

PUBLIC INSPECTION COPY

EXTENDED TO NOVEMBER 15, 2018

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

A For the 2017 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 <div style="border: 1px solid black; padding: 2px;">THE CLEVELAND CLINIC FOUNDATION</div> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <div style="border: 1px solid black; padding: 2px;">6801 BRECKSVILLE RD RK1-85</div> City or town, state or province, country, and ZIP or foreign postal code <div style="border: 1px solid black; padding: 2px;">INDEPENDENCE, OH 44131</div> F Name and address of principal officer: TOMISLAV MIHALJEVIC <div style="border: 1px solid black; padding: 2px;">SAME AS C ABOVE</div>	D Employer identification number <div style="border: 1px solid black; padding: 2px;">34-0714585</div> E Telephone number <div style="border: 1px solid black; padding: 2px;">216-444-2200</div> G Gross receipts \$ <div style="border: 1px solid black; padding: 2px;">7,654,682,451.</div> 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: <u>PATIENT CARE, RESEARCH & EDUCATION</u> 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 23 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 19 5 Total number of individuals employed in calendar year 2017 (Part V, line 2a) 5 37980 6 Total number of volunteers (estimate if necessary) 6 1274 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 52,648,485. 7b Net unrelated business taxable income from Form 990-T, line 34 7b 0.																			
Revenue	8 Contributions and grants (Part VIII, line 1h) 245,922,291. 9 Program service revenue (Part VIII, line 2g) 5,176,265,188. 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 137,262,100. 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 72,376,407. 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 5,631,825,986.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Prior Year</th> <th style="width: 50%;">Current Year</th> </tr> </thead> <tbody> <tr> <td>245,922,291.</td> <td>241,311,504.</td> </tr> <tr> <td>5,176,265,188.</td> <td>5,436,585,308.</td> </tr> <tr> <td>137,262,100.</td> <td>188,856,450.</td> </tr> <tr> <td>72,376,407.</td> <td>106,483,355.</td> </tr> <tr> <td>5,631,825,986.</td> <td>5,973,236,617.</td> </tr> </tbody> </table>	Prior Year	Current Year	245,922,291.	241,311,504.	5,176,265,188.	5,436,585,308.	137,262,100.	188,856,450.	72,376,407.	106,483,355.	5,631,825,986.	5,973,236,617.						
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5,631,825,986.	5,973,236,617.																			
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 127,070,488. 14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 3,054,229,568. 16a Professional fundraising fees (Part IX, column (A), line 11e) 1,524,725. b Total fundraising expenses (Part IX, column (D), line 25) ▶ 15,030,872. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 2,245,232,776. 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 5,428,057,557. 19 Revenue less expenses. Subtract line 18 from line 12 203,768,429.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Prior Year</th> <th style="width: 50%;">Current Year</th> </tr> </thead> <tbody> <tr> <td>127,070,488.</td> <td>125,681,696.</td> </tr> <tr> <td>0.</td> <td>0.</td> </tr> <tr> <td>3,054,229,568.</td> <td>3,059,296,529.</td> </tr> <tr> <td>1,524,725.</td> <td>2,043,350.</td> </tr> <tr> <td>15,030,872.</td> <td></td> </tr> <tr> <td>2,245,232,776.</td> <td>2,395,257,002.</td> </tr> <tr> <td>5,428,057,557.</td> <td>5,582,278,577.</td> </tr> <tr> <td>203,768,429.</td> <td>390,958,040.</td> </tr> </tbody> </table>	Prior Year	Current Year	127,070,488.	125,681,696.	0.	0.	3,054,229,568.	3,059,296,529.	1,524,725.	2,043,350.	15,030,872.		2,245,232,776.	2,395,257,002.	5,428,057,557.	5,582,278,577.	203,768,429.	390,958,040.
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Net Assets or Fund Balances	20 Total assets (Part X, line 16) 10,001,576,185. 21 Total liabilities (Part X, line 26) 5,304,554,307. 22 Net assets or fund balances. Subtract line 21 from line 20 4,697,021,878.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Beginning of Current Year</th> <th style="width: 50%;">End of Year</th> </tr> </thead> <tbody> <tr> <td>10,001,576,185.</td> <td>10,870,079,986.</td> </tr> <tr> <td>5,304,554,307.</td> <td>5,467,933,789.</td> </tr> <tr> <td>4,697,021,878.</td> <td>5,402,146,197.</td> </tr> </tbody> </table>	Beginning of Current Year	End of Year	10,001,576,185.	10,870,079,986.	5,304,554,307.	5,467,933,789.	4,697,021,878.	5,402,146,197.										
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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 <div style="border: 1px solid black; padding: 2px;">STEVEN C. GLASS, CHIEF FINANCIAL OFFICER</div> Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name <div style="border: 1px solid black; padding: 2px;">TERENCE M. KENNEDY</div> Preparer's signature <div style="border: 1px solid black; padding: 2px;">TERENCE M. KENNEDY</div> Date	Check if self-employed <input type="checkbox"/> PTIN <div style="border: 1px solid black; padding: 2px;">P00089502</div> Firm's EIN ▶ <div style="border: 1px solid black; padding: 2px;">34-6565596</div> Firm's address ▶ <div style="border: 1px solid black; padding: 2px;">950 MAIN AVENUE, #1800 CLEVELAND, OH 44113</div> Phone no. <div style="border: 1px solid black; padding: 2px;">2168615000</div>

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

**Exempt Organization Declaration and Signature for
Electronic Filing**

OMB No. 1545-1879

For calendar year 2017, or tax year beginning _____, 2017, and ending _____, 20____

2017Department 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	5,973,236,617.
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 2017 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
OnlyERO's
signatureFirm'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

TERENCE M. KENNEDY

Preparer's signature

Terence M. Kennedy

Date

11/9/2018

Check if self-
employed ☐

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

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 \$ 4,972,583,060. including grants of \$ 125,681,696.) (Revenue \$ 5,436,585,308.)
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 4,972,583,060.Form **990** (2017)

Part IV Checklist of Required Schedules

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

Form **990** (2017)

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	

Form 990 (2017)

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

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 6010		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 1		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 37980		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X	
b If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	3b	X	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b If "Yes," enter the name of the foreign country: 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?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X	
d If "Yes," indicate the number of Forms 8282 filed during the year	7d 8		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		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?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

Form 990 (2017)

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	23													
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		19												
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?	10a												X	
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		10b											X	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?			11a											X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.														
12a Did the organization have a written conflict of interest policy? If "No," go to line 13				12a									X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?					12b								X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done						12c							X	
13 Did the organization have a written whistleblower policy?							13						X	
14 Did the organization have a written document retention and destruction policy?								14					X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?														
a The organization's CEO, Executive Director, or top management official									15a				X	
b Other officers or key employees of the organization										15b			X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).														
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?											16a		X	
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?												16b	X	

Section C. Disclosure

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

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 ContractorsCheck 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				7,662,783.	0.	-33,847.
(2) DONLEY, BRIAN G. MD DIRECTOR & CHIEF OF STAFF	50.00	X		X				1,425,035.	0.	47,030.
(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) AULETTA, PATRICK V. DIRECTOR - CCF	5.00	X						0.	0.	0.
(6) FEDELI, UMBERTO P. DIRECTOR - CCF	5.00	X						0.	0.	0.
(7) HOOVER, CAROLE DIRECTOR - CCF	5.00	X						0.	0.	0.
(8) LERNER, MARK DIRECTOR - CCF	5.00	X						0.	0.	0.
(9) LERNER, NORMA DIRECTOR - CCF	5.00	X						0.	0.	0.
(10) MACDONALD, WILLIAM E, III DIRECTOR CCF	5.00	X						0.	0.	0.
(11) MILLER, PAMELA DIRECTOR - CCF	5.00	X						0.	0.	0.
(12) MILLER, SAMUEL DIRECTOR - CCF	5.00	X						0.	0.	0.
(13) MOONEY, BETH E. DIRECTOR - CCF	5.00	X						0.	0.	0.
(14) MORINO, MARIO DIRECTOR - CCF	5.00	X						0.	0.	0.
(15) NANCE, FREDERICK DIRECTOR - CCF	5.00	X						0.	0.	0.
(16) PETRAS, MICHAEL JR DIRECTOR - CCF	5.00	X						0.	0.	0.
(17) PHILLIPS, MICHAEL MD PHYSICIAN, DIRECTOR	50.00	X						206,987.	0.	23,518.

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) POLLOCK, LARRY DIRECTOR - CCF	5.00	X						0.	0.	0.
(19) ROSS, RONALD J. DIRECTOR - CCF	5.00	X						0.	0.	0.
(20) STEVENS, MARK DIRECTOR - CCF	5.00	X						0.	0.	0.
(21) WEINBERG, RONALD DIRECTOR - CCF	5.00	X						0.	0.	0.
(22) WEISS, MORRY DIRECTOR - CCF	5.00	X						0.	0.	0.
(23) YERIAN, LISA MD PHYSICIAN, DIRECTOR - CCF	50.00	X						351,914.	0.	47,782.
(24) ZEIN, NIZAR MD PHYSICIAN, DIRECTOR - CCF	50.00	X						544,642.	0.	52,415.
(25) ERZURUM, SERPIL, MD CHAIR OF RESEARCH INST	50.00			X				583,610.	0.	927,074.
(26) GLASS, STEVEN C. CFO & TREASURER	50.00			X				1,605,788.	0.	52,930.
1b Sub-total								12,380,759.	0.	1,116,902.
c Total from continuation sheets to Part VII, Section A								17,197,196.	0.	1,155,729.
d Total (add lines 1b and 1c)								29,577,955.	0.	2,272,631.

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 **5,532**

	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
DONLEYS/TURNER JOINT VENTURE 5430 WARNER RD, CLEVELAND, OH 44125	CONSTRUCTION SERVICES	29,311,742.
SIEMENS MEDICAL SOLUTIONS, INC. PO BOX 121102, DALLAS, TX 75312	HEALTHCARE IT & ENGINEERING SERVICES	19,294,792.
IBM CORP 500 FIRST AVENUE, PITTSBURGH, PA 15219	INFORMATION TECHNOLOGY SYSTEMS SERVICES	18,593,280.
SODEXO INC. & AFFILIATES, 1669 PHOENIX PARKWAY #210, COLLEGE PARK, GA 30349	LAUNDRY & FOOD SERVICE	10,778,678.
TOWNE PARK LLC, ONE PARK PLACE, SUITE 200, ANNAPOLIS, MD 21401	PARKING SERVICES	8,602,902.

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 **455**

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2017)

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	7,328,579.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	115,413,535.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	118,569,390.				
	g Noncash contributions included in lines 1a-1f: \$		13,504,806.				
	h Total. Add lines 1a-1f		241,311,504.				
Program Service Revenue	2 a NET PATIENT SERVICES	Business Code	612990	3,107,916,192.	3,107,916,192.		
	b MEDICARE/MEDICAID PAYM		921990	1,781,703,419.	1,781,703,419.		
	c OTHER PROGRAM SERVICES		900099	422,586,821.	416,779,579.	5,807,242.	
	d OTHER ANCILLARY SERVIC		900099	51,872,655.			51,872,655.
	e MANAGEMENT FEES		561000	28,413,278.	20,583,660.	7,829,618.	
	f All other program service revenue		900099	44,092,943.	4,482,796.	39,610,147.	
	g Total. Add lines 2a-2f			5,436,585,308.			
	3 Investment income (including dividends, interest, and other similar amounts)			77,734,345.			77,734,345.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties			28,601,758.			28,601,758.	
Other Revenue	6 a Gross rents	(i) Real	9,150,517.				
	b Less: rental expenses	(ii) Personal	0.				
	c Rental income or (loss)		9,150,517.				
	d Net rental income or (loss)			9,150,517.			9,150,517.
	7 a Gross amount from sales of assets other than inventory	(i) Securities	1789965129.				
	b Less: cost or other basis and sales expenses	(ii) Other	479,951.				
	c Gain or (loss)		1677768700.	1,554,275.			
	d Net gain or (loss)		112,196,429.	-1,074,324.			
	e Total. Add lines 7a-7d			111,122,105.			111,122,105.
	8 a Gross income from fundraising events (not including \$ 7,328,579. of contributions reported on line 1c). See Part IV, line 18	a	703,305.				
	b Less: direct expenses	b	2,122,859.				
	c Net income or (loss) from fundraising events			-1,419,554.			-1,419,554.
	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	71,980,037.		-598,522.	72,578,559.
b FOREIGN CURRENCY		525990	273,145.			273,145.	
c LIFE INSURANCE TRUST		525990	150,421.			150,421.	
d All other revenue		525990	-2,252,969.			-2,252,969.	
e Total. Add lines 11a-11d			70,150,634.				
12 Total revenue. See instructions.			5,973,236,617.	5,331,465,646.	52,648,485.	347,810,982.	

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	23,630,298.	23,630,298.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	100,726,430.	100,726,430.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	1,324,968.	1,324,968.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	20,314,716.	3,829,225.	16,485,491.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,459,785.		1,459,785.	
7 Other salaries and wages	2,433,945,928.	2,095,907,066.	330,106,472.	7,932,390.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	160,875,564.	138,584,404.	21,818,917.	472,243.
9 Other employee benefits	279,254,417.	240,486,624.	37,874,174.	893,619.
10 Payroll taxes	163,446,119.	140,725,840.	22,167,552.	552,727.
11 Fees for services (non-employees):				
a Management	3,956,951.	3,420,285.	536,666.	
b Legal	6,788,492.	5,867,796.	920,696.	
c Accounting	2,159,431.		2,159,431.	
d Lobbying	743,981.	743,981.		
e Professional fundraising services. See Part IV, line 17	2,043,350.			2,043,350.
f Investment management fees	15,958,323.		15,958,323.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	212,589,198.	183,703,223.	28,832,633.	53,342.
12 Advertising and promotion	29,036,858.	24,734,475.	3,938,154.	364,229.
13 Office expenses	55,658,157.	48,068,588.	7,548,696.	40,873.
14 Information technology	76,554,026.	65,791,357.	10,382,720.	379,949.
15 Royalties	2,962,965.	2,561,110.	401,855.	
16 Occupancy	92,795,312.	80,209,850.	12,585,462.	
17 Travel	20,467,806.	17,464,369.	2,775,968.	227,469.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	8,394,341.	7,225,655.	1,138,491.	30,195.
20 Interest	103,816,719.	89,736,467.	14,080,252.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	265,864,494.	229,806,293.	36,058,151.	50.
23 Insurance	45,942,579.	37,771,620.	6,231,011.	1,939,948.
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	1,072,393,997.	1,072,388,635.		5,362.
b BAD DEBT EXPENSE	159,509,535.	159,509,535.		
c EQUIPMENT RENTAL & MAIN	81,773,150.	70,648,655.	11,090,569.	33,926.
d STATE FRANCHISE FEE	45,073,577.	45,073,577.		
e All other expenses	92,817,110.	82,642,734.	10,113,176.	61,200.
25 Total functional expenses. Add lines 1 through 24e	5,582,278,577.	4,972,583,060.	594,664,645.	15,030,872.
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	491,971,898.	1	245,390,860.
	2 Savings and temporary cash investments	5,841,909.	2	17,465,114.
	3 Pledges and grants receivable, net	213,848,890.	3	199,769,348.
	4 Accounts receivable, net	773,876,276.	4	683,619,350.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	6,571,698.	5	7,103,879.
	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	20,865,657.	7	110,033,731.
	8 Inventories for sale or use	81,650,111.	8	88,014,066.
	9 Prepaid expenses and deferred charges	40,835,674.	9	42,804,101.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 5,987,788,285.		
	b Less: accumulated depreciation	10b 3,344,739,218.	10c	2,643,049,067.
	11 Investments - publicly traded securities	2,356,077,966.	11	2,984,766,405.
	12 Investments - other securities. See Part IV, line 11	2,259,200,987.	12	2,666,755,619.
	13 Investments - program-related. See Part IV, line 11	205,406,335.	13	217,756,770.
	14 Intangible assets	59,279,083.	14	60,487,897.
	15 Other assets. See Part IV, line 11	854,876,481.	15	903,063,779.
16 Total assets. Add lines 1 through 15 (must equal line 34)	10,001,576,185.	16	10,870,079,986.	
Liabilities	17 Accounts payable and accrued expenses	793,258,480.	17	812,690,004.
	18 Grants payable	193,000.	18	447,223.
	19 Deferred revenue	94,330,575.	19	89,299,340.
	20 Tax-exempt bond liabilities	2,845,510,506.	20	2,871,891,550.
	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	8,951,457.	23	1,334,370.
	24 Unsecured notes and loans payable to unrelated third parties	98,647,256.	24	174,058,227.
	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	1,463,663,033.	25	1,518,213,075.
	26 Total liabilities. Add lines 17 through 25	5,304,554,307.	26	5,467,933,789.
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	3,926,221,007.	27	4,582,411,796.
	28 Temporarily restricted net assets	493,893,080.	28	520,252,717.
	29 Permanently restricted net assets	276,907,791.	29	299,481,684.
	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	4,697,021,878.	33	5,402,146,197.
	34 Total liabilities and net assets/fund balances	10,001,576,185.	34	10,870,079,986.

Form 990 (2017)

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	5,973,236,617.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,582,278,577.
3	Revenue less expenses. Subtract line 2 from line 1	3	390,958,040.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,697,021,878.
5	Net unrealized gains (losses) on investments	5	312,460,340.
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	1,705,939.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,402,146,197.

Part XII Financial Statements and Reporting

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

☐

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

Form **990** (2017)

Department of the Treasury
Internal Revenue Service

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.

OMB No. 1545-0047

2017

Open to Public Inspection

THE CLEVELAND CLINIC FOUNDATION

34-0714585

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention, 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).

g. Provide the following information about the supported organization(s).						
(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	217,746,821.	247,936,164.	226,230,648.	245,922,291.	241,311,504.	1179147428.
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	217,746,821.	247,936,164.	226,230,648.	245,922,291.	241,311,504.	1179147428.
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)						11,637,322.
6 Public support. Subtract line 5 from line 4.						1167510106.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4	217,746,821.	247,936,164.	226,230,648.	245,922,291.	241,311,504.	1179147428.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	81,291,626.	78,908,086.	82,576,423.	85,887,195.	115,486,620.	444,149,950.
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.)	169,623,102.	66,618,979.	88,700,962.	64,845,310.	72,403,603.	462,191,956.
11 Total support. Add lines 7 through 10						208556509.
12 Gross receipts from related activities, etc. (see instructions)					12	24,248,211,935.
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 2017 (line 6, column (f) divided by line 11, column (f))	14	55.98 %
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	57.08 %
16a 33 1/3% support test - 2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<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) 2017

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a 33 1/3% support tests - 2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
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)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.			
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.		Yes	No
2a			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
2b			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.			
3a			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			
3b			

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

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

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

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

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<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) 2017

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

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

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

Schedule A (Form 990 or 990-EZ) 2017

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

SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:

INCOME(LOSS) ON INVESTMENTS

2013 AMOUNT: \$ 105,143,245.

2014 AMOUNT: \$ 66,455,024.

2015 AMOUNT: \$ 44,378,305.

2016 AMOUNT: \$ 64,640,923.

2017 AMOUNT: \$ 71,980,037.

FOREIGN CURRENCY

2015 AMOUNT: \$ 610,292.

2016 AMOUNT: \$ 73,310.

2017 AMOUNT: \$ 273,145.

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.

2017 AMOUNT: \$ 150,421.

Schedule B

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

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

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

OMB No. 1545-0047

2017

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 foundationCheck 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) (2017)

Name of organization	Employer identification number
THE CLEVELAND CLINIC FOUNDATION	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		\$ 7,753,768.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 6,699,086.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 6,321,093.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 6,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 4,810,975.	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.)

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

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

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

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

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

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

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

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

Name of organization

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) 2017

LHA

732041 11-09-17

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.															
<table border="1"> <thead> <tr> <th>If the amount on line 1a, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1a.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1a, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1a.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.			
If the amount on line 1a, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1a.														
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?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

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

Schedule C (Form 990 or 990-EZ) 2017

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		9,160.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		627,075.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		73,088.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	X		34,658.
i Other activities?		X	
j Total. Add lines 1c through 1i			743,981.
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.▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017Open 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 7/25/08, 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) 2017

732051 10-09-17

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 exhibitiond ☐ Loan or exchange programsb ☐ Scholarly researche ☐ Other _____c ☐ Preservation for future generations

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ Nob 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	296,834,800.	274,060,795.	258,255,184.	243,662,812.	206,890,438.
b Contributions	20,870,889.	14,886,901.	23,968,927.	8,934,335.	18,444,444.
c Net investment earnings, gains, and losses	36,978,305.	14,552,559.	-918,904.	14,503,200.	24,356,278.
d Grants or scholarships					
e Other expenditures for facilities and programs	5,004,997.	6,665,455.	7,244,412.	7,670,162.	6,028,347.
f Administrative expenses					
g End of year balance	349,678,997.	296,834,800.	274,060,795.	258,255,184.	243,662,812.

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		187,568,240.		187,568,240.
b Buildings		3,243,473,810.	1,734,959,098.	1,508,514,712.
c Leasehold improvements		85,465,893.	63,798,871.	21,667,022.
d Equipment		1,918,378,046.	1,439,158,153.	479,219,893.
e Other		552,902,296.	106,823,096.	446,079,200.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				2,643,049,067.

Schedule D (Form 990) 2017

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	1,328,128,291.	END-OF-YEAR MARKET VALUE
(B) PRIVATE EQUITY	854,630,963.	END-OF-YEAR MARKET VALUE
(C) REAL ESTATE	483,996,365.	END-OF-YEAR MARKET VALUE
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	2,666,755,619.	

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	202,402,729.
(2) PERPETUAL & BENEFICIAL TRUSTS	43,756,704.
(3) INVESTMENT IN AFFILIATES	227,827,582.
(4) DUE FROM AFFILIATES	429,076,764.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	903,063,779.

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	8,660.	
(2) ACCRUED PENSION	663,252,660.	
(3) OTHER LIABILITIES	32,628,296.	
(4) ACCRUED BENEFITS	174,923,334.	
(5) FUTURE GIFT ANNUITY PAYMENTS	9,350,932.	
(6) DEFERRED ANNUITY TRUST	1,103,688.	
(7) INTEREST RATE SWAPS	123,989,188.	
(8) DUE TO AFFILIATES	512,956,317.	
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	1,518,213,075.	

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) 2017

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, 2017 AND 2016, THE LIABILITY FOR UNCERTAINTY IN INCOME
TAXES WAS \$0.6 MILLION AND \$2.3 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.

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

OMB No. 1545-0047

2017Open to Public
Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

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	42,734,000.
EUROPE	1	3	PROGRAM SERVICES	INVESTMENT IN WHOLLY-OWNED FOREIGN ENTITY	223,016,000.
MIDDLE EAST & NORTH AFRICA	1	45	PROGRAM SERVICES	INVESTMENT IN WHOLLY-OWNED FOREIGN ENTITY	1,884,000.
MIDDLE EAST & NORTH AFRICA	1	4	UNRELATED BUSINESS		2,263,000.
CENTRAL AMERICA & THE CARIBBEAN	0	0	FUNDRAISING		0.
EAST ASIA & PACIFIC	0	0	FUNDRAISING		9,000.
EUROPE	0	0	FUNDRAISING		21,000.
3 a Sub-total	3	52			272,047,000.
b Total from continuation sheets to Part I	0	0			856,142,000.
c Totals (add lines 3a and 3b)	3	52			1,128,189,000.

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

Schedule F (Form 990) 2017

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		22,000.
NORTH AMERICA	0	0	FUNDRAISING		0.
SOUTH AMERICA	0	0	FUNDRAISING		4,000.
SOUTH ASIA	0	0	FUNDRAISING		11,000.
SUB-SAHARAN AFRICA	0	0	FUNDRAISING		0.
EUROPE	0	0	INVESTING		461,072,000.
CENTRAL AMERICA & THE CARIBBEAN	0	0	INVESTING		395,033,000.
Totals					856,142,000.

