assets are recorded in other noncurrent assets in the consolidated balance sheets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

7. Goodwill and Other Intangible Assets (continued)

Other intangible assets at December 31, 2016 and 2015 consist of the following (in thousands):

	2016		2015	
	Historical Cost	Accumulated Amortization	Historical Cost	Accumulated Amortization
Trade name	\$ 31,700	\$ –	\$ 31,700	\$ –
Finite-lived intangible assets	6,643	4,266	6,261	1,965
Total	\$ 38,343	\$ 4,266	\$ 37,961	\$ 1,965

Amortization related to finite-lived intangible assets was \$2.3 million and \$1.3 million in 2016 and 2015, respectively, and is included in depreciation and amortization in the consolidated statements of operations and changes in net assets. Future amortization is as follows (in thousands): 2017 – \$1,576; 2018 – \$623; 2019 – \$152; and 2020 – \$26.

8. Fair Value Measurements

The carrying values of accounts receivable and accounts payable are reasonable estimates of fair value due to the short-term nature of these financial instruments. Investments, other than alternative investments, are recorded at their fair value. Other current and noncurrent assets and liabilities have carrying values that approximate fair value.

The fair value of the System's pledges receivable is based on discounted cash flow analysis using treasury yield curve interest rates consistent with the maturities of the pledges receivable and adjusted for consideration of the donor's credit. The fair value of pledges receivable was \$211.7 million and \$185.4 million (see carrying value at Note 10) at December 31, 2016 and 2015, respectively. Pledges receivable would be classified as Level 3 in the fair value hierarchy.

The fair value of the System's long-term debt is estimated by discounted cash flow analyses using current borrowing rates for similar types of borrowing arrangements and adjusted for the System's credit. Inputs, which include reported/comparable trades, broker/dealer quotes, bids and offerings, are obtained from various sources, including market participants, dealers, brokers and various news media/market information. The fair value of long-term debt was \$3.6 billion and \$3.5 billion (see carrying value at Note 12) at December 31, 2016 and 2015, respectively. Long-term debt would be classified as Level 2 in the fair value hierarchy.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

The following tables present the financial instruments measured at fair value on a recurring basis as of December 31, 2016 and 2015, based on the valuation hierarchy (in thousands):

December 31, 2016	Level 1	Level 2	Level 3	Total
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 687,410	\$ —	\$ —	\$ 687,410
Fixed income securities:				
U.S. treasuries	963,715	—	—	963,715
U.S. government agencies	—	20,270	—	20,270
U.S. corporate	—	167,025	—	167,025
U.S. government agencies asset-backed securities	—	25,102	—	25,102
Corporate asset-backed securities	—	2,829	—	2,829
Foreign	—	44,759	—	44,759
Fixed income mutual funds	222,670	—	—	222,670
Common and preferred stocks:				
U.S.	420,744	2,203	—	422,947
Foreign	265,689	1,372	—	267,061
Equity mutual funds	381,686	—	—	381,686
Total cash and investments	2,941,914	263,560	—	3,205,474
Perpetual and charitable trusts	—	45,350	—	45,350
Total assets at fair value	\$ 2,941,914	\$ 308,910	\$ —	\$ 3,250,824
Liabilities				
Interest rate swaps	\$ —	\$ 139,422	\$ —	\$ 139,422
Foreign currency forward contracts	—	11,076	—	11,076
Total liabilities at fair value	\$ —	\$ 150,498	\$ —	\$ 150,498

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 562,350	\$ 56	\$ —	\$ 562,406
Fixed income securities:				
U.S. treasuries	810,036	—	—	810,036
U.S. government agencies	—	22,158	—	22,158
U.S. corporate	—	147,703	—	147,703
U.S. government agencies asset-backed securities	—	18,519	—	18,519
Corporate asset-backed securities	—	7,295	—	7,295
Foreign	—	40,774	—	40,774
Fixed income mutual funds	172,996	—	—	172,996
Common and preferred stocks:				
U.S.	416,316	1,819	—	418,135
Foreign	251,046	1,330	—	252,376
Equity mutual funds	262,774	—	—	262,774
Total cash and investments	2,475,518	239,654	—	2,715,172
Perpetual and charitable trusts	—	65,305	—	65,305
Total assets at fair value	\$ 2,475,518	\$ 304,959	\$ —	\$ 2,780,477
Liabilities				
Interest rate swaps	\$ —	\$ 159,333	\$ —	\$ 159,333
Total liabilities at fair value	\$ —	\$ 159,333	\$ —	\$ 159,333

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

Financial instruments at December 31, 2016 and 2015 are reflected in the consolidated balance sheets as follows (in thousands):

	2016	2015
Cash, cash equivalents, and investments measured at fair value	\$ 3,205,474	\$ 2,715,172
Commingled funds measured at net asset value	2,376,840	2,261,000
Alternative investments accounted for under the equity method	2,282,940	2,296,184
Total cash, cash equivalents, and investments	<u>\$ 7,865,254</u>	<u>\$ 7,272,356</u>
Perpetual and charitable trusts measured at fair value	\$ 45,350	\$ 65,305
Interests in foundations	21,869	21,436
Trusts and interests in foundations	<u>\$ 67,219</u>	<u>\$ 86,741</u>

Interest rate swaps and forward currency forward contracts (Note 13) are reported in other noncurrent liabilities in the consolidated balance sheets.

The following is a description of the System's valuation methodologies for assets and liabilities measured at fair value. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is determined as follows:

Investments classified as Level 2 are primarily determined using techniques that are consistent with the market approach. Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs, which include broker/dealer quotes, reported/comparable trades, and benchmark yields, are obtained from various sources, including market participants, dealers, and brokers.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

The fair value of perpetual and charitable trusts in which the System receives periodic payments from the trust is determined based on the present value of expected cash flows to be received from the trust using discount rates ranging from 1.9% to 5.0%, which are based on Treasury yield curve interest rates or the assumed yield of the trust assets. The fair value of charitable trusts in which the System is a remainder beneficiary is based on the System's beneficial interest in the investments held in the trust, which are measured at fair value.

The fair value of interest rate swaps is determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved. The valuations include a credit spread adjustment to market interest rate curves to appropriately reflect nonperformance risk. The credit spread adjustment is derived from other comparably rated entities' bonds recently priced in the market. The System manages credit risk based on the net portfolio exposure with each counterparty.

The fair value of foreign currency forward contracts is based on the difference between the contracted forward rate and current market foreign currency exchange rates. A credit spread adjustment is included in the valuations to appropriately reflect nonperformance risk. The credit spread adjustment is derived from other comparably rated entities' bonds recently priced in the market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

9. Property, Plant, and Equipment

Property, plant, and equipment at December 31, 2016 and 2015 consist of the following (in thousands):

	<u>2016</u>	<u>2015</u>
Land and improvements	\$ 390,669	\$ 382,832
Buildings	5,350,756	5,075,427
Leasehold improvements	30,609	30,254
Equipment	1,599,562	1,541,883
Computer hardware and software	797,300	760,757
Construction-in-progress	611,587	468,380
Leased facilities and equipment	150,561	144,794
	<u>8,931,044</u>	<u>8,404,327</u>
Accumulated depreciation and amortization	<u>(4,418,966)</u>	<u>(4,015,660)</u>
	<u>\$ 4,512,078</u>	<u>\$ 4,388,667</u>

Included in the preceding table is unamortized computer software of \$188.3 million and \$81.1 million at December 31, 2016 and 2015, respectively. Amortization of computer software totaled \$48.9 million and \$32.1 million in 2016 and 2015, respectively. Amortization of computer software for the five years subsequent to December 31, 2016, is as follows (in millions): 2017 – \$43.9; 2018 – \$33.5; 2019 – \$23.5; 2020 – \$17.4; and 2021 – \$15.9.

