

AMAZING CHILDREN INSPIRE AMAZING CARE.

ANNUAL REPORT 2018

Read about how Children's Minnesota, the state's largest nonprofit pediatric health system, is building upon 95 years of championing kids – the most amazing people on Earth.



Pictured: Patricia Valusek, MD, and her daughter, Lucy

135,750*

TOTAL PATIENTS

*Doesn't include primary care patients.

25,761

SURGICAL PROCEDURES

91,495

EMERGENCY DEPARTMENT VISITS

With the region's largest pediatric team, the most advanced technology and a kids-first approach, Children's Minnesota is built to care for all kids.



467,118

OUTPATIENT CLINIC VISITS

70

LANGUAGES INTERPRETED



51,718

HOURS OF VOLUNTEER SERVICE

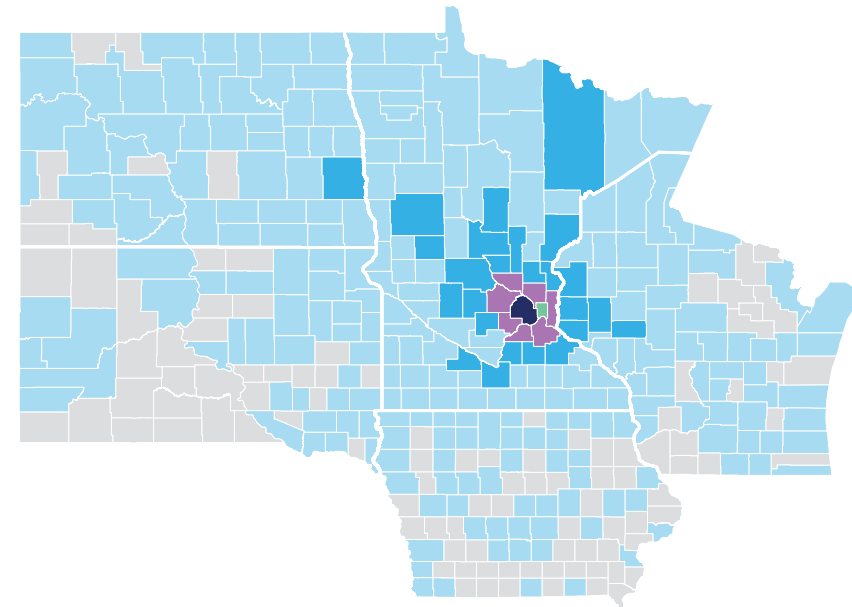
35,793

CHILD LIFE ENCOUNTERS

REGIONAL PEDIATRICS LEADER

INDIVIDUAL PATIENT ENCOUNTERS* BY COUNTY

In 2018, Children's cared for 135,750 unique patients from the five-state region. These patients represented 100 percent of Minnesota counties and 64 percent of the counties in Wisconsin, Iowa, North Dakota and South Dakota.



NUMBER OF CHILDREN'S PATIENTS IN 2018 BY COUNTY

- 100,000–250,000
- 50,000–99,999
- 5,000–49,999
- 500–4,999
- 3–499
- No patient encounters

* Data includes all inpatient and outpatient visits to Children's Minneapolis, St. Paul and Minnetonka locations. Excludes NextGen data/community clinic visits.

HIGHEST LEVEL OF CARE

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. An independent and not-for-profit system since 1924, Children's serves kids throughout the Upper Midwest at two free-standing hospitals, 12 primary and specialty care clinics, and six rehabilitation sites.

Children's maintains its longstanding commitment to the community by providing high-quality, family-centered pediatric services, and advancing those efforts through research and education. This work is made possible in large part by generous philanthropic and volunteer support from individuals and organizations throughout the state and region. An award-winning health system, Children's is regularly ranked by *U.S. News & World Report*.