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)
		NORTH AMERICA	RESEARCH	14,020	CHECK	0.		
		EUROPE	RESEARCH	14,796	CHECK	0.		
		EUROPE	RESEARCH	104,192	CHECK	0.		
		EUROPE	RESEARCH	11,792	CHECK	0.		
		EUROPE	RESEARCH	50,860	CHECK	0.		
		EUROPE	RESEARCH	14,402	CHECK	0.		
		EUROPE	RESEARCH	78,321	CHECK	0.		
		EUROPE	RESEARCH	33,344	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

17

3 Enter total number of other organizations or entities

3

Schedule F (Form 990) 2017

Part II Continuation of Grants and Other Assistance to Organizations or Entities Outside the United States. (Schedule F (Form 990), Part II, line 1)

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 non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		CENTRAL AMERICA & THE CARIBBEAN	RESEARCH	28,900.	CHECK	0.		
		NORTH AMERICA	RESEARCH	10,000.	CHECK	0.		
		EUROPE	RESEARCH	30,000.	CHECK	0.		
		NORTH AMERICA	RESEARCH	6,670.	CHECK	0.		
		NORTH AMERICA	RESEARCH	8,580.	CHECK	0.		
		NORTH AMERICA	RESEARCH	13,904.	CHECK	0.		
		EUROPE	RESEARCH	26,888.	CHECK	0.		
		EUROPE	RESEARCH	7,700.	CHECK	0.		
		SUB-SAHARAN AFRICA	RESEARCH	11,100.	CHECK	0.		

Part II Continuation of Grants and Other Assistance to Organizations or Entities Outside the United States. (Schedule F (Form 990), Part II, line 1)

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 non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		EUROPE	RESEARCH	7,500.	CHECK	0.		
		NORTH AMERICA	RESEARCH	357,825.	CHECK	0.		
		NORTH AMERICA	RESEARCH	267,667.	CHECK	0.		

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of noncash assistance	(g) Description of noncash assistance	(h) Method of valuation (book, FMV, appraisal, other)
RESEARCH	EAST ASIA & THE PACIFIC	1	7,500.	CHECK	0.		
RESEARCH	EUROPE	1	15,000.	CHECK	0.		
RESEARCH	EUROPE	1	13,550.	CHECK	0.		
RESEARCH	EUROPE	1	7,680.	CHECK	0.		
RESEARCH	EAST ASIA & THE PACIFIC	1	7,260.	CHECK	0.		
RESEARCH	EUROPE	1	7,500.	CHECK	0.		
RESEARCH	EUROPE	1	7,500.	CHECK	0.		
RESEARCH	NORTH AMERICA	1	16,065.	CHECK	0.		
RESEARCH	RUSSIA & NEIGHBORING STATES	1	5,932.	CHECK	0.		

Schedule F (Form 990) 2017

Part III Continuation of Grants and Other Assistance to Individuals Outside the United States. (Schedule F (Form 990), Part III)

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
RESEARCH	EUROPE	1	13,600	CHECK	0.		
RESEARCH	EUROPE	1	8,300	CHECK	0.		
RESEARCH	EUROPE	1	12,500	CHECK	0.		
RESEARCH	EAST ASIA & THE PACIFIC	1	7,850	CHECK	0.		
RESEARCH	EAST ASIA & THE PACIFIC	1	9,500	CHECK	0.		
RESEARCH	EAST ASIA & THE PACIFIC	1	7,500	CHECK	0.		
RESEARCH	EAST ASIA & THE PACIFIC	1	9,050	CHECK	0.		

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; don't 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; don't file with Form 990) ☒ Yes ☐ No

Schedule F (Form 990) 2017

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.

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)	CHILDREN'S GALA (event type)	3 (total number)	
Revenue	1 Gross receipts	5,955,705.	963,251.	1,112,928.	8,031,884.
	2 Less: Contributions	5,718,854.	849,081.	760,644.	7,328,579.
	3 Gross income (line 1 minus line 2)	236,851.	114,170.	352,284.	703,305.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	160,892.		7,192.	168,084.
	7 Food and beverages	118,000.		161,420.	279,420.
	8 Entertainment	43,479.	132,924.	510,576.	686,979.
	9 Other direct expenses	903,871.	16,320.	68,185.	988,376.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				2,122,859.
	11 Net income summary. Subtract line 10 from line 3, column (d)				-1,419,554.

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 IV	Supplemental Information <i>(continued)</i>
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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.**
► **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization

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	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.		
<input checked="" type="checkbox"/> Applied uniformly to all hospital facilities		
<input type="checkbox"/> Applied uniformly to most hospital facilities		
<input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care?		
If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:		
<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 discounted 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

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			54,087,529.	0.	54,087,529.	.99%
b Medicaid (from Worksheet 3, column a)			664,013,567.	392,492,785.	271,520,782.	4.95%
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			718,101,096.	392,492,785.	325,608,311.	5.94%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			21,784,760.	79,437.	21,705,323.	.40%
f Health professions education (from Worksheet 5)			240,093,221.	24,985,828.	215,107,393.	3.92%
g Subsidized health services (from Worksheet 6)			33,306,999.	24,708,624.	8,598,375.	.16%
h Research (from Worksheet 7)			220,311,408.	151,136,229.	69,175,179.	1.26%
i Cash and in-kind contributions for community benefit (from Worksheet 8)			8,163,334.	412,274.	7,751,060.	.14%
j Total. Other Benefits			523,659,722.	201,322,392.	322,337,330.	5.88%
k Total. Add lines 7d and 7j			1241760818.	593,815,177.	647,945,641.	11.82%

	(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			197.		197.	.00%
2 Economic development			7,822.	48.	7,774.	.00%
3 Community support			340,722.		340,722.	.00%
4 Environmental improvements						.00%
5 Leadership development and training for community members						.00%
6 Coalition building			23,493.		23,493.	.00%
7 Community health improvement advocacy			8,271.	140.	8,131.	.00%
8 Workforce development			6,421.		6,421.	.00%
9 Other						.00%
10 Total			386,926.	188.	386,738.	.00%

1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	x	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	161,059,609.	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare				
5	Enter total revenue received from Medicare (including DSH and IME)	5	636,646,896.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	684,897,498.	
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-48,250,602.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			
Section C. Collection Practices				
9a	Did the organization have a written debt collection policy during the tax year?	9a	x	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	x	

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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 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?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <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	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
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		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.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	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?	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?		
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
12b 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 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?	17	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19		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?	21	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?	23	x
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?	24	x
If "Yes," explain in Section C.		

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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 REHABILITATION- AVONLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 4

	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 17</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	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 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 17</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 CLEVELAND CLINIC REHABILITATION- AVON

	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 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- AVON

	Yes	No	
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19		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 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- AVON

	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 checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	x
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?	24	x
If "Yes," explain in Section C.		

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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 ALine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 2, 3, 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?	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 17</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	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 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 17</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 **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 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 REPORTING GROUP A

	Yes	No	
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19		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 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 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 checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	23	x
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	x

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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 BLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 7, 8

	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?	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>
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: <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: <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)?		<input checked="" type="checkbox"/>
12b 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 B**

	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 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 REPORTING GROUP B

	Yes	No	
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19		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 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 REPORTING GROUP B

	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.

CLEVELAND CLINIC REHABILITATION AVON:

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

KEY INFORMANT INTERVIEWS CONDUCTED BETWEEN JUNE AND OCTOBER 2017.

25 KEY INFORMANTS WERE IDENTIFIED BY THE 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

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, 18j, 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.

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. A LIST OF

EACH PARTICIPANT ORGANIZATION IS IDENTIFIED IN APPENDIX C 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

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- AVON:

PART V, SECTION B, LINE 6A: CLEVELAND CLINIC REHABILITATION - AVON

COLLABORATED WITH THE CLEVELAND CLINIC HEALTH SYSTEM AND THE FOLLOWING

SELECT MEDICAL HOSPITALS: SELECT SPECIALTY HOSPITAL - CLEVELAND FAIRHILL,

SELECT SPECIALTY HOSPITAL - CLEVELAND GATEWAY, REGENCY HOSPITAL OF

CLEVELAND EAST, AND REGENCY HOSPITAL OF CLEVELAND WEST.

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, 18j, 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 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,

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.

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, 18j, 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.

CLEVELAND CLINIC REHABILITATION- AVON:

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; 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 REHABILITATION - AVON 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 REHABILITATION - AVON CANNOT

ADDRESS THESE NEEDS DIRECTLY, IT DOES SUPPORT GOVERNMENTAL AND OTHER

AGENCIES IN THEIR EFFORTS TO HELP WITH THESE NEEDS.

CLEVELAND CLINIC REHABILITATION - AVON CANNOT ADDRESS THE FOLLOWING

COMMUNITY NEED IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT:

ECONOMIC DEVELOPMENT AND COMMUNITY CONDITIONS (INCLUDING HIGH RATES OF

POVERTY, HOUSING ISSUES, CRIME, AIR POLLUTION, INADEQUATE TRANSPORTATION

AND UNDERSUPPLY OF NEEDED SOCIAL SERVICES).

CLEVELAND CLINIC REHABILITATION - AVON CANNOT FOCUS ON OR OTHERWISE

ADDRESS THE NEED FOR COMMUNITY SERVICES UNRELATED TO THE DELIVERY OF

HEALTHCARE. ALTHOUGH CLEVELAND CLINIC REHABILITATION -AVON IS NOT

DIRECTLY INVOLVED WITH ECONOMIC DEVELOPMENT OR COMMUNITY CONDITIONS, IT

DOES SUPPORT GOVERNMENTAL AND OTHER AGENCIES IN THEIR EFFORTS TO HELP WITH

THESE NEEDS. CLEVELAND CLINIC REHABILITATION - AVON SERVICES POPULATIONS

ACROSS NORTHEAST OHIO AND THUS HAS A WIDE-REACHING ECONOMIC IMPACT THROUGH

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.

ITS HIRING PRACTICES TO SUPPORT PATIENT CARE.

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.

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

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

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.

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- AVON:

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

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.

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 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 2: SELECT SPECIALTY - REGENCY WEST

- FACILITY 5: SELECT SPECIALTY - REGENCY EAST

- FACILITY 3: SELECT SPECIALTY - FAIRHILL

- FACILITY 6: SELECT SPECIALTY - GATEWAY

GROUP A-FACILITY 2 -- 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 2 -- SELECT SPECIALTY - REGENCY WEST

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

KEY INFORMANT INTERVIEWS CONDUCTED BETWEEN JUNE AND OCTOBER 2017.

25 KEY INFORMANTS WERE IDENTIFIED BY THE 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

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, 18j, 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.

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. A LIST OF

EACH PARTICIPANT ORGANIZATION IS IDENTIFIED IN APPENDIX C OF THE RELEVANT

HOSPITAL FACILITY'S CHNA.

GROUP A-FACILITY 2 -- SELECT SPECIALTY - REGENCY WEST

PART V, SECTION B, LINE 6A: SELECT SPECIALTY - REGENCY WEST COLLABORATED

WITH THE CLEVELAND CLINIC HEALTH SYSTEM AND THE FOLLOWING SELECT MEDICAL

HOSPITALS: SELECT SPECIALTY HOSPITAL - CLEVELAND FAIRHILL, SELECT

SPECIALTY HOSPITAL - CLEVELAND GATEWAY, REGENCY HOSPITAL OF CLEVELAND

EAST, AND CLEVELAND CLINIC REHABILITATION - AVON.

GROUP A-FACILITY 2 -- SELECT SPECIALTY - REGENCY WEST

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; 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.

SELECT SPECIALTY - REGENCY WEST 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

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.

ADDRESS. ALTHOUGH SELECT SPECIALTY - REGENCY WEST CANNOT ADDRESS THESE

NEEDS DIRECTLY, IT DOES SUPPORT GOVERNMENTAL AND OTHER AGENCIES IN THEIR

EFFORTS TO HELP WITH THESE NEEDS.

SELECT SPECIALTY - REGENCY WEST CANNOT ADDRESS THE FOLLOWING COMMUNITY

NEED IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT: ECONOMIC

DEVELOPMENT AND COMMUNITY CONDITIONS (INCLUDING HIGH RATES OF POVERTY,

HOUSING ISSUES, CRIME, AIR POLLUTION, INADEQUATE TRANSPORTATION AND

UNDERSUPPLY OF NEEDED SOCIAL SERVICES).

SELECT SPECIALTY - REGENCY WEST CANNOT FOCUS ON OR OTHERWISE ADDRESS THE

NEED FOR COMMUNITY SERVICES UNRELATED TO THE DELIVERY OF HEALTHCARE.

ALTHOUGH SELECT SPECIALTY - REGENCY WEST IS NOT DIRECTLY INVOLVED WITH

ECONOMIC DEVELOPMENT OR COMMUNITY CONDITIONS, IT DOES SUPPORT GOVERNMENTAL

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

SPECIALTY - REGENCY WEST SERVICES POPULATIONS ACROSS NORTHEAST OHIO AND

THUS HAS A WIDE-REACHING ECONOMIC IMPACT THROUGH ITS HIRING PRACTICES TO

SUPPORT PATIENT CARE.

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 5 -- SELECT SPECIALTY - REGENCY EAST

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

KEY INFORMANT INTERVIEWS CONDUCTED BETWEEN JUNE AND OCTOBER 2017.

25 KEY INFORMANTS WERE IDENTIFIED BY THE HOSPITAL FACILITY'S LEADERSHIP AS

PERSONS OR ORGANIZATIONS THAT REPRESENTED THE BROAD INTERESTS OF EACH

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, 18j, 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'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. A LIST OF

EACH PARTICIPANT ORGANIZATION IS IDENTIFIED IN APPENDIX C OF THE RELEVANT

HOSPITAL FACILITY'S CHNA.

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

PART V, SECTION B, LINE 6A: SELECT SPECIALTY - REGENCY EAST COLLABORATED

WITH THE CLEVELAND CLINIC HEALTH SYSTEM AND FOLLOWING SELECT MEDICAL

HOSPITALS: SELECT SPECIALTY HOSPITAL - CLEVELAND FAIRHILL, SELECT

SPECIALTY HOSPITAL - CLEVELAND GATEWAY, REGENCY HOSPITAL OF CLEVELAND

WEST, AND CLEVELAND CLINIC REHABILITATION - AVON.

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

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; 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.

SELECT SPECIALTY - REGENCY EAST CANNOT DIRECTLY ADDRESS THOSE COMMUNITY

NEEDS THAT DO NOT RELATE DIRECTLY TO THE HOSPITAL'S MISSION TO DELIVER

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.

HEALTH CARE. THESE ARE NEEDS THAT OTHER GOVERNMENTAL AND/OR NONPROFIT

ORGANIZATIONS HAVE THE MORE APPROPRIATE EXPERTISE AND RESOURCES TO

ADDRESS. ALTHOUGH SELECT SPECIALTY - REGENCY EAST CANNOT ADDRESS THESE

NEEDS DIRECTLY, IT DOES SUPPORT GOVERNMENTAL AND OTHER AGENCIES IN THEIR

EFFORTS TO HELP WITH THESE NEEDS.

SELECT SPECIALTY - REGENCY EAST CANNOT ADDRESS THE FOLLOWING COMMUNITY

NEED IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT: ECONOMIC

DEVELOPMENT AND COMMUNITY CONDITIONS (INCLUDING HIGH RATES OF POVERTY,

HOUSING ISSUES, CRIME, AIR POLLUTION, INADEQUATE TRANSPORTATION AND

UNDERSUPPLY OF NEEDED SOCIAL SERVICES).

SELECT SPECIALTY - REGENCY EAST CANNOT FOCUS ON OR OTHERWISE ADDRESS THE

NEED FOR COMMUNITY SERVICES UNRELATED TO THE DELIVERY OF HEALTHCARE.

ALTHOUGH SELECT SPECIALTY - REGENCY EAST IS NOT DIRECTLY INVOLVED WITH

ECONOMIC DEVELOPMENT OR COMMUNITY CONDITIONS, IT DOES SUPPORT GOVERNMENTAL

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

SPECIALTY - REGENCY EAST SERVICES POPULATIONS ACROSS NORTHEAST OHIO AND

THUS HAS A WIDE-REACHING ECONOMIC IMPACT THROUGH ITS HIRING PRACTICES TO

SUPPORT PATIENT CARE.

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 3 -- SELECT SPECIALTY - FAIRHILL

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

KEY INFORMANT INTERVIEWS CONDUCTED BETWEEN JUNE AND OCTOBER 2017.

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, 18j, 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.

25 KEY INFORMANTS WERE IDENTIFIED BY THE 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. A LIST OF

EACH PARTICIPANT ORGANIZATION IS IDENTIFIED IN APPENDIX C OF THE RELEVANT

HOSPITAL FACILITY'S CHNA.

GROUP A-FACILITY 3 -- SELECT SPECIALTY - FAIRHILL

PART V, SECTION B, LINE 6A: ELECT SPECIALTY - FAIRHILL COLLABORATED WITH

THE CLEVELAND CLINIC HEALTH SYSTEM AND THE FOLLOWING SELECT MEDICAL

HOSPITALS: SELECT SPECIALTY HOSPITAL - CLEVELAND GATEWAY, REGENCY HOSPITAL

OF CLEVELAND WEST, REGENCY HOSPITAL OF CLEVELAND EAST, AND CLEVELAND

CLINIC REHABILITATION - AVON.

GROUP A-FACILITY 3 -- SELECT SPECIALTY - FAIRHILL

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; 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.

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.

SELECT SPECIALTY - FAIRHILL 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 SELECT SPECIALTY - FAIRHILL CANNOT ADDRESS THESE NEEDS

DIRECTLY, IT DOES SUPPORT GOVERNMENTAL AND OTHER AGENCIES IN THEIR EFFORTS

TO HELP WITH THESE NEEDS.

SELECT SPECIALTY - FAIRHILL CANNOT ADDRESS THE FOLLOWING COMMUNITY NEED

IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT: ECONOMIC DEVELOPMENT

AND COMMUNITY CONDITIONS (INCLUDING HIGH RATES OF POVERTY, HOUSING ISSUES,

CRIME, AIR POLLUTION, INADEQUATE TRANSPORTATION AND UNDERSUPPLY OF NEEDED

SOCIAL SERVICES).

SELECT SPECIALTY - FAIRHILL CANNOT FOCUS ON OR OTHERWISE ADDRESS THE NEED

FOR COMMUNITY SERVICES UNRELATED TO THE DELIVERY OF HEALTHCARE. ALTHOUGH

SELECT SPECIALTY - FAIRHILL IS NOT DIRECTLY INVOLVED WITH ECONOMIC

DEVELOPMENT OR COMMUNITY CONDITIONS, IT DOES SUPPORT GOVERNMENTAL AND

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

SPECIALTY - FAIRHILL SERVICES POPULATIONS ACROSS NORTHEAST OHIO AND THUS

HAS A WIDE-REACHING ECONOMIC IMPACT THROUGH ITS HIRING PRACTICES TO

SUPPORT PATIENT CARE.

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.

GROUP A-FACILITY 6 -- SELECT SPECIALTY - GATEWAY

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.

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

KEY INFORMANT INTERVIEWS CONDUCTED BETWEEN JUNE AND OCTOBER 2017.

25 KEY INFORMANTS WERE IDENTIFIED BY THE 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. A LIST OF

EACH PARTICIPANT ORGANIZATION IS IDENTIFIED IN APPENDIX C OF THE RELEVANT

HOSPITAL FACILITY'S CHNA.

GROUP A-FACILITY 6 -- SELECT SPECIALTY - GATEWAY

PART V, SECTION B, LINE 6A: SELECT SPECIALTY - GATEWAY COLLABORATED WITH

THE CLEVELAND CLINIC HEALTH SYSTEM AND THE FOLLOWING SELECT MEDICAL

HOSPITALS: SELECT SPECIALTY HOSPITAL - CLEVELAND FAIRHILL, REGENCY

HOSPITAL OF CLEVELAND WEST, REGENCY HOSPITAL OF CLEVELAND EAST, AND

CLEVELAND CLINIC REHABILITATION - AVON.

GROUP A-FACILITY 6 -- SELECT SPECIALTY - GATEWAY

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; HEALTHCARE FOR THE ELDERLY; AND

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.

WELLNESS. HOW THE FACILITY WILL ADDRESS EACH NEED IS DESCRIBED IN DETAIL

IN THE RELEVANT HOSPITAL FACILITY'S IMPLEMENTATION STRATEGY REPORT.

SELECT SPECIALTY - GATEWAY 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 SELECT SPECIALTY - GATEWAY CANNOT ADDRESS THESE NEEDS

DIRECTLY, IT DOES SUPPORT GOVERNMENTAL AND OTHER AGENCIES IN THEIR EFFORTS

TO HELP WITH THESE NEEDS.

SELECT SPECIALTY - GATEWAY CANNOT ADDRESS THE FOLLOWING COMMUNITY NEED

IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT: ECONOMIC DEVELOPMENT

AND COMMUNITY CONDITIONS (INCLUDING HIGH RATES OF POVERTY, HOUSING ISSUES,

CRIME, AIR POLLUTION, INADEQUATE TRANSPORTATION AND UNDERSUPPLY OF NEEDED

SOCIAL SERVICES).

SELECT SPECIALTY - GATEWAY CANNOT FOCUS ON OR OTHERWISE ADDRESS THE NEED

FOR COMMUNITY SERVICES UNRELATED TO THE DELIVERY OF HEALTHCARE. ALTHOUGH

SELECT SPECIALTY - GATEWAY IS NOT DIRECTLY INVOLVED WITH ECONOMIC

DEVELOPMENT OR COMMUNITY CONDITIONS, IT DOES SUPPORT GOVERNMENTAL AND

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

SPECIALTY GATEWAY SERVICES POPULATIONS

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

FACILITY REPORTING GROUP B CONSISTS OF:

- FACILITY 8: CLEVELAND CLINIC REHAB - BEACHWOOD

- FACILITY 7: CLEVELAND CLINIC REHABILITATION - ESR

GROUP B-FACILITY 7 -- CLEVELAND CLINIC REHAB - ESR

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.

PART V, SECTION B, LINE 2: CLEVELAND CLINIC REHABILITATION - EDWIN SHAW

OPENED IN NOVEMBER 2017.

GROUP B-FACILITY 8 -- CLEVELAND CLINIC REHABILITATION-BEACHWOOD

PART V, SECTION B, LINE 2: CLEVELAND CLINIC REHABILITATION - BEACHWOOD

OPENED IN OCTOBER 2017.