Accumulated amortization of leased facilities and equipment was \$58.8 million and \$40.2 million at December 31, 2016 and 2015, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

10. Pledges Receivable

Outstanding pledges receivable from various corporations, foundations, and individuals at December 31, 2016 and 2015, are as follows (in thousands):

	2016	2015
Pledges due:		
In less than one year	\$ 72,117	\$ 58,082
In one to five years	108,075	83,460
In more than five years	88,540	99,958
	<u>268,732</u>	<u>241,500</u>
Allowance for uncollectible pledges and discounting	(59,835)	(62,329)
Current portion (net of allowance for uncollectible pledges of \$13.9 million in 2016 and \$20.4 million in 2015)	(58,188)	(37,703)
	<u>\$ 150,709</u>	<u>\$ 141,468</u>

11. Notes Payable and Capital Leases

Notes payable and capital leases at December 31, 2016 and 2015 consist of the following (in thousands):

	2016	2015
Notes payable with interest rates up to 6.0%	\$ 381,308	\$ 390,099
Revolving credit facility	60,000	—
Capital leases for facilities and equipment	96,435	108,085
City of Lakewood lease	1,565	2,715
	<u>539,308</u>	<u>500,899</u>
Unamortized debt issuance costs	(620)	—
Less current portion	(21,969)	(34,879)
Total notes payable and capital leases	<u>\$ 516,719</u>	<u>\$ 466,020</u>

In 2015, the System executed a \$375.0 million term loan agreement with a financial institution. The proceeds of the term loan were used to finance the System's international business strategy. The term loan matures in 2018 and bears interest at a variable rate based on the London Interbank Offered Rate (LIBOR) plus an applicable spread. The interest rate on the term loan ranged from 0.73% to 1.11% in 2016 (average rate 0.99%) and from 0.69% to 0.73% in 2015 (average rate 0.72%).

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

11. Notes Payable and Capital Leases (continued)

In 2016, the System entered into a \$300.0 million revolving credit facility with multiple financial institutions. The revolving credit facility expires in 2019 with provisions allowing the Foundation to extend the term for one-year periods. The facility allows the System to enter into short-term loans that automatically renew throughout the term of the facility. At December 31, 2016, the System has the intent and the ability to refinance the short-term loans beyond one year. The revolving credit facility bears interest at a variable rate based on the London Interbank Offered Rate (LIBOR) plus an applicable spread. Amounts outstanding on the revolving credit facility as of December 31, 2016 totaled \$60.0 million. The proceeds were used to pay the full outstanding amount on a line of credit executed in January 2016 that was used to defease the Series 2012 Akron Bonds and redeem the Series 2012 taxable Akron Bonds (Note 12). The line of credit was terminated in 2016. The interest rate on the revolving credit facility ranged from 1.38% to 1.53% in 2016 (average rate 1.40%).

Maturities of the notes payable and revolving credit facility for the five years subsequent to December 31, 2016, are as follows (in thousands): 2017 – \$4,866; 2018 – \$376,416; 2019 – \$60,026; 2020 – \$0; and 2021 – \$0.

Future minimum capital lease payments, including total interest of \$22.7 million, are as follows (in thousands): 2017 – \$20,712; 2018 – \$18,744; 2019 – \$18,437; 2020 – \$12,181; and 2021 – \$10,809; and thereafter – \$38,264. Assets acquired through capital lease arrangements are included in property, plant, and equipment.

The City of Lakewood, Ohio (the City) leases real and personal property to Lakewood Hospital Association (LHA) for the purpose of enabling the operation of certain healthcare services at Lakewood Hospital. In connection with executing an Amended Lease with the City, LHA had agreed to make additional payments to the City. In 2015, the Amended Lease was further amended to shorten the lease term and to reduce the total payments due under the lease. The payments under the current lease as amended range in annual amounts up to \$1.2 million through 2018, or until certain provisions in the lease are satisfied. The net present value of the additional payments discounted at an interest rate of 6% is \$1.6 million and \$2.7 million at December 31, 2016 and 2015, respectively. The System recorded a \$6.9 million gain in special charges (Note 20) related to the change in lease terms for the year ended December 31, 2015. LHA has approximately \$27 million of net assets, included in the System's unrestricted net assets at December 31, 2016, available for use under the terms of the current lease but unavailable to other members of the System.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

12. Bonds

Bonds at December 31, 2016 and 2015 consist of the following (in thousands):

	Interest Rate(s)	Final Maturity	Amount Outstanding at December 31	
			2016	2015
Series 2016, Private Placement	3.35%	2046	\$ 325,000	\$ —
Series 2016, Term Loan	Variable rate	2026	17,370	—
Series 2014	4.86%	2114	400,000	400,000
Series 2014A CP Notes	Variable rate	2044	70,955	—
Series 2014A, Akron	Variable rate	2031	—	70,925
Series 2014B, Akron	Variable rate	2031	—	20,000
Series 2013A	3.62% to 4.04%	2042	73,150	81,225
Series 2013B	Variable rate	2039	201,160	201,160
Series 2013, Keep Memory Alive	Variable rate	2037	63,135	65,030
Series 2012A	1.23% to 4.07%	2039	460,080	469,485
Series 2012, Akron	3.80% to 5.00%	2031	—	39,835
Series 2012 taxable, Akron	Variable rate	2019	—	17,370
Series 2011A	2.45% to 4.83%	2032	172,030	181,180
Series 2011B	2.94%	2031	29,120	31,250
Series 2011C	2.73% to 4.72%	2032	170,995	170,995
Series 2009A	5.58%	2039	305,400	305,400
Series 2009B	3.74% to 5.58%	2039	366,215	380,455
Series 2008A	4.24% to 5.55%	2043	409,740	419,690
Series 2008B	Variable rate	2043	369,250	369,250
Series 2003C	Variable rate	2035	41,905	41,905
Series 2002	Variable rate	2032	9,635	9,940
			3,485,140	3,275,095
Net unamortized premium			51,287	55,630
Unamortized debt issuance costs			(22,593)	(23,187)
Current portion			(59,770)	(60,815)
Long-term variable rate debt classified as current			(527,115)	(519,252)
			\$ 2,926,949	\$ 2,727,471

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

12. Bonds (continued)

The majority of the System's outstanding revenue bonds are limited obligations of various issuing authorities payable solely by the System pursuant to loan agreements between the borrowing entities and the issuing authorities. Under various financing agreements, the System must meet certain operating and financial performance covenants. The Series 2016 private placement, the Series 2016 term loan and the Series 2014 bonds are issued directly by the Foundation. The Series 2013 Keep Memory Alive bonds are issued directly by Keep Memory Alive, a non-obligated affiliate of the System.

In January 2016, the System entered into a line of credit with a financial institution totaling \$60.0 million. The System drew the full amount on the line of credit and also issued \$100.0 million of Taxable Hospital Revenue Commercial Paper Notes (Series 2014A CP Notes). The proceeds from the draw on the line of credit and a portion of the proceeds from the issuance of the Series 2014A CP Notes were used to defease the Series 2012 Akron Bonds and redeem the Series 2012 taxable Akron Bonds, the Series 2014A Akron Bonds and the Series 2014B Akron Bonds. The System recorded a loss on extinguishment of debt of \$3.9 million in 2016 related to this transaction, which is recorded in other nonoperating gains and losses in the consolidated statements of operations and changes in net assets.

In August 2016, the Foundation issued private placement debt totaling \$325.0 million that was purchased by a financial institution. The private placement debt matures in 2046 and bears interest at a fixed rate of 3.35%. The proceeds of the private placement debt were used for the general corporate purposes of the Foundation.

In November 2016, the System entered into a loan agreement with a financial institution totaling \$17.4 million. The loan matures in 2026 and bears interest at a variable rate based on the LIBOR index rate plus an applicable spread. The proceeds of the loan were used to pay a portion of the outstanding Series 2014A CP Notes.

Certain of the System's current outstanding bonds bear interest at a variable rate. During 2016 and 2015, the rates for the System's variable rate bonds ranged from 0.01% to 1.78% (average rate 0.45%) and 0.01% to 1.59% (average rate 0.11%), respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

12. Bonds (continued)

Certain variable rate revenue bonds are secured by irrevocable direct pay letters of credit and standby bond purchase agreements totaling \$377.5 million at December 31, 2016. Bonds are classified as current in the consolidated balance sheets if they are supported by lines of credit or standby bond purchase agreements that expire within one year, require repayment of a remarketing draw within one year or contain a subjective clause that, if declared by the lender, could cause immediate repayment of the bonds.

The System provides self-liquidity on the Series 2003C Bonds, certain sub-series of the Series 2008B Bonds and the Series 2014A CP Notes. These bonds are classified as current liabilities in the consolidated balance sheets.

During the term of agreements with the issuing authorities, the System is required to make specified deposits with trustees to fund principal and interest payments when due. Also, unexpended bond proceeds are held by the trustee and released to the System for approved requisition requests for capital projects. Unexpended bond proceeds representing a reserve fund related to the Series 2012 Akron Bonds was \$4.0 million at December 31, 2015. There was no unexpended bond proceeds at December 31, 2016. The current portion of the funds held by trustees, which consists of deposits with the trustees to fund current principal and interest payments, was \$1.6 million at December 31, 2015 and is included in investments for current use. There was no current portion of funds held by trustees at December 31, 2016.