5,301

EMPLOYEES

2,068

PROFESSIONAL STAFF MEMBERS

2,287

VOLUNTEERS

BELOVED COMMUNITY ASSET

Children's Minnesota has a deep history as a leader in pediatric health care. In 1924, Children's Hospital of St. Paul was founded with a mission of tailoring hospital care to kids' unique needs. In 1973, the Minneapolis Children's Health Center opened as a modern, innovative model of family-centered care. In 1994, the St. Paul and Minneapolis centers merged, becoming the largest pediatric health care provider in the Upper Midwest.

Under the leadership of President and Chief Executive Officer Marc Gorelick, MD, Children's Minnesota is dedicated to being every family's essential partner in raising healthier children. As a nonprofit, community-supported health system, Children's Minnesota is a force of healing and hope in the Twin Cities and beyond.

OUR VALUES

These values guide the way we engage with each other, our patients and our community:

KIDS FIRST.

We're inspired by children — we channel their optimism, resiliency, courage and curiosity into everything we do.

LISTEN, REALLY LISTEN.

Each person has a story to tell. We listen with compassion, ask meaningful questions and build relationships with individuals and communities.

OWN OUTCOMES.

We are 200% accountable for providing extraordinary service. Tireless in our pursuit of excellence, we never stop learning or improving.

JOIN TOGETHER.

We are all caregivers. And we are stronger when teamed with our patients, families, community and one another. Super teams trump superheroes.

BE REMARKABLE.

We are innovators, reimagining health care and going beyond what's expected. After all, kids are counting on us.



I'm pleased to share some of the accomplishments and amazing work that happened at Children's Minnesota in 2018, the busiest year ever — setting records across our health system.

Last year, Children's cared for 135,750 individual patients from the five-state region (Minnesota, South Dakota, North Dakota, Wisconsin and Iowa). There were 15,748 inpatient admissions, and 108,459 total patient days with an average daily census of 297. Children's has one of the largest NICU services in the United States, with an average daily census of 145.7 patients. In addition, Children's has one of the largest emergency and trauma services in the country, with 91,495 emergency department visits in 2018. Across ambulatory services, Children's Minnesota team members cared for patients in 467,118 outpatient clinic visits. To support the clinical and operational environment, over 5,300 employees and close to 2,100 professional staff members create an enterprise-wide, kids-first care team.

Children's Minnesota continues as the preferred provider of pediatric care in the Upper Midwest, offering 60 pediatric specialties — the largest and broadest team in the state.

“ We take pride that every employee and clinician within our network is aligned to our core values — always putting kids first.”

I'm delighted to report on a new category of exceptional care: Children's Minnesota performed its first heart transplant. The surgery was very successful, and the baby is home and doing well. This is an incredible accomplishment, and we are extremely grateful to Sit Investment Associates for their recent million-dollar donation to our transplant program to help us fund this important work.

Since our founding 95 years ago, our mission has been to champion the special health needs of children and their families. This year we are celebrating 25 years since the merger between the Minneapolis and St. Paul hospitals that brought the Children's Minnesota health system we know and love into existence.

Throughout our evolution as a hospital system, we have been inspired by the generosity of our community to continue to reimagine our spaces and services so kids and families receive the best possible care. None of these accomplishments would be possible without the passionate commitment and ongoing generosity of our supporters — and for that we are deeply grateful.

From improving day-to-day quality of life for children and teens to adopting cutting-edge technologies, we will never stop looking for better ways to serve the most amazing people on Earth — kids.

With gratitude,

Marc Gorelick, MD
President and Chief Executive Officer
Children's Minnesota

AMAZING STORIES



AIDEN Genomic Medicine

For the first nine months of his life, Aiden was a typical, healthy baby boy. Then his health suddenly began to decline, greatly concerning his parents. He stopped crawling, lost strength in his neck, and was no longer happy and thriving.