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? 108

Name and address	Type of Facility (describe)
1 TWINSBURG FAMILY HEALTH & SURGERY CE 8701 DARROW ROAD TWINSBURG, OH 44087	FAMILY HEALTH CENTER
2 STRONGSVILLE FAMILY HEALTH & SURGERY 16761 SOUTH PARK CENTER STRONGSVILLE, OH 44136	FAMILY HEALTH CENTER
3 RICHARD E. JACOBS HEALTH CENTER 33100 CLEVELAND CLINIC BOULEVARD AVON, OH 44011	FAMILY HEALTH CENTER
4 INDEPENDENCE FAMILY HEALTH CENTER 5001 ROCKSIDE RD, CROWN CENTRE II INDEPENDENCE, OH 44131	FAMILY HEALTH CENTER
5 LORAIN FAMILY HEALTH & SURGERY CENTE 5700 COOPER FOSTER PARK ROAD LORAIN, OH 44053	FAMILY HEALTH CENTER
6 WILLOUGHBY HILLS FAMILY HEALTH CENTE 2550 & 2570 SOM CENTER ROAD WILLOUGHBY HILLS, OH 44094	FAMILY HEALTH CENTER
7 WOOSTER FAMILY HEALTH CENTER 1740 CLEVELAND ROAD WOOSTER, OH 44691	FAMILY HEALTH CENTER
8 BRUNSWICK FAMILY HEALTH CENTER 3574 CENTER ROAD BRUNSWICK, OH 44212	FAMILY HEALTH CENTER
9 CLEVELAND CLINIC CANCER CENTERS 417 QUARRY LAKES DRIVE SANDUSKY, OH 44870	OUTPATIENT PHYSICIAN CLINIC
10 SOLON FAMILY HEALTH CENTER 29800 BAINBRIDGE ROAD SOLON, OH 44139	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? 108

Name and address	Type of Facility (describe)
11 CLEVELAND CLINIC CANCER CENTERS 1125 ASPIRA COURT MANSFIELD, OH 44906	OUTPATIENT PHYSICIAN CLINIC
12 ELYRIA FAMILY HEALTH & SURGERY CENTE 303 CHESTNUT COMMONS DRIVE ELYRIA, OH 44035	FAMILY HEALTH CENTER
13 SUPERIOR MEDICAL SHEFFIELD FAMILY HE 5334 MEADOW LANE CT SHEFFIELD VILLAGE, OH 44035	OUTPATIENT PHYSICIAN CLINIC
14 LANDERBROOK OFFICE AND ENDOSCOPY CEN 5900 LANDERBROOK DRIVE MAYFIELD HEIGHTS, OH 44124	OUTPATIENT PHYSICIAN CLINIC
15 CHAGRIN FALLS FAMILY HEALTH CENTER 551 EAST WASHINGTON STREET CHAGRIN FALLS, OH 44022	FAMILY HEALTH CENTER
16 AVON POINTE FAMILY HEALTH CENTER 36901 AMERICAN WAY AVON, OH 44011	FAMILY HEALTH CENTER
17 NORTH OHIO GASTROENTEROLOGY 30701 CLEMENS ROAD WESTLAKE, OH 44145	OUTPATIENT PHYSICIAN CLINIC
18 WESTERN RESERVE NEUROSURGERY 1900 23RD STREET CUYAHOGA FALLS, OH 44223	OUTPATIENT PHYSICIAN CLINIC
19 AMHERST FAMILY HEALTH CENTER 5172 LEAVITT ROAD LORAIN, OH 44053	OUTPATIENT PHYSICIAN CLINIC
20 STEPHANIE TUBBS JONES HEALTH CENTER 13944 EUCLID AVENUE EAST CLEVELAND, OH 44112	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? 108

Name and address	Type of Facility (describe)
21 CCF GASTROENTEROLOGY 7530 FREDLE DRIVE CONCORD, OH 44077	OUTPATIENT PHYSICIAN CLINIC
22 AVON LAKE FAMILY HEALTH CENTER 450 AVON BELDEN ROAD AVON LAKE, OH 44012	FAMILY HEALTH CENTER
23 MADISON MEDICAL OFFICE 2999 MCMACKIN ROAD MADISON, OH 44057	OUTPATIENT PHYSICIAN CLINIC
24 COMMUNITY PEDIATRICS 8254 MAYFIELD ROAD CHESTERLAND, OH 44026	OUTPATIENT PHYSICIAN CLINIC
25 MENTOR MEDICAL OFFICE 7060 WAYSIDE DRIVE MENTOR, OH 44060	OUTPATIENT PHYSICIAN CLINIC
26 CLEVELAND CLINIC SUMMIT OPHTHALMOLOG 1 PARK WEST BOULEVARD, STE 150 AKRON, OH 44320	OUTPATIENT PHYSICIAN CLINIC
27 CLEVELAND CLINIC ADMINISTRATIVE CAMP 3275 SCIENCE PARK DRIVE, BLDG 5 BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
28 SLEEP DISORDER CENTER AT FAIRHILL 11203 STOKES BOULEVARD CLEVELAND, OH 44104	DIAGNOSTIC CENTER
29 MENTOR REHABILITATION AND SPORTS THE 7533 CENTER STREET MENTOR, OH 44060	OUTPATIENT PHYSICIAN CLINIC
30 CLEVELAND CLINIC CANCER CENTERS 509 W. MCPHERSON HIGHWAY CLYDE, OH 43410	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? 108

Name and address	Type of Facility (describe)
31 MIDDLEBURG HEIGHTS ORTHOPAEDICS 7010 ENGLE ROAD STE 105 MIDDLEBURG HEIGHTS, OH 44130	OUTPATIENT PHYSICIAN CLINIC
32 ASHLAND OPHTHALMOLOGY/SUGARBUSH EYE 21 SUGARBUSH COURT ASHLAND, OH 44805	OUTPATIENT PHYSICIAN CLINIC
33 LORAIN ORTHOPAEDICS 5275 NORTH ABBE ROAD ELYRIA, OH 44035	OUTPATIENT PHYSICIAN CLINIC
34 LAKEWOOD FAMILY HEALTH CENTER 16215 MADISON AVENUE LAKEWOOD, OH 44107	FAMILY HEALTH CENTER
35 SUMMIT GASTROENTEROLOGY ASSOCIATES 3939 S CLEVELAND MASSILLON ROAD BARBERTON, OH 44203	OUTPATIENT PHYSICIAN CLINIC
36 CLEVELAND CLINIC SUPERIOR MEDICAL CA 1959 COOPER FOSTER PARK ROAD LORAIN, OH 44053	DIAGNOSTIC CENTER
37 CLEVELAND CLINIC LYNDHURST CAMPUS 1950 RICHMOND ROAD LYNDHURST, OH 44124	OUTPATIENT PHYSICIAN CLINIC
38 COMMUNITY PEDIATRICS 2001 CROCKER ROAD WESTLAKE, OH 44145	OUTPATIENT PHYSICIAN CLINIC
39 WILLOUGHBY HILLS BEHAVIORAL HEALTH 2785 SOM CENTER ROAD WILLOUGHBY HILLS, OH 44094	OUTPATIENT PHYSICIAN CLINIC
40 OHIO RENAL CARE GROUP, WEST 14670 SNOW ROAD BROOKPARK, OH 44142	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? 108

Name and address	Type of Facility (describe)
41 OHIO RENAL CARE GROUP, WESTLAKE 26024 DETROIT AVENUE WESTLAKE, OH 44145	DIALYSIS CENTER
42 SOUTH RUSSELL FAMILY PRACTICE 5192 CHILLICOTHE ROAD SOUTH RUSSELL, OH 44022	OUTPATIENT PHYSICIAN CLINIC
43 OHIO RENAL CARE, CLEVELAND EAST 2429 MARTIN LUTHER KING JR. DR CLEVELAND, OH 44104	DIALYSIS CENTER
44 OLMSTED TOWNSHIP PRIMARY CARE 27089 BAGLEY ROAD OLMSTED TOWNSHIP, OH 44138	OUTPATIENT PHYSICIAN CLINIC
45 MAYFIELD VILLAGE PEDIATRICS 6559 WILSON MILLS RD, STE101-D MAYFIELD VILLAGE, OH 44143	OUTPATIENT PHYSICIAN CLINIC
46 NORTH RIDGEVILLE MEDICAL OFFICE 35105 CENTER RIDGE ROAD NORTH RIDGEVILLE, OH 44039	OUTPATIENT PHYSICIAN CLINIC
47 MARYMOUNT REHABILITATION AND SPORTS 2525 EAST ROYALTON ROAD BROADVIEW HEIGHTS, OH 44147	OUTPATIENT PHYSICIAN CLINIC
48 OHIO RENAL CARE GROUP, OHIO ACUTES 2500 METROHEALTH DRIVE CLEVELAND, OH 44109	DIALYSIS CENTER
49 OHIO RENAL CARE GROUP, EUCLID 26450 EUCLID AVENUE EUCLID, OH 44132	DIALYSIS CENTER
50 OHIO RENAL CARE GROUP, SOLON 6020 ENTERPRISE PARKWAY SOLON, OH 44139	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? 108

Name and address	Type of Facility (describe)
51 OHIO RENAL CARE GROUP OF NORTH RANDA 4750 NORTHFIELD ROAD NORTH RANDALL, OH 44128	DIALYSIS CENTER
52 NORTH COAST CANCER 272 BENEDICT AVENUE NORWALK, OH 44857	OUTPATIENT PHYSICIAN CLINIC
53 WADSWORTH PRIMARY CARE ONE PARK CENTER DRIVE WADSWORTH, OH 44281	OUTPATIENT PHYSICIAN CLINIC
54 OHIO RENAL CARE GROUP, FARNSWORTH 3764 PEARL RD CLEVELAND, OH 44109	DIALYSIS CENTER
55 CHARDON REHABILITATION AND SPORTS TH 325 CENTER STREET CHARDON, OH 44024	OUTPATIENT PHYSICIAN CLINIC
56 CANFIELD ORTHOPAEDICS AND REHABILITA 3736 BOARDMAN CANFIELD ROAD CANFIELD, OH 44406	OUTPATIENT PHYSICIAN CLINIC
57 CLEVELAND CLINIC DIABETES AND ENDOCR 3733 PARK EAST DRIVE, STE 105 BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
58 OHIO RENAL CARE GROUP, ELYRIA 1050 N. ABBE RD, N ELYRIA, OH 44035	DIALYSIS CENTER
59 OHIO RENAL CARE GROUP, MENTOR 8840 TYLER BLVD MENTOR, OH 44060	DIALYSIS CENTER
60 MOHICAN EYE CENTER 484 PARK AVENUE WEST MANSFIELD, OH 44906	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? 108

Name and address	Type of Facility (describe)
61 OHIO RENAL CARE GROUP, WADSWORTH 1160 WILLIAMS RESERVE BLVD WADSWORTH, OH 44281	DIALYSIS CENTER
62 OHIO RENAL CARE GROUP, LAKEWOOD 13900 DETROIT RD LAKEWOOD, OH 44109	DIALYSIS CENTER
63 WELLINGTON MEDICAL OFFICE 805 PATRIOT DRIVE, UNIT E WELLINGTON, OH 44090	OUTPATIENT PHYSICIAN CLINIC
64 OBERLIN OPHTHALMOLOGY 309 WEST LORAIN STREET OBERLIN, OH 44074	OUTPATIENT PHYSICIAN CLINIC
65 MADISON REHABILITATION AND SPORTS TH 2622 HUBBARD ROAD MADISON, OH 44057	OUTPATIENT PHYSICIAN CLINIC
66 MOHICAN EYE CENTER 637 NORTH UNION STREET LOUDONVILLE, OH 44842	OUTPATIENT PHYSICIAN CLINIC
67 COLE EYE - TERMAN PRACTICE 32901 STATION STREET OLON, OH 44139	OUTPATIENT PHYSICIAN CLINIC
68 THE LANGSTON HUGHES CENTER CLEVELAND 2390 E 79TH ST. CLEVELAND, OH 44104	OUTPATIENT PHYSICIAN CLINIC
69 LIBERTY FAMILY MEDICINE 571 E. TURKEYFOOT LAKE RD AKRON, OH 44319	OUTPATIENT PHYSICIAN CLINIC
70 NPCS - BEACHWOOD 26110 EMERY ROAD WARRENSVILLE HEIGHTS, OH 44128	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? 108

Name and address	Type of Facility (describe)
71 INDEPENDENCE CANCER CENTER 6100 WEST CREEK ROAD INDEPENDENCE, OH 44131	OUTPATIENT PHYSICIAN CLINIC
72 NPCS - CANAL PLACE 520 SOUTH MAIN STREET AKRON, OH 44311	OUTPATIENT PHYSICIAN CLINIC
73 ACCESS TO CARE 29000 AURORA ROAD OLON, OH 44139	OUTPATIENT PHYSICIAN CLINIC
74 ASHTABULA COUNTY MEDICAL CENTER 2422 LAKE AVENUE ASHTABULA, OH 44004	OUTPATIENT PHYSICIAN CLINIC
75 BEACHWOOD FAMILY HEALTH & SURGERY CE 26900 CEDAR ROAD BEACHWOOD, OH 44122	FAMILY HEALTH CENTER
76 BOARDMAN STAR IMAGING 7067 TIFFANY BOULEVARD BOARDMAN, OH 44512	DIAGNOSTIC CENTER
77 CENTER FOR ARTHRITIS 1716 NORTH ROAD SE WARREN, OH 44484	OUTPATIENT PHYSICIAN CLINIC
78 CHARLESTON AREA MEDICAL CENTER 1201 WASHINGTON STREET EAST, STE 100 CHARLESTON, WV 25301	OUTPATIENT PHYSICIAN CLINIC
79 CLEVELAND CLINIC FAMILY MEDICINE 19300 DETROIT AVENUE ROCKY RIVER, OH 44116	OUTPATIENT PHYSICIAN CLINIC
80 CLEVELAND CLINIC HEART & VASCULAR 1400 WEST MAIN STREET (BELLEVUE HOSP BELLEVUE, OH 44811	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? 108

Name and address	Type of Facility (describe)
81 CLEVELAND CLINIC SPINE & SURGERY 34 EXECUTIVE DRIVE NORWALK, OH 44857	OUTPATIENT PHYSICIAN CLINIC
82 CLEVELAND CLINIC STAR IMAGING 1449 BOARDMAN-CANFIELD ROAD BOARDMAN, OH 44512	DIAGNOSTIC CENTER
83 CLUB VIEW VISION CENTER OPTOMETRIC 1650 E. MANSFIELD STREET BUCYRUS, OH 44820	OUTPATIENT PHYSICIAN CLINIC
84 COLE EYE INSTITUTE 2000 AUBURN DRIVE, STE 100 BEACHWOOD, OH 44122	OUTPATIENT PHYSICIAN CLINIC
85 COLUMBUS STAR IMAGING 1550 KENNY ROAD COLUMBUS, OH 43212	DIAGNOSTIC CENTER
86 COLUMBUS STAR IMAGING 921 JASONWAY AVENUE COLUMBUS, OH 43214	DIAGNOSTIC CENTER
87 COLUMBUS STAR IMAGING, BEECHER 425 BEECHER ROAD COLUMBUS, OH 43230	DIAGNOSTIC CENTER
88 DAYTON STAR IMAGING 5529 FAR HILLS AVENUE DAYTON, OH 45429	OUTPATIENT PHYSICIAN CLINIC
89 EXPRESS CARE 313 EUCLID AVENUE CLEVELAND, OH 44114	OUTPATIENT PHYSICIAN CLINIC
90 LAKEWEST MEDICAL BUILDING 36100 EUCLID AVENUE STE 280 WILLOUGHBY, OH 44094	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? 108

Name and address	Type of Facility (describe)
91 LAKEWOOD FAMILY MEDICINE - ROCKPORT 11851 DETROIT AVENUE LAKEWOOD, OH 44107	OUTPATIENT PHYSICIAN CLINIC
92 LAKEWOOD PROFESSIONAL BUILDING 14601 DETROIT AVENUE LAKEWOOD, OH 44107	OUTPATIENT PHYSICIAN CLINIC
93 LORAIN ORTHOPAEDICS 5800 COOPER FOSTER PARK ROAD LORAIN, OH 44053	OUTPATIENT PHYSICIAN CLINIC
94 NILES STAR IMAGING 652 YOUNGSTOWN WARREN ROAD NILES, OH 44446	DIAGNOSTIC CENTER
95 OUTPATIENT PEDIATRIC CLINIC 1912 HAYES AVENUE SANDUSKY, OH 44870	OUTPATIENT PHYSICIAN CLINIC
96 ROCKSIDE MEDICAL CENTER 6701 ROCKSIDE ROAD INDEPENDENCE, OH 44131	OUTPATIENT PHYSICIAN CLINIC
97 SLEEP DISORDERS CENTER 24901 COUNTRY CLUB BOULEVARD NORTH OLMSTED, OH 44070	DIAGNOSTIC CENTER
98 SLEEP DISORDERS CENTER 3750 ORANGE PLACE BEACHWOOD, OH 44122	DIAGNOSTIC CENTER
99 SLEEP DISORDERS CENTER 8971 WILCOX DRIVE TWINSBURG, OH 44087	DIAGNOSTIC CENTER
100 SLEEP DISORDERS CENTER 5051 WEST CREEK ROAD INDEPENDENCE, OH 44131	DIAGNOSTIC 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? 108

Name and address	Type of Facility (describe)
101 SLEEP DISORDERS CENTER 3122 EASTPOINTE DRIVE MEDINA, OH 44256	DIAGNOSTIC CENTER
102 STOW-FALLS MEDICAL OUTPATIENT CENTER 857 GRAHAM RD CUYAHOGA FALLS, OH 44221	OUTPATIENT PHYSICIAN CLINIC
103 SUMMIT OPHTHALMOLOGY 1587 BOETTLER ROAD GREEN, OH 44685	OUTPATIENT PHYSICIAN CLINIC
104 VALLEY CITY FAMILY MEDICINE 6605 CENTER ROAD VALLEY CITY, OH 44280	OUTPATIENT PHYSICIAN CLINIC
105 WEST VALLEY MEDICAL 20455 LORAIN ROAD, #301 FAIRVIEW PARK, OH 44126	OUTPATIENT PHYSICIAN CLINIC
106 WILLOUGHBY HILLS REHABILITATION AND 29017 CHARDON ROAD WILLOUGHBY HILLS, OH 44094	OUTPATIENT PHYSICIAN CLINIC
107 WOOSTER MILLTOWN SPECIALTY & SURGERY 721 EAST MILLTOWN ROAD WOOSTER, OH 44691	OUTPATIENT PHYSICIAN CLINIC
108 WOOSTER WOMEN'S HEALTH CENTER 1739 CLEVELAND ROAD WOOSTER, OH 44691	OUTPATIENT PHYSICIAN CLINIC

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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

Part VI Supplemental Information (Continuation)

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 \$1,550,074.

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 I, LINE 7

THE NET COMMUNITY BENEFIT EXPENSE FIGURE REPORTED FOR UNREIMBURSED

MEDICAID IS INCLUSIVE OF CCF'S HCAP ASSESSMENT OF \$15,695,519.

PART I, LINE 7

NOTE THAT THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE AND OTHER COMMUNITY

BENEFITS OF \$647,945,641 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:

Part VI Supplemental Information (Continuation)

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

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.

Part VI Supplemental Information (Continuation)

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 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 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

Part VI Supplemental Information (Continuation)

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 \$730,232,633 AND \$1,091,505,387

RESPECTIVELY. THIS RESULTS IN ADDITIONAL MEDICARE SHORTFALL OF

\$361,272,754 WHICH, ADDED TO THE SHORTFALL OF \$48,250,602 AS REPORTED

ON THE COST REPORTS BRINGS THE TOTAL MEDICARE SHORTFALL TO

\$409,523,356.

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 (Continuation)

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, 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.

Part VI Supplemental Information (Continuation)

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

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 noncash assistance	(h) Purpose of grant or assistance
AATS GRAHAM FOUNDATION 800 CUMMINGS CENTER BEVERLY, MA 01915	23-7288866	501(C)(3)	100,000.	0.			HEALTHCARE RESEARCH & EDUCATION
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)	14,000.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN ASSOCIATION OF COLLEGES OF OSTEOPATHIC MEDICINE - 5550 FRIENDSHIP BLVD, STE 310 - CHEVY CHASE, MD 20815	23-7190271	501(C)(3)	25,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
AMERICAN CANCER SOCIETY 10501 EUCLID AVE CLEVELAND, OH 44106	13-1788491	501(C)(3)	33,625.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVE DALLAS, TX 75231	59-0637852	501(C)(3)	236,000.	0.			HEALTHCARE RESEARCH & EDUCATION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 76.

3 Enter total number of other organizations listed in the line 1 table ▶ 4.

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

Schedule I (Form 990) (2017)

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
AMERICAN LIVER FOUNDATION 39 BROADWAY, 27TH FL NEW YORK, NY 10006	36-2883000	501(C)(3)	32,500.	0.			HEALTHCARE RESEARCH & EDUCATION
AMERICAN NATIONAL RED CROSS 431 18TH ST NW WASHINGTON, DC 20006	53-0196605	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT
ANTIOCH BAPTIST CHURCH 8869 CEDAR AVE CLEVELAND, OH 44106	36-4497121	501(C)(3)	8,749.	0.			COMMUNITY SUPPORT
BEACHWOOD CHAMBER OF COMMERCE 23355 MERCANTILE RD BEACHWOOD, OH 44122	34-1684237	501(C)(6)	7,060.	0.			COMMUNITY SUPPORT
BOYS AND GIRLS CLUBS OF CLEVELAND 6114 BROADWAY AVE CLEVELAND, OH 44127	34-0770686	501(C)(3)	25,000.	0.			COMMUNITY SUPPORT
BURTON BELL CARR DEVELOPMENT, INC. 7201 KINSMAN RD CLEVELAND, OH 44104	34-1657533	501(C)(3)	10,500.	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)	7,980.	0.			HEALTHCARE RESEARCH & EDUCATION
CARE ALLIANCE 1795 W 25TH ST CLEVELAND, OH 44113	34-1748776	501(C)(3)	15,000.	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
CASE WESTERN RESERVE UNIVERSITY 2040 ADELBERT RD CLEVELAND, OH 44106	34-1018992	501(C)(3)	19,500.	0.			SUPPORT EDUCATIONAL ACTIVITIES
CENTERS FOR FAMILIES AND CHILDREN 601 LAKESIDE AVE CLEVELAND, OH 44114	23-7084455	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
CITY CLUB OF CLEVELAND 850 EUCLID AVE, 2ND FL CLEVELAND, OH 44114	34-0144897	501(C)(3)	10,600.	0.			COMMUNITY SUPPORT
CLARK COUNTY MEDICAL SOCIETY, INC. 2590 E RUSSELL RD LAS VEGAS, NV 89120	88-6004317	501(C)(3)	15,000.	0.			HEALTHCARE RESEARCH & EDUCATION
CLEVELAND HEARING AND SPEECH CENTER - 11635 EUCLID AVE - CLEVELAND, OH 44106	34-0714648	501(C)(3)	16,600.	0.			HEALTHCARE RESEARCH & EDUCATION
CLEVELAND INTERNATIONAL FILM FESTIVAL, INC. - 2510 MARKET AVE - CLEVELAND, OH 44113	34-1262368	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
CLEVELAND LEADERSHIP CENTER 1375 E 9TH ST CLEVELAND, OH 44114	34-1927317	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
CLEVELAND METROPARKS 4101 FULTON PARKWAY CLEVELAND, OH 44144	34-6000704	501(C)(1)	50,000.	0.			COMMUNITY SUPPORT
CLEVELAND METROPOLITAN SCHOOL DISTRICT - 1380 E 6TH ST - CLEVELAND, OH 44114	34-6000662	501(C)(1)	15,500.	0.			SUPPORT EDUCATIONAL ACTIVITIES

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
CLEVELAND MUSEUM OF ART 11150 EAST BLVD CLEVELAND, OH 44106	34-0714336	501(C)(3)	76,000.	0.			COMMUNITY SUPPORT
CLEVELAND MUSEUM OF NATURAL HISTORY - 1 WADE OVAL DR - CLEVELAND, OH 44106	34-0714338	501(C)(3)	19,000.	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 STATE UNIVERSITY 2121 EUCLID AVE CLEVELAND, OH 44115	34-0966056	501(C)(3)	45,100.	0.			SUPPORT EDUCATIONAL ACTIVITIES
COLLEGE NOW GREATER CLEVELAND, INC. - 50 PUBLIC SQUARE, STE 1800 - CLEVELAND, OH 44113	34-6580096	501(C)(3)	12,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
COLON CANCER ALLIANCE 1025 VERMONT AVE NW, STE 1066 WASHINGTON, DC 20005	86-0947831	501(C)(3)	25,000.	0.			HEALTHCARE RESEARCH & EDUCATION
COMMUNITY WEST FOUNDATION 800 SHARON DR, STE C WESTLAKE, OH 44145	34-1456398	501(C)(3)	12,500.	0.			COMMUNITY SUPPORT
CROHNS & COLITIS FOUNDATION OF AMERICA - 23366 COMMERCE PARK RD - BEACHWOOD, OH 44122	13-6193105	501(C)(3)	18,000.	0.			HEALTHCARE RESEARCH & EDUCATION
CUYAHOGA COMMUNITY COLLEGE FOUNDATION - 700 CARNEGIE AVE - CLEVELAND, OH 44115	23-7320719	501(C)(3)	10,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES

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
DANCING CLASSROOMS NORTHEAST OHIO 1085 ROCKSIDE RD, STE 6 PARMA, OH 44134	26-2300532	501(C)(3)	31,250.	0.			COMMUNITY SUPPORT
DEMOCRACY COLLABORATIVE FOUNDATION, INC. - 1422 EUCLID AVE, STE 1652 - CLEVELAND, OH 44115	20-0387511	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
EARS TO YOU PO BOX 190 HINCKLEY, OH 44233	26-4131382	501(C)(3)	7,500.	0.			HEALTHCARE RESEARCH & EDUCATION
EPILEPSY ASSOCIATION 2831 PROSPECT AVE CLEVELAND, OH 44115	23-7198807	501(C)(3)	7,500.	0.			HEALTHCARE RESEARCH & EDUCATION
ESPERANZA, INC. 4115 BRIDGE AVE CLEVELAND, OH 44113	34-1403492	501(C)(3)	20,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
FAIRFAX RENAISSANCE DEVELOPMENT CORPORATION - 8111 QUINCY AVE, STE 100 - CLEVELAND, OH 44104	34-1706856	501(C)(3)	324,562.	0.			COMMUNITY SUPPORT
FAMICOS FOUNDATION, INC. 1325 ANSEL RD CLEVELAND, OH 44106	34-1053534	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT
FATIMA FAMILY CENTER 6600 LEXINGTON AVE CLEVELAND, OH 44103	26-1323950	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT
FRIENDS OF BREAKTHROUGH SCHOOLS 3615 SUPERIOR AVE CLEVELAND, OH 44114	20-4948838	501(C)(3)	10,150.	0.			SUPPORT EDUCATIONAL ACTIVITIES

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
GATHERING PLACE 23300 COMMERCE PARK BEACHWOOD, OH 44122	34-1879035	501(C)(3)	32,500.	0.			COMMUNITY SUPPORT
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)	15,000.	0.			COMMUNITY SUPPORT
GREATER CLEVELAND HABITAT FOR HUMANITY - 2110 W 110TH ST - CLEVELAND, OH 44102	31-1209423	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
GROUP PLAN COMMISSION 50 PUBLIC SQUARE, STE 803 CLEVELAND, OH 44113	46-1908475	501(C)(3)	10,000.	0.			COMMUNITY SUPPORT
KARAMU HOUSE 2355 E 89TH ST CLEVELAND, OH 44106	34-0714448	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
KEEP MEMORY ALIVE 888 W BONNEVILLE AVE LAS VEGAS, NV 89106	88-0515534	501(C)(3)	50,500.	0.			HEALTHCARE RESEARCH & EDUCATION
LEUKEMIA & LYMPHOMA SOCIETY 3 INTERNATIONAL DR, STE 200 RYE BROOK, NY 10573	13-5644916	501(C)(3)	92,364.	0.			HEALTHCARE RESEARCH & EDUCATION
MARCH OF DIMES FOUNDATION 614 SUPERIOR AVE NW CLEVELAND, OH 44113	13-1846366	501(C)(3)	5,500.	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
MARTY HENNESSY INSPIRING CHILDREN FOUNDATION - PO BOX 60953 - BOULDER CITY, NV 89006	20-1638145	501(C)(3)	20,000.	0.			COMMUNITY SUPPORT
MEDWISH INTERNATIONAL 17325 EUCLID AVE CLEVELAND, OH 44112	34-1903712	501(C)(3)	10,000.	2,010,369.	ESTIMATED VALUE	MEDICAL SUPPLIE	HEALTHCARE RESEARCH & EDUCATION
METRO HEALTH SYSTEM 2500 METROHEALTH DR CLEVELAND, OH 44109	34-6004382	501(C)(3)	135,597.	0.			HEALTHCARE RESEARCH & EDUCATION
NAMI GREATER CLEVELAND 2012 W 25TH ST, STE 600 CLEVELAND, OH 44113	20-2254268	501(C)(3)	15,000.	0.			HEALTHCARE RESEARCH & EDUCATION
NATIONAL MULTIPLE SCLEROSIS SOCIETY - 1422 EUCLID AVE - CLEVELAND, OH 44115	13-5661935	501(C)(3)	15,000.	0.			HEALTHCARE RESEARCH & EDUCATION
NEIGHBORHOOD FAMILY PRACTICE 3569 RIDGE RD CLEVELAND, OH 44102	34-1300581	501(C)(3)	15,403.	0.			HEALTHCARE RESEARCH & EDUCATION
NORTH UNION FARMERS MARKET 13212 SHAKER SQUARE, STE 302 CLEVELAND, OH 44120	34-1812026	501(C)(3)	33,500.	0.			COMMUNITY SUPPORT
NORTHEAST OHIO NEIGHBORHOOD HEALTH SERVICES, INC. - 4800 PAYNE AVE - CLEVELAND, OH 44103	34-1014291	501(C)(3)	5,550.	0.			HEALTHCARE RESEARCH & EDUCATION
OPEN DOORS, INC. 3311 PERKINS AVE CLEVELAND, OH 44114	04-3697716	501(C)(3)	15,000.	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
RAINEY INSTITUTE 1523 E 55TH ST CLEVELAND, OH 44144	34-6555952	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
REGIONAL TRANSIT AUTHORITY PO BOX 6566 CLEVELAND, OH 44101	34-1170830	501(C)(1)	125,000.	0.			COMMUNITY SUPPORT
RONALD MCDONALD HOUSE OF CLEVELAND, INC. - 10415 EUCLID AVE - CLEVELAND, OH 44106	34-1269123	501(C)(3)	43,625.	0.			HEALTHCARE RESEARCH & EDUCATION
SAINT JOSEPH ACADEMY 3470 ROCKY RIVER DR CLEVELAND, OH 44111	34-1618516	501(C)(3)	6,000.	0.			SUPPORT EDUCATIONAL ACTIVITIES
SAINT MARTIN DE PORRES HIGH SCHOOL 6111 LAUSCHE AVE CLEVELAND, OH 44103	52-2401852	501(C)(3)	72,112.	0.			SUPPORT EDUCATIONAL ACTIVITIES
SISTERS OF ST JOSEPH THIRD ORDER OF ST FRANCIS - 12425 GRANGER RD - GARFIELD HTS, OH 44125	34-0943303	501(C)(3)	8,742.	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)	24,000.	0.			HEALTHCARE RESEARCH & EDUCATION
TEAM NEO FOUNDATION 1111 SUPERIOR AVE CLEVELAND, OH 44114	34-1885407	501(C)(3)	10,000.	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
THE CLEVELAND CLINIC EDUCATIONAL FOUNDATION - 9500 EUCLID AVE - CLEVELAND, OH 44195	34-0714553	501(C)(3)	18,337,058.	0.			HEALTHCARE RESEARCH & EDUCATION
THE CLEVELAND FOUNDATION 1422 EUCLID AVE, STE 1300 CLEVELAND, OH 44115	34-0714588	501(C)(3)	252,500.	0.			COMMUNITY SUPPORT
THE FREE CLINIC OF GREATER CLEVELAND - 12201 EUCLID AVE - CLEVELAND, OH 44106	23-7078501	501(C)(3)	10,000.	0.			HEALTHCARE RESEARCH & EDUCATION
THE SALVATION ARMY 440 W NYACK RD WEST NYACK, NY 10994	13-5562351	501(C)(3)	15,000.	0.			COMMUNITY SUPPORT
THE VILLAGE AT MARYMOUNT 5200 MARYMOUNT VILLAGE DR GARFIELD HTS, OH 44125	20-5652595	501(C)(3)	25,000.	0.			HEALTHCARE RESEARCH & EDUCATION
TOWARDS EMPLOYMENT, INC. 1255 EUCLID AVE, STE 300 CLEVELAND, OH 44115	34-1578831	501(C)(3)	12,500.	0.			COMMUNITY SUPPORT
TRANSPLANT HOUSE OF CLEVELAND 2007 E 115TH ST, APT 1 CLEVELAND, OH 44106	27-2834616	501(C)(3)	98,330.	0.			HEALTHCARE RESEARCH & EDUCATION
UNIVERSITY CIRCLE INCORPORATED 10831 MAGNOLIA DR CLEVELAND, OH 44106	34-0823464	501(C)(3)	8,000.	0.			COMMUNITY SUPPORT
URBAN LEAGUE OF CLEVELAND 12001 SHAKER BLVD CLEVELAND, OH 44120	34-0720563	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.)
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[illegible]

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	195	7,914,373.	0.		
FELLOWSHIPS	2038	92,224,037.	0.		
STUDENT STIPENDS	34	588,020.	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
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KNOWLEDGE, AWARENESS, AND QUALITY OF PATIENT CARE AND RESEARCH THROUGH

EDUCATION.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

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

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

3 Indicate which, if any, of the following the 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"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

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

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

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

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

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

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

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

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

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

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

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

Schedule J (Form 990) 2017

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 DIRECTOR, PRESIDENT, CEO	(i)	7,194,679.	0.	468,104.	-51,339.	17,492.	7,628,936.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) DONLEY, BRIAN G. MD DIRECTOR & CHIEF OF STAFF	(i)	1,299,141.	0.	125,894.	27,000.	20,030.	1,472,065.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) PHILLIPS, MICHEAL MD PHYSICIAN, DIRECTOR	(i)	198,260.	0.	8,727.	19,036.	4,482.	230,505.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) YERIAN, LISA MD PHYSICIAN, DIRECTOR - CCF	(i)	343,739.	0.	8,175.	27,000.	20,782.	399,696.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) ZEIN, NIZAR MD PHYSICIAN, DIRECTOR - CCF	(i)	517,288.	0.	27,354.	27,000.	25,415.	597,057.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ERZURUM, SERPIL, MD CHAIR OF RESEARCH INST	(i)	551,010.	0.	32,600.	925,584.	1,490.	1,510,684.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) GLASS, STEVEN C. CFO & TREASURER	(i)	1,464,141.	0.	141,647.	34,900.	18,030.	1,658,718.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) HARRINGTON, MICHAEL CAO & CONTROLLER	(i)	693,381.	0.	64,216.	27,000.	18,830.	803,427.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) MEEHAN, MICHAEL RECORDING SECRETARY	(i)	320,679.	0.	33,495.	83,007.	17,492.	454,673.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) OBLANDER, JASON ASSISTANT SECRETARY	(i)	204,933.	0.	1,846.	7,337.	14,613.	228,729.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) PEACOCK, WILLIAM CHIEF OF OPERATIONS	(i)	1,416,963.	0.	119,076.	29,201.	18,208.	1,583,448.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) ROWAN, DAVID W. SECRETARY & CHIEF LEGAL OFFICER	(i)	1,343,989.	0.	135,423.	27,000.	19,182.	1,525,594.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) MIHALJEVIC, TOMISLAV CHIEF EXEC OFFICER - CCAD	(i)	1,321,758.	0.	763,509.	27,000.	108,916.	2,221,183.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) MODIC, M.D., MICHAEL INSTITUTE CHAIR, PHYSICIAN (RETIREE)	(i)	986,744.	0.	1,617,303.	69,715.	20,042.	2,693,804.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) EINSTEIN, DAVID PHYSICIAN (RETIREE)	(i)	415,327.	0.	1,385,749.	214,326.	9,936.	2,025,338.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) NAJM, HANI PHYSICIAN	(i)	1,486,463.	0.	272,194.	27,000.	22,275.	1,807,932.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) SINGER, ANNE PHYSICIAN (RETIREE)	(i)	95,117.	0.	1,610,523.	11,340.	1,724.	1,718,704.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) SURI, RAKESH CHIEF OF STAFF	(i)	1,217,650.	0.	466,375.	27,000.	119,283.	1,830,308.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) HAMILTON, THOMAS FORMER OFFICER	(i)	399,457.	0.	21,786.	159,971.	19,529.	600,743.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) MCHUGH, LINDA FORMER OFFICER	(i)	732,887.	0.	70,353.	38,705.	17,097.	859,042.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

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:**

DAVID EINSTEIN- PARTICIPATED IN AND RECEIVED PAYMENT FROM A SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES, \$1,353,959 OF

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

THE PLAN.

ANNE SINGER - PARTICIPATED IN AND RECEIVED PAYMENT FROM A SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES, \$1,591,884 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.

MICHAEL MODIC - PARTICIPATED IN AND RECEIVED PAYMENT FROM A SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN. FOR MEDICARE TAX PURPOSES, \$1,514,049 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 2017 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.

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: DELOS M. COSGROVE - \$78,339 DECREASE, DAVID EINSTEIN -

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.

\$187,326 INCREASE, SERPIL ERZURUM - \$898,584 INCREASE, THOMAS HAMILTON -

\$133,426 INCREASE, MICHAEL J. MEEHAN - \$56,007 INCREASE, AND MICHAEL MODIC

\$42,715 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 - \$7,900 INCREASE, LINDA MCHUGH - \$11,705 INCREASE, JASON

OBLANDER - \$1,007 INCREASE AND WILLIAM PEACOCK - \$2,201 INCREASE.

Supplemental Information on Tax-Exempt Bonds

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

ENTITY 1

OMB No. 1545-0047

2017
Open to Public
Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number
34-0714585

Part I	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 2004B, 2003A AND FACILITY IMPROV		X		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		X
C	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	677561HU9	11/02/11	208,951,439.	BOND 2011A: REFUND 2003A SERIES		X		X		X
D	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	NONEAVAIL	11/02/11	41,120,000.	BOND 2011B: REFUND 1992A & B AND 1989 SERIES		X		X		X

Part II Proceeds								
	A		B		C		D	
1 Amount of bonds retired	32,748,777.		31,646,205.		39,150,565.		13,335,000.	
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	
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X			X		X	X	
15 Were the bonds issued as part of an advance refunding issue?		X		X	X			X
16 Has the final allocation of proceeds been made?	X		X		X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use								
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		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	

Supplemental Information on Tax-Exempt Bonds

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

ENTITY

2

OMB No. 1545-0047

2017
Open to Public
Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number
34-0714585

Part I	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	677561FV9	08/25/09	807,007,320.	BONDS 2009A&B: REFUND 2008B, FACILITY CONSTRUCT		X		X		X
B	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	67756AG22	10/15/08	451,686,386.	BOND 2008A: REFUND 06A, 04A, AND 01A; FACILITY IM		X		X		X
C	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	67756AJ37	10/15/08	670,000,000.	BOND 2008B: REFUND 06A, 04A, AND 01A; FACILITY IM		X		X		X
D	OHIO HIGHER EDUCATIONAL FACILITY COMMISSION	34-6849674	NONEAVAIL	12/21/17	9,305,000.	REFUND SERIES 2002		X		X		X

Part II Proceeds								
	A		B		C		D	
1 Amount of bonds retired	775,051,463.		443,321,386.		342,425,000.			
2 Amount of bonds legally defeased	70,000.		435,000.					
3 Total proceeds of issue	807,007,320.		451,686,386.		670,000,000.		9,305,000.	
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.		9,305,000.	
12 Other unspent proceeds								
13 Year of substantial completion	2011		2008		2008		2017	
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X		X		X			X
15 Were the bonds issued as part of an advance refunding issue?		X		X		X	X	
16 Has the final allocation of proceeds been made?	X		X		X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

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

Supplemental Information on Tax-Exempt Bonds

ENTITY

3

OMB No. 1545-0047

2017
Open to Public
Inspection

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

Name of the organization

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	677561KS0	08/29/17	939,576,748.	REFUND 2008A, 2008B, 2009A, 2009B, 2012A		X		X		X										
B																						
C																						
D																						

Part II Proceeds									
	A		B		C		D		
1 Amount of bonds retired	1,609,497.								
2 Amount of bonds legally defeased									
3 Total proceeds of issue	939,576,748.								
4 Gross proceeds in reserve funds									
5 Capitalized interest from proceeds									
6 Proceeds in refunding escrows									
7 Issuance costs from proceeds									
8 Credit enhancement from proceeds									
9 Working capital expenditures from proceeds									
10 Capital expenditures from proceeds									
11 Other spent proceeds	939,576,748.								
12 Other unspent proceeds									
13 Year of substantial completion	2017								
	Yes	No	Yes	No	Yes	No	Yes	No	
14 Were the bonds issued as part of a current refunding issue?		X							
15 Were the bonds issued as part of an advance refunding issue?	X								
16 Has the final allocation of proceeds been made?	X								
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X								

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		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 .....		.35 %		1.05 %		1.14 %		%
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 %		.00 %		%
6 Total of lines 4 and 5 .....		.35 %		1.13 %		1.14 %		%
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		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?								

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 .....	.83 %		.60 %		.60 %		.00 %	
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 .....	.01 %		.02 %		.02 %		.00 %	
6 Total of lines 4 and 5 .....	.84 %		.62 %		.62 %		.00 %	
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 .....	.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		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	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?								

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							
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							
c Are there any research agreements that may result in private business use of bond-financed property?	X							
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X							
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	2.12	%		%		%		%
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 .....	.01	%		%		%		%
6 Total of lines 4 and 5	2.13	%		%		%		%
7 Does the bond issue meet the private security or payment test?		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						
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							

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						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X							
b Exception to rebate?		X						
c No rebate due?		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						
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		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.

This image shows a full page of white paper with horizontal black lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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.

This image shows a full page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, typical of notebook paper. There are no margins, text, or other markings on the page.

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

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 2004B, 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: 05/09/2017

(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

(Form 990 or 990-EZ) **▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ Attach to Form 990 or Form 990-EZ.

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

Department of the Treasury
Internal Revenue Service

2017

Open To Public Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

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

[illegible]

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

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

Part II	Loans to and/or From Interested Persons.
----------------	---

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(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.	7,103,879.		X	X		X	
Total						\$ 7,103,879.						

Total	\$ 7,103,879.
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Part III	Grants or Assistance Benefiting Interested Persons.
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Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

[illegible]

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

Schedule L (Form 990 or 990-EZ) 2017

SEE PART V FOR CONTINUATIONS

SCHEDULE M
(Form 990)

Noncash Contributions

OMB No. 1545-0047

2017

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
- ▶ **Attach to Form 990.**
- ▶ **Go to www.irs.gov/Form990 for the latest information.**

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	14	55,750	APPRAISAL
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications	X		3,100	SALE COMPARABLE GOODS
5 Clothing and household goods	X		17,552	SALE COMPARABLE GOODS
6 Cars and other vehicles	X	1	28,334	COST
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	162	10,916,576	AVERAGE HIGH/LOW
10 Securities - Closely held stock	X	1	1,977,534	COST
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				
16 Real estate - Commercial	X	1	430,000	APPRAISAL
17 Real estate - Other				
18 Collectibles				
19 Food inventory	X	2	4,453	COST
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other (MEDICAL EQUIP)	X	10	71,508	SALE COMPARABLE GOOD
26 Other ()				
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

6

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?

	Yes	No
30a		X
31	X	
32a	X	
33		

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?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?

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) 2017

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

OMB No. 1545-0047

2017

Open to Public
Inspection

Name of the organization

THE CLEVELAND CLINIC FOUNDATION

Employer identification number

34-0714585

FORM 990, PART III - PROGRAM SERVICE STATEMENT

CLEVELAND CLINIC, LOCATED IN CLEVELAND, OHIO, IS A NONPROFIT,

TAX-EXEMPT ACADEMIC MEDICAL CENTER THAT INTEGRATES CLINICAL AND

HOSPITAL CARE WITH RESEARCH AND EDUCATION. THE CLEVELAND CLINIC IS THE

PARENT OF THE CLEVELAND CLINIC HEALTH SYSTEM.

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 HEALTH SYSTEM FULFILLS ITS CHARITABLE PURPOSES, BUT

RATHER IS A SUMMARY OF ITS PRIMARY PROGRAM SERVICES AND CONTRIBUTIONS

TO THE COMMUNITY.

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 2017

CLEVELAND CLINIC AND ITS AFFILIATES PROVIDED \$906.5 MILLION IN BENEFITS

TO THE COMMUNITIES SERVED. THE COMMUNITY BENEFIT THAT THE CLEVELAND

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

Schedule O (Form 990 or 990-EZ) (2017)

732211 09-07-17

Name of the organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
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CLINIC HEALTH SYSTEM PROVIDES INCLUDES PATIENT CARE PROVIDED ON A CHARITABLE BASIS, RESEARCH, EDUCATION, MEDICAID SHORTFALL, SUBSIDIZED HEALTH SERVICES, AND COMMUNITY OUTREACH PROGRAMS.

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 2017 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

IN 2017, THE CLEVELAND CLINIC HEALTH SYSTEM INCLUDED AN ACADEMIC MEDICAL CENTER AND 10 COMMUNITY HOSPITALS (AKRON GENERAL MEDICAL CENTER, AVON, EUCLID, FAIRVIEW, HILLCREST, LODI, LUTHERAN, MARYMOUNT, MEDINA AND SOUTH POINTE HOSPITALS), AND A SPECIALTY HOSPITAL (CLEVELAND CLINIC CHILDREN'S HOSPITAL FOR REHABILITATION) IN NORTHEAST OHIO; ONE HOSPITAL AND ONE HEALTH AND WELLNESS CENTER IN FLORIDA; AND A CENTER FOR BRAIN HEALTH IN LAS VEGAS, NEVADA.

CLEVELAND CLINIC HEALTH SYSTEM 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.

IN 2017, CLEVELAND CLINIC RECORDED 1,275 TOTAL STAFFED BEDS, 119,954 EMERGENCY VISITS, 81,044 SURGICAL CASES, 52,169 ADMISSIONS, AND MORE THAN 6.2 MILLION TOTAL CLINIC VISITS. IT IS THE POLICY OF CLEVELAND

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

CLINIC HEALTH SYSTEM 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, COMMUNITY CARE, DERMATOLOGY & PLASTIC SURGERY, DIGESTIVE

DISEASE & SURGERY, EMERGENCY SERVICES, ENDOCRINOLOGY & METABOLISM,

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

VASCULAR, IMAGING, MEDICINE, NEUROLOGICAL, NURSING, OB/GYN & WOMEN'S

HEALTH, ORTHOPAEDIC & RHEUMATOLOGY, PATHOLOGY & LABORATORY MEDICINE,

PEDIATRIC & CHILDREN'S HOSPITAL, RESPIRATORY, AND TAUSSIG CANCER.

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 2017. OVERALL, CLEVELAND CLINIC WAS AMONG THE NATION'S BEST

HOSPITALS, EARNING THE NO. 2 RANKING. FOR THE 23RD CONSECUTIVE YEAR,

CLEVELAND CLINIC RANKED BEST IN THE NATION FOR CARDIOLOGY AND HEART

SURGERY, EARNING THE NO. 1 SPOT.

THE GLICKMAN UROLOGICAL & KIDNEY INSTITUTE RECEIVED THE NO. 1

DISTINCTION IN UROLOGY AND NO. 2 IN NEPHROLOGY. TWELVE OTHER CLEVELAND

CLINIC SPECIALTIES ALSO RANKED IN THE TOP 10. AMONG CLEVELAND CLINIC'S

HIGHLY RANKED PROGRAMS, TEN PLACED IN THE TOP 5 AND FIVE - CARDIOLOGY &

HEART SURGERY, GASTROENTEROLOGY & GI SURGERY, NEPHROLOGY, RHEUMATOLOGY,

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

AND UROLOGY - PLACED AMONG THE TOP 2. CLEVELAND CLINIC WAS ALSO RATED

"TOP PERFORMING" IN ONE ADULT SPECIALTY AND EIGHT PROCEDURES &

CONDITIONS.

CLEVELAND CLINIC HAS ACHIEVED THE DISTINGUISHED MAGNET RECOGNITION.

MAGNET STATUS IS THE HIGHEST NATIONAL RECOGNITION AWARDED TO A HOSPITAL

OR MEDICAL CENTER FOR EXCELLENCE IN NURSING. ANCC, A SUBSIDIARY OF THE

AMERICAN NURSES ASSOCIATION, GRANTS MAGNET STATUS WHEN A HEALTHCARE

ORGANIZATION REFLECTS NURSING PROFESSIONALISM, TEAMWORK AND SUPERIORITY

IN PATIENT CARE. FEWER THAN 400 OF THE COUNTRY'S 6,000-PLUS HOSPITALS

HAVE EARNED THIS PRESTIGIOUS HONOR.

CLEVELAND CLINIC RECEIVED SEVERAL AWARDS FROM PRACTICE GREENHEALTH.

PRACTICE GREENHEALTH RECOGNIZES ORGANIZATIONS WITHIN THE HEALTHCARE

SECTOR THAT SUPPORT AND CREATE BETTER, SAFER, AND GREENER WORKPLACES

AND COMMUNITIES. IN 2017, CLEVELAND CLINIC AND ITS FACILITIES

RECEIVED: THE ENVIRONMENTAL EXCELLENCE AWARD, PARTNER FOR CHANGE AWARD,

GREENING THE OR LEADERSHIP AWARD, LEADERSHIP CIRCLE AWARD, LESS WASTE

CIRCLE AWARD, GREENING THE CIRCLE AWARD, ENVIRONMENTAL PREFERABLE

PURCHASING CIRCLE AWARD, AND THE GREEN BUILDING CIRCLE AWARD.

THE LEAPFROG GROUP RELEASED ITS SEMI-ANNUAL SAFETY SCORES, REFLECTING A

COMPOSITE OF SAFETY PRACTICES, STRUCTURES, INFECTIONS, COMPLICATIONS

AND PATIENT EXPERIENCE PERFORMANCE. ALL CLEVELAND CLINIC HOSPITALS

MAINTAINED OR IMPROVED PATIENT SAFETY SCORES DURING THIS PERIOD.

FINANCIAL ASSISTANCE

Name of the organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
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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 \$90 MILLION IN 2017.

II. RESEARCH

CLEVELAND CLINIC'S MISSION INCLUDES CONDUCTING RESEARCH TO ADVANCE BIOMEDICAL SCIENCE AND 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

Name of the organization THE CLEVELAND CLINIC FOUNDATION	Employer identification number 34-0714585
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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, 160 GRADUATE STUDENTS AND 200 UNDERGRADUATE STUDENTS.

FORM 990, PART III - PROGRAM SERVICE STATEMENT (CONTINUED)

IN ADDITION TO BASIC PRE-CLINICAL RESEARCH, THE CLEVELAND CLINIC, ITS AFFILIATES, AND EMPLOYED PHYSICIANS PARTICIPATE OR ARE PRIMARY INVESTIGATORS IN MANY CLINICAL TRIALS. IN 2017, CLEVELAND CLINIC WAS INVOLVED IN APPROXIMATELY 4,000 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 INTERNAL RESOURCES. IN 2017, CLEVELAND CLINIC PROVIDED COMMUNITY BENEFIT IN RESEARCH AT A SUBSIDIZED COST OF MORE THAN \$224.5 MILLION, WHICH INCLUDED EXTERNALLY- SPONSORED FUNDING OF \$153.8 MILLION.

THE CLEVELAND CLINIC HEALTH SYSTEM'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.

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III. EDUCATION

ON ITS MAIN CAMPUS, CLEVELAND CLINIC OPERATES A MEDICAL SCHOOL AND RELATED RESEARCH INSTITUTE. THE PRIMARY FOCUS OF CLEVELAND CLINIC LERNER COLLEGE OF MEDICINE OF CASE WESTERN RESERVE UNIVERSITY (THE "LERNER 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 LERNER COLLEGE OF MEDICINE, FURTHERING THE INTEGRATION OF CLINICAL CARE WITH RESEARCH AND EDUCATION. THE LERNER 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 THROUGHOUT THE HEALTH SYSTEM INCLUDING ACCREDITED TRAINING PROGRAMS FOR NURSES AND HEALTH SCIENCE PROFESSIONALS.

CLEVELAND CLINIC HEALTH SYSTEM DEVOTES SUBSTANTIAL RESOURCES TO EDUCATION PROGRAMS, WHICH, IN 2017, PROVIDED A NET COMMUNITY BENEFIT OF \$280.9 MILLION. THESE EDUCATIONAL ACTIVITIES ENSURE RESIDENTS AND PATIENTS IN ALL OF THE CLEVELAND CLINIC HEALTH SYSTEM'S COMMUNITIES ARE RECEIVING THE HIGHEST STANDARD OF MEDICAL CARE AND HAVE TRAINED HEALTH PROFESSIONALS TO CARE FOR THEM 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 2017, 982 RESIDENTS AND FELLOWS TRAINED IN 75 ACCREDITED TRAINING PROGRAMS, APPROVED BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION

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(ACGME), INCLUDING 141 ADVANCED FELLOWS IN 80 FELLOWSHIP PROGRAMS.

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

LERNER COLLEGE OF MEDICINE 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 2017-18 ACADEMIC YEAR.

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

HOSPITALS THROUGHOUT THE UNITED STATES AND HAVE CONTRIBUTED 150

PUBLICATIONS TO THE WORLD'S STORE OF SCIENTIFIC KNOWLEDGE BASED ON 2017

CALENDAR YEAR (WHICH INCLUDES PUBLISHED ARTICLES AND ABSTRACT

SUBMISSIONS), AND 46 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 2017,

595 MEDICAL STUDENTS FROM 160 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

2017, THE CENTER FOR CONTINUING EDUCATION CERTIFIED 1,939 CME

ACTIVITIES THAT OFFERED OVER 12,000 CME CREDITS TO 182,550

PARTICIPANTS. OF THAT NUMBER, 1,396 WERE LIVE COURSES THAT ATTRACTED

82,637 PARTICIPANTS. CLEVELAND CLINIC IS ONE OF THE LARGEST PROVIDERS

OF ONLINE CME AMONG THE NATION'S ACADEMIC MEDICAL CENTERS. THE CENTER'S

WEBSITE HAD 336 ACTIVITIES THAT ATTRACTED 47,745 ACTIVITY VIEWERS.

JOURNAL CME CONTINUES TO REACH A LARGE NUMBER OF LEARNERS, AWARDING

MORE THAN 74,000 CERTIFICATES TO CLEVELAND CLINIC JOURNAL OF MEDICINE

(CCJM) PARTICIPANTS. IN 2017, THE CENTER ISSUED 182,550 CERTIFICATES

FOR ALL ACTIVITIES COMBINED.

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-THE CCJM ENJOYED A CIRCULATION OF MORE THAN 124,000 COPIES AND RANKED NO. 2 IN READERSHIP AMONG JOURNALS DIRECTED TO OFFICE-BASED INTERNISTS AND CARDIOLOGISTS. EACH YEAR, THE PRINT AND ONLINE VERSIONS ARE READ OR ACCESSED BY APPROXIMATELY 2.4 MILLION PEOPLE AROUND THE WORLD. IN 2017 THE CCJM WEBSITE RECORDED 4,815,868 PAGE VIEWS FROM 1,635,689 UNIQUE VISITORS.

-CENTER FOR HEALTH SCIENCES EDUCATION: CLEVELAND CLINIC IS A MAJOR EDUCATION AND TRAINING SITE FOR A NUMBER OF ALLIED HEALTH STUDENTS FROM VARIOUS ACADEMIC PROGRAMS THROUGHOUT THE REGION. THE CLEVELAND CLINIC HEALTH SYSTEM CURRENTLY OFFERS 15 IN-HOUSE ALLIED HEALTH PROGRAMS AND HAS 56 AFFILIATED PROGRAMS WITH REGIONAL ACADEMIC INSTITUTIONS. IN 2017, CLEVELAND CLINIC HEALTH SYSTEM HOSTED MORE THAN 370,000 CLINICAL ROTATION HOURS FOR OVER 1,100 HEALTH SCIENCE STUDENTS.

-CENTER FOR INTERNATIONAL MEDICAL EDUCATION: THE CENTER FOR INTERNATIONAL MEDICAL EDUCATION (CIME) 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 2017, 682 INTERNATIONAL PHYSICIANS AND MEDICAL STUDENTS TRAVELED TO CLEVELAND CLINIC TO PARTICIPATE IN OBSERVERSHIPS; 190 PHYSICIANS ATTENDED SYMPOSIA HELD AT CLEVELAND CLINIC IN PATIENT EXPERIENCE, CARDIOLOGY, COLORECTAL SURGERY, SPINE SURGERY, GASTROENTEROLOGY, LEUKEMIA, UROLOGY, CONGENITAL HEART DISEASE, BREAST CANCER, AND OBESITY; AND STAFF TRAVELED TO MORE THAN 19 COUNTRIES TO SHARE CLINICAL AND SURGICAL INNOVATIONS.

IV. ADDITIONAL COMMUNITY BENEFIT

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

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DESCRIBED ABOVE ARE INTEGRAL COMPONENTS OF THE COMMUNITY BENEFIT THE

CLEVELAND CLINIC HEALTH SYSTEM ANNUALLY REPORTS TO THE COMMUNITY. THE

OTHER COMPONENTS OF OUR COMMUNITY BENEFIT ARE:

COMMUNITY EDUCATION

EDUCATING THE COMMUNITY HAS ALSO BEEN A PRIORITY OF CLEVELAND CLINIC

HEALTH SYSTEM. OUR CENTER FOR CONSUMER HEALTH INFORMATION IS EXPANDING

KNOWLEDGE THROUGH A VARIETY OF MEDIA WHILE MAKING INFORMATION AVAILABLE

TO PATIENTS AND THE NORTHEAST OHIO COMMUNITY. FOLLOWING ARE SOME OF

THE PROGRAMS OFFERED DURING 2017:

HEALTH INFORMATION RESOURCE CENTER: THE PATIENT AND FAMILY HEALTH AND

EDUCATION CENTER ON MAIN CAMPUS IS A PLACE WHERE PATIENTS, VISITORS,

AND EMPLOYEES CAN TAKE ADVANTAGE OF HEALTH INFORMATION RESOURCES

PREPARED FOR THE GENERAL PUBLIC. THE CONSUMER HEALTH INFORMATION STAFF

ALSO FULFILLS REQUESTS FOR HEALTH INFORMATION MADE IN WRITING, BY EMAIL

OR BY PHONE. IN 2017, THE CENTER FULFILLED 8,517 REQUESTS.

HEALTH TALKS AND CCTV: THE CENTER FOR CONSUMER HEALTH INFORMATION

HOSTED 22 COMMUNITY HEALTH TALKS/HEALTH EXCHANGE PROGRAMS AND PODCASTS

WERE DOWNLOADED 36,164 TIMES IN 2017.

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

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 9:00 AM TO 3:00 PM. BY THE END OF 2017, WE HELD 5,042

WEBCHATS.

MEDICAID SHORTFALL

THE CLEVELAND CLINIC HEALTH SYSTEM IS A LEADING PROVIDER OF MEDICAID

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

HAVE NOT BEEN SUFFICIENT TO COVER THE COST OF TREATING MEDICAID

BENEFICIARIES. IN 2017, THE HEALTH SYSTEM'S UNPAID MEDICAID COSTS

WERE \$406.9 MILLION (THIS FIGURE IS INCLUSIVE OF AN HCAP ASSESSMENT OF

\$8.3 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 PROVIDED SUBSIDIZED HEALTH

SERVICES IN 2017 AT A COST OF \$22 MILLION.

FORM 990, PART III - PROGRAM SERVICE STATEMENT (CONTINUED)

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 OUTREACH ACTIVITIES FOR A TOTAL NET COMMUNITY BENEFIT OF \$26

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.

OUTREACH PROGRAMS ADDRESS DOCUMENTED HEALTH NEEDS OF OUR COMMUNITIES,

ALIGN WITH OUR COMMUNITY HEALTH NEEDS ASSESSMENTS AND FALL INTO THREE

MAIN CATEGORIES: COMMUNITY HEALTH SERVICES, CASH AND IN-KIND

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DONATIONS, AND COMMUNITY BUILDING. IN 2017, 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, INFANT AND 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 HEALTH SCREENINGS.

THE CLEVELAND CLINIC MINORITY MEN'S HEALTH FAIR, CELEBRATING

SISTERHOOD, TU FAMILIA, VICTORY IN PINK 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 ON

CHRONIC DISEASE MANAGEMENT IN THE AREAS OF HEART DISEASE, STROKE,

CANCER, DIABETES, ASTHMA AND BRAIN HEALTH. OUR HOSPITALS AND FAMILY

HEALTH CENTERS PROVIDED CLASSES FOR HEALTHY SENIOR AND YOUTH

LIFESTYLES.

-HEALTHY COMMUNITY INITIATIVES 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.

V. CONCLUSION

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THE PURPOSE OF THE CLEVELAND CLINIC HEALTH SYSTEM 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, TURKEY, UNITED KINGDOM, LUXEMBOURG,
CAYMAN ISLANDS, SAUDI ARABIA, DENMARK, ISRAEL,
SOUTH KOREA, NORWAY, PORTUGAL, SWEDEN

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

RONALD WEINBERG, CCF DIRECTOR, AND WILLIAM PEACOCK, CCF OFFICER - BUSINESS
PATRICK AULETTA, CCF DIRECTOR, AND RONALD WEINBERG, CCF DIRECTOR - 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 4:

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THE CODE OF REGULATIONS WAS REVISED IN DECEMBER 2017 TO INCREASE THE
MAXIMUM NUMBER OF DIRECTORS TO FROM 25 TO 30.

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

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

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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

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 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

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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
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.

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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

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:

CA, FL, GA, IL, KS, KY, LA, MA, MD, MN, MS, NH, NJ, NM, NY, OH, OR, PA, SC, TN, UT, WI

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 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

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COMPLIANCE POLICIES ARE AVAILABLE.

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

GIFTS AND BEQUESTS	105,103,539.
TRANSFERS OF NET ASSETS	-112,024,773.
NET INVESTMENT INCOME	48,201,304.
NET ASSETS RELEASED FROM RESTRICTIONS FOR OPERATIONS	-33,494,117.
RETIREMENT BENEFITS ADJUSTMENT	-7,256,521.
NET CHANGE IN UNREALIZED GAINS ON NON-TRADING INVESTMENTS	-862,127.
EQUITY AND OTHER TRANSFERS	1,368,888.
CURRENT YEAR ELIMINATION ADJUSTMENTS	669,746.
TOTAL TO FORM 990, PART XI, LINE 9	1,705,939.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No. 1545-0047

2017

Open to Public
Inspection

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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, LLC - 46-5704174 9500 EUCLID AVENUE CLEVELAND, OH 44195	TECHNOLOGY SERVICES	OHIO	2,128.	207,641.	THE CLEVELAND CLINIC FOUNDATION
ADVANCED INFUSION SERVICES, LTD - 34-1847339 #1 HOME CARE PLACE AKRON, OH 44320	HOME INFUSION SERVICES	OHIO	960,815.	290,628.	VISITING NURSE SERVICE, INC.
CC CHINA, LLC - 20-5776477 9500 EUCLID AVENUE CLEVELAND, OH 44195	INACTIVE	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
CC WEB SOLUTIONS, LLC - 26-3222020 6801 BRECKSVILLE RD INDEPENDENCE, OH 44131	DOMAIN HOLDING COMPANY	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION

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 800 SHARON DRIVE, STE C WESTLAKE, OH 44145	ADVANCE THE HEALTH AND WELL-BEING OF THE COMMUNITY	OHIO	501(C)(3)	LINE 7	N/A		X
LAKEWOOD HOSPITAL FOUNDATION, INC - 34-6519834, 14601 DETROIT AVENUE, STE 240, LAKEWOOD, OH 44107	SUPPORT LAKEWOOD HOSPITAL ASSOCIATION	OHIO	501(C)(3)	LINE 12D, III-O	N/A		X
MEDINA COUNTY HEALTH CORPORATION - 27-0756266, 1000 E. WASHINGTON ST, MEDINA, OH 44256	SUPPORT MEDINA HOSPITAL	OHIO	501(C)(3)	LINE 12D, III-O	MEDINA HOSPITAL		X
NATIONAL HEALTHCARE RESEARCH & EDUCATION FINANCE CORP - 31-1707979, 2001 ROSS AVENUE, DALLAS, TX 75201	SUPPORT CHARITABLE PURPOSES OF HOSPITALS & UNIVERSITIES	TEXAS	501(C)(3)	LINE 12D, III-O	N/A		X

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

Schedule R (Form 990) 2017

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 AMBULATORY SURGERY CENTERS, LLC - 34-1939710, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	19,256,817.	577,916.	THE CLEVELAND CLINIC FOUNDATION
CCF HOTEL SERVICES, LLC - 34-0666034 9500 EUCLID AVENUE CLEVELAND, OH 44195	HOTEL OPERATIONS	OHIO	32,544,683.	136,175,345.	THE CLEVELAND CLINIC FOUNDATION
CHV HOME MEDICAL EQUIPMENT CO, LLC - 20-4760456, #1 HOME CARE PLACE, AKRON, OH 44320	DURABLE MEDICAL EQUIPMENT	OHIO	3,188,409.	0.	VISITING NURSE SERVICE, INC.
CLEVELAND CLINIC CARE COORDINATION, LLC - 45-5282492, 6801 BRECKSVILLE RD, INDEPENDENCE, OH 44131	HEALTHCARE SERVICES	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC FLORIDA CONCIERGE MEDICINE LLC - 82-3186835, 1301 EAST BROWARD BLVD, STE 330, FT. LAUDERDALE, FL 33301	MEDICAL SERVICES	FLORIDA	0.	0.	CLEVELAND CLINIC FLORIDA (A NONPROFIT CORPORATION)
CLEVELAND CLINIC FLORIDA NAPLES, LLC - 31-1741150, 2950 CLEVELAND CLINIC BLVD, WESTON, FL 33331	HEALTHCARE SERVICES	FLORIDA	0.	0.	CLEVELAND CLINIC FLORIDA (A NONPROFIT CORPORATION)
CLEVELAND CLINIC GLOBAL SOLUTIONS, LLC - 26-3666730, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES & IP LICENSING	OHIO	4,531,774.	21,587,196.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC MEDICARE ACO, LLC - 47-1281189, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	0.	2,882,031.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC OB/GYN SPECIALTIES, LLC - 34-1938153, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	5,777,492.	0.	THE CLEVELAND CLINIC FOUNDATION
CLEVELAND CLINIC WELLNESS ENTERPRISE, LLC - 26-3859233, 1950 RICHMOND ROAD, LYNDHURST, OH 44124	HEALTHCARE SERVICES	OHIO	4,185,483.	0.	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
CLINIC MEDICAL SERVICES COMPANY, LLC - 34-1932969, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	57,802,830.	0.	THE CLEVELAND CLINIC FOUNDATION
CLINIC PHYSICIAN SERVICES COMPANY, LLC - 34-1907574, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	27,688,238.	0.	THE CLEVELAND CLINIC FOUNDATION
CLINIC REGIONAL PHYSICIANS, LLC - 26-2636530 25875 SCIENCE PARK DR BEACHWOOD, OH 44122	HEALTHCARE SERVICES	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
EDWIN SHAW REHAB, LLC - 27-0119182 330 BROADWAY STREET EAST CUYAHOGA FALLS, OH 44221	REHABILITATION FACILITY	OHIO	12,156,687.	3,625,679.	AKRON GENERAL MEDICAL CENTER
INTELLIS EPM, LLC - 27-0645368 6801 BRECKSVILLE RD INDEPENDENCE, OH 44131	MEDICAL TECHNOLOGY	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
MEDINA HEALTH VENTURES, LLC 1000 E WASHINGTON STREET MEDINA, OH 44256	INACTIVE	OHIO	0.	0.	MEDINA HOSPITAL
MERIDIA MEDICAL GROUP, LLC - 34-1898545 6801 BRECKSVILLE RD INDEPENDENCE, OH 44131	INACTIVE	OHIO	0.	0.	CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION
MONTROSE SLEEP CENTER, LLC - 20-0494491 4125 MEDINA ROAD AKRON, OH 44333	HEALTHCARE SERVICES	OHIO	1,451,333.	758,897.	AKRON GENERAL PARTNERS
NEUROOPERATIVE MONITORING, LLC - 30-0746215 1 AKRON GENERAL AVENUE AKRON, OH 44307	INACTIVE	OHIO	0.	0.	AKRON GENERAL PARTNERS
NORTHEAST OHIO NEUROLOGICAL ASSOCIATES, LLC - 20-0442351, 6801 BRECKSVILLE RD, INDEPENDENCE, OH 44131	HEALTHCARE SERVICES	OHIO	0.	0.	CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION

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
OHIO STAR IMAGING, LLC 9500 EUCLID AVENUE CLEVELAND, OH 44195	INACTIVE	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
PSVW, LLC - 26-1614376 9500 EUCLID AVENUE CLEVELAND, OH 44195	REAL ESTATE HOLDINGS	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
REJ HOLDINGS, LLC - 27-3245990 3050 SCIENCE PARK DRIVE BEACHWOOD, OH 44122	REAL ESTATE HOLDINGS	OHIO	0.	0.	THE CLEVELAND CLINIC FOUNDATION
TATARA VASCULAR, LLC - 47-4282964 10000 CEDAR AVE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DELAWARE	0.	0.	THE CLEVELAND CLINIC FOUNDATION
THE BRENTWOOD CENTER OF EXCELLENCE, LLC - 20-1476092, 6801 BRECKSVILLE RD, INDEPENDENCE, OH 44131	HEALTHCARE SERVICES	OHIO	0.	0.	CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION
WOOSTER CLINIC, LLC - 34-1855775 9500 EUCLID AVENUE CLEVELAND, OH 44195	HEALTHCARE SERVICES	OHIO	48,087,078.	104,573.	THE CLEVELAND CLINIC FOUNDATION

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
CCF/MHS RENAL CARE COMPANY LTD. - 34-1863789, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	MEDICAL SERVICES	OH	THE CLEVELAND CLINIC FOUNDATION	RELATED	3,632,560.	15,434,564.		X	N/A	X		60.00%
CLEVELAND HEALTH NETWORK MSO, LLC - 31-1566180, 4700 ROCKSIDE ROAD, STE 200, INDEPENDENCE, OH 44131	MEDICAL SERVICES	OH	N/A	RELATED	0.	16,541.		X	N/A	X		100.00%
PROGNOSTIX, LLC - 30-0624422 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL SERVICES	OH	THE CLEVELAND CLINIC FOUNDATION	RELATED	340,996.	377,118.		X	N/A	X		78.00%
EXCELERATE STRATEGIC HEALTH SOURCING, LLC - 46-1810992, 9500 EUCLID AVENUE, CLEVELAND, OH 44195	HEALTHCARE OP & MGMT	DE	THE CLEVELAND CLINIC FOUNDATION	RELATED	-665,850.	4,802,873.		X	N/A	X		51.00%

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
10507377 CANADA, INC. 181 BAY STREET, BOX 818 TORONTO, CANADA M5J 2T3	HOLDING COMPANY	CANADA	CLEVELAND CLINIC CANADA - TORONTO,	C CORP	0.	0.	.00%		X
33 GROSVENOR PLACE, LTD. 1 WAVERLEY PLACE, UNION STREET ST. HELIER, JERSEY JE1 1SG	LEASE HOLDING COMPANY	JERSEY	CLEVELAND CLINIC UK HOLDINGS, LTD	C CORP	29,826.	363,427,065.	100.00%	X	
AKRON GENERAL INNOVATIONS, INC. - 38-3928798 1 AKRON GENERAL AVENUE AKRON, OH 44307	PARTNERSHIP INVESTMENTS	OH	AKRON GENERAL PARTNERS	C CORP	26.	0.	100.00%	X	
AKRON GENERAL MANAGED CARE ASSOCIATION, INC. - 34-1784985, 6801 BRECKSVILLE ROAD, INDEPENDENCE, OH 44131	SUPPORTING SERVICES	OH	AKRON GENERAL MEDICAL CENTER	C CORP	0.	0.		X	
CCF BOLTON, INC. - 20-4596571 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131	BUSINESS SERVICES	OH	CLINIC MEDICAL SOLUTIONS, INC.	C CORP				X	

[illegible]

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
CCHS INDEMNITY CO., LTD. - 98-0207086 23 LIME TREE BAY, BOX 1051 GRAND CAYMAN, CAYMAN ISLANDS KY1-1102	INSURANCE COMPANY	CAYMAN ISLANDS	THE CLEVELAND CLINIC FOUNDATION	C CORP	84,151,123.	213,345,960.	100.00%	X	
CELLX TECHNOLOGIES, INC. - 82-2405500 10000 CEDAR AVENUE CLEVELAND, OH 44106									
CLEVELAND CLINIC CANADA-TORONTO, INC. 181 BAY STREET, BOX818 TORONTO, CANADA M5J 2T3	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	0.	100.00%	X	
CLEVELAND CLINIC EMR, INC. - 20-4856025 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131									
CLEVELAND CLINIC FLORIDA HEALTH PLAN, INC. - 65-0338016, 6801 BRECKSVILLE ROAD, INDEPENDENCE, OH 44131	HEALTH CARE SERVICES	CANADA	CLINIC MEDICAL SOLUTIONS, INC.	C CORP	9,659,991.	12,820,237.	100.00%	X	
CLEVELAND CLINIC HEALTH SYSTEM PHYSICIAN ORGANIZATION - 34-1877409, 6801 BRECKSVILLE ROAD, INDEPENDENCE, OH 44131									
CLEVELAND CLINIC LONDON, LTD 20-22 BEDFORD ROW LONDON, UNITED KINGDOM CW1R 4JS	MEDICAL SERVICES	OH	CLINIC MEDICAL SOLUTIONS, INC.	C CORP	0.	1,126,796.		X	
CLEVELAND CLINIC SAUDI ARABIA (A LIMITED LIABILITY COMPANY), PO BOX 340340, RIYADH, SAUDI ARABIA 11333									
CLEVELAND CLINIC UK HOLDINGS, LTD 20-22 BEDFORD ROW LONDON, UNITED KINGDOM CW1R 4JS	BUSINESS SERVICES	FL	CLINIC MEDICAL SOLUTIONS, INC.	C CORP	0.	0.		X	
CLEVELAND CLINIC HEALTH SYSTEM PHYSICIAN ORGANIZATION - 34-1877409, 6801 BRECKSVILLE ROAD, INDEPENDENCE, OH 44131									
CLEVELAND CLINIC LONDON, LTD 20-22 BEDFORD ROW LONDON, UNITED KINGDOM CW1R 4JS	HOSPITAL OPERATING COMPANY	UNITED KINGDOM	CLEVELAND CLINIC UK HOLDINGS, LTD	C CORP	0.	6,560,018.	100.00%	X	
CLEVELAND CLINIC SAUDI ARABIA (A LIMITED LIABILITY COMPANY), PO BOX 340340, RIYADH, SAUDI ARABIA 11333									
CLEVELAND CLINIC UK HOLDINGS, LTD 20-22 BEDFORD ROW LONDON, UNITED KINGDOM CW1R 4JS	MEDICAL SERVICES	SAUDI ARABIA	THE CLEVELAND CLINIC FOUNDATION	C CORP	25,259,916.	22,676,405.	100.00%	X	
CLEVELAND CLINIC HEALTH NETWORK - 34-1770780 6000 WEST CREEK ROAD, STE 20 INDEPENDENCE, OH 44131									
CLEVELAND CLINIC HEALTH NETWORK MANAGED CARE ORGANIZATION - 34-1808138, 6000 WEST CREEK ROAD, STE 20, INDEPENDENCE, OH 44131	HOLDING COMPANY	UNITED KINGDOM	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	594,279,835.	100.00%	X	
CLEVELAND HEALTH NETWORK - 34-1770780 6000 WEST CREEK ROAD, STE 20 INDEPENDENCE, OH 44131									
CLEVELAND HEALTH NETWORK MANAGED CARE ORGANIZATION - 34-1808138, 6000 WEST CREEK ROAD, STE 20, INDEPENDENCE, OH 44131	HEALTH CARE SERVICES	OH	N/A	C CORP	3,894.	1,385,505.		X	
CLINIC MEDICAL SOLUTIONS, INC. - 34-1695388 18101 LORAIN AVENUE CLEVELAND, OH 44111									
CLEVELAND CLINIC HEALTH NETWORK MANAGED CARE ORGANIZATION - 34-1808138, 6000 WEST CREEK ROAD, STE 20, INDEPENDENCE, OH 44131	HEALTH CARE SERVICES	OH	CLEVELAND HEALTH NETWORK	C CORP	36,862.	4,199,706.		X	
CLINIC MEDICAL SOLUTIONS, INC. - 34-1695388 18101 LORAIN AVENUE CLEVELAND, OH 44111									
CLEVELAND CLINIC HEALTH NETWORK MANAGED CARE ORGANIZATION - 34-1808138, 6000 WEST CREEK ROAD, STE 20, INDEPENDENCE, OH 44131	HEALTH CARE SERVICES	OH	THE CLEVELAND CLINIC FOUNDATION	C CORP	11,469,307.	6,035,460.		X	
CLINIC MEDICAL SOLUTIONS, INC. - 34-1695388 18101 LORAIN AVENUE CLEVELAND, OH 44111									

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
CMCD, INC. - 34-1256599 1000 E WASHINGTON STREET MEDINA, OH 44256	REAL ESTATE	OH	MEDINA HOSPITAL	C CORP	0.	311,040.	100.00%	X	
CORA SENTA TECHNOLOGIES, INC. - 82-4335548 10000 CEDAR AVENUE CLEVELAND, OH 44106	INACTIVE	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	0.	100.00%	X	
CUSTOM ORTHOPAEDIC SOLUTIONS, INC. - 27-4838981, 10000 CEDAR AVENUE, CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	808,944.	583,975.	100.00%	X	
ENHALE MEDICAL, INC. - 82-1613340 10000 CEDAR AVENUE CLEVELAND, OH 44106	SLEEP APNEA TREATMENT	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	0.	100.00%	X	
IMAGEIQ, INC. - 27-4427530 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP			.00%		X
INFUSEON THERAPEUTICS, INC. - 46-1776182 10000 CEDAR AVENUE CLEVELAND, OH 44106	SCIENTIFIC RESEARCH	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	49,158.	213,671.	100.00%	X	
ION-VAC, INC. - 46-1560044 10000 CEDAR AVENUE CLEVELAND, OH 44106	SCIENTIFIC RESEARCH	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	82,217.	93,251.	100.00%	X	
IVHR, INC. - 45-4657632 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	OH	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	0.	100.00%	X	
LAKEWOOD HEALTHCARE FOUNDATION - 34-1574608 14519 DETROIT AVENUE LAKEWOOD, OH 44107	HEALTH CARE SERVICES	OH	LAKEWOOD HOSPITAL ASSOCIATION	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	3,899.	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	

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
MERLOT ORTHOPEDIX, INC. - 11-3779414 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL DEVICE MANUFACTURING	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	134,758.	55.12%	X	
NEOMEDICS, INC. - 02-0656818 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131	BUSINESS SERVICES	OH	CLINIC MEDICAL SOLUTIONS, INC.	C CORP			100.00%	X	
NEUROTERAPIA, INC. - 47-3977513 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	266,568.	100.00%	X	
OPTOQUEST CORPORATION - 26-3589643 10000 CEDAR AVENUE CLEVELAND, OH 44106	SCIENTIFIC RESEARCH	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	155,641.	547,794.	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	
RENOVO BIOSCIENCES, INC. - 34-1956569 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	RENOVO BIOSCIENCES, INC.	C CORP	2,011,085.	1,611,742.	100.00%	X	
RENOVO NEURAL, INC. - 80-0185146 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	100,047.	566,117.	100.00%	X	
SHIELD BIOTECH, INC. - 46-2880975 10000 CEDAR AVENUE CLEVELAND, OH 44106	MEDICAL TECHNOLOGY	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	7,004,903.	72.00%	X	
SPORTS MEDICINE SPECIALISTS 181 BAY STREET, BOX818 TORONTO, CANADA M5J 2T3	HEALTH CARE SERVICES	CANADA	CLEVELAND CLINIC CANADA - TORONTO,	C CORP	1,070,312.	13,246,895.	100.00%		X
VIVERE PHARMA, INC. - 47-5397125 10000 CEDAR AVENUE CLEVELAND, OH 44106	INACTIVE	DE	THE CLEVELAND CLINIC FOUNDATION	C CORP	0.	0.	100.00%	X	
CHARITABLE REMAINDER TRUSTS (15) C/O 6801 BRECKSVILLE ROAD INDEPENDENCE, OH 44131		OH		TRUST				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.

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) CLEVELAND CLINIC CANADA - TORONTO, INC.	A	100,000	FMV
(2) THE CLEVELAND CLINIC EDUCATIONAL FOUNDATION	B	18,335,558	FMV
(3) CCHS INDEMNITY COMPANY, LTD.	D	53,269,000	FMV
(4) CLEVELAND CLINIC LONDON, LTD.	D	122,000	FMV
(5) CUSTOM ORTHOPAEDIC SOLUTIONS, INC.	D	706,038	FMV
(6) ENHALE MEDICAL, INC.	D	232,794	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-r)	(c) Amount involved	(d) Method of determining amount involved
(7) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	D	2,489,000.	FMV
(8) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	D	872,243.	FMV
(9) MEDISTRY, LLC	D	71,500.	FMV
(10) NEUROTHERAPIA, INC.	D	1,453,304.	FMV
(11) OPTOQUERST CORPORATION	D	80,029.	FMV
(12) SHIELD BIOTECH, INC.	D	95,949.	FMV
(13) CLEVELAND CLINIC CHILDREN'S HOSPITAL FOR REHABILITATION	J	189,214.	FMV
(14) CLEVELAND CLINIC MEDICAL SERVICES, INC.	J	439,728.	FMV
(15) FAIRVIEW HOSPITAL	J	508,199.	FMV
(16) PARTNERS PHYSICIAN GROUP	J	116,817.	FMV
(17) THE CLEVELAND CLINIC EDUCATIONAL FOUNDATION	J	2,710,404.	FMV
(18) AKRON GENERAL MEDICAL CENTER	K	141,610.	FMV
(19) CLEVELAND CLINIC AVON HOSPITAL	K	4,592,035.	FMV
(20) CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION	K	2,714,836.	FMV
(21) CLINIC MEDICAL SOLUTIONS, INC.	K	379,474.	FMV
(22) FAIRVIEW HOSPITAL	K	1,322,203.	FMV
(23) LUTHERAN HOSPITAL	K	602,194.	FMV
(24) MARYMOUNT HOSPITAL, INC.	K	849,832.	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-r)	(c) Amount involved	(d) Method of determining amount involved
(7) MEDINA HOSPITAL	K	779,677.FMV	
(8) AKRON GENERAL MEDICAL CENTER	L	1,910,000.FMV	
(9) CLEVELAND CLINIC AVON HOSPITAL	L	924,000.FMV	
(10) CLEVELAND CLINIC FLORIDA HEALTH SYSTEM NONPROFIT CORPORATION	L	4,432,000.FMV	
(11) CLEVELAND CLINIC HEALTH SYSTEM - EAST REGION	L	6,569,256.FMV	
(12) CLEVELAND CLINIC NEVADA	L	212,897.FMV	
(13) CLEVELAND CLINIC SAUDI ARABIA, LLC	L	12,258,000.FMV	
(14) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	L	5,300,490.FMV	
(15) FAIRVIEW HOSPITAL	L	4,185,000.FMV	
(16) LUTHERAN HOSPITAL	L	1,182,000.FMV	
(17) MARYMOUNT HOSPITAL, INC.	L	1,554,643.FMV	
(18) MEDINA HOSPITAL	L	1,663,204.FMV	
(19) CLEVELAND CLINIC MEDICAL SERVICES, INC.	M	9,483,000.FMV	
(20) CCHS INDEMNITY COMPANY, LTD.	P	40,660,082.FMV	
(21) THE CLEVELAND CLINIC EDUCATIONAL FOUNDATION	P	1,225,968.FMV	
(22) EXCELERATE STRATEGIC HEALTH SOURCING, LLC	Q	295,475.FMV	
(23)			
(24)			

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

[illegible]

Part VII Supplemental Information.

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

PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:**NAME OF RELATED ORGANIZATION:**

10507377 CANADA, INC.

DIRECT CONTROLLING ENTITY: CLEVELAND CLINIC CANADA - TORONTO, INC.

NAME OF RELATED ORGANIZATION:

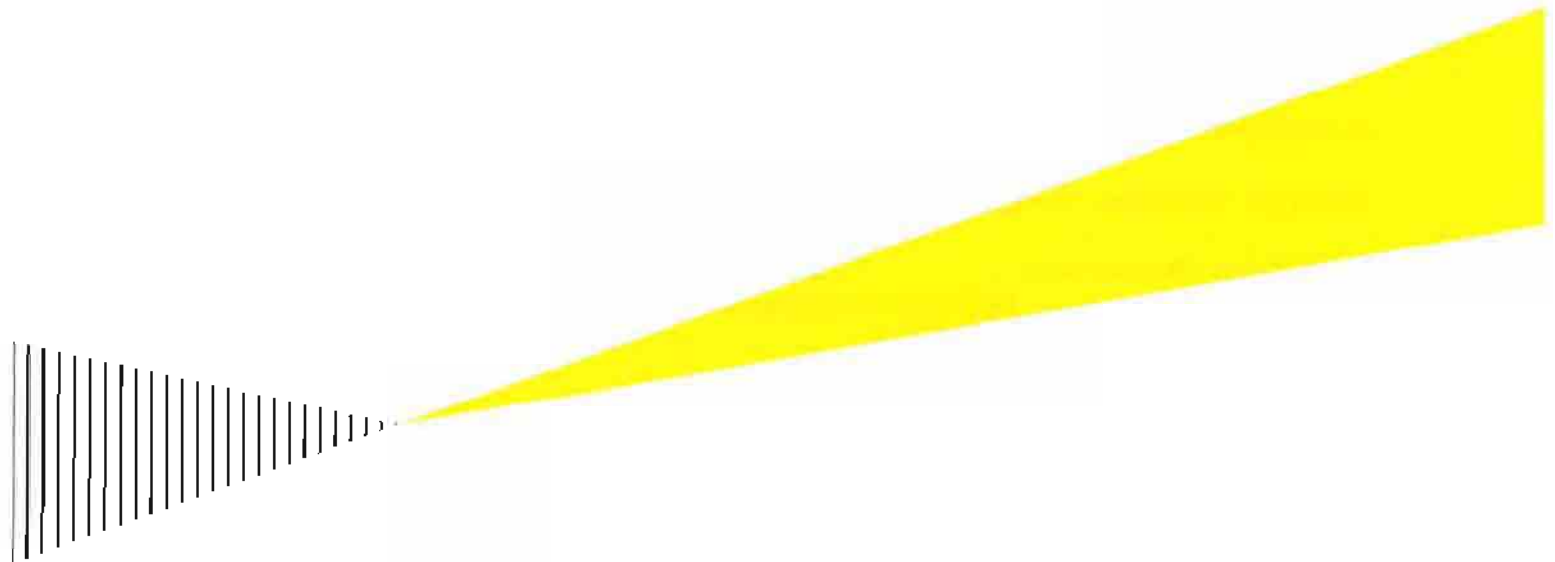
SPORTS MEDICINE SPECIALISTS

DIRECT CONTROLLING ENTITY: CLEVELAND CLINIC CANADA - TORONTO, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

The Cleveland Clinic Foundation
d.b.a. Cleveland Clinic Health System
Years Ended December 31, 2017 and 2016
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, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 27, 2018

Cleveland Clinic Health System

Consolidated Balance Sheets (In Thousands)

	December 31	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 241,227	\$ 520,628
Patient receivables, net of allowances for uncollectible accounts of \$194,159 in 2017 and \$186,241 in 2016	1,012,903	1,059,171
Investments for current use	154,971	52,126
Other current assets	374,726	396,892
Total current assets	1,783,827	2,028,817
Investments:		
Long-term investments	7,729,697	6,476,259
Funds held by trustees	69,234	75,892
Assets held for self-insurance	159,802	128,128
Donor-restricted assets	717,410	612,221
	8,676,143	7,292,500
Property, plant, and equipment, net	4,699,697	4,512,078
Other assets:		
Pledges receivable, net	151,019	150,709
Trusts and interests in foundations	80,643	67,219
Other noncurrent assets	475,010	410,007
	706,672	627,935
Total assets	\$ 15,866,339	\$ 14,461,330

	December 31	
	2017	2016
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 503,691	\$ 482,427
Compensation and amounts withheld from payroll	345,446	322,493
Current portion of long-term debt	457,813	81,739
Variable rate debt classified as current	573,270	527,115
Other current liabilities	438,662	462,561
Total current liabilities	2,318,882	1,876,335
Long-term debt:		
Hospital revenue bonds	2,861,438	2,926,949
Notes payable and capital leases	134,840	516,719
	2,996,278	3,443,668
Other liabilities:		
Professional and general liability insurance reserves	147,327	146,109
Accrued retirement benefits	492,833	478,874
Other noncurrent liabilities	567,566	490,545
	1,207,726	1,115,528
Total liabilities	6,522,886	6,435,531
Net assets:		
Unrestricted	8,346,649	7,088,209
Temporarily restricted	662,189	627,426
Permanently restricted	334,615	310,164
Total net assets	9,343,453	8,025,799
Total liabilities and net assets	\$ 15,866,339	\$ 14,461,330

See accompanying notes.

Cleveland Clinic Health System

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

Operations

	Year Ended December 31	
	2017	2016
Unrestricted revenues		
Net patient service revenue	\$ 7,794,551	\$ 7,551,066
Provision for uncollectible accounts	(296,469)	(301,694)
Net patient service revenue less provision for uncollectible accounts	7,498,082	7,249,372
Other	908,920	787,835
Total unrestricted revenues	8,407,002	8,037,207
Expenses		
Salaries, wages, and benefits	4,565,140	4,430,982
Supplies	793,365	749,073
Pharmaceuticals	957,045	862,697
Purchased services and other fees	533,045	506,107
Administrative services	198,863	196,958
Facilities	334,371	343,377
Insurance	61,060	66,746
	7,442,889	7,155,940
Operating income before interest, depreciation, and amortization expenses	964,113	881,267
Interest	140,824	136,105
Depreciation and amortization	487,240	476,305
Operating income before special charges	336,049	268,857
Special charges – <i>Note 19</i>	5,491	25,618
Operating income	330,558	243,239
Nonoperating gains and losses		
Investment return	896,139	404,191
Derivative losses	(2,305)	(22,824)
Other, net	(74,078)	(111,099)
Net nonoperating gains	819,756	270,268
Excess of revenues over expenses	1,150,314	513,507

(continued on next page)

Changes in Net Assets

	Net Assets			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at January 1, 2016	\$ 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	(59,181)	—	—	(59,181)
Other	818	(14)	—	804
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
Excess of revenues over expenses	1,150,314	—	—	1,150,314
Donated capital and assets released from restrictions for capital purposes	81,871	(81,871)	—	—
Gifts and bequests	—	98,555	22,116	120,671
Net investment income	—	55,112	—	55,112
Net assets released from restrictions used for operations included in other unrestricted revenues	—	(41,675)	—	(41,675)
Retirement benefits adjustment	(3,373)	—	—	(3,373)
Change in interests in foundations	—	5,047	—	5,047
Change in value of perpetual trusts	—	—	2,335	2,335
Foreign currency translation	29,301	—	—	29,301
Other	327	(405)	—	(78)
Increase in net assets	1,258,440	34,763	24,451	1,317,654
Balances at December 31, 2017	<u>\$ 8,346,649</u>	<u>\$ 662,189</u>	<u>\$ 334,615</u>	<u>\$ 9,343,453</u>

See accompanying notes.

Cleveland Clinic Health System
Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended December 31	
	2017	2016
Operating activities and net nonoperating gains and losses		
Increase in net assets	\$ 1,317,654	\$ 516,801
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	46,159	3,925
Retirement benefits adjustment	3,373	17,789
Net realized and unrealized gains on investments	(897,841)	(382,146)
Depreciation and amortization	490,663	491,292
Provision for uncollectible accounts	296,469	301,694
Foreign currency translation (gain) loss	(29,301)	59,181
Donated capital	—	(765)
Restricted gifts, bequests, investment income, and other	(183,165)	(123,987)
Amortization of bond premiums and debt issuance costs	(3,106)	(1,657)
Net gain in value of derivatives	(26,509)	(8,835)
Changes in operating assets and liabilities:		
Patient receivables	(250,201)	(410,561)
Other current assets	10,173	31,113
Other noncurrent assets	(66,487)	(58,559)
Accounts payable and other current liabilities	16,404	91,924
Other liabilities	92,395	8,928
Net cash provided by operating activities and net nonoperating gains and losses	816,680	536,137
Financing activities		
Proceeds from long-term borrowings	1,118,137	502,448
Payments for advance refunding and redemption of long-term debt	(1,110,120)	(148,260)
Principal payments on long-term debt	(84,257)	(127,011)
Debt issuance costs	(8,173)	(949)
Change in pledges receivable, trusts, and interests in foundations	(1,206)	(10,203)
Restricted gifts, bequests, investment income, and other	183,165	123,987
Net cash provided by financing activities	97,546	340,012
Investing activities		
Expenditures for property, plant, and equipment	(607,720)	(664,703)
Proceeds from sale of property, plant, and equipment	1,486	1,585
Net change in cash equivalents reported in long-term investments	(362,513)	146,064
Purchases of investments	(2,441,368)	(2,757,671)
Sales of investments	2,215,234	2,671,903
Net cash used in investing activities	(1,194,881)	(602,822)
Effect of exchange rate changes on cash	1,254	(2,279)
(Decrease) increase in cash and cash equivalents	(279,401)	271,048
Cash and cash equivalents at beginning of year	520,628	249,580
Cash and cash equivalents at end of year	\$ 241,227	\$ 520,628
Supplemental disclosure of noncash activity		
Assets acquired through capital leases and other financing agreements	\$ 28,062	\$ 15,479
Accounts payable accruals for property, plant, and equipment	\$ 82,206	\$ 68,340

See accompanying notes.

Cleveland Clinic Health System
Notes to Consolidated Financial Statements

December 31, 2017 and 2016

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 13 hospitals with approximately 3,800 staffed beds. Twelve 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, and 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 364 staffed beds.

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

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. 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 adopted ASU 2014-09 on January 1, 2018 using the modified retrospective method of transition. The System's process for implementation began with a preliminary evaluation of ASU 2014-09 and considered subsequent interpretations by the FASB Transition Resource Group for Revenue Recognition and the American Institute of Certified Public Accountants. The System performed an analysis of revenue streams and transactions under ASU 2014-09. In particular, for net patient service revenue, the System performed an analysis into the application of the portfolio approach as a practical expedient to group patient contracts with similar characteristics, such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. Upon adoption, the majority of what is currently classified as provision for uncollectible accounts and presented as a reduction to net patient service revenue on the consolidated statements of operations and changes in net assets will be treated as a price concession that reduces the transaction price, which is reported as net patient service revenue. The new standard also requires enhanced disclosures related to the disaggregation of revenue and significant judgments made in measurement and recognition. The impact of adopting ASU 2014-09 is not material to total unrestricted revenues, excess of revenues over expenses or unrestricted net assets.

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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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 annual reporting periods beginning after December 15, 2017, and interim periods beginning after December 15, 2018. The System is currently evaluating the impact that ASU 2016-14 will have on its consolidated financial statements and will adopt the provisions upon the effective date.

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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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 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.

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 \$5.9 million and \$12.0 million in 2017 and 2016, respectively, related to changes in estimates.

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 in 2016 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

As part of integration efforts involving Akron General Health System (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 Federal Anti-Kickback Statute, Stark Law, False Claims Act and/or other laws and regulations. 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 ultimate amount of the liability at this time.

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 2017 and 2016 approximated \$91 million and \$87 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 expenses of \$8.3 million and revenues of \$3.1 million for the years ended December 31, 2017 and 2016, respectively, which are included in net patient service revenue.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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 \$15.7 million and \$13.6 million at December 31, 2017 and 2016, respectively. Revenue related to management service agreements for 2017 and 2016 was \$113.9 million and \$99.5 million, respectively, and is included in other unrestricted revenues.

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 are assigned useful lives ranging from five years to forty years. Equipment is assigned

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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.

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

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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.

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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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.

Goodwill and Other Intangibles

Goodwill has resulted from business combinations, primarily 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

Derivative Instruments

The System's derivative financial instruments consist of interest rate swaps and foreign currency forward contracts (Note 12), 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 \$42.1 million and \$71.4 million at December 31, 2017 and 2016, respectively.

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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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 \$195.7 million and \$189.2 million in 2017 and 2016, respectively.

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. 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

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.

3. 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, 2017 and 2016, are as follows (in thousands):

	<u>2017</u>		<u>2016</u>	
Medicare	\$ 2,584,950	33%	\$ 2,521,242	33%
Medicaid	646,934	8	572,130	8
Managed care and commercial	4,400,325	57	4,288,570	57
Self-pay	162,342	2	169,124	2
	<u>\$ 7,794,551</u>	<u>100%</u>	<u>\$ 7,551,066</u>	<u>100%</u>

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 16% and 15% of accounts receivable at December 31, 2017 and 2016, respectively. Write-offs on self-pay accounts receivable decreased \$83.5 million in 2017 compared to 2016. The System does not maintain a material allowance for uncollectible accounts for third-party payors.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

3. Net Patient Service Revenue and Patient Receivables (continued)

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 27%, 9%, and 23% at December 31, 2017, and 29%, 8%, and 23% at December 31, 2016, 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 2017, and 33%, 8%, and 17% for 2016, 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.

4. Cash, Cash Equivalents, and Investments

The composition of cash, cash equivalents, and investments at December 31, 2017 and 2016, is as follows (in thousands):

	2017	2016
Cash and cash equivalents	\$ 770,654	\$ 687,410
Fixed income securities:		
U.S. treasuries	1,075,486	963,715
U.S. government agencies	18,964	20,270
U.S. corporate	83,383	167,025
U.S. government agencies asset-backed securities	25,139	25,102
Corporate asset-backed securities	4,895	2,829
Foreign	21,267	44,759
Fixed income mutual funds	391,971	222,670
Commingled fixed income funds	791,372	663,154
Common and preferred stocks:		
U.S.	475,141	422,947
Foreign	297,573	267,061
Equity mutual funds	262,991	381,686
Commingled equity funds	2,029,255	1,591,389
Commingled commodity funds	127,690	122,297
Alternative investments:		
Hedge funds	1,142,932	1,134,136
Private equity/venture funds	854,632	696,786
Real estate	483,996	452,018
Pending purchases of investments	215,000	-
Total cash, cash equivalents, and investments	<u>\$ 9,072,341</u>	<u>\$ 7,865,254</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

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

Pending purchases of investments of \$215.0 million at December 31, 2017 were invested as hedge funds on January 1, 2018.

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 the System. There were 138 investment managers at December 31, 2017 focusing on various investment strategies, including equity investments, fixed income investments, commodities and alternative investments. The alternative investments have separate administrators and custodian arrangements. Alternative investments also include five holdings in which the System invests directly.

Total investment return is comprised of the following for the years ended December 31, 2017 and 2016 (in thousands):

	<u>2017</u>	<u>2016</u>
Other unrestricted revenues:		
Interest income and dividends	\$ 2,909	\$ 2,750
Nonoperating gains, net:		
Interest income and dividends	70,135	61,430
Net realized gains on sales of investments	177,901	157,358
Net change in unrealized gains on investments	518,861	100,079
Equity method income on alternative investments	152,178	104,184
Investment management fees	(22,936)	(18,860)
	<u>896,139</u>	<u>404,191</u>
Other changes in net assets:		
Investment income on restricted investments and other	54,250	24,771
Total investment return	<u>\$ 953,298</u>	<u>\$ 431,712</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

5. Other Current Assets and Liabilities and Other Noncurrent Assets and Liabilities

Other current and noncurrent assets at December 31, 2017 and 2016, consist of the following (in thousands):

	2017	2016
Current:		
Inventories	\$ 143,437	\$ 133,074
Prepaid expenses	57,010	52,989
Pledges receivable, current (<i>Note 9</i>)	45,657	58,188
Research receivables	36,143	36,390
Estimated amounts due from third-party payors	9,397	41,162
Other	83,082	75,089
Total other current assets	<u>\$ 374,726</u>	<u>\$ 396,892</u>
Noncurrent:		
Deferred compensation plan assets	\$ 206,085	\$ 162,820
Goodwill and other intangible assets	101,999	92,574
Note receivable	37,204	37,455
Investments in affiliates	33,921	37,244
Other	95,801	79,914
Total other noncurrent assets	<u>\$ 475,010</u>	<u>\$ 410,007</u>

Other current and noncurrent liabilities at December 31, 2017 and 2016 consist of the following (in thousands):

	2017	2016
Current:		
Research deferred revenue	\$ 67,492	\$ 71,885
Interest payable	52,236	64,141
Current portion of professional and general liability insurance reserves (<i>Note 13</i>)	51,051	52,125
Estimated amounts due to third-party payors	40,053	45,000
Management contracts and other deferred revenue	38,026	38,602
Employee benefit related liabilities	29,211	34,384
Current portion of pledges payable	15,460	306
Foreign currency forward contracts (<i>Note 12</i>)	—	11,076
Other	145,133	145,042
Total other current liabilities	<u>\$ 438,662</u>	<u>\$ 462,561</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

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

	2017	2016
Noncurrent:		
Employee benefit related liabilities	\$ 256,797	\$ 216,666
Interest rate swap liabilities (<i>Note 12</i>)	123,989	139,422
Pledge liabilities	20,328	34,134
Estimated amounts due to third-party payors	18,665	24,523
Gift annuity liabilities	12,120	11,114
Accrued income tax liabilities (<i>Note 15</i>)	606	2,258
Other	135,061	62,428
Total other noncurrent liabilities	<u>\$ 567,566</u>	<u>\$ 490,545</u>

6. Goodwill and Other Intangible Assets

The System recorded goodwill of \$10.9 million and \$4.1 million in 2017 and 2016, respectively, related to the acquisitions of various physician practices. 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, 2017 and 2016 are as follows (in thousands):

	Year Ended December 31 2017	2016
Balance, beginning of year	\$ 58,497	\$ 54,411
Goodwill acquired	10,923	4,086
Balance, end of year	<u>\$ 69,420</u>	<u>\$ 58,497</u>

The System acquired other intangible assets of \$0.2 million and \$0.4 million in 2017 and 2016, respectively, related to the acquisitions of various physician practices. Other intangible assets are recorded in other noncurrent assets in the consolidated balance sheets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

6. Goodwill and Other Intangible Assets (continued)

Other intangible assets at December 31, 2017 and 2016 consist of the following (in thousands):

	2017		2016	
	Historical Cost	Accumulated Amortization	Historical Cost	Accumulated Amortization
Trade name	\$ 31,700	\$ —	\$ 31,700	\$ —
Finite-lived intangible assets	6,261	5,382	6,643	4,266
Total	\$ 37,961	\$ 5,382	\$ 38,343	\$ 4,266

Amortization related to finite-lived intangible assets was \$1.7 million and \$2.3 million in 2017 and 2016, 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): 2018 – \$602; 2019 – \$219; and 2020 – \$58.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements

The following tables present the financial instruments measured at fair value on a recurring basis as of December 31, 2017 and 2016, based on the valuation hierarchy (in thousands):

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 770,609	\$ 45	\$ –	\$ 770,654
Fixed income securities:				
U.S. treasuries	1,075,486	–	–	1,075,486
U.S. government agencies	–	18,964	–	18,964
U.S. corporate	–	83,383	–	83,383
U.S. government agencies asset-backed securities	–	25,139	–	25,139
Corporate asset-backed securities	–	4,895	–	4,895
Foreign	–	21,267	–	21,267
Fixed income mutual funds	391,971	–	–	391,971
Common and preferred stocks:				
U.S.	473,420	1,721	–	475,141
Foreign	296,025	1,548	–	297,573
Equity mutual funds	262,991	–	–	262,991
Total cash and investments	3,270,502	156,962	–	3,427,464
Perpetual and charitable trusts	–	53,728	–	53,728
Total assets at fair value	\$ 3,270,502	\$ 210,690	\$ –	\$ 3,481,192
Liabilities				
Interest rate swaps	\$ –	\$ 123,989	\$ –	\$ 123,989
Total liabilities at fair value	\$ –	\$ 123,989	\$ –	\$ 123,989

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

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)

7. Fair Value Measurements (continued)

Financial instruments at December 31, 2017 and 2016 are reflected in the consolidated balance sheets as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Cash, cash equivalents, and investments measured at fair value	\$ 3,427,464	\$ 3,205,474
Commingled funds measured at net asset value	2,948,317	2,376,840
Alternative investments accounted for under the equity method	2,481,560	2,282,940
Pending purchases of investments	215,000	–
Total cash, cash equivalents, and investments	<u>\$ 9,072,341</u>	<u>\$ 7,865,254</u>
Perpetual and charitable trusts measured at fair value	\$ 53,728	\$ 45,350
Interests in foundations	26,915	21,869
Trusts and interests in foundations	<u>\$ 80,643</u>	<u>\$ 67,219</u>

Interest rate swaps and forward currency forward contracts (Note 12) are reported in other current and 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)

7. 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 2.5% 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)

8. Property, Plant, and Equipment

Property, plant, and equipment at December 31, 2017 and 2016 consist of the following (in thousands):

	<u>2017</u>	<u>2016</u>
Land and improvements	\$ 406,463	\$ 390,669
Buildings	5,657,283	5,350,756
Leaschold improvements	30,832	30,609
Equipment	1,671,465	1,599,562
Computer hardware and software	855,524	797,300
Construction-in-progress	754,564	611,587
Leased facilities and equipment	158,785	150,561
	<u>9,534,916</u>	<u>8,931,044</u>
Accumulated depreciation and amortization	<u>(4,835,219)</u>	<u>(4,418,966)</u>
	<u>\$ 4,699,697</u>	<u>\$ 4,512,078</u>

Included in the preceding table is unamortized computer software of \$193.2 million and \$188.3 million at December 31, 2017 and 2016, respectively. Amortization of computer software totaled \$47.9 million and \$48.9 million in 2017 and 2016, respectively. Amortization of computer software for the five years subsequent to December 31, 2017, is as follows (in millions): 2018 – \$42.8; 2019 – \$33.8; 2020 – \$25.5; 2021 – \$22.5; and 2022 – \$21.1.

Accumulated amortization of leased facilities and equipment was \$70.4 million and \$58.8 million at December 31, 2017 and 2016, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

9. Pledges Receivable

Outstanding pledges receivable from various corporations, foundations, and individuals at December 31, 2017 and 2016, are as follows (in thousands):

	2017	2016
Pledges due:		
In less than one year	\$ 61,439	\$ 72,117
In one to five years	115,638	108,075
In more than five years	81,429	88,540
	<u>258,506</u>	<u>268,732</u>
Allowance for uncollectible pledges and discounting	(61,830)	(59,835)
Current portion (net of allowance for uncollectible pledges of \$15.6 million in 2017 and \$13.9 million in 2016)	(45,657)	(58,188)
	<u>\$ 151,019</u>	<u>\$ 150,709</u>

10. Notes Payable and Capital Leases

Notes payable and capital leases at December 31, 2017 and 2016 consist of the following (in thousands):

	2017	2016
Notes payable with interest rates up to 5.0%	\$ 376,521	\$ 381,308
Revolving credit facility	60,000	60,000
Capital leases for facilities and equipment	93,986	96,435
City of Lakewood lease	513	1,565
	<u>531,020</u>	<u>539,308</u>
Unamortized debt issuance costs	(387)	(620)
Less current portion	(395,793)	(21,969)
Total notes payable and capital leases	<u>\$ 134,840</u>	<u>\$ 516,719</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 1.11% to 1.85% in 2017 (average rate 1.59%) and from 0.73% to 1.11% in 2016 (average rate 0.99%).

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

10. Notes Payable and Capital Leases (continued)

In 2016, the System entered into a \$300 million revolving credit facility with multiple financial institutions. The revolving credit facility expires in 2019 with provisions allowing the System 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, 2017, 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, 2017 and 2016 totaled \$60.0 million. The proceeds were used to pay the full outstanding amount on a line of credit executed in January 2016 and terminated in September 2016. The interest rate on the revolving credit facility ranged from 1.52% to 2.09% in 2017 (average rate 1.70%) and 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, 2017, are as follows (in thousands): 2018 – \$376,495; 2019 – \$60,026; 2020 – \$0; 2021 – \$0; and 2022 – \$0.

Future minimum capital lease payments, including total interest of \$18.5 million, are as follows (in thousands): 2018 – \$23,128; 2019 – \$22,819; 2020 – \$16,102; 2021 – \$12,189; and 2022 – \$10,071; and thereafter – \$28,193. 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 \$0.5 million and \$1.6 million at December 31, 2017 and 2016, respectively. LHA has approximately \$29 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)

11. Bonds

Bonds at December 31, 2017 and 2016 consist of the following (in thousands):

	Interest Rate(s)	Final Maturity	Amount Outstanding at December 31	
			2017	2016
Series 2017A	0.83% to 3.48%	2043	\$ 818,775	\$ —
Series 2017B	1.56% to 3.70%	2043	169,255	—
Series 2017C	2.24%	2032	9,305	—
Series 2016, Private Placement	3.35%	2046	325,000	325,000
Series 2016, Term Loan	Variable rate	2026	16,270	17,370
Series 2014	4.86%	2114	400,000	400,000
Series 2014A CP Notes	Variable rate	2044	70,955	70,955
Series 2013A	3.62% to 4.04%	2042	73,150	73,150
Series 2013B	Variable rate	2039	201,160	201,160
Series 2013, Keep Memory Alive	Variable rate	2037	61,165	63,135
Series 2012A	1.54% to 4.07%	2039	451,135	460,080
Series 2011A	2.79% to 4.83%	2032	160,605	172,030
Series 2011B	2.94%	2031	27,785	29,120
Series 2011C	3.40% to 4.72%	2032	157,945	170,995
Series 2009A	5.58%	2039	—	305,400
Series 2009B	3.99% to 4.21%	2039	31,640	366,215
Series 2008A	4.39%	2043	7,930	409,740
Series 2008B	Variable rate	2043	327,575	369,250
Series 2003C	Variable rate	2035	41,905	41,905
Series 2002	Variable rate	2032	—	9,635
			<u>3,351,555</u>	<u>3,485,140</u>
Net unamortized premium			167,451	51,287
Unamortized debt issuance costs			(22,278)	(22,593)
Current portion			(62,020)	(59,770)
Long-term variable rate debt classified as current			(573,270)	(527,115)
			<u>\$ 2,861,438</u>	<u>\$ 2,926,949</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

11. 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 August 2017, pursuant to certain agreements between the System and the State of Ohio (State) acting by and through the Ohio Higher Education Facility Commission, the State issued \$818.8 million of fixed-rate Hospital Refunding Revenue Bonds (Series 2017A Bonds) and \$169.3 million of fixed-rate Taxable Hospital Refunding Revenue Bonds (Series 2017B Bonds) for the benefit of the System. Proceeds from the sale of the Series 2017A Bonds and Series 2017B Bonds were used to refund all or a portion of the outstanding Series 2008A, 2008B, 2009A, 2009B and 2012A Bonds and to pay the cost of issuance. The System recorded a loss on extinguishment of debt of \$46.2 million 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 December 2017, pursuant to certain agreements between the System and the State of Ohio (State) acting by and through the Ohio Higher Education Facility Commission, the State issued \$9.3 million of Hospital Refunding Revenue Bonds (Series 2017C Bonds) for the benefit of the System. Proceeds from the sale of the Series 2017C Bonds were used to refund all of the outstanding Series 2002 Bonds. The Series 2017C Bonds were purchased by a financial institution and are scheduled to be tendered to the System on December 1, 2027. During this term, the bonds bear interest at 2.24% plus an applicable credit spread. The tender date may be extended subject to the consent of the financial institution.

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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

11. Bonds (continued)

The Series 2014A CP Notes may be issued from time to time in a maximum outstanding face amount of \$100 million. At December 31, 2017 and 2016, the System has \$71.0 million of outstanding Series 2014A CP Notes.

In August 2016, the System 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 2017 and 2016, the rates for the System's variable rate bonds ranged from 0.47% to 2.18% (average rate 0.91%) and 0.01% to 1.78% (average rate 0.45%), respectively.

Certain variable rate revenue bonds are secured by irrevocable direct pay letters of credit and standby bond purchase agreements totaling \$354.2 million at December 31, 2017. 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. There were no unexpended bond proceeds at December 31, 2017 and 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 \$103.9 million at December 31, 2017 and is included in investments for current use. There was no current portion of funds held by trustees at December 31, 2016.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

11. Bonds (continued)

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, 2017 and 2016.

Combined current aggregate scheduled maturities, assuming the remarketing of the variable rate demand bonds, for the five years subsequent to December 31, 2017, are as follows (in thousands): 2018 – \$62,020; 2019 – \$64,035; 2020 – \$66,020; 2021 – \$68,870; and 2022 – \$71,825.

Total interest paid approximated \$153.4 million and \$134.4 million in 2017 and 2016, respectively. Capitalized interest cost approximated \$0.6 million and \$1.1 million in 2017 and 2016, respectively.

12. 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 \$615.0 million and \$633.1 million at December 31, 2017 and 2016, 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

12. Derivative Instruments (continued)

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	
				2017	2016
Fixed	2021	3.21%	68% of LIBOR	\$ 31,725	\$ 33,265
Fixed	2024	3.42%	68% of LIBOR	27,200	27,800
Fixed	2027	3.56%	68% of LIBOR	124,303	128,333
Fixed	2028	5.12%	100% of LIBOR	37,730	38,800
Fixed	2028	3.51%	68% of LIBOR	29,125	29,965
Fixed	2030	5.07%	100% of LIBOR	59,075	60,825
Fixed	2030	5.06%	100% of LIBOR	59,050	60,800
Fixed	2031	3.04%	68% of LIBOR	49,850	52,625
Fixed	2032	4.32%	79% of LIBOR	2,279	2,361
Fixed	2032	4.33%	70% of LIBOR	4,557	4,723
Fixed	2032	3.78%	70% of LIBOR	2,279	2,361
Fixed	2036	4.90%	100% of LIBOR	49,700	49,725
Fixed	2036	4.90%	100% of LIBOR	76,950	78,350
Fixed	2037	4.62%	100% of SIFMA	61,165	63,135
				<u>\$ 614,988</u>	<u>\$ 633,068</u>

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, 2017, the System has no outstanding foreign currency forward contracts. At December 31, 2016, the System had three outstanding foreign currency forward contracts with a total notional amount of \$75 million. The foreign currency contracts are not designated as hedging instruments.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

12. Derivative Instruments (continued)

The following table summarizes the location and fair value for the System's derivative instruments (in thousands):

		Derivatives Liability	
		December 31, 2017	December 31, 2016
		Balance Sheet	Balance Sheet
		Location	Fair Value
Derivatives not designated as hedging instruments			
Interest rate swap agreements	Other noncurrent liabilities	\$ 123,989	\$ 139,422
Foreign currency contracts		\$ –	\$ 11,076

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	
			2017	2016
Derivatives not designated as hedging instruments				
Interest rate swap agreements	Derivative losses		\$ (5,309)	\$ (4,539)
Foreign currency contracts	Derivative gains (losses)		\$ 3,004	\$ (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, 2017 and 2016, the System posted \$69.2 million and \$75.6 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)

13. Professional and General Liability Insurance

The System manages its professional and general liability insurance program through a captive insurance arrangement.

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 \$198.4 million and \$198.2 million at December 31, 2017 and 2016, 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 2.25% and 1.75% at December 31, 2017 and 2016, respectively. Unasserted claims were discounted at 2.50% and 2.25% at December 31, 2017 and 2016, respectively. Through the captive insurance subsidiary, the System has set aside investments of \$210.9 million (\$51.1 million included in investments for current use) and \$180.3 million (\$52.1 million included in investments for current use) at December 31, 2017 and 2016, respectively, of which \$37.6 million and \$37.0 million at December 31, 2017 and 2016, 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

13. Professional and General Liability Insurance (continued)

Activity in the professional and general liability insurance reserves is summarized as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 198,234	\$ 191,840
Incurred related to:		
Current period	65,901	65,512
Prior period	(14,288)	(13,985)
Total incurred	<u>51,613</u>	<u>51,527</u>
Paid related to:		
Current period	5,219	6,862
Prior period	44,828	37,710
Total paid	<u>50,047</u>	<u>44,572</u>
	1,566	6,955
(Decrease) increase in unasserted claims	(1,414)	1,671
Decrease in reinsurance recoverable	(8)	(2,232)
Balance at end of year	<u>\$ 198,378</u>	<u>\$ 198,234</u>

The foregoing reconciliation shows \$14.3 million and \$14.0 million of favorable development in 2017 and 2016, 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)

14. Pensions and Other Postretirement Benefits

The System maintains four defined benefit pension plans, including two plans related to Akron General. The CCHS Retirement Plan is a tax-qualified defined benefit pension plan that provides benefits to substantially all employees of the System, except those employed by Akron General. All benefit accruals under the CCHS Retirement Plan ceased as of December 31, 2012. Akron General has a tax-qualified 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, with benefit accruals for remaining employees ceasing at various intervals through December 31, 2017. The benefits for the System's tax-qualified defined benefit pension plans are provided based on age, years of service, and compensation. The System's policy for its tax-qualified 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 unfunded, nonqualified defined benefit supplemental retirement plans, which cover certain professional staff and administrative employees.

The System sponsors two noncontributory, defined contribution plans, and three contributory, defined contribution plans. The Cleveland Clinic Investment Pension Plan (IPP) is a noncontributory, defined contribution plan, which covers substantially all of the System's employees, except employees covered by the Cleveland Clinic Cash Balance Plan and those employed by Akron General. The System's contribution to the IPP for participants is based upon a percentage of employee compensation that is based on years of service. The Cleveland Clinic Cash Balance Plan (CBP) is a noncontributory, defined contribution plan that covers certain professional and administrative employees not covered by the IPP. The System's contribution to the CBP is a percentage of employee compensation that is determined according to age. The System also sponsors three tax-qualified contributory, defined contribution plans, including two plans related to Akron General, which cover substantially all employees. The plans permit employees to make pre-tax employee deferrals and to become entitled to certain employer matching contributions that are 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)

14. Pensions and Other Postretirement Benefits (continued)

The mortality tables used to calculate the defined benefit obligation for the System's defined benefit and postretirement health benefit plans are based on the RP-2014 "Employees" table unadjusted, with generational projection for non-annuitants and the RP-2014 "Healthy Annuitants" table unadjusted, with generational projection for annuitants. In 2016, the System updated the generational mortality projections scale from Scale MP-2015 to Scale MP-2016. In 2017, the System updated the generational mortality projections scale from Scale MP-2016 to Scale MP-2017. The System believes that the updated mortality rates are the best estimate of future experience.

The System expects to make contributions of \$8.9 million to the defined benefit pension plans in 2018. Pension benefit payments over the next ten years are estimated as follows: 2018 – \$112.6 million; 2019 – \$116.1 million; 2020 – \$116.6 million; 2021 – \$120.5 million; 2022 – \$117.4 million; and in the aggregate for the five years thereafter – \$560.1 million.

The System expects to make contributions of \$4.1 million to other postretirement benefit plans in 2018. 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: 2018 – \$4.1 million; 2019 – \$4.0 million; 2020 – \$3.9 million; 2021 – \$3.7 million; 2022 – \$3.4 million; and in the aggregate for the five years thereafter – \$11.9 million.

No plan assets are expected to be returned to the employer during 2018.

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 2018, the System is expected to amortize \$2.9 million of unrecognized prior service credits in net periodic benefit costs.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Pensions and Other Postretirement Benefits (continued)

Included in unrestricted net assets at December 31, 2017 and 2016 are the following amounts that have not yet been recognized in net periodic benefit cost (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2017	2016	2017	2016
Unrecognized actuarial losses (gains)	\$ 173,279	\$ 168,337	\$ (9,553)	\$ (9,890)
Unrecognized prior service credit	(15,621)	(12,763)	(7,994)	(8,946)
Total	<u>\$ 157,658</u>	<u>\$ 155,574</u>	<u>\$ (17,547)</u>	<u>\$ (18,836)</u>

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, 2017 and 2016 are as follows (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2017	2016	2017	2016
Current year actuarial (loss) gain	\$ (45,990)	\$ (130,527)	\$ 5,674	\$ 6,482
Recognition of actuarial loss (gain) in excess of corridor	41,048	108,526	(6,011)	(4,407)
Current year prior service credit	4,538	—	—	4,355
Amortization of prior service credit	(1,680)	(1,681)	(952)	(537)
Total	<u>\$ (2,084)</u>	<u>\$ (23,682)</u>	<u>\$ (1,289)</u>	<u>\$ 5,893</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. 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, 2017 and 2016 consolidated balance sheets (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2017	2016	2017	2016
Change in projected benefit obligation:				
Projected benefit obligation at beginning of year	\$ 1,736,681	\$ 1,649,131	\$ 98,900	\$ 111,309
Service cost	196	2,178	1,313	1,681
Interest cost	71,493	76,074	4,273	5,368
Actuarial loss (gain)	89,403	98,362	(5,674)	(6,482)
Participant contributions	—	—	13,437	12,186
Plan amendments	(4,538)	—	—	(4,357)
Curtailment	(62)	—	—	—
Settlement payments	(68,248)	—	—	—
Benefits paid	(39,482)	(89,064)	(17,606)	(21,928)
Federal subsidy	—	—	890	1,123
Projected benefit obligation at end of year	1,785,443	1,736,681	95,533	98,900
Change in plan assets:				
Fair value of plan assets at beginning of year	1,342,970	1,255,431	—	—
Actual return on plan assets	128,022	47,291	—	—
Participant contributions	—	—	13,437	12,186
System contributions	11,897	129,312	4,169	9,742
Benefits paid	(107,730)	(89,064)	(17,606)	(21,928)
Fair value of plan assets at end of year	1,375,159	1,342,970	—	—
Accrued retirement benefits	\$ (410,284)	\$ (393,711)	\$ (95,533)	\$ (98,900)
Current liabilities	\$ (8,882)	\$ (9,263)	\$ (4,102)	\$ (4,474)
Noncurrent liabilities	(401,402)	(384,448)	(91,431)	(94,426)
Net liability recognized in consolidated balance sheets	\$ (410,284)	\$ (393,711)	\$ (95,533)	\$ (98,900)

The accumulated benefit obligation for all defined benefit pension plans was \$1.8 billion and \$1.7 billion at December 31, 2017 and 2016, respectively.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Pensions and Other Postretirement Benefits (continued)

The CCHS Retirement Plan paid \$68.2 million in lump-sum payments in accordance with plan terms in 2017, which exceeded the sum of the service cost and interest cost components of net periodic benefit cost for the year. As a result, the System recorded a settlement charge of \$7.6 million for the year ended December 31, 2017. There were no settlement charges for the year ended December 31, 2016.

In 2017, the System amended the Akron General primary defined benefit pension plan to offer a lump sum option to all non-bargained active and terminated vested participants, effective January 1, 2018. As a result of this amendment, the projected benefit obligation decreased \$4.5 million in 2017.

The components of net periodic benefit cost (credit) are as follows (in thousands):

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2017	2016	2017	2016
Components of net periodic benefit cost:				
Service cost	\$ 196	\$ 2,178	\$ 1,313	\$ 1,681
Interest cost	71,493	76,074	4,273	5,368
Expected return on plan assets	(84,670)	(79,456)	-	-
Recognition of actuarial loss (gain) in excess of corridor	33,471	108,526	(6,011)	(4,407)
Settlement charge	7,577	-	-	-
Amortization of unrecognized prior service credit	(1,680)	(1,681)	(952)	(537)
Net periodic benefit cost (credit)	26,387	105,641	(1,377)	2,105
Defined contribution plans	224,769	217,941	-	-
Total	\$ 251,156	\$ 323,582	\$ (1,377)	\$ 2,105

The service cost component of net periodic benefit cost (credit) is included in salaries, wages, and benefits in the consolidated statements of operations and changes in net assets. The components of net periodic benefit cost (credit) other than the service cost component are included in other nonoperating gains and losses in the consolidated statements of operations and changes in net assets.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Pensions and Other Postretirement Benefits (continued)

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	
	2017	2016	2017	2016
Weighted-average assumptions:				
Discount rates:				
Used for benefit obligations	3.74%	4.24%	3.83%	4.36%
Used for net periodic benefit cost	4.24%	4.74%	4.36%	4.86%
Expected rate of return on plan assets	6.53%	6.56%	—	—
Rate of compensation increase:				
Used for benefit obligations	2.25%	2.25%	—	—
Used for net periodic benefit cost	2.25%	2.25%	—	—

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:

	2017	2016
Internally provided services:		
Initial rate	6.00%	5.50%
Ultimate rate	4.50%	4.50%
Year ultimate reached	2024	2021
Externally provided services:		
Initial rate	7.00%	6.50%
Ultimate rate	5.50%	5.50%
Year ultimate reached	2024	2021

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Pensions and Other Postretirement Benefits (continued)

A one-percentage-point increase or decrease in the healthcare cost trend rate would have increased or decreased service and interest costs in 2017 by \$2.4 million and \$1.4 million, respectively, and service and interest costs in 2016 by \$2.5 million and \$1.7 million, respectively.

The System's weighted-average asset allocation of pension plan assets at December 31, 2017 and 2016, by asset category, are as follows:

Asset category	Percentage of Plan Assets		
	2017	2016	Target Allocation
Interest-bearing cash	6.4%	7.0%	0%–10%
Fixed income securities	45.8	47.0	40%–80%
Common and preferred stocks	31.1	31.1	17%–37%
Alternative investments	16.7	14.9	3%–23%
Total	100.0%	100.0%	

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 6.53% and 6.56% in 2017 and 2016, 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Pensions and Other Postretirement Benefits (continued)

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.

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, 2017 and 2016, based on the valuation hierarchy (in thousands):

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 87,571	\$ 5	\$ –	\$ 87,576
Fixed income securities:				
U.S. treasuries	360,138	–	–	360,138
U.S. government agencies	–	5,045	–	5,045
U.S. corporate	–	62,672	–	62,672
Foreign	–	7,513	–	7,513
Fixed income mutual funds	73,016	–	–	73,016
Common and preferred stocks:				
U.S.	69,804	–	–	69,804
Foreign	20,342	654	–	20,996
Equity mutual funds	92,189	–	–	92,189
Total assets at fair value	\$ 703,060	\$ 75,889	\$ –	\$ 778,949

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. Pensions and Other Postretirement Benefits (continued)

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>

Total plan assets in the System's defined benefit pension plans at December 31, 2017 and 2016 are comprised of the following (in thousands):

	2017	2016
Plan assets measured at fair value	\$ 778,949	\$ 753,099
Commingled fixed-income funds measured at net asset value	121,580	149,065
Commingled equity funds measured at net asset value	245,509	240,453
Alternative investments measured at net asset value	196,121	200,353
Pending purchases of alternative investments	33,000	-
Total fair value of plan assets at end of year	<u>\$ 1,375,159</u>	<u>\$ 1,342,970</u>

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 7.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

14. 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)

15. 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, 2017 and 2016, the liability for uncertainty in income taxes was \$0.6 million and \$2.3 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 gross net operating losses available for federal income tax purposes of \$121.7 million and \$121.5 million at December 31, 2017 and 2016, respectively. These losses expire in varying amounts from 2018 through 2037. A deferred tax asset of \$25.6 million and \$41.3 million relating to the net operating losses has been recorded at December 31, 2017 and 2016, respectively. A valuation allowance of \$25.5 million and \$41.3 million has been recorded at December 31, 2017 and 2016, respectively, related to the net operating loss carryforwards due to the uncertainty regarding their use.

The Tax Cuts and Jobs Act (Act) was enacted on December 22, 2017. The Act reduces the U.S. federal corporate tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that was previously tax deferred and creates new taxes on certain foreign sourced earnings. For tax-exempt entities, the Act also requires organizations to categorize certain fringe benefit expenses as a source of unrelated business income, pay an excise tax on remuneration above certain thresholds that is paid to executives by the organization, and report income or loss from unrelated business activities on an activity-by-activity basis, among other provisions. At December 31, 2017, the System has made a reasonable estimate of the tax effects of the enactment of the Act. As a result, a tax benefit of \$6.2 million was recorded for the remeasurement of the deferred tax balances at the new tax rate. Certain regulatory guidance provides for a measurement period of up to one year during which the accounting for the tax effects of the Act may be completed. The System may record further adjustments in future periods upon obtaining, preparing, or analyzing additional information about facts and circumstances that existed as of the date of enactment that would have affected the income tax effects initially reported. The System will continue to revise and refine the calculations as additional IRS guidance is issued.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

16. Commitments and Contingent Liabilities

The System leases various equipment and facilities under operating lease arrangements. Total rental expense in 2017 and 2016 was \$66.2 million and \$73.6 million, respectively. Minimum operating lease payments over the next five years are as follows (in thousands): 2018 – \$49,542; 2019 – \$36,418; 2020 – \$31,199; 2021 – \$27,880; and 2022 – \$24,344.

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, 2017, total remaining minimum operating lease payments were \$27.2 million.

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, 2017, total remaining minimum operating lease payments were \$71.3 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, 2017, total remaining minimum operating lease payments were \$37.4 million.

At December 31, 2017, the System has commitments for construction and other related capital contracts of \$485.5 million and letters of credit of \$0.7 million. Guarantees of mortgage loans made by banks to certain staff members are \$18.5 million at December 31, 2017. In addition, the System has remaining commitments to invest approximately \$635.4 million in alternative investments at December 31, 2017. The largest commitment at December 31, 2017, to any one alternative strategy manager is \$81.0 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.

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

16. Commitments and Contingent Liabilities (continued)

Pledge liabilities to various foundations and other entities at December 31, 2017 are as follows (in thousands): 2018 – \$15,642; 2019 – \$500; 2020 – \$4,800; 2021 – \$500; 2022 – \$4,600; and thereafter – \$13,700. The unamortized discount on pledge liabilities at December 31, 2017 was \$4.0 million. Pledge liabilities are recorded in other current liabilities and other noncurrent liabilities in the consolidated balance sheets.

17. Endowment

The System's endowment consists of approximately 323 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)

17. 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 \$0.1 million and \$0.6 million as of December 31, 2017 and 2016, 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)

17. Endowment (continued)

Changes in Endowment Net Assets

The following table summarizes the changes in endowment net assets for the years ended December 31, 2017 and 2016 (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2016	\$ 38,787	\$ 260,310	\$ 299,097
Investment income	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
Investment income	2,251	–	2,251
Net appreciation	38,172	–	38,172
Contributions	–	22,160	22,160
Appropriation of endowment assets for expenditure	(5,325)	–	(5,325)
Endowment net assets, December 31, 2017	\$ 82,361	\$ 299,449	\$ 381,810

18. Functional Expenses

The System provides healthcare services and education and performs research. Expenses related to these functions were as follows (in thousands):

	2017	2016
Healthcare services	\$ 6,464,006	\$ 6,240,880
Research	228,789	220,137
Medical education	334,563	333,354
General and administrative	959,399	894,707
Non-healthcare services	89,687	104,890
	<u>\$ 8,076,444</u>	<u>\$ 7,793,968</u>

Cleveland Clinic Health System

Notes to Consolidated Financial Statements (continued)

19. Special Charges

The System incurred and recorded special charges of \$5.5 million and \$25.6 million in 2017 and 2016, respectively. Special charges includes \$5.5 million and \$17.8 million in 2017 and 2016, respectively, 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 16 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 2016 also 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.

20. Subsequent Events

The System evaluated events and transactions occurring subsequent to December 31, 2017 through March 27, 2018, the date 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 27, 2018

Cleveland Clinic Health System

Consolidating Balance Sheet

December 31, 2017

(In Thousands)

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	\$ 27,644	\$ 213,583	\$ -	\$ 241,227
Patient receivables, net	904,105	142,450	(33,652)	1,012,903
Due from affiliates	55,942	50	(55,992)	-
Investments for current use	103,920	51,051	-	154,971
Other current assets	310,960	64,134	(368)	374,726
Total current assets	1,402,571	471,268	(90,012)	1,783,827
Investments:				
Long-term investments	7,289,000	440,697	-	7,729,697
Funds held by trustees	69,234	-	-	69,234
Assets held for self-insurance	-	159,802	-	159,802
Donor-restricted assets	685,292	32,118	-	717,410
	8,043,526	632,617	-	8,676,143
Property, plant, and equipment, net	3,819,800	879,897	-	4,699,697
Other assets:				
Pledges receivable, net	150,690	329	-	151,019
Trusts and interests in foundations	71,866	8,777	-	80,643
Other noncurrent assets	566,548	60,388	(151,926)	475,010
	789,104	69,494	(151,926)	706,672
Total assets	\$ 14,055,001	\$ 2,053,276	\$ (241,938)	\$ 15,866,339

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Liabilities and net assets				
Current liabilities:				
Accounts payable	\$ 432,859	\$ 71,024	\$ (192)	\$ 503,691
Compensation and amounts withheld from payroll	311,159	34,287	—	345,446
Current portion of long-term debt	77,208	380,677	(72)	457,813
Variable rate debt classified as current	514,396	58,874	—	573,270
Due to affiliates	50	55,942	(55,992)	—
Other current liabilities	358,475	116,352	(36,165)	438,662
Total current liabilities	1,694,147	717,156	(92,421)	2,318,882
Long-term debt:				
Hospital revenue bonds	2,861,438	—	—	2,861,438
Notes payable and capital leases	110,675	171,562	(147,397)	134,840
	2,972,113	171,562	(147,397)	2,996,278
Other liabilities:				
Professional and general liability insurance reserves	55,875	91,452	—	147,327
Accrued retirement benefits	453,710	39,123	—	492,833
Other noncurrent liabilities	526,814	40,752	—	567,566
	1,036,399	171,327	—	1,207,726
Total liabilities	5,702,659	1,060,045	(239,818)	6,522,886
Net assets:				
Unrestricted	7,397,798	950,971	(2,120)	8,346,649
Temporarily restricted	638,208	23,981	—	662,189
Permanently restricted	316,336	18,279	—	334,615
Total net assets	8,352,342	993,231	(2,120)	9,343,453
Total liabilities and net assets	\$ 14,055,001	\$ 2,053,276	\$ (241,938)	\$ 15,866,339

See accompanying note.

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	\$ 303,102	\$ 217,526	\$ —	\$ 520,628
Patient receivables, net	980,244	105,228	(26,301)	1,059,171
Due from affiliates	4,091	28	(4,119)	—
Investments for current use	—	52,126	—	52,126
Other current assets	315,649	83,554	(2,311)	396,892
Total current assets	1,603,086	458,462	(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	3,678,818	833,260	—	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	 \$ 12,745,042	 \$ 1,904,843	 \$ (188,555)	 \$ 14,461,330

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Liabilities and net assets				
Current liabilities:				
Accounts payable	\$ 409,700	\$ 75,037	\$ (2,310)	\$ 482,427
Compensation and amounts withheld from payroll	291,384	31,109	-	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	388,227	100,636	(26,302)	462,561
Total current liabilities	1,631,460	277,678	(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	5,601,653	1,018,985	(185,107)	6,435,531
Net assets:				
Unrestricted	6,253,358	838,299	(3,448)	7,088,209
Temporarily restricted	597,449	29,977	-	627,426
Permanently restricted	292,582	17,582	-	310,164
Total net assets	7,143,389	885,858	(3,448)	8,025,799
Total liabilities and net assets	\$ 12,745,042	\$ 1,904,843	\$ (188,555)	\$ 14,461,330

See accompanying note.

Cleveland Clinic Health System

Consolidating Statements of Operations and Changes in Net Assets

Year Ended December 31, 2017

(In Thousands)

Operations

	Obligated Group	Non-Obligated Group	Consolidating Adjustments and Eliminations	Consolidated
Unrestricted revenues				
Net patient service revenue	\$ 7,151,809	\$ 916,179	\$ (273,437)	\$ 7,794,551
Provision for uncollectible accounts	(240,971)	(55,498)	—	(296,469)
Net patient service revenue less provision for uncollectible accounts	6,910,838	860,681	(273,437)	7,498,082
Other	769,719	302,217	(163,016)	908,920
Total unrestricted revenues	7,680,557	1,162,898	(436,453)	8,407,002
Expenses				
Salaries, wages, and benefits	4,291,356	587,955	(314,171)	4,565,140
Supplies	693,166	101,572	(1,373)	793,365
Pharmaceuticals	872,841	84,204	—	957,045
Purchased services and other fees	435,791	126,802	(29,548)	533,045
Administrative services	151,282	70,462	(22,881)	198,863
Facilities	269,428	68,627	(3,684)	334,371
Insurance	66,917	58,839	(64,696)	61,060
	6,780,781	1,098,461	(436,353)	7,442,889
Operating income before interest, depreciation, and amortization expenses	899,776	64,437	(100)	964,113
Interest	128,956	11,868	—	140,824
Depreciation and amortization	424,771	62,569	(100)	487,240
Operating income (loss) before special charges	346,049	(10,000)	—	336,049
Special charges	—	5,491	—	5,491
Operating income (loss)	346,049	(15,491)	—	330,558
Nonoperating gains and losses				
Investment return	830,497	65,642	—	896,139
Derivative gains (losses)	44	(2,349)	—	(2,305)
Other, net	(70,802)	(3,276)	—	(74,078)
Net nonoperating gains	759,739	60,017	—	819,756
Excess of revenues over expenses	1,105,788	44,526	—	1,150,314

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	\$ 6,887,704	\$ 923,407	\$ (260,045)	\$ 7,551,066
Provision for uncollectible accounts	(263,904)	(37,790)	—	(301,694)
Net patient service revenue less provision for uncollectible accounts	6,623,800	885,617	(260,045)	7,249,372
Other	641,776	307,632	(161,573)	787,835
Total unrestricted revenues	7,265,576	1,193,249	(421,618)	8,037,207
Expenses				
Salaries, wages, and benefits	4,126,743	576,451	(272,212)	4,430,982
Supplies	646,496	103,608	(1,031)	749,073
Pharmaceuticals	791,831	70,866	—	862,697
Purchased services and other fees	408,744	140,171	(42,808)	506,107
Administrative services	155,122	68,448	(26,612)	196,958
Facilities	276,000	71,361	(3,984)	343,377
Insurance	67,628	74,089	(74,971)	66,746
	6,472,564	1,104,994	(421,618)	7,155,940
Operating income before interest, depreciation, and amortization expenses	793,012	88,255	—	881,267
Interest	126,401	9,704	—	136,105
Depreciation and amortization	405,832	70,473	—	476,305
Operating income before special charges	260,779	8,078	—	268,857
Special charges	968	24,650	—	25,618
Operating income (loss)	259,811	(16,572)	—	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 of revenues over expenses	511,653	1,854	—	513,507

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, 2016	\$ 6,676,176	\$ 836,270	\$ (3,448)	\$ 7,508,998
Excess of revenues over expenses	511,653	1,854	—	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)
Other	16	788	—	804
Increase in total net assets	467,213	49,588	—	516,801
Total net assets at December 31, 2016	7,143,389	885,858	(3,448)	8,025,799
Excess of revenues over expenses	1,105,788	44,526	—	1,150,314
Restricted gifts and bequests	118,562	2,109	—	120,671
Restricted net investment income	51,721	3,391	—	55,112
Net assets released from restrictions used for operations included in other unrestricted revenues	(38,081)	(3,594)	—	(41,675)
Retirement benefits adjustment	(7,257)	3,884	—	(3,373)
Transfers (to) from affiliates	(27,471)	27,471	—	—
Change in restricted net assets related to interest in foundations	5,047	—	—	5,047
Change in restricted net assets related to value of perpetual trusts	1,717	618	—	2,335
Foreign currency translation gain	—	29,301	—	29,301
Other	(1,073)	(333)	1,328	(78)
Increase in total net assets	1,208,953	107,373	1,328	1,317,654
Total net assets at December 31, 2017	\$ 8,352,342	\$ 993,231	\$ (2,120)	\$ 9,343,453

See accompanying note.

Cleveland Clinic Health System
Consolidating Statement of Cash Flows

Year Ended December 31, 2017
(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	\$ 1,208,953	\$ 107,373	\$ 1,328	\$ 1,317,654
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	46,159	—	—	46,159
Retirement benefits adjustment	7,257	(3,884)	—	3,373
Net realized and unrealized gains on investments	(832,374)	(65,467)	—	(897,841)
Depreciation and amortization	424,771	65,992	(100)	490,663
Provision for uncollectible accounts	240,971	55,498	—	296,469
Foreign currency translation gain	—	(29,301)	—	(29,301)
Donated capital	—	—	—	—
Restricted gifts, bequests, investment income, and other	(177,047)	(6,118)	—	(183,165)
Transfers to (from) affiliates	27,471	(27,471)	—	—
Amortization of bond premiums and debt issuance costs	(3,118)	12	—	(3,106)
Net gain in value of derivatives	(26,509)	—	—	(26,509)
Changes in operating assets and liabilities:				
Patient receivables	(164,832)	(92,720)	7,351	(250,201)
Other current assets	(59,278)	19,521	49,930	10,173
Other noncurrent assets	(53,297)	(9,392)	(3,798)	(66,487)
Accounts payable and other current liabilities	5,764	70,258	(59,618)	16,404
Other liabilities	111,364	(18,969)	—	92,395
Net cash provided by operating activities and net nonoperating gains and losses	756,255	65,332	(4,907)	816,680
Financing activities				
Proceeds from long-term borrowings	1,118,137	2,710	(2,710)	1,118,137
Payments for advance refunding and redemption of long-term debt	(1,110,120)	—	—	(1,110,120)
Principal payments on long-term debt	(86,096)	(5,778)	7,617	(84,257)
Debt issuance costs	(8,173)	—	—	(8,173)
Change in pledges receivables, trusts and interests in foundations	(1,482)	276	—	(1,206)
Restricted gifts, bequests, investment income, and other	177,047	6,118	—	183,165
Net cash provided by financing activities	89,313	3,326	4,907	97,546
Investing activities				
Expenditures for property, plant, and equipment	(519,040)	(88,680)	—	(607,720)
Proceeds from sale of property, plant, and equipment	1,070	416	—	1,486
Net change in cash equivalents reported in long-term investments	(394,195)	31,682	—	(362,513)
Purchases of investments	(2,226,802)	(214,566)	—	(2,441,368)
Sales of investments	2,045,412	169,822	—	2,215,234
Transfers (to) from affiliates	(27,471)	27,471	—	—
Net cash used in investing activities	(1,121,026)	(73,855)	—	(1,194,881)
Effect of exchange rate changes on cash	—	1,254	—	1,254
Decrease in cash and cash equivalents	(275,458)	(3,943)	—	(279,401)
Cash and cash equivalents at beginning of year	303,102	217,526	—	520,628
Cash and cash equivalents at end of year	\$ 27,644	\$ 213,583	\$ —	\$ 241,227

See accompanying note.

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	\$ 467,213	\$ 49,588	\$ -	\$ 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	405,832	85,460	-	491,292
Provision for uncollectible accounts	263,904	37,790	-	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	(364,728)	(48,474)	2,641	(410,561)
Other current assets	45,182	(17,099)	3,030	31,113
Other noncurrent assets	(191,171)	29,839	102,773	(58,559)
Accounts payable and other current liabilities	98,026	(431)	(5,671)	91,924
Other liabilities	23,621	(14,693)	-	8,928
Net cash provided by operating activities and net nonoperating gains and losses	390,923	42,441	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, plant, and equipment	(614,364)	(50,339)	-	(664,703)
Proceeds from sale of property, plant, 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) provided by investing activities	(661,943)	59,121	-	(602,822)
Effect of exchange rate changes on cash	(73)	(2,206)	-	(2,279)
Increase in cash and cash equivalents	194,666	76,382	-	271,048
Cash and cash equivalents at beginning of year	108,436	141,144	-	249,580
Cash and cash equivalents at end of year	\$ 303,102	\$ 217,526	\$ -	\$ 520,628

See accompanying note.

Cleveland Clinic Health System

Note to Consolidating Financial Statements

December 31, 2017 and 2016

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 Avon Hospital, 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.

In 2017, concurrently with the issuance of the Series 2017A and Series 2017B Bonds, Cleveland Clinic Avon Hospital became a member of the Obligated Group. Cleveland Clinic Avon Hospital is reported as a member of the Obligated Group for all periods presented in the accompanying consolidating financial statements.

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