The System is subject to certain restrictive covenants, including provisions relating to certain debt ratios, days cash on hand, and other matters. The System was in compliance with these covenants at December 31, 2016 and 2015.

Combined current aggregate scheduled maturities, assuming the remarketing of the variable rate demand bonds, for the five years subsequent to December 31, 2016, are as follows (in thousands): 2017 – \$59,770; 2018 – \$62,020; 2019 – \$64,040; 2020 – \$66,235; and 2021 – \$69,210.

Total interest paid approximated \$134.4 million and \$122.1 million in 2016 and 2015, respectively. Capitalized interest cost approximated \$1.1 million and \$2.8 million in 2016 and 2015, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

13. Derivative Instruments

The System has entered into various derivative financial instruments to manage interest rate risk and foreign currency exposures.

The System's objective with respect to interest rate risk is to manage the risk of rising interest rates on the System's variable rate debt and certain variable rate operating lease payments. Consistent with its interest rate risk management objective, the System entered into various interest rate swap agreements with a total outstanding notional amount of \$633.1 million and \$653.1 million at December 31, 2016 and 2015, respectively. During the term of these transactions, the System pays interest at a fixed rate and receives interest at a variable rate based on the London Interbank Offered Rate (LIBOR) or the Securities Industry and Financial Markets Association Index (SIFMA). The swap agreements are not designated as hedging instruments. Net interest paid or received under the swap agreements is included in derivative losses in the consolidated statements of operations and changes in net assets.

The following table summarizes the System's interest rate swap agreements (in thousands):

Swap Type	Expiration Date	System Pays	System Receives	Notional Amount at December 31	
				2016	2015
Fixed	2016	5.28%	100% of SIFMA	\$ —	\$ 4,150
Fixed	2021	3.21%	68% of LIBOR	33,265	34,770
Fixed	2024	3.42%	68% of LIBOR	27,800	28,300
Fixed	2027	3.56%	68% of LIBOR	128,333	132,212
Fixed	2028	5.12%	100% of LIBOR	38,800	39,815
Fixed	2028	3.51%	68% of LIBOR	29,965	30,755
Fixed	2030	5.07%	100% of LIBOR	60,825	62,500
Fixed	2030	5.06%	100% of LIBOR	60,800	62,500
Fixed	2031	3.04%	68% of LIBOR	52,625	53,900
Fixed	2032	4.32%	79% of LIBOR	2,361	2,438
Fixed	2032	4.33%	70% of LIBOR	4,723	4,874
Fixed	2032	3.78%	70% of LIBOR	2,361	2,438
Fixed	2036	4.90%	100% of LIBOR	49,725	50,000
Fixed	2036	4.90%	100% of LIBOR	78,350	79,375
Fixed	2037	4.62%	100% of SIFMA	63,135	65,030
				<u>\$ 633,068</u>	<u>\$ 653,057</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

13. Derivative Instruments (continued)

The System is exposed to fluctuations in various foreign currencies against its functional currency, the U.S. dollar (USD). The System uses foreign currency derivatives including currency forward contracts and currency options to manage its exposure to fluctuations in the USD – British Pound (GBP) exchange rate. Currency forward contracts involve fixing the USD – GBP exchange rate for delivery of a specified amount of foreign currency on a specified date. The currency forward contracts are typically cash settled in USD for their fair value at or close to their settlement date. The System has also used currency option contracts to manage its foreign currency exchange risk.

In June 2016, the System entered into five foreign currency contracts, expiring between September 2016 and September 2017, with a total outstanding notional amount of \$150 million. At December 31, 2016, the System has three outstanding foreign currency forward contracts with a total notional amount of \$75 million. The foreign currency contracts are not designated as hedging instruments.

The following table summarizes the location and fair value for the System's derivative instruments (in thousands):

		Derivatives Liability	
		December 31, 2016	December 31, 2015
Balance Sheet		Balance Sheet	
Location		Location	Fair Value
Derivatives not designated as hedging instruments			
Interest rate swap agreements	Other noncurrent liabilities	\$ 139,422	\$ 159,333
Foreign currency contracts	Other current liabilities	\$ 11,076	\$ —

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

13. Derivative Instruments (continued)

The following table summarizes the location and amounts of derivative losses on the System's interest rate swap agreements (in thousands):

	Location of Loss Recognized	Year Ended December 31	
		2016	2015
Derivatives not designated as hedging instruments			
Interest rate swap agreements	Derivative losses	\$ (4,539)	\$ (25,010)
Foreign currency contracts	Derivative losses	\$ (18,285)	\$ —

The System has used various derivative contracts in connection with certain prior obligations and investments. Although minimum credit ratings are required for counterparties, this does not eliminate the risk that a counterparty may fail to honor its obligations. Derivative contracts are subject to periodic "mark-to-market" valuations. A derivative contract may, at any time, have a positive or negative value to the System. In the event that the negative value reaches certain thresholds established in the derivative contracts, the System is required to post collateral, which could adversely affect its liquidity. At December 31, 2016 and 2015, the System posted \$75.6 million and \$94.1 million, respectively, of collateral with counterparties that is included in funds held by trustees in the consolidated balance sheets. In addition, if the System were to choose to terminate a derivative contract or if a derivative contract were terminated pursuant to an event of default or a termination event as described in the derivative contract, the System could be required to pay a termination payment to the counterparty.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Professional and General Liability Insurance

The System manages its professional and general liability insurance program through a captive insurance arrangement, except for Akron General in 2015, which was self-insured for professional and general liability claims. In 2016, professional and general liability insurance coverage for Akron General was provided by the System's captive insurance subsidiary.

In the ordinary course of business, professional and general liability claims have been asserted against the System by various claimants. These claims are in various stages of processing or, in certain instances, are in litigation. In addition, there are known incidents, and there also may be unknown incidents, which may result in the assertion of additional claims. The System has accrued its best estimate of both asserted and unasserted claims based on actuarially determined amounts. These estimates are subject to the effects of trends in loss severity and frequency, and ultimate settlement of professional and general liability claims may vary significantly from the estimated amounts.

The System's professional and general liability insurance reserves of \$198.2 million and \$191.8 million at December 31, 2016 and 2015, respectively, are recorded as current and noncurrent liabilities and include discounted estimates of the ultimate costs for both asserted claims and unasserted claims. Asserted claims for the System's reserves were discounted at 1.75% and 1.50% at December 31, 2016 and 2015, respectively, except for Akron General, which discounted asserted claims at 1.75% at December 31, 2015. Unasserted claims were discounted at 2.25% and 2.00% at December 31, 2016 and 2015, respectively. Through the captive insurance subsidiary and a trust at Akron General, the System has set aside investments of \$180.3 million (\$52.1 million included in investments for current use) and \$145.9 million (\$52.2 million included in investments for current use) at December 31, 2016 and 2015, respectively, of which \$37.0 million and \$36.6 million at December 31, 2016 and 2015, respectively, are restricted in accordance with reinsurance trust agreements related to coverage of the Florida operations and other reinsurance programs provided by the captive insurance subsidiary, and \$7.6 million at December 31, 2015 is restricted in a separate trust established for the payment of self-insured professional liability claims of Akron General. The assets in the trust were transferred to the System's captive insurance subsidiary in 2016.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Professional and General Liability Insurance (continued)

Activity in the professional and general liability insurance reserves is summarized as follows (in thousands):

	2016	2015
Balance at beginning of year	\$ 191,840	\$ 190,068
Incurred related to:		
Current period	65,512	56,965
Prior period	(13,985)	(4,145)
Total incurred	51,527	52,820
Paid related to:		
Current period	6,862	2,167
Prior period	37,710	64,502
Total paid	44,572	66,669
	6,955	(13,849)
Increase (decrease) in unasserted claims	1,671	(2,174)
Decrease in reinsurance recoverable	(2,232)	(105)
Akron General member substitution	—	17,900
Balance at end of year	\$ 198,234	\$ 191,840

The foregoing reconciliation shows \$14.0 million and \$4.1 million of favorable development in 2016 and 2015, respectively, due to changes in actuarial estimates as a result of lower claim activity, closed claims, and expedited settlement of claims, which has reduced claim expenses and resulted in more favorable settlements. The System utilizes a combination of actual and industry statistics to estimate loss and loss adjustment expense reserves.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits

The System has four defined benefit pension plans, including two plans assumed by the System from the Akron General member substitution. The CCHS Retirement Plan covers substantially all employees of the System, except those employed by Akron General. The CCHS Retirement Plan ceased benefit accruals as of December 31, 2009 for substantially all employees, with benefit accruals for remaining employees ceasing at various intervals through December 31, 2012. Akron General has a defined benefit plan covering substantially all of its employees that were hired before 2004 who meet certain eligibility requirements. In 2009, Akron General ceased benefit accruals for substantially all nonunion employees. Benefits for union employees ceased at various intervals through 2013 except in certain circumstances. The benefits for the System's defined benefit pension plans are provided based on age, years of service, and compensation. The System's policy for its defined benefit pension plans is to fund at least the minimum amounts required by the Employee Retirement Income Security Act. The System also maintains two nonqualified defined benefit supplemental retirement plans, which cover certain of its employees.

The System sponsors two noncontributory, defined contribution plans, and three contributory, defined contribution plans, including two contributory defined contribution plans assumed by the System from the Akron General member substitution. The Cleveland Clinic Investment Pension Plan (IPP) is a noncontributory, defined contribution plan, which covers substantially all of the System's employees, except those employed by Akron General. The System's contribution for the IPP is based upon a percentage of employee compensation and years of service. The System sponsors an additional noncontributory, defined contribution plan, which covers certain of its employees. The System's contribution to the plan is based upon a percentage of employee compensation, as defined, determined according to age. The System also sponsors three contributory, defined contribution plans, including two plans at Akron General, which cover substantially all employees. Any System contribution to the applicable contributory plan is determined based on employee contributions.

The System provides healthcare benefits upon retirement for substantially all of its employees who meet certain minimum age and years of service provisions at retirement. The System's healthcare plans generally provide for cost sharing, in the form of retiree contributions, deductibles, and coinsurance. The System's policy is to fund the annual cost of healthcare benefits from the general assets of the System. The estimated cost of these postretirement benefits is actuarially determined and accrued over the employees' service periods.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

In 2015, the System updated the generational mortality projections scale from Scale MP-2014 to Scale MP-2015. In 2016, the System updated the generational mortality projections scale from Scale MP-2015 to Scale MP-2016. The System believes that the updated mortality rates are the best estimate of future experience.

The System expects to make contributions of \$9.3 million to the defined benefit pension plans in 2017. Pension benefit payments over the next ten years are estimated as follows: 2017 – \$102.8 million; 2018 – \$108.8 million; 2019 – \$112.3 million; 2020 – \$114.2 million; 2021 – \$116.6 million; and in the aggregate for the five years thereafter – \$563.3 million.

The System expects to make contributions of \$4.5 million to other postretirement benefit plans in 2017. Other postretirement benefit payments over the next ten years, net of the average annual Medicare Part D subsidy of approximately \$2.3 million, are estimated as follows: 2017 – \$4.5 million; 2018 – \$4.6 million; 2019 – \$4.6 million; 2020 – \$4.6 million; 2021 – \$4.4 million; and in the aggregate for the five years thereafter – \$18.3 million.

No plan assets are expected to be returned to the employer during 2017.

The System is required to recognize the funded status, which is the difference between the fair value of plan assets and the projected benefit obligations, of its pension and other postretirement benefit plans in the consolidated balance sheets, with a corresponding adjustment to unrestricted net assets. Amounts recorded in unrestricted net assets consist of actuarial gains and losses and prior service credits and costs. Actuarial gains and losses recorded in unrestricted net assets outside of the corridor, which is 10% of the greater of the projected benefit obligation or the fair value of the plan assets, will be recognized as a component of net periodic benefit cost immediately in the current period. Prior service credits and costs will be amortized over future periods, pursuant to the System's accounting policy.

Unrecognized prior service credits and costs are amortized on a straight-line basis over the estimated life of the plan participants. In 2017, the System is expected to amortize \$2.6 million of unrecognized prior service credits in net periodic benefit costs.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

Included in unrestricted net assets at December 31, 2016 and 2015 are the following amounts that have not yet been recognized in net periodic benefit cost (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2016	2015	2016	2015
Unrecognized actuarial losses (gains)	\$ 168,337	\$ 146,336	\$ (9,890)	\$ (7,815)
Unrecognized prior service credit	(12,763)	(14,444)	(8,946)	(5,128)
Total	\$ 155,574	\$ 131,892	\$ (18,836)	\$ (12,943)

Unrecognized actuarial losses (gains) included in unrestricted net assets represent amounts within the corridor that do not require recognition in net periodic benefit cost for each respective year.

Changes in plan assets and benefit obligations recognized in unrestricted net assets for the years ended December 31, 2016 and 2015 are as follows (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2016	2015	2016	2015
Current year actuarial (loss) gain	\$ (130,527)	\$ (16,382)	\$ 6,482	\$ 15,545
Recognition of actuarial loss in excess of corridor	108,526	25,612	(4,407)	—
Current year prior service credit	—	—	4,355	—
Amortization of prior service credit	(1,681)	(1,681)	(537)	(1,347)
Total	\$ (23,682)	\$ 7,549	\$ 5,893	\$ 14,198

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

The following table sets forth the funded status of the System's pensions and other postretirement benefit plans and the amounts recognized in the System's December 31, 2016 and 2015 consolidated balance sheets (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2016	2015	2016	2015
Change in projected benefit obligation:				
Projected benefit obligation at beginning of year	\$ 1,649,131	\$ 1,556,304	\$ 111,309	\$ 126,091
Service cost	2,178	2,463	1,681	261
Interest cost	76,074	65,703	5,368	5,430
Actuarial loss (gain)	98,362	(76,458)	(6,482)	(15,546)
Participant contributions	—	—	12,186	9,162
Plan amendments and benefit changes	—	—	(4,357)	—
Benefits paid	(89,064)	(86,934)	(21,928)	(20,322)
Federal subsidy	—	—	1,123	1,212
Member substitution	—	188,053	—	5,021
Projected benefit obligation at end of year	1,736,681	1,649,131	98,900	111,309
Change in plan assets:				
Fair value of plan assets at beginning of year	1,255,431	1,213,402	—	—
Actual return on plan assets	47,291	(8,861)	—	—
Participant contributions	—	—	12,186	9,162
System contributions	129,312	6,019	9,742	11,160
Benefits paid	(89,064)	(86,934)	(21,928)	(20,322)
Member substitution	—	131,805	—	—
Fair value of plan assets at end of year	1,342,970	1,255,431	—	—
Accrued retirement benefits	\$ (393,711)	\$ (393,700)	\$ (98,900)	\$ (111,309)
Current liabilities	\$ (9,263)	\$ (9,382)	\$ (4,474)	\$ (4,874)
Noncurrent liabilities	(384,448)	(384,318)	(94,426)	(106,435)
Net liability recognized in consolidated balance sheets	\$ (393,711)	\$ (393,700)	\$ (98,900)	\$ (111,309)

The accumulated benefit obligation for all defined benefit pension plans was \$1.7 billion and \$1.6 billion at December 31, 2016 and 2015, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

The components of net periodic benefit cost are as follows (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2016	2015	2016	2015
Components of net periodic benefit cost:				
Service cost	\$ 2,178	\$ 2,463	\$ 1,681	\$ 261
Interest cost	76,074	65,703	5,368	5,430
Expected return on plan assets	(79,456)	(83,979)	—	—
Recognition of actuarial loss (gain) in excess of corridor	108,526	25,612	(4,407)	—
Amortization of unrecognized prior service credit	(1,681)	(1,681)	(537)	(1,347)
Net periodic benefit cost	105,641	8,118	2,105	4,344
Defined contribution plans	217,941	188,247	—	—
Total included in operations	\$ 323,582	\$ 196,365	\$ 2,105	\$ 4,344

Weighted-average assumptions used to determine pension and postretirement benefit obligations and net periodic benefit cost are as follows:

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2016	2015	2016	2015
Weighted-average assumptions:				
Discount rates:				
Used for benefit obligations	4.24%	4.74%	4.36%	4.85%
Used for net periodic benefit cost	4.74%	4.30%	4.86%	4.43%
Expected rate of return on plan assets	6.56%	7.06%	—	—
Rate of compensation increase:				
Used for benefit obligations	2.25%	2.25%	—	—
Used for net periodic benefit cost	2.25%	2.37%	—	—

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

The System uses a direct cost approach to estimate its postretirement benefit obligation for healthcare services provided by the System (internally provided services). Healthcare services provided by non-System entities (externally provided services) are based on the System's historical cost experience.

The annual assumed healthcare cost trend rates for the next year and the assumed trend thereafter is as follows:

	2016	2015
Internally provided services:		
Initial rate	5.50%	5.75%
Ultimate rate	4.50%	4.50%
Year ultimate reached	2021	2021
Externally provided services:		
Initial rate	6.50%	6.75%
Ultimate rate	5.50%	5.50%
Year ultimate reached	2021	2021

A one-percentage-point increase or decrease in the healthcare cost trend rate would have increased or decreased the December 31, 2016 service and interest costs in total by \$2.5 million and \$1.7 million, respectively, and the December 31, 2015 service and interest costs in total by \$2.9 million and \$1.8 million, respectively.

The System's weighted-average asset allocation of pension plan assets at December 31, 2016 and 2015, by asset category, are as follows:

Asset category	Percentage of Plan Assets		
	December 31 2016	December 31 2015	Target Allocation
Interest-bearing cash	7.0%	4.4%	0%–10%
Fixed income securities	47.0	48.4	40%–80%
Common and preferred stocks	31.1	27.6	17%–37%
Alternative investments	14.9	19.6	3%–23%
Total	100.0%	100.0%	

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

The System's investment strategy for its pension assets balances the liquidity needs of the pension plans with the long-term return goals necessary to satisfy future pension obligations. The target allocation ranges of the investment pool to various asset classes are designed to diversify the portfolio in a way that achieves an efficient trade-off between long-term return and risk while providing adequate liquidity to meet near-term expenses and obligations.

The System's weighted-average pension portfolio return assumption of 6.56% and 7.06% in 2016 and 2015, respectively, is based on the targeted assumed rate of return through its asset mix at the beginning of each year, which is designed to mitigate short-term return volatility and achieve an efficient trade-off between return and risk. Expected returns and risk for each asset class are formed using a global capital asset pricing model framework in which the expected return is the compensation earned from taking risk. Forward-looking adjustments are made to expected return, volatility, and correlation estimates as well. Additionally, constraints such as permissible asset classes, portfolio guidelines, and liquidity considerations are included in the model.

In 2015, the System updated its investment strategy and modified the target allocations of pension plan assets in the CCHS Retirement Plan based on the current funded status of the plan. Coincident with this update, the System reduced the asset allocation for common and preferred stocks with a corresponding increase in fixed income securities. The updated investment strategy was implemented because of the funded status of the pension plan and the anticipation that such changes in investment strategy will result in lower volatility of future changes in funded status. Once the new investment strategy is fully implemented, it is anticipated that the duration of the investment assets will match the liabilities of the pension plan over time. Additional revisions in asset allocations and expected rate of return on plan assets may occur based on future changes in the funded status of the pension plans.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

The following tables present the financial instruments in the System's defined benefit pension plans measured at fair value on a recurring basis as of December 31, 2016 and 2015, based on the valuation hierarchy (in thousands):

December 31, 2016	Level 1	Level 2	Level 3	Total
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 94,013	\$ 2	\$ –	\$ 94,015
Fixed income securities:				
U.S. treasuries	303,857	–	–	303,857
U.S. government agencies	–	4,431	–	4,431
U.S. corporate	–	83,201	–	83,201
Foreign	–	12,280	–	12,280
Fixed income mutual funds	77,615	–	–	77,615
Common and preferred stocks:				
U.S.	70,524	421	–	70,945
Foreign	27,406	719	–	28,125
Equity mutual funds	78,630	–	–	78,630
Total assets at fair value	<u>\$ 652,045</u>	<u>\$ 101,054</u>	<u>\$ –</u>	<u>\$ 753,099</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 56,113	\$ 9	\$ –	\$ 56,122
Fixed income securities:				
U.S. treasuries	308,329	–	–	308,329
U.S. government agencies	–	5,230	–	5,230
U.S. corporate	–	74,798	–	74,798
Foreign	–	10,909	–	10,909
Fixed income mutual funds	64,599	–	–	64,599
Common and preferred stocks:				
U.S.	61,930	382	–	62,312
Foreign	24,915	640	–	25,555
Equity mutual funds	36,133	–	–	36,133
Total assets at fair value	<u>\$ 552,019</u>	<u>\$ 91,968</u>	<u>\$ –</u>	<u>\$ 643,987</u>

Total plan assets in the System's defined benefit pension plans at December 31, 2016 and 2015 are comprised of the following (in thousands):

	2016	2015
Plan assets measured at fair value	\$ 753,099	\$ 643,987
Commingled fixed-income funds measured at net asset value	149,065	143,018
Commingled equity funds measured at net asset value	240,453	222,351
Alternative investments measured at net asset value	200,353	246,075
Total fair value of plan assets at end of year	<u>\$ 1,342,970</u>	<u>\$ 1,255,431</u>

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 8.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

15. Pensions and Other Postretirement Benefits (continued)

Fixed income securities include debt obligations of the U.S. government and various agencies, U.S. corporations, and other fixed income instruments such as mortgage-backed and asset-backed securities. The composition of these securities represents an expected return and risk profile that is commensurate with broadly defined fixed income indexes such as the Barclays Capital U.S. Aggregate Index. Additionally, investments include mutual funds and commingled fixed-income funds that may also invest in opportunistic as well as non-U.S. and high-yield debt instruments. Commingled fixed-income funds are valued using net asset value as a practical expedient.

Common and preferred stocks include investments of publicly traded common stocks of both U.S. and international corporations, the majority of which represent actively traded and liquid securities that are traded on many of the world's major exchanges and include large-, mid-, and small-capitalization securities. The composition of these securities represents an expected return and risk profile that is commensurate with broadly defined equity indexes such as the Russell 3000 Index and the Morgan Stanley Capital International (MSCI) All Country World ex-U.S. Index. Investments also include equity mutual funds and commingled equity funds whose underlying assets may include publicly traded equity securities. Commingled equity funds are valued using net asset value as a practical expedient.

Alternative investments include hedge funds and private equity funds that are valued using net asset value as a practical expedient. Hedge funds are meant to provide returns between those expected from stocks and fixed income investments with commensurate levels of risk and lower correlation relative to traditional investments. Included in this category are investments that are well diversified across various strategies and may consist of absolute return funds, long/short funds, and other opportunistic/multi-strategy funds. The underlying investments in such funds may include publicly traded and privately held equity and debt instruments issued by U.S. and international corporations as well as various derivatives based on these securities. Hedge fund redemptions typically contain restrictions that allow for a portion of the withdrawal proceeds to be held back from distribution while the underlying investments are liquidated. Private equity investments make up a smaller portion of the alternative investments and generally consist of limited partnerships formed to invest in equity and debt investments in operating companies that are not publicly traded. Investment strategies in this category may include buyouts, distressed debt, and venture capital. Private equity funds are closed-end funds and have significant redemption restrictions that prohibit redemptions during the fund's life.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

16. Income Taxes

The Foundation and most of its controlled affiliates are tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code. These organizations are subject to income tax on any income from unrelated business activities. The System also owns or controls certain taxable affiliates.

The System files income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. With few exceptions, the System is no longer subject to U.S. federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2013.

At December 31, 2016 and 2015, the liability for uncertainty in income taxes was \$2.3 million and \$4.1 million, respectively. The System does not expect a significant increase or decrease in unrecognized tax benefits within the next 12 months. The System recognizes interest and penalties accrued related to the liability for unrecognized tax benefits in the consolidated statements of operations and changes in net assets.

The System has net operating losses available for federal income tax purposes of \$121.5 million at both December 31, 2016 and 2015. These losses expire in varying amounts from 2018 through 2036. A valuation allowance has been recorded for the full amount of the deferred tax asset related to the net operating loss carryforwards due to the uncertainty regarding their use.

17. Commitments and Contingent Liabilities

The System leases various equipment and facilities under operating lease arrangements. Total rental expense in 2016 and 2015 was \$73.6 million and \$63.0 million, respectively. Minimum operating lease payments over the next five years are as follows (in thousands): 2017 – \$46,069; 2018 – \$39,463; 2019 – \$23,346; 2020 – \$18,443; and 2021 – \$15,811.

Included in the System's operating lease payments are the following off-balance-sheet financing agreements:

In 2003, the System entered into an operating lease agreement for the purpose of leasing a genetics and stem cell research building (Stem Cell Building Lease). Under the terms of the Stem Cell Building Lease, the System began to lease the facility upon the issuance of the certificate of occupancy in December 2004 and is required to lease the facility for 29 years. At December 31, 2016, total remaining minimum operating lease payments were \$27.8 million.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

17. Commitments and Contingent Liabilities (continued)

In 2006, the System entered into an operating lease agreement for the purpose of leasing a parking garage and service center building (Service Center Lease). Under the terms of the Service Center Lease, the System began to lease the facility upon issuance of a certificate of occupancy in October 2008 and is required to lease the facility for 21 years with an option (by the System) to extend the lease an additional five years. At December 31, 2016, total remaining minimum operating lease payments were \$75.5 million.