Aiden's parents brought him to Children's Minnesota. A genetic test diagnosed Aiden with an extremely rare condition called TK2-related mitochondrial depletion syndrome, which affects the ability of the skeletal muscles to work correctly. There is no cure, and Aiden's parents were told he only had months to live. On June 18, 2015, he passed away.

Fortunately, through the growing genomic medicine program at Children's Minnesota, the family was able to find answers — and hope. They gained the critical information needed to positively move forward with their family plans, welcoming Greyson, a healthy boy, in 2016, and are expecting another baby boy this year.



RAZYIA Cancer

RaZyia was just five years old when she began complaining of leg pain so intense she couldn't sleep or walk on it. After a day in the Children's Minnesota St. Paul emergency department, a doctor walked into her room and shared the devastating news with RaZyia and her mom, Aminga — "We think it's cancer."

RaZyia was immediately admitted to Children's and began treatment for B-cell acute lymphoblastic leukemia. She was a patient four days a week every other week, which meant she and Aminga got to know her nurses, doctors, child life specialists and social workers well.

Today, RaZyia is in remission doing maintenance chemotherapy. Thanks to Children's, she is back in school and able to act like a happy, active six-year-old.



ALEXA Fetal Surgery

Christie was 19 weeks pregnant when doctors discovered her baby had a tumor growing on her spine. By 24 weeks gestation, it was larger than her body. Open fetal surgery was necessary to remove the bulk of the tumor, relieving tremendous strain on the developing heart, and improving chances of survival for the baby. The procedure was a success, and one of fewer than 15 to be completed in the world. The fetus gestated until 30 weeks when she was delivered via C-section, and today, baby Alexa is a happy, healthy toddler who loves to play with her brother and explore new things.

Christie recalls, "The day of the open fetal surgery was terrifying and comforting at the same time. I hadn't known these people long, but they were familiar faces, and I knew they were going to take care of us. We just felt like we were in the right place. It was an overwhelming feeling."



GAGE Neuroscience

Every so often, a little device pings in ninth-grader Gage's chest. He may not notice it, but he knows it's making his life better. Gage was the first pediatric patient in Minnesota to receive a new medical device that delivers vagus nerve stimulation (VNS) to prevent seizures.

While VNS therapy is not new, the technology in Gage's implanted device is: It's the first to have a detect-and-respond feature. The device scans for signs that might preclude a seizure, such as a spike in heart rate, and then triggers a pulse of electrical current to the brain to eliminate or reduce the severity of the seizure. It also enables doctors to customize the therapeutic settings based on an individual's seizure pattern. Since getting his new device at Children's more than a year ago, Gage has suffered far fewer seizures and reduced his medications significantly.



MEDICAL EXCELLENCE

INTENSIVE CARE FOR THE TINIEST BABIES

Children’s neonatology program is one of the nation’s largest, with outcomes among the best in the world. We care for more than 3,000 newborns each year — more than any other program in the Upper Midwest. In addition, Children’s Minnesota and Allina Health have teamed up to deliver the highest level of care at The Mother Baby Center, which integrates labor, delivery, normal newborn and neonatal services under one roof. In 2018, Thomas George, MD, joined Children’s Minnesota as the first-ever system medical director of neonatology, helping to lead the transition to a single, integrated team across our St. Paul and Minneapolis neonatal units.

INNOVATIVE CARE BEFORE BABY IS EVEN BORN

The Michael and Ann Ciresi Midwest Fetal Care Center (MWFCC) brings together a team of highly trained experts in maternal-fetal medicine and pediatric specialty care that supports families and babies when a high-risk pregnancy poses challenges — from diagnosis to delivery and beyond. MWFCC is one of only a handful of centers across the country performing the most complex procedures, including laser fetoscopy and open fetal surgery.

Thanks to the generosity of two anonymous donors, Children’s announced the institution’s first endowed chairs in late 2018 — Dr. Jim Sidman Endowed Chair in Fetal Research and Dr. Carol L. Wells Endowed Chair in Fetal Surgery. An endowed chair is created with a gift of \$2 million and recognizes the accomplishments of the chairholders, providing a critical source of consistent financial support for their work, ultimately transforming the lives of patients in our care.

COMPREHENSIVE HEART CARE, NOW INCLUDING TRANSPLANT

One of the largest pediatric cardiovascular programs in the Upper Midwest region, Children’s Minnesota offers a full range of services, from early-fetal imaging tests to pioneering surgeries for babies, children, teens and adults born with congenital heart defects. In 2018, Children’s launched its heart failure and heart transplant program to better serve the children we treat with heart disease by allowing them to remain closer to home.

ADVANCING ACADEMICS AND THE PRACTICE OF MEDICINE

Children’s Minnesota is training the future pediatric clinicians in our state and beyond. We’re proud that 100 percent of pediatric, medicine and pediatrics, and family practice residents in the state train at Children’s Minnesota, as well as 75 percent of medical students, regardless of future specialty.

We also focus on research and innovations that are completely kid- and family-focused. From improving day-to-day quality of life for children and teens to adopting cutting-edge technologies, we will never stop looking for better ways to serve the most amazing people on Earth. In 2018, we had 465 active research studies, 187 clinical trials, 147 peer-reviewed publications, and \$14.1 million from industry contracts and federal, state and foundation sponsors.



“At Children’s Minnesota, we strive for excellence. We never stop learning, and we never stop improving.”

CHILDREN'S MINNESOTA FOUNDATION

Children's Minnesota Foundation is a nonprofit organization that generates philanthropic support for the entire Children's Minnesota health system, and the patients and families served by the organization. With a team of 30 staff, the Children's Foundation raised \$22.4 million in 2018. An active, dedicated fundraising board of nearly 40 community leaders supports the mission of the Foundation and health system. Collectively, the Foundation transfers nearly \$14 million annually for direct support of strategic, operational and unmet patient needs.

CONTRIBUTIONS	IN MILLIONS
Program support	\$22.3
Capital support	\$0.1
Total	\$22.4

USES OF CONTRIBUTIONS	IN MILLIONS
Program services – operations	\$14.0
Program services – capital	\$1.1
Provisions for future program services	\$7.3
Total	\$22.4

PROGRAM SUPPORT	PERCENT
Pediatric care and clinical excellence	64%
Family support	18%
Education and research	9%
Community outreach	9%
Total	100%

SEE THE LISTING OF OUR 2018 DONORS AT:
CHILDRENSMN.ORG/ANNUALREPORT2018

THANK YOU TO OUR TOP 2018 CORPORATE DONORS:



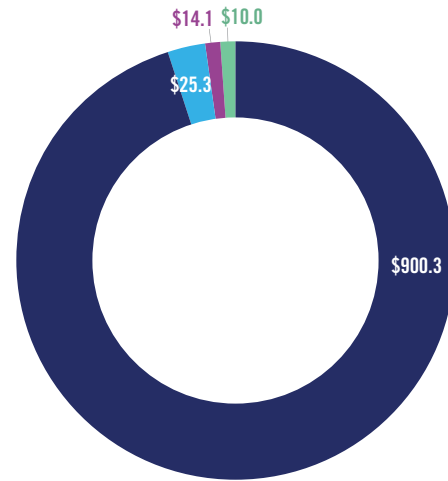
Our first annual Walk for Amazing fundraising event took place in 2018. It brought together 2,000 people at U.S. Bank Stadium to have fun and raise money for Children's Minnesota and the patients and families we serve.



RESULTS OF OPERATIONS

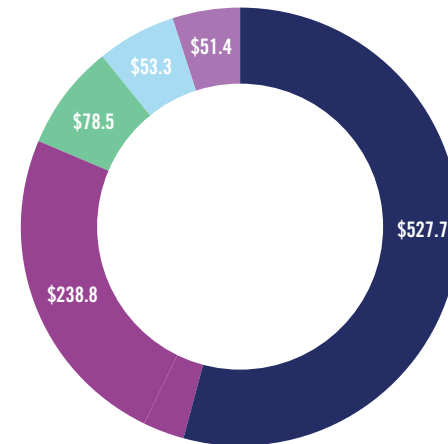
SOURCES OF REVENUE

	IN MILLIONS
Patient care reimbursement	\$900.3
Other operations	\$25.3
Grants for education and research	\$14.1
Philanthropic support of programs	\$10.0
Total	\$949.7



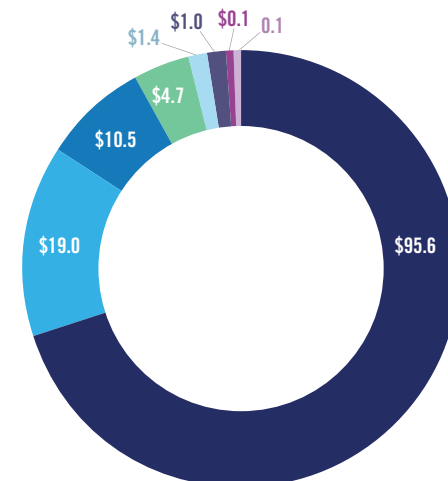
USES OF REVENUE

	IN MILLIONS
Labor cost	\$527.7
Professional fees, purchased services, supplies and facilities cost	\$238.8
State taxes and other expenses	\$78.5
Capital costs (depreciation and interest)	\$53.3
Provision for renovation, equipment and new programs*	\$51.4
Total	\$949.7



CONTRIBUTIONS TO COMMUNITY BENEFIT†

	IN MILLIONS
Unreimbursed costs of serving Medicaid patients	\$95.6
Subsidized health programs	\$19.0
Community health improvement services	\$10.5
Health professions education	\$4.7
Research	\$1.4
Charitable patient care	\$1.0
Contributions to community groups	\$0.1
Community building	\$0.1
Total community benefit	\$132.4



†These figures are from 2017; 2018 figures will be reported in the 2019 annual report.



ADVOCATING AT THE NATIONAL LEVEL

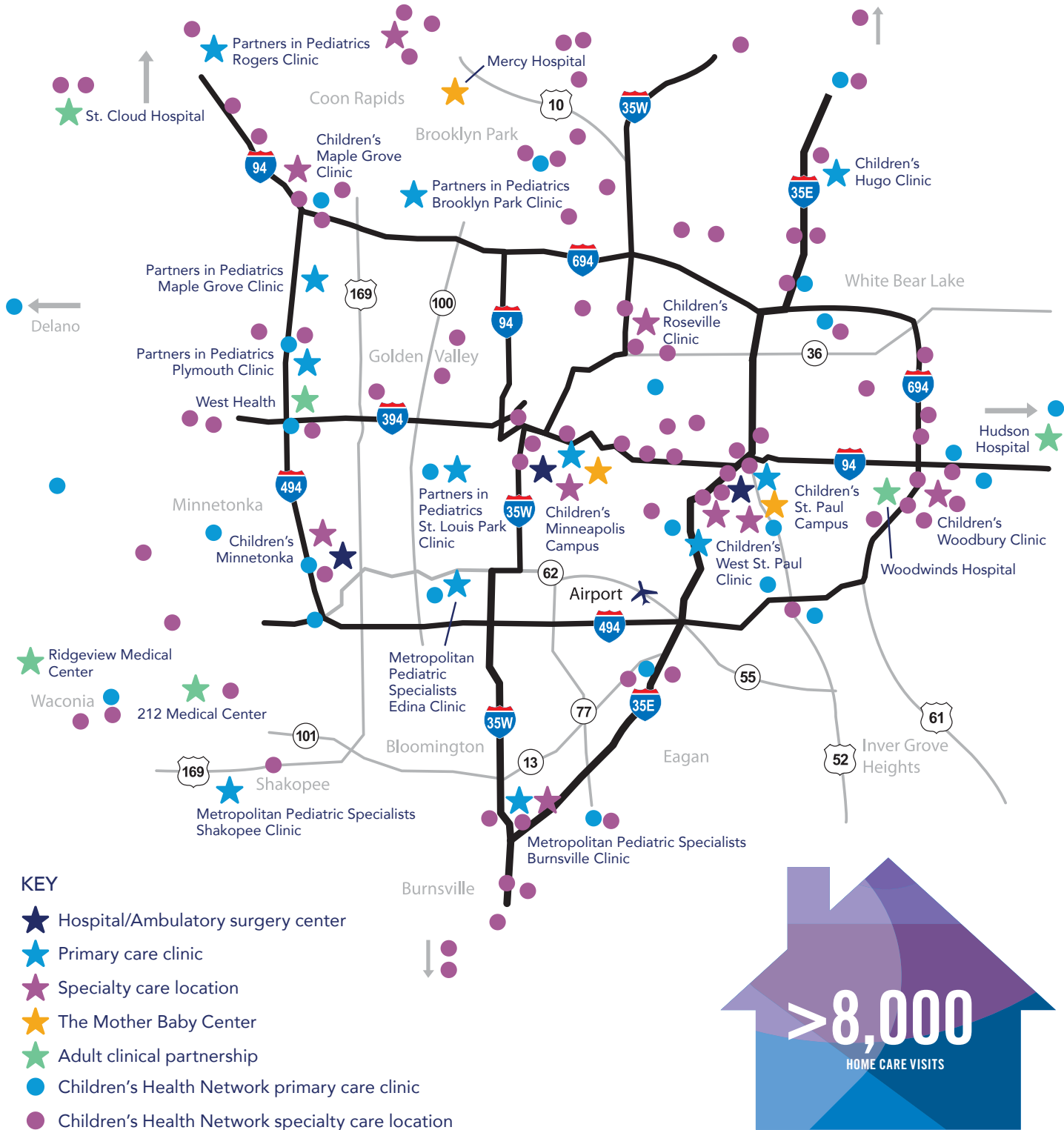
In 2018, Children’s Minnesota participated in the Children’s Hospital Association Speak Now For Kids Family Advocacy Day. Joining over 50 families from across the country, Shelby and Joe Tietel, along with their superstar kids Charlie and Mya, took to Capitol Hill, in Washington, D.C. to meet with members of Minnesota’s congressional delegation and talk about the importance of Medicaid funding to kids.

“We were able to talk with them about the concerns we have regarding Medicaid and the importance that it holds for children with complex medical needs, and their families. Sometimes it feels like a full-time job to keep up, on top of raising a medically complex child, while many of us are working full-time jobs, as well,” said Shelby. “They listened and responded, ‘What do you need from me; how can I make it better?’ Those are words that to a parent of a complex child hold so much value.”



We’re supporting families beyond our halls and walls with Children’s Community Connect and Healthcare Legal Partnership, which address the social determinants that impact kids’ health.

EXTENSIVE COMMUNITY NETWORK



Children's Minnesota St. Paul Campus



Children's Minnesota Minneapolis Campus

AWARDS & HONORS

Children's Minnesota is regularly recognized and awarded nationally for excellence in care, quality, innovation and industry leadership.

In 2018, we were the first and only hospital in Minnesota to be verified as a Level I Children's Surgery Center by the American College of Surgeons – the highest level of distinction for health systems that perform complex surgical procedures in newborns, children and teens. We also earned Magnet recognition from the American Nurses Credentialing Center – the most prestigious distinction a health organization can receive in nursing excellence and high-quality patient care. Children's is also regularly ranked by *U.S. News & World Report*.





Dr. Patricia Valusek is a pediatric surgeon. And she's a mom. She trusts her colleagues at Children's Minