



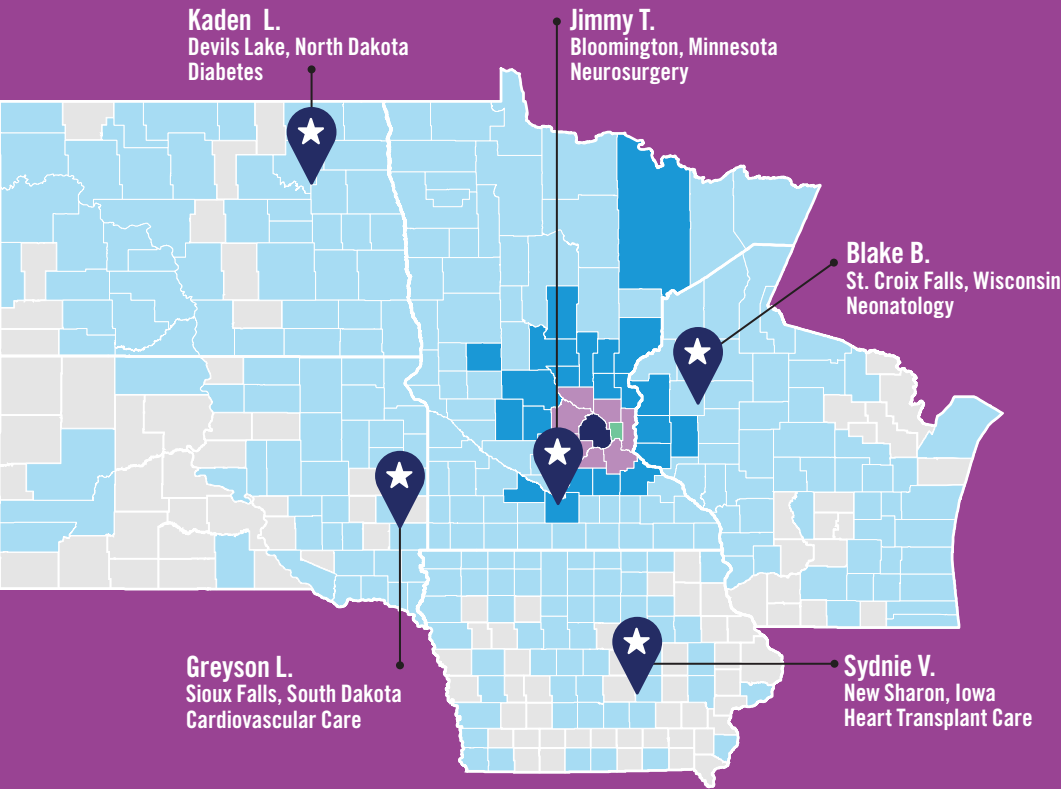
WE ARE CHILDREN'S MINNESOTA

ANNUAL REPORT 2019



MINNESOTA & BEYOND

Children’s Minnesota is one of the largest pediatric health systems in the United States, and the only health system in Minnesota to provide care exclusively to children — from before birth through young adulthood. We care for kids from across the Upper Midwest, drawing patients from not just Minnesota but also Wisconsin, Iowa, North Dakota, South Dakota and beyond.



502,685
HOSPITAL, SURGICAL
& CLINIC VISITS



AWARD-WINNING PEDIATRIC CARE

In 2019, Children’s Minnesota was once again named by U.S. News & World Report, which ranked us among the best in the country in four key areas: pulmonology, diabetes and endocrinology, neonatology, and nephrology (in partnership with M Health Masonic Children’s Hospital). We were also honored to earn re-verification as a Level I pediatric trauma center and be the state’s first Level I children’s surgery center. Local honors included the recognition of nearly 200 Children’s Minnesota physicians as Top Doctors by Mpls.St.Paul Magazine.



DEAR SUPPORTERS

In this report, we look back at 2019. But we’re writing it in the spring of 2020, in the throes of a global health crisis. As hard as this time has been, I’ve seen amazing teamwork and compassion. I’m so proud to work for Children’s Minnesota.

And I’m proud of what we accomplished in 2019. With the help of donors and our community, we continued to reimagine health care for children.

We did that by strengthening key specialties, including neonatology and heart transplants. We launched a much-needed program to meet the special health needs of transgender youth. We shared our expertise with other medical leaders across the world to combat major challenges, such as the dangers of vaping.

We made a difference to thousands of kids and families in our region – facing everything from cancer to seizures to broken bones.

Along the way, we were encouraged by the recognition of national awards. U.S. News & World Report once again named Children’s Minnesota a top pediatric hospital, ranking us among the best in the country in four complex areas of care.