In 2007, the System entered into two operating lease agreements to lease an office complex comprised of five buildings primarily used for administrative services, totaling approximately 707,000 square feet. The System is required to lease the facilities for 22 years with an option (by the System) to extend the leases an additional five years. At December 31, 2016, total remaining minimum operating lease payments were \$39.3 million.

At December 31, 2016, the System has commitments for construction and other related capital contracts of \$422 million and letters of credit of \$0.5 million. Guarantees of mortgage loans made by banks to certain staff members are \$16.6 million at December 31, 2016. In addition, the System has remaining commitments to invest approximately \$614 million in alternative investments at December 31, 2016. The largest commitment at December 31, 2016, to any one alternative strategy manager is \$29.1 million. These investments are expected to occur over the next three to five years. No amounts have been recorded in the consolidated balance sheets for these commitments and guarantees.

Pledge liabilities to various foundations and other entities at December 31, 2016 are as follows (in thousands): 2017 – \$306; 2018 – \$14,892; 2019 – \$500; 2020 – \$4,800; 2021 – \$500; and thereafter – \$18,300. The unamortized discount on pledge liabilities at December 31, 2016 was \$4.9 million. Pledge liabilities are recorded in other current liabilities and other noncurrent liabilities in the consolidated balance sheets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

18. Endowment

The System's endowment consists of approximately 313 individual donor-restricted funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on donor-imposed restrictions.

Interpretation of Relevant Law

In 2009, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted to update and replace Ohio's previous law, the Uniform Management of Institutional Funds Act. The System has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard for expenditure prescribed by UPMIFA. In accordance with UPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the System and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the System.
7. The investment policies of the System.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

18. Endowment (continued)

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the System to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$0.6 million and \$0.7 million as of December 31, 2016 and 2015, respectively.

Return Objectives and Risk Parameters

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, the endowment assets are invested in a highly diversified portfolio of U.S. and non-U.S. publicly traded equities, alternative investments, and fixed income securities structured to achieve an optimal balance between return and risk. The System expects its endowment funds, over time, to provide an average rate of return of approximately 7.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation to achieve its long-term return objective within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The System has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the System considered the long-term expected return on its endowment. Accordingly, over the long term, the System expects the current spending policy to allow its endowment to grow at an average of 2.5% annually. This is consistent with the System's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

18. Endowment (continued)

Changes in Endowment Net Assets (in thousands)

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2015	\$ 47,566	\$ 232,043	\$ 279,609
Investment return	1,287	–	1,287
Net depreciation	(2,281)	–	(2,281)
Contributions	–	25,049	25,049
Appropriation of endowment assets for expenditure	(7,785)	–	(7,785)
Akron General member substitution	–	3,218	3,218
Endowment net assets, December 31, 2015	38,787	260,310	299,097
Investment return	1,245	–	1,245
Net appreciation	14,521	–	14,521
Contributions	–	16,979	16,979
Appropriation of endowment assets for expenditure	(7,290)	–	(7,290)
Endowment net assets, December 31, 2016	\$ 47,263	\$ 277,289	\$ 324,552

19. Functional Expenses

The System provides healthcare services and education and performs research. Expenses related to these functions were as follows (in thousands):

	2016	2015
Healthcare services	\$ 6,344,767	\$ 5,337,903
Research	220,137	210,779
Medical education	333,354	290,506
General and administrative	894,707	755,065
Non-healthcare services	104,890	82,495
	<u>\$ 7,897,855</u>	<u>\$ 6,676,748</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

20. Special Charges

The System incurred and recorded special charges of \$25.6 million and \$40.9 million in 2016 and 2015, respectively. Special charges in 2016 include \$7.8 million of statutory compensation costs related to the termination of tenant leases at the System's London building that is being converted from office space to a healthcare facility and \$17.8 million of accelerated depreciation expense and other costs related to LHA. The Foundation, LHA and the City of Lakewood entered into an agreement in December 2015 that outlines the transition of healthcare services in the City of Lakewood. Participation in the agreement by the City of Lakewood was authorized by an ordinance adopted by Lakewood City Council. Under the terms of the agreement, the Foundation and LHA will make contributions over the next 17 years for the creation of a new health and wellness community foundation to be used to address community health and wellness needs in the City of Lakewood. In addition, the Foundation will construct, own and operate an approximately 62,000-square-foot family health center expected to open in 2018 that will be located adjacent to the current site of the hospital. LHA ceased inpatient operations at the hospital in February 2016, while the current emergency department and several outpatient services at the hospital will continue until the opening of the new family health center and emergency department. The cessation of inpatient services at the hospital is not considered a discontinued operation since the System provides inpatient hospital services at the Foundation and its subsidiary hospitals in the Northeast Ohio area. Special charges in 2015 include \$33.7 million of pledge liabilities in connection with the agreement, \$13.3 million of accelerated depreciation and other property, plant and equipment costs, \$0.8 million in employee retention costs, offset by a \$6.9 million gain related to changes in the terms of the lease between the City of Lakewood and LHA.

21. Subsequent Events

The System evaluated events and transactions occurring subsequent to December 31, 2016 through March 21, 2017 and July 31, 2017, the dates the consolidated financial statements were issued. During this period, there were no subsequent events requiring recognition in the consolidated financial statements, and there were no nonrecognized subsequent events requiring disclosure.

Supplementary Information



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Report of Independent Auditors on Supplementary Information

The Board of Directors
The Cleveland Clinic Foundation

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The following consolidating balance sheets, statements of operations and changes in net assets, and statements of cash flows are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

March 21, 2017, except for Note 2, as to
which the date is July 31, 2017

Cleveland Clinic Health System

Consolidating Balance Sheet

December 31, 2016

(In Thousands)

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	\$ 511,102	\$ 9,526	\$ —	\$ 520,628
Patient receivables, net	976,060	109,412	(26,301)	1,059,171
Due from affiliates	4,091	28	(4,119)	—
Investments for current use	—	52,126	—	52,126
Other current assets	313,911	85,292	(2,311)	396,892
Total current assets	1,805,164	256,384	(32,731)	2,028,817
Investments:				
Long-term investments	6,090,613	385,646	—	6,476,259
Funds held by trustees	75,892	—	—	75,892
Assets held for self-insurance	—	128,128	—	128,128
Donor-restricted assets	572,982	39,239	—	612,221
	6,739,487	553,013	—	7,292,500
Property, plant, and equipment, net	3,478,405	1,033,673	—	4,512,078
Other assets:				
Pledges receivable, net	149,889	820	—	150,709
Trusts and interests in foundations	59,069	8,150	—	67,219
Other noncurrent assets	514,693	51,138	(155,824)	410,007
	723,651	60,108	(155,824)	627,935
 Total assets	 \$ 12,746,707	 \$ 1,903,178	 \$ (188,555)	 \$ 14,461,330

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Liabilities and net assets				
Current liabilities:				
Accounts payable	\$ 398,704	\$ 86,033	\$ (2,310)	\$ 482,427
Compensation and amounts withheld from payroll	289,650	32,843	—	322,493
Current portion of long-term debt	75,918	5,893	(72)	81,739
Variable rate debt classified as current	466,203	60,912	—	527,115
Due to affiliates	28	4,091	(4,119)	—
Other current liabilities	388,183	100,680	(26,302)	462,561
Total current liabilities	1,618,686	290,452	(32,803)	1,876,335
Long-term debt:				
Hospital revenue bonds	2,926,949	—	—	2,926,949
Notes payable and capital leases	121,896	547,127	(152,304)	516,719
	3,048,845	547,127	(152,304)	3,443,668
Other liabilities:				
Professional and general liability insurance reserves	57,290	88,819	—	146,109
Accrued retirement benefits	429,965	48,909	—	478,874
Other noncurrent liabilities	434,093	56,452	—	490,545
	921,348	194,180	—	1,115,528
Total liabilities	5,588,879	1,031,759	(185,107)	6,435,531
Net assets:				
Unrestricted	6,267,797	823,860	(3,448)	7,088,209
Temporarily restricted	597,449	29,977	—	627,426
Permanently restricted	292,582	17,582	—	310,164
Total net assets	7,157,828	871,419	(3,448)	8,025,799
Total liabilities and net assets	\$ 12,746,707	\$ 1,903,178	\$ (188,555)	\$ 14,461,330

See accompanying notes.

Cleveland Clinic Health System

Consolidating Balance Sheet

December 31, 2015

(In Thousands)

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	\$ 176,869	\$ 72,711	\$ —	\$ 249,580
Patient receivables, net	879,420	94,544	(23,660)	950,304
Due from affiliates	916	40	(956)	—
Investments for current use	—	53,852	—	53,852
Other current assets	343,901	66,682	(2,444)	408,139
Total current assets	1,401,106	287,829	(27,060)	1,661,875
Investments:				
Long-term investments	5,813,363	371,015	—	6,184,378
Funds held by trustees	116,046	9,677	—	125,723
Assets held for self-insurance	—	93,662	—	93,662
Donor-restricted assets	520,474	44,687	—	565,161
	6,449,883	519,041	—	6,968,924
Property, plant, and equipment, net	3,384,312	1,004,355	—	4,388,667
Other assets:				
Pledges receivable, net	140,137	1,331	—	141,468
Trusts and interests in foundations	77,416	9,325	—	86,741
Other noncurrent assets	325,545	81,257	(53,051)	353,751
	543,098	91,913	(53,051)	581,960
 Total assets	 \$ 11,778,399	 \$ 1,903,138	 \$ (80,111)	 \$ 13,601,426

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Liabilities and net assets				
Current liabilities:				
Accounts payable	\$ 345,228	\$ 69,508	\$ (2,177)	\$ 412,559
Compensation and amounts withheld from payroll	253,615	42,053	—	295,668
Current portion of long-term debt	84,392	11,302	—	95,694
Variable rate debt classified as current	370,375	148,877	—	519,252
Due to affiliates	27	929	(956)	—
Other current liabilities	379,854	111,115	(23,927)	467,042
Total current liabilities	1,433,491	383,784	(27,060)	1,790,215
Long-term debt:				
Hospital revenue bonds	2,669,251	58,220	—	2,727,471
Notes payable and capital leases	95,327	420,296	(49,603)	466,020
	2,764,578	478,516	(49,603)	3,193,491
Other liabilities:				
Professional and general liability insurance reserves	52,587	87,030	—	139,617
Accrued retirement benefits	426,180	64,573	—	490,753
Other noncurrent liabilities	425,155	53,197	—	478,352
	903,922	204,800	—	1,108,722
Total liabilities	5,101,991	1,067,100	(76,663)	6,092,428
Net assets:				
Unrestricted	5,851,045	779,809	(3,448)	6,627,406
Temporarily restricted	548,408	37,868	—	586,276
Permanently restricted	276,955	18,361	—	295,316
Total net assets	6,676,408	836,038	(3,448)	7,508,998
Total liabilities and net assets	\$ 11,778,399	\$ 1,903,138	\$ (80,111)	\$ 13,601,426

See accompanying notes.

Cleveland Clinic Health System

Consolidating Statements of Operations and
Changes in Net Assets

Year Ended December 31, 2016
(In Thousands)

Operations

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Unrestricted revenues				
Net patient service revenue	\$ 6,882,932	\$ 928,179	\$ (260,045)	\$ 7,551,066
Provision for uncollectible accounts	(263,790)	(37,904)	—	(301,694)
Net patient service revenue less provision for uncollectible accounts	6,619,142	890,275	(260,045)	7,249,372
Other	641,752	308,593	(162,510)	787,835
Total unrestricted revenues	7,260,894	1,198,868	(422,555)	8,037,207
Expenses				
Salaries, wages, and benefits	4,114,227	588,967	(272,212)	4,430,982
Supplies	644,499	105,605	(1,031)	749,073
Pharmaceuticals	791,670	71,027	—	862,697
Purchased services and other fees	408,293	140,622	(42,808)	506,107
Administrative services	154,624	68,946	(26,612)	196,958
Facilities	276,150	72,148	(4,921)	343,377
Insurance	67,624	74,093	(74,971)	66,746
	6,457,087	1,121,408	(422,555)	7,155,940
Operating income before interest, depreciation, and amortization expenses	803,807	77,460	—	881,267
Interest	126,401	9,704	—	136,105
Depreciation and amortization	402,420	73,885	—	476,305
Operating income (loss) before special charges	274,986	(6,129)	—	268,857
Special charges	968	24,650	—	25,618
Operating income (loss)	274,018	(30,779)	—	243,239
Nonoperating gains and losses				
Investment return	375,676	28,515	—	404,191
Derivative losses	(20,130)	(2,694)	—	(22,824)
Other, net	(103,704)	(7,395)	—	(111,099)
Net nonoperating gains	251,842	18,426	—	270,268
Excess (deficiency) of revenues over expenses	525,860	(12,353)	—	513,507

Cleveland Clinic Health System

Consolidating Statements of Operations and Changes in Net Assets

Year Ended December 31, 2015
(In Thousands)

Operations

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Unrestricted revenues				
Net patient service revenue	\$ 6,557,092	\$ 350,239	\$ (194,848)	\$ 6,712,483
Provision for uncollectible accounts	(216,960)	(14,344)	—	(231,304)
Net patient service revenue less provision for uncollectible accounts	6,340,132	335,895	(194,848)	6,481,179
Other	572,069	238,172	(134,448)	675,793
Total unrestricted revenues	6,912,201	574,067	(329,296)	7,156,972
Expenses				
Salaries, wages, and benefits	3,743,243	276,170	(229,937)	3,789,476
Supplies	611,439	54,397	(990)	664,846
Pharmaceuticals	677,496	23,740	—	701,236
Purchased services and other fees	370,608	40,078	(12,308)	398,378
Administrative services	127,155	74,694	(26,015)	175,834
Facilities	271,167	35,174	(5,689)	300,652
Insurance	59,798	56,626	(54,357)	62,067
	5,860,906	560,879	(329,296)	6,092,489
Operating income before interest, depreciation, and amortization expenses	1,051,295	13,188	—	1,064,483
Interest	120,318	3,823	—	124,141
Depreciation and amortization	380,440	29,013	—	409,453
Operating income (loss) before special charges	550,537	(19,648)	—	530,889
Special charges	8,701	32,226	—	40,927
Operating income (loss)	541,836	(51,874)	—	489,962
Nonoperating gains and losses				
Investment return	(48,924)	(7,404)	—	(56,328)
Derivative losses	(22,325)	(2,685)	—	(25,010)
Gain on remeasurement of Akron General equity investment	38,777	—	—	38,777
Akron General member substitution	—	242,822	—	242,822
Goodwill impairment loss	—	(63,060)	—	(63,060)
Other, net	(9,345)	400	—	(8,945)
Net nonoperating (losses) gains	(41,817)	170,073	—	128,256
Excess of revenues over expenses	500,019	118,199	—	618,218

Cleveland Clinic Health System

Consolidating Statements of Operations and
Changes in Net Assets (continued)

(In Thousands)

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Total net assets at January 1, 2015	\$ 6,273,610	\$ 532,333	\$ (3,448)	\$ 6,802,495
Excess of revenues over expenses	500,019	118,199	—	618,218
Donated capital, excluding assets released from restrictions for capital purposes of \$5,760	46	—	—	46
Restricted gifts and bequests	132,253	368	—	132,621
Restricted net investment (loss) income	(972)	240	—	(732)
Net assets released from restrictions used for operations included in other unrestricted revenues	(38,438)	(6,055)	—	(44,493)
Retirement benefits adjustment	25,546	(3,799)	—	21,747
Transfers (to) from affiliates	(207,971)	207,971	—	—
Change in restricted net assets related to interest in foundations	(1,478)	(33,353)	—	(34,831)
Change in restricted net assets related to value of perpetual trusts	(480)	(196)	—	(676)
Net change in unrealized losses on nontrading investments	(4,947)	—	—	(4,947)
Akron General member substitution contribution of restricted net assets	—	31,674	—	31,674
Other	(780)	(11,344)	—	(12,124)
Increase in total net assets	402,798	303,705	—	706,503
Total net assets at December 31, 2015	6,676,408	836,038	(3,448)	7,508,998
Excess (deficiency) of revenues over expenses	525,860	(12,353)	—	513,507
Donated capital, excluding assets released from restrictions for capital purposes of \$22,683	724	41	—	765
Restricted gifts and bequests	97,207	3,988	—	101,195
Restricted net investment income	22,755	1,696	—	24,451
Net assets released from restrictions used for operations included in other unrestricted revenues	(40,895)	(4,397)	—	(45,292)
Retirement benefits adjustment	(6,835)	(10,954)	—	(17,789)
Transfers (to) from affiliates	(116,453)	116,453	—	—
Change in restricted net assets related to interest in foundations	432	—	—	432
Change in restricted net assets related to value of perpetual trusts	(1,318)	(773)	—	(2,091)
Foreign currency translation loss	(73)	(59,108)	—	(59,181)
Net change in unrealized gains on nontrading investments	320	—	—	320
Other	(304)	788	—	484
Increase in total net assets	481,420	35,381	—	516,801
Total net assets at December 31, 2016	\$ 7,157,828	\$ 871,419	\$ (3,448)	\$ 8,025,799

See accompanying notes.

Cleveland Clinic Health System
Consolidating Statement of Cash Flows

Year Ended December 31, 2016
(In Thousands)

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Operating activities and net nonoperating gains and losses				
Increase in total net assets	\$ 481,420	\$ 35,381	\$ —	\$ 516,801
Adjustments to reconcile increase in total net assets to net cash provided by operating activities and net nonoperating gains and losses:				
Loss on extinguishment of debt	—	3,925	—	3,925
Retirement benefits adjustment	6,835	10,954	—	17,789
Net realized and unrealized gains on investments	(356,893)	(25,253)	—	(382,146)
Depreciation and amortization	402,420	88,872	—	491,292
Provision for uncollectible accounts	263,790	37,904	—	301,694
Foreign currency translation loss	73	59,108	—	59,181
Donated capital	(724)	(41)	—	(765)
Restricted gifts, bequests, investment income, and other	(119,076)	(4,911)	—	(123,987)
Transfers to (from) affiliates	116,453	(116,453)	—	—
Amortization of bond premiums and debt issuance costs	(1,670)	13	—	(1,657)
Net gain in value of derivatives	(1,954)	(6,881)	—	(8,835)
Changes in operating assets and liabilities:				
Patient receivables	(360,430)	(52,772)	2,641	(410,561)
Other current assets	46,920	(18,837)	3,030	31,113
Other noncurrent assets	(191,171)	29,839	102,773	(58,559)
Accounts payable and other current liabilities	94,448	3,147	(5,671)	91,924
Other liabilities	23,621	(14,693)	—	8,928
Net cash provided by operating activities and net nonoperating gains and losses	404,062	29,302	102,773	536,137
Financing activities				
Proceeds from long-term borrowings	502,370	145,711	(145,633)	502,448
Payments for advance refunding and redemption of long-term debt	—	(148,260)	—	(148,260)
Principal payments on long-term debt	(143,228)	(26,643)	42,860	(127,011)
Debt issuance costs	(949)	—	—	(949)
Change in pledges receivables, trusts and interests in foundations	(11,510)	1,307	—	(10,203)
Restricted gifts, bequests, investment income, and other	119,076	4,911	—	123,987
Net cash provided by (used in) financing activities	465,759	(22,974)	(102,773)	340,012
Investing activities				
Expenditures for property and equipment	(487,936)	(176,767)	—	(664,703)
Proceeds from sale of property and equipment	1,585	—	—	1,585
Net change in cash equivalents reported in long-term investments	91,241	54,823	—	146,064
Purchases of investments	(2,375,754)	(381,917)	—	(2,757,671)
Sales of investments	2,351,802	320,101	—	2,671,903
Transfers (to) from affiliates	(116,453)	116,453	—	—
Net cash used in investing activities	(535,515)	(67,307)	—	(602,822)
Effect of exchange rate changes on cash	(73)	(2,206)	—	(2,279)
Increase (decrease) in cash and cash equivalents	334,233	(63,185)	—	271,048
Cash and cash equivalents at beginning of year	176,869	72,711	—	249,580
Cash and cash equivalents at end of year	\$ 511,102	\$ 9,526	\$ —	\$ 520,628

See accompanying notes.

Cleveland Clinic Health System

Consolidating Statement of Cash Flows

Year Ended December 31, 2015

(In Thousands)

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Operating activities and net nonoperating gains and losses				
Increase in total net assets	\$ 402,798	\$ 303,705	\$ —	\$ 706,503
Adjustments to reconcile increase in total net assets to net cash provided by operating activities and net nonoperating gains and losses:				
Loss on extinguishment of debt	209	—	—	209
Retirement benefits adjustment	(25,546)	3,799	—	(21,747)
Net realized and unrealized losses on investments	87,709	10,107	—	97,816
Depreciation and amortization	380,440	38,450	—	418,890
Provision for uncollectible accounts	216,960	14,344	—	231,304
Gain on change in terms of long-term lease	—	(6,856)	—	(6,856)
Donated capital	(46)	—	—	(46)
Restricted gifts, bequests, investment income, and other	(129,323)	32,941	—	(96,382)
Transfers to (from) affiliates	207,971	(207,971)	—	—
Amortization of bond premiums and debt issuance costs	(2,533)	(19)	—	(2,552)
Net loss (gain) in value of derivatives	57	(615)	—	(558)
Goodwill impairment loss	—	63,060	—	63,060
Gain on remeasurement of Akron General equity investment	(38,777)	—	—	(38,777)
Akron General member substitution contribution	—	(274,496)	—	(274,496)
Changes in operating assets and liabilities:				
Patient receivables	(289,295)	(10,036)	(608)	(299,939)
Other current assets	(37,760)	5,091	(16,101)	(48,770)
Other noncurrent assets	(81,420)	27,953	(24,114)	(77,581)
Accounts payable and other current liabilities	15,025	20,902	(109)	35,818
Other liabilities	(14,922)	11,427	—	(3,495)
Net cash provided by operating activities and net nonoperating gains and losses	691,547	31,786	(40,932)	682,401
Financing activities				
Proceeds from long-term borrowings	—	378,777	(3,777)	375,000
Principal payments on long-term debt	(109,280)	(6,502)	44,709	(71,073)
Debt issuance costs	—	(89)	—	(89)
Change in pledges receivables, trusts and interests in foundations	23,980	39,580	—	63,560
Restricted gifts, bequests, investment income, and other	129,323	(32,941)	—	96,382
Net cash provided by financing activities	44,023	378,825	40,932	463,780
Investing activities				
Expenditures for property and equipment	(380,380)	(73,156)	—	(453,536)
Proceeds from sale of property and equipment	183	987	—	1,170
Cash acquired through member substitution	—	15,367	—	15,367
Acquisition of business, net of cash acquired	—	(420,144)	—	(420,144)
Net change in cash equivalents reported in long-term investments	327,466	(21,891)	—	305,575
Purchases of investments	(2,534,242)	(294,432)	—	(2,828,674)
Sales of investments	2,085,486	327,833	—	2,413,319
Transfers (to) from affiliates	(60,166)	60,166	—	—
Net cash used in investing activities	(561,653)	(405,270)	—	(966,923)
Increase in cash and cash equivalents	173,917	5,341	—	179,258
Cash and cash equivalents at beginning of year	2,952	67,370	—	70,322
Cash and cash equivalents at end of year	\$ 176,869	\$ 72,711	\$ —	\$ 249,580

See accompanying notes.

Cleveland Clinic Health System

Notes to Consolidating Financial Statements

December 31, 2016 and 2015

1. Presentation of Consolidating Financial Statements

The accompanying financial statement information presents consolidating financial statement information for the Obligated Group (as defined herein) and certain controlled affiliates of The Cleveland Clinic Foundation (collectively referred to as the Non-Obligated Group), which have no liability under the Master Trust Indenture (Indenture), amended and restated as of April 1, 2003 (as supplemented, the Indenture), between The Cleveland Clinic Foundation and The Huntington National Bank, as successor Master Trustee. The Cleveland Clinic Foundation, Cleveland Clinic Health System – East Region, Fairview Hospital, Lutheran Hospital, Marymount Hospital, Inc., Medina Hospital, Cleveland Clinic Florida (a nonprofit corporation) and Cleveland Clinic Florida Health System Nonprofit Corporation are the sole members of the Obligated Group under the Indenture.

With respect to the Obligated Group, certain properties and interests are considered to be Excluded Property under the Indenture. In addition, the provisions of the Indenture provide that additional property may be categorized as Excluded Property upon satisfaction of various financial tests. As such, these properties and interests are not subject to the restrictions contained in the Indenture and, under the Indenture, are not subject to the restriction on liens and other encumbrances that may be placed on property of the Obligated Group. Furthermore, the revenues derived from the Excluded Property are not subject to the restrictions contained in the Indenture until they are received and commingled with other revenues of the Obligated Group. The accompanying financial statement information is presented by legal entity and no adjustment has been made for the Excluded Property.

2. Recent Accounting Pronouncements

As described in paragraph 6 of Note 3 to the consolidated financial statements, the System adopted ASU 2017-07 on January 1, 2017. The adoption of ASU 2017-07 was applied retrospectively to the years ended December 31, 2016 and 2015 as reflected in the accompanying supplementary information.

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