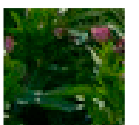
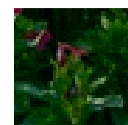
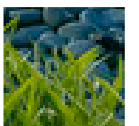
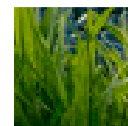
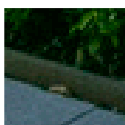
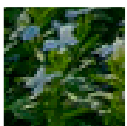


CookChildren's[®]

ANNUAL REPORT



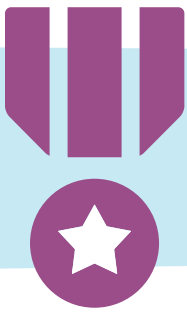
2016

Our Promise

Knowing that every child's life is sacred, it is the Promise of Cook Children's to improve the health of every child in our region through the prevention and treatment of illness, disease and injury.







Awards and accolades



Cook Children's Medical Center nurses receive Magnet® redesignation...again!

Magnet® honors the best in nursing excellence. And, Cook Children's Medical Center nurses have been recognized three times, an honor achieved by less than three percent of health care organizations nationwide.

Cook Children's Medical Center has been a Magnet-designated organization since 2006. Since then, Cook Children's has been redesignated twice, in January 2011 and March 2016. The Magnet award is one of the most coveted and prestigious honors a hospital and nursing staff can achieve. It is given by The American Nurses Credentialing Center (ANCC), a subsidiary of the American Nurses Association. ANCC developed the Magnet program to recognize health care organizations that give the very best in nursing care and uphold traditions within the nursing profession.

"This is not just an incredible statement about the excellent nursing that occurs here at Cook Children's," said Nancy Cychol, chief of hospital services at Cook Children's Medical Center. "It speaks to our outstanding team from all corners of the medical center, and beyond, that come together to look after, care for and embrace the patients and families we serve."



U.S. News & World Report recognizes Cook Children's

Cook Children's specialties were once again recognized on the *U.S. News & World Report's* list of "Best Children's Hospitals."

The 2016-2017 rankings include:

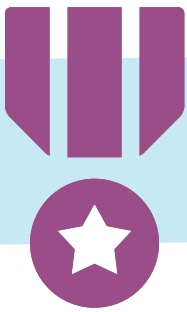
Orthopedics #35
Neurology & Neurosurgery #37
Cancer #40
Neonatology #42
Diabetes and Endocrinology #50



We're Gr8!

Locally, *The Dallas Morning News* ranked Cook Children's as the top health care employer in the DFW Metroplex. Our Promise has united us and made us great for eight straight years. We are one of only four employers with this distinction.





Awards and accolades

Encouraging our employees to lead healthy lives

In 2016, Cook Children's was one of 40 local recipients to receive the *Dallas Business Journal's* 2016 Healthiest Employers in North Texas awards. This award was received in recognition of Cook Children's Healthy Me wellness program. Healthy Me is a wellness initiative that creates an overall culture of health and wellness for our employees. Currently, nearly 2,500 employees participate in this program.

Cook Children's Information Services team is wired

For the fifth straight year, Cook Children's Information Services team was named to *Hospitals & Health Network* magazine's "Most Wired Hospitals" list for maximizing the capabilities of information technology to improve quality care and patient safety.

Bone Marrow and Stem Cell Transplant program reaches milestone

Since it began in 1986, Cook Children's Bone Marrow and Stem Cell Transplant program has become one of the most diverse and experienced pediatric transplant programs in the Southwest. And, on Sept. 22, 2016, the program performed its 1,000th bone marrow transplant. Over the last 30 years, thanks to burgeoning technology, participation in clinical trials and being a National Marrow Donor Program center for transplant, collection and donation, Cook Children's has become the third largest transplant program in Texas.

Heroes come in all shapes and sizes

When our employees make a promise, they keep it. Three members of our Cook Children's family were named 2016 Healthcare Heroes by *Fort Worth Business Press*:

Jamye Coffman, M.D.

Sandra Manning

Michelle Vinson

A GREAT honor

Nurse Residency Manager Ann Louise Smith, Ph.D., CPNP, CNE, RN, was named to the 2016 class of DFW Great 100 Nurses. Ann was a leader in creating Cook Children's Nurse Residency program, which graduated its 17th cohort in September 2016.

We've got top docs

Cook Children's had 58 privileged physicians recognized on *Fort Worth, Texas Magazine's* annual Top Doctors list.

Making research a priority

Cook Children's Endowed Chair program enables recipients to intensify their focus of interest, further elevate their work and improve their impact on children's health. In May 2016, Scott Perry, M.D., was named the fifth recipient of a Distinguished Endowed Chair. His work will focus on the development of our Comprehensive Epilepsy program.

Our very own Rare Disease Hero

If you're like most people, you've probably never heard of congenital hyperinsulinism. That's because it's rare, affecting between 80 and 120 babies each year. But for those who are affected, it can be life-changing and without an accurate diagnosis, can cause seizures and permanent brain damage.

Paul Thornton, M.D., is the medical director of Cook Children's Hyperinsulinism Center, one of only two such centers in the U.S., and the only one in the southern portion of the country. He has dedicated his life to researching and treating congenital hyperinsulinism (HI), and in turn has helped improve the quality of life for countless children.

On October 17, 2016, Dr. Thornton was named a Rare Disease Hero by *Rare Disease Communications*. The national award recognizes five physicians each year for groundbreaking research and treatment in the rare disease community.





Investing in the future of our children



A new South Tower on the Cook Children's Medical Center campus is helping our organization make a difference in the lives of more patient families

In January 2016, we began opening sections of the South Tower, with additional areas opening in 2017. The newest tower holds an expanded Emergency Department, surgical/operating room (OR) suites, Heart Center (including new operating rooms, catheterization laboratories, critical care unit and step-down beds), echocardiogram suite, Rees-Jones Behavioral Health Center for in-patient and partial hospitalization and shelled space for continued growth.

Departments that moved in during 2016 include:

Lower level: Lab, blood bank, sterile processing and pathology.

Each of these areas has a newly designed space with enhanced technology.

Second floor: Surgical/OR suites.

On Dec. 5, 2016, the first patient was seen in our new surgical/OR suite. This suite includes 12 state-of-the-art technology operating rooms with specialized equipment for neurosurgery and orthopedic surgery, a 24-bed recovery unit and a 3 Tesla magnet equipped iMRI suite.

Dillard Family Garden: Adding more beauty to our campus

At Cook Children's, we know being able to escape the medical center's walls can be vital to the healing process. Our families now have such a place: the Dillard Family Garden. The garden gives patients and families a quiet and tranquil place to visit outdoors, just steps from the medical center. The new garden was designed to encompass our values and Promise. It features braided trails symbolizing that each patient's journey is unique, but we all come together to improve the health of every child. The garden also includes artwork, shaded seating areas, flowers, a fountain and more than 20 trees. This garden was made possible by the generosity of the Kelly and Jeff Dillard Family Foundation in honor of their children Mikal, Bud, Garrett, Tucker, Kelly and Bennie.

Putting the special in specialties

In September 2016, Cook Children's added a new specialty to its long list of services. The Urology/Genitourinary Institute is dedicated to treating a wide variety of genitourinary conditions, some of them rare. Many of these conditions require unique services such as robotic surgery and our clinical research in urodynamics. Cook Children's Urology/Genitourinary team specializes in providing advanced care for newborns, infants, children, teens and young adults with genitourinary conditions. As part of this new institute, the Genitourinary Research, Education and Treatment (GREAT) Kids program is led by a team of world-renowned medical professionals with expertise in both common and rare genitourinary diseases and conditions to the children of North Texas and beyond.

Also, Cook Children's physicians are conducting a study on the development of an intervention for parents of children with atypical genitalia. Development of an Intervention for Parents of Children with Atypical Genitalia, sponsored by the National Institute of Health, focuses on understanding parents' uncertainty in the context of raising a child with atypical/ambiguous genitalia. We will interview parents to learn about the aspects of the child's diagnosis that were most concerning or difficult for them, as well as identifying things that helped them to cope better. We will use this information to develop an internet-delivered, six module intervention aimed at helping parents reduce their uncertainty while increasing their positive coping skills.



Expanded horizons

Primary care

In December 2015, Cook Children's primary care office located on Sixth Avenue in Fort Worth relocated to a new location in the Carter Blood Care building at 1263 West Rosedale Street. The new location gives the staff additional space for family amenities, such as a dedicated breast-feeding room for moms. Additionally, because of the new space, the team added a third full-time doctor, Joyce Rafati, M.D.

Paulette See, M.D., began seeing patients at a new Cook Children's primary care office in Haslet in January 2016. Since then, the practice was named as a partner in education with Northwest Independent School District. It also quickly jumped onboard the pilot program to offer virtual visits after hours to patient families in late 2016, along with the Trophy Club, Fort Worth – Forest Park and Flower Mound primary care practices.

Urgent care

In September 2016, Cook Children's opened the doors to its newest Urgent Care and Pediatric Specialties – Alliance location to serve families close to their homes in the North Fort Worth and Keller areas. The new 33,800 square-foot facility provides convenient access to urgent care and specialties services.

Cook Children's Urgent Care and Pediatric Specialties – Alliance has a vibrant and fun superhero theme throughout its halls and more than a dozen urgent care exams rooms.

The urgent care center was one of our first to offer convenient online check-in so parents can wait in line – online. Our dedicated staff offers a host of specialties and services, including Cardiology and Adult Congenital Heart Disease, Ear, Nose and Throat (ENT), Orthopedics, Pediatric Surgery, Endocrinology, Behavioral Health, Gastroenterology, Neurology, Pulmonary, Nephrology and an on-site lab specimen collection center.

Location fast facts

Urgent care includes:

- 10 exam rooms (include one negative pressure exam room)
- 1 X-ray room
- 2 triage areas
- 3 fast-track exam rooms
- 2 trauma rooms
- Room for a future lab and pharmacy

The specialty care area includes:

- 10 ortho exam rooms
- 9 specialty exam rooms
- 4 ENT exam rooms
- Behavioral department and observation rooms with therapy areas
- Procedure room, stress exam room and echo exam room
- 2 X-ray rooms (1 for future use)



Neighborhood clinics

In November 2016, the seventh Cook Children's Neighborhood Clinic opened and began seeing patients in Richland Hills. By offering services in underserved areas, our neighborhood clinics are able to provide a medical home to families who might normally frequent the Emergency Department for routine medical care.

Home health

In February 2016, Cook Children's Home Health moved its location on Eighth Avenue in Fort Worth to a new 52,000 square-foot facility on West Vickery in February 2016. With the new space, all clinical, administrative and support teams are located in one place.

Stretching to meet patient needs

In October 2016, Cook Children's completed renovations at its Hurst locations for Rehabilitation Services Northeast and Sports Performance Orthopedic Rehab Team Specialists (SPORTS). Both were under construction for 12 months.

The renovated rehabilitation space includes:

- Specialized flooring for rehabilitation therapy gym.
- Two audiology booth.
- Dedicated treatment space for our feeding program, auditory verbal therapy program and wound care therapy.

This location can now see an average of 80 rehabilitation services patients daily.

The redesigned SPORTS rehabilitation space includes:

- Specialized flooring for the SPORTS gym.
- Dedicated treatment space for our concussion/vestibular program and hand therapy program.

This location provides therapy to an average of 40 patients daily.

Breaking down borders to treat more patients

Cook Children's international program includes a dedicated, multilingual team of care providers to help families so they can focus on their child's health. They work to meet each individual family's needs, including coordinating travel plans, accommodations and other services as needed.

The international program treated 35 patients from October 1, 2015 to September 30, 2016. These international patients have received a range of treatments, including selective dorsal rhizotomy and deep brain stimulation. Going forward, the International Patient Services team will continue to strengthen relationships and gain referrals in Latin American and the Middle East. The program will be represented at various conferences, such as Arab Health, National Confederation of Pediatrics of Mexico (CONAPEME), Colombian society of pediatricians (SCP) and American Academy of Pediatrics (AAP).

Improving patient care

The Jane and John Justin Neurosciences Center at Cook Children's began performing selective dorsal rhizotomy (SDR) for patients with cerebral palsy in 2016.

SDR is a surgery performed on the spinal cord in the lower back of children with cerebral palsy or spasticity in the legs. In the surgery, specific dorsal rootlets are cut to reduce the muscle spasticity while preserving the child's ability to move. Most candidates are able to walk, with or without the use of an assistive device, and have relatively good leg strength and muscle control. However, there are some cases in which we perform surgery in non-ambulatory children, in order to improve their care. SDR is usually performed on children between the ages of 2-10 years who have a diagnosis of cerebral palsy causing increased spasticity, or stiffness, in their legs. It improves gait and leg function and allows the child to be more autonomous, so he/she can sit more comfortably or control a wheelchair independently. In 2016, Cook Children's neurosurgeons performed six SDR procedures.





Expanded horizons

Patient care takes to tech

Virtual medicine is not new to Cook Children's. In fact, our specialists have been conducting telemedicine visits in our regional outpatient clinics for more than a decade. But, Cook Children's Telehealth and Telemedicine program is now expanding to be much more than that. In fiscal year 2016, our telemedicine program grew to include a school-based program, inpatient specialty care and after-hour virtual visits with select primary care physicians.

With specialized equipment, our nurse practitioners, primary care physicians and specialists are able to consult remotely with other medical professionals, school nurses, parents and caregivers directly via secure medical quality video conferencing capabilities. They can provide diagnostics, second opinions, review charts and test results and consult with parents and caregivers on potential treatment options.



A healthy mouth can lead to a healthy body

Cook Children's Neighborhood Clinic in the Renaissance neighborhood of Fort Worth began offering dental services in 2016. The program was so successful that the clinic met its fiscal year goal of 5,940 dental patients by July 2016. In addition, this location began offering after-hour medical appointments for the first time in December 2016.



Lobbying for the kids in our community

In July 2016, Cook Children's Health Care System President and CEO Rick W. Merrill testified before the House Energy and Commerce Committee in Washington, D.C., in support of the Advancing Care for Exceptional Kids Act of 2015 (ACE Kids Act, H.R. 546/S. 298).

"Representing children's hospital and the millions of families we serve, I outlined for the Committee how the ACE Kids Act would improve Medicaid for our most vulnerable children," said Merrill. "Medicaid, a federal-state partnership, is the largest payer of pediatric health care services, and it provides excellent benefits and services for kids. However, the structure of Medicaid, which gives states great flexibilities, presents challenges in caring for such a special group of children."

"When you see the world through the eyes of a child with medical complexity, you see families struggling with unimaginable physical, emotional and financial challenges," said Merrill. "But you also see the hope and healing that children's hospitals can bring to these families."

To further help raise awareness of the ACE Kids Act, Cook Children's produced a video depicting the experiences of families with children with serious medical conditions. "Through the Eyes of a Child" was shared with Children's Hospital Association members and had more than 25,000 views on social media within the first three days.





Generosity heals

Cook Children's and our patients and families experience the generous spirit of our community each and every day. For nearly 100 years, philanthropy has fueled Cook Children's Promise to improve the health of every child in our region through the prevention and treatment of illness, disease and injury. With the uncertainty of health care reform and the reality of shrinking insurance reimbursements, our partnership with individuals, corporations, organizations and foundations becomes increasingly important to fulfilling our Promise.

In 2016, Cook Children's Health Foundation received **41,140 gifts** totaling **\$27,997,127**, including gifts from:

3,467 Cook Children's employees who contributed
a total of **\$770,479**

55 events held throughout the year by individuals,
community groups and businesses which raised **\$1,347,721**

33 Children's Miracle Network national corporate
partners and **8** national programs at Cook Children's
that raised **\$1,655,535**

Some of the projects that our donor community helped fund are:

**The new Rees-Jones Behavioral Health Center • A new 3 Tesla inter-operative MRI for neurosurgery
Expansion of the Sit...Stay...PLAY facility dog program • Access to clinical trials for children fighting cancer**

We are grateful to all who support Cook Children's Health Foundation goals to:

Provide each child the very best care possible

Maintaining Cook Children's stature as a leading pediatric health care system requires investing in specialized equipment, recruiting and retaining top physicians and staff, participating in clinical research and providing care for families without insurance or the ability to pay.

Serve the needs of families in crisis

Services such as art and music therapy, family support groups and emergency meal and transportation assistance produce no revenue and are not covered by insurance, but they are critical to healing and to fulfilling our Promise.

Make our region the healthiest and safest place to raise a child

Cook Children's operates seven community clinics which provide a medical home for children in low income neighborhoods. Our Center for Children's Health works across our community and service areas to provide education and awareness to prevent child abuse, reduce obesity, mitigate childhood asthma and prevent drowning.

These goals are not achievable without your generous support.





Community benefit



Cook Children's Community Health Outreach (CHO) department works with more than 262 partner organizations throughout our six-county region to improve the safety and health of at-risk children through education, disease and injury prevention and advocacy. Cook Children's is currently leading nine coalitions and partnerships, each devoted to specific regions and/or health issues:

*Children's Oral Health Coalition • Healthy Children Coalition for Parker County
Hood County for Healthy Children • Safe Kids Tarrant County • Save a Smile
Wellness Alliance for Total Children's Health of Denton County • Wise Coalition for Healthy Children*

In fiscal year 2016, we are proud to have:

- Served **13,703** children, families and community partners.
- Distributed **144,874** educational pieces and provided **78,761** prevention tools related to the prevention of injuries, oral health disease, childhood obesity and child abuse, improvement of mental health and Community-wide Children's Health Assessment and Planning Survey data.
- Collaborated with more than **262** organizations and engaged **1,185** general volunteers which includes **633** unduplicated volunteers in our six-county primary service area with **6,388** hours of support and a value of **\$206,335**.
- Checked **1,210** car seats for correct installation and distributed **722** car seats through our Safe Kids Tarrant County program.
- Through Save a Smile, **5,746** children were evaluated for dental disease.
- **75** Save a Smile volunteer dentists donated services to **289** children, totaling **\$585,286**.
- Distributed **32,298** oral hygiene kits with toothbrushes, tubes of toothpaste and resource brochures to underserved children through the Children's Oral Health Coalition and Save a Smile.

BY THE



203,181

Emergency Department/Urgent Care visits



10,947

Cook Children's Medical Center admissions



4,280

Inpatient surgeries



15,020

Outpatient surgeries



10

Deep brain stimulation surgeries



461

Heart catheterizations



495

Cardiothoracic surgery procedures



47

Stem cell/bone marrow transplants



985

Neonatal Intensive Care Unit admissions



1,547

Pediatric Intensive Care Unit admissions



5,046

Cook Children's Home Health nursing visits



19,642

Cook Children's Home Health rehabilitation visits



502,070

Pediatric office visits



107,352

Cook Children's Neighborhood Clinic office visits



500,978

Specialty Patient Encounters

Financial statement

Net revenue

Cook Children's Medical Center	\$867,714
Cook Children's Physician Network	\$179,418
Cook Children's Home Health	\$53,294
Cook Children's Health Plan	\$321,501
Investment income	\$22,142
Other revenue	\$87,325
Total sources of revenue	\$1,531,394

Operating expense	\$1,023,469
Community benefit	\$180,736
Interest expense and fees	\$27,907
Capital expenditures	\$170,873
Funds available to reinvest in children's health	\$128,409
Total uses of revenue	\$1,531,394

Dollar amounts above are in thousands

Charity care at cost

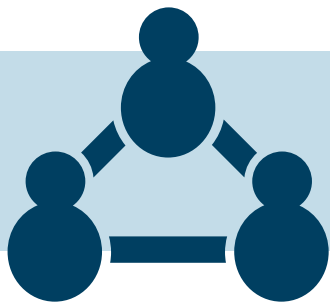
Cook Children's Medical Center	\$4,365,790
Cook Children's Physician Network	\$951,696
Cook Children's Home Health	\$111,586
Total charity care	\$5,429,072

Total uncompensated care at cost

(charity + Medicare shortfall + Medicaid shortfall + bad debt)

Cook Children's Medical Center	\$90,495,932
Cook Children's Physician Network	\$6,467,112
Cook Children's Home Health	\$16,281,288
Total uncompensated care	\$113,244,332





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June 2016 to May 2017

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Mary Anne Polson, President – Jewel Charity Inc.
Jane Sykes, President – Woman's Board



Fast facts for fiscal year 2016

Inpatient care

Licensed beds	430
Admissions	10,947

Patient transport

Ambulance	3,049
Airplane	281
Helicopter	225
Total patient transports	3,555

Home care

Skilled visits	19,642
Equipment/supply items	2,771,143
Pharmacy doses	240,513

Our people

Medical staff	715
Volunteers	1,011
Volunteer hours	97,383
Employees	6,694

Cook Children's Health Plan

Membership	122,500
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CookChildren's

cookchildrens.org