We also celebrated a big milestone — two, actually. We marked 25 years of caring for kids in both our Minneapolis and St. Paul hospitals, and we looked back 95 years to the founding of the original Children’s hospital in St. Paul. It’s amazing to think: we’ve been a Minnesota nonprofit since 1924.

Through it all, we’ve relied on the commitment of our community. As a supporter of Children’s Minnesota, you are part of every story that happens in our hospitals and clinics. On behalf of our patients, families and team members, thank you.

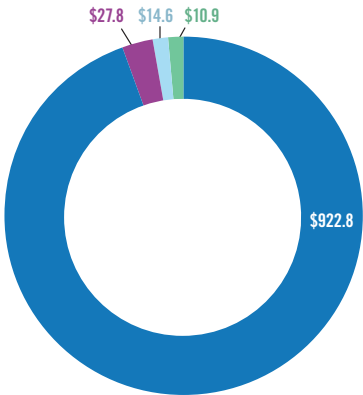
With gratitude,

Mark Gorelick, MD
President and Chief Executive Officer
Children’s Minnesota

YEAR IN REVIEW

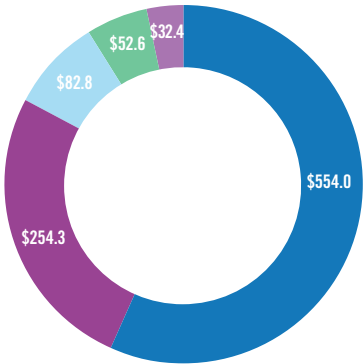
SOURCES OF REVENUE

	IN MILLIONS
Patient care reimbursement	\$922.8
Other operations	\$27.8
Grants for education and research	\$14.6
Philanthropic support	\$10.9
Total revenue	\$976.1



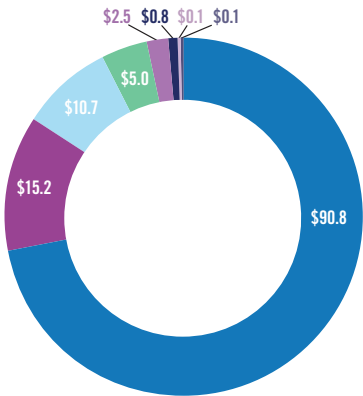
USES OF REVENUE

	IN MILLIONS
Labor cost	\$554.0
Professional fees	\$254.3
State taxes and other expenses	\$82.8
Capital costs	\$52.6
Provision for new programs	\$32.4
Total revenue	\$976.1




CONTRIBUTIONS TO COMMUNITY BENEFIT*

	IN MILLIONS
Unreimbursed costs of serving Medicaid patients	\$90.8
Subsidized health programs	\$15.2
Community health improvement services	\$10.7
Health professions education	\$5.0
Research	\$2.5
Charitable patient care	\$0.8
Contributions to community groups	\$0.1
Community building	\$0.1
Total community benefit	\$125.2



*These figures are from 2018; 2019 figures will be reported in the 2020 annual report.



Thomas George, MD, FAAP
System Medical Director, Neonatology
Medical Director, Minneapolis Level IV NICU

ADVANCING PEDIATRIC CARE

BOLSTERING THE REGION'S LEADING NEONATAL TEAM

Children's Minnesota has one of the largest neonatal programs in the country. We care for nearly 3,000 newborns every year. With so many lives at stake, it's important to have a unified, experienced and highly engaged team in place. That's why, in 2019, we bolstered neonatology by transitioning to a single provider team. This talented team, which also includes respiratory therapists, dietitians, child-life specialists, social workers and more, operates one of the only Level IV neonatal intensive care units in the region, providing care for the most premature and critically ill newborns.

PIONEERING A NEW AREA OF CARE FOR A POPULATION IN NEED

All children deserve to grow up healthy, safe and strong. For transgender youth, a population that experiences health disparities, that can be a serious challenge. In 2019, Children's Minnesota launched an exclusively pediatric gender health program to help these kids navigate their health care journey. The program, one of only a dozen in the nation, includes experts

in endocrinology, gynecology and mental health, among other disciplines. Within the first two months of opening, doctors saw almost twice as many patients as they had expected — a sure sign that the program is truly meeting a need in the community.

BEING A LEADING VOICE DURING A NATIONAL HEALTH CRISIS

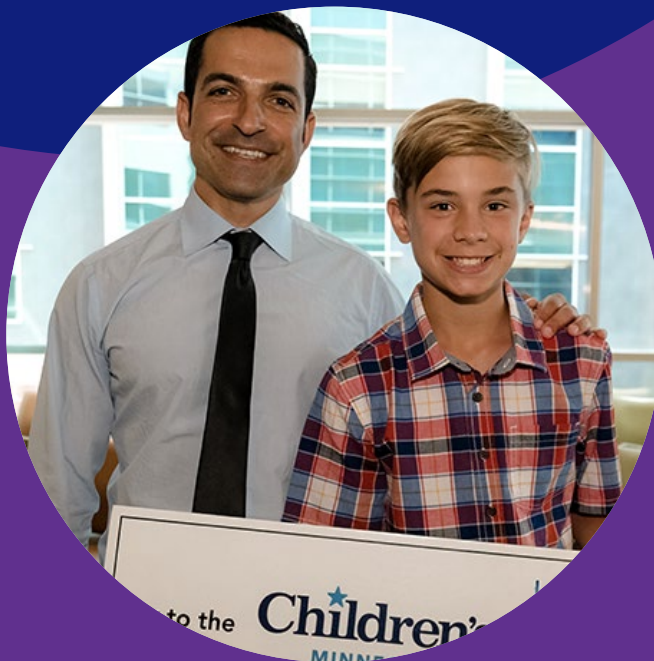
Nearly 25 percent of teens vape, many of them thinking e-cigarettes are a less toxic alternative to traditional smoking. But there are serious dangers associated with vaping, and when a cluster of cases of severe lung damage in young adults was reported last year, parents across the country were alarmed. They — and scores of national media outlets — turned to Children's Minnesota for answers. Dr. Emily Chapman, chief medical officer, and Dr. Anne Griffiths, pediatric pulmonologist, were featured in almost every major news outlet, including The New York Times, Washington Post, CNN, CBS News and NBC Nightly News.

SPOTLIGHT ON AMAZING



ELI Primary Care

Eli is always on the move. The sporty 11-year-old — he plays baseball, basketball and soccer and loves to ride his bike — stays active in spite of his asthma. The lifelong lung disease first brought Eli to Children's Minnesota as a baby, when he was hospitalized with complications from a respiratory virus. Since then, his family has relied on the Children's Minnesota asthma team and primary care physicians to manage his condition with regular checkups, breathing treatments and an always up-to-date asthma management plan. That leaves Eli free to focus on what matters most: just being a kid.



TATE Neurology

Tate's parents thought their son had a concussion. But an MRI revealed something more sinister: a rare brain tumor. The 11-year-old received treatment at Children's Minnesota, under the care of Dr. Meysam Kebriaei, a pediatric neurosurgeon and brain tumor expert. During his stay in the hospital, Tate spent time in The Child Life Zone, a place packed with entertainment for kids and built through support from Garth Brooks' Teammates for Kids Foundation. When he saw other patients there facing serious health challenges, he was moved. Months later, as he was still healing, Tate rallied his community to raise \$16,000, all to support kid-focused care at Children's Minnesota.



EVANGELINE Neonatal Care

Born in March 2019 with a serious condition called congenital diaphragmatic hernia (CDH), Evangeline would need a level of care that most hospitals can't provide. She found that help in the neonatal intensive care unit of Children's Minnesota, one of the few Level IV NICUs in the region, equipped with the life-saving technology and expertise needed for the most fragile newborns. With the help of the entire neonatal team, Evangeline fought through six months of surgeries and setbacks, eventually graduating from the NICU in November. Today she's home, happy and looking forward to a healthy childhood.



BLAKE Cardiovascular Care

For most of Blake's life, his heart was failing. By the time he turned 16, he'd already had five major surgeries to manage a condition called hypoplastic left heart syndrome (HLHS), a rare birth defect in which half of the heart is severely underdeveloped. With all other treatments exhausted, hope lay in one significant surgery: a transplant. On June 6, 2019, Blake underwent a 13-hour operation in which doctors at Children's Minnesota successfully transplanted a donated heart into his body. Today he's learning what life is like with a strong, steady heartbeat. And his family's forever grateful.

CHILDREN'S MINNESOTA FOUNDATION

Children's Minnesota Foundation is a nonprofit devoted to fundraising for the entire Children's Minnesota health system. Guided by an active board of more than 30 community leaders, the Foundation rallies philanthropic support from businesses and individuals. In 2019, they raised more than \$18 million — vital funds that we put toward investments that have the biggest impact on the lives of our patients and families.

In 2019, donors gave a record-breaking \$2.3 million at the annual Star Gala. Moved by the stories of families who've needed the specialized care Children's Minnesota provides, our philanthropic community donated vital funds to support the treatment of rare and complex genetic conditions.



"I am incredibly grateful for the many ways our generous community supports the work we do at Children's Minnesota. 2019 was no exception – thousands of donors helping to provide the best health care to kids in our region. It wouldn't be possible without you!"

Jennifer L. Soderholm
SVP and Chief Development Officer
President, Children's Minnesota Foundation

CHILDREN'S MINNESOTA FUNDRAISING RESULTS

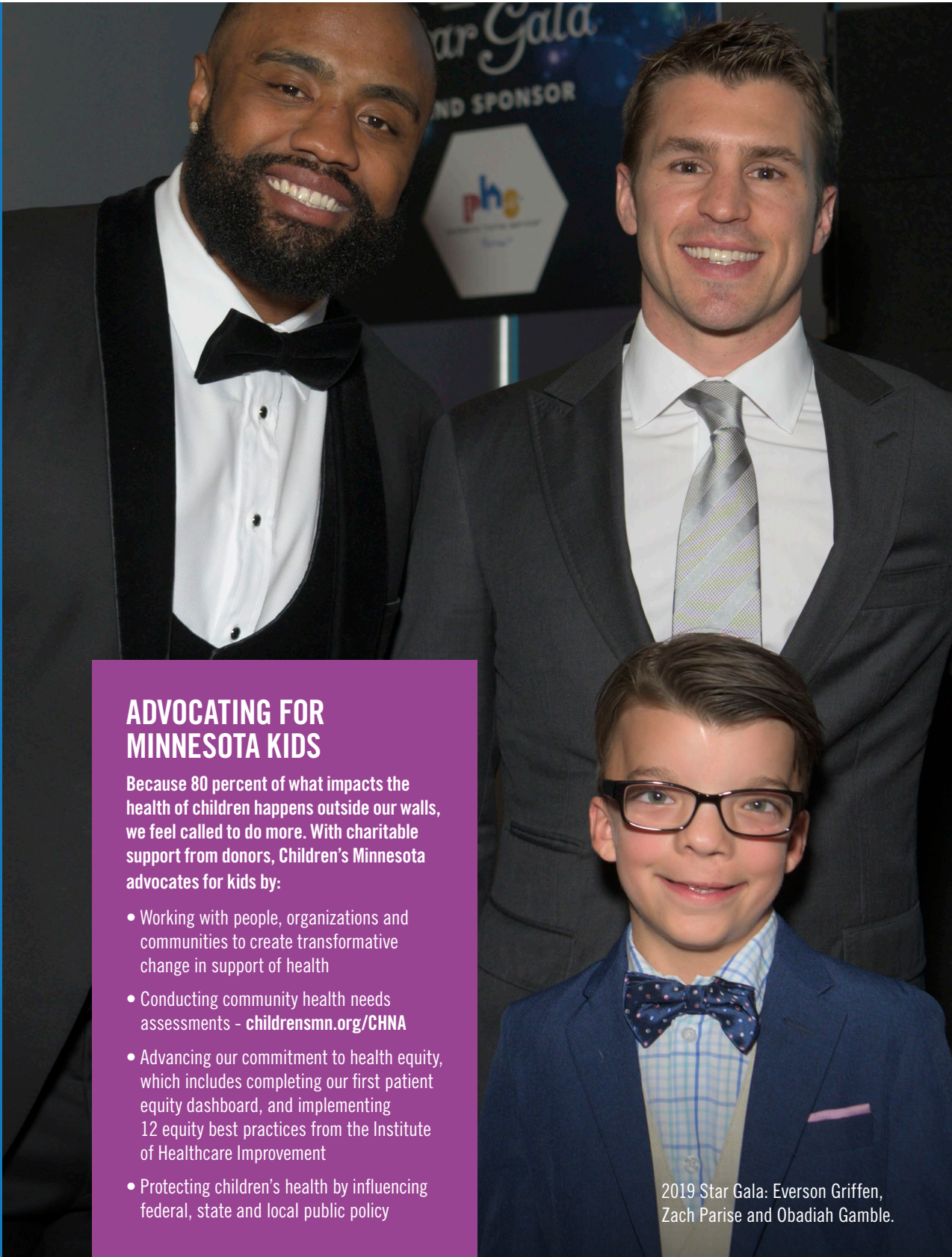
USES OF CONTRIBUTIONS	IN MILLIONS
Program services – operations	\$15.0
Program services – capital	\$1.2
Provisions for future program services	\$2.0
Total	\$18.2

PROGRAM SUPPORT	PERCENT
Pediatric care and clinical excellence	59%
Family support	18%
Education and research	13%
Community outreach	10%
Total	100%

ADVOCATING FOR MINNESOTA KIDS

Because 80 percent of what impacts the health of children happens outside our walls, we feel called to do more. With charitable support from donors, Children's Minnesota advocates for kids by:

- Working with people, organizations and communities to create transformative change in support of health
- Conducting community health needs assessments - childrensmn.org/CHNA
- Advancing our commitment to health equity, which includes completing our first patient equity dashboard, and implementing 12 equity best practices from the Institute of Healthcare Improvement
- Protecting children's health by influencing federal, state and local public policy



2019 Star Gala: Everson Griffen, Zach Parise and Obadiah Gamble.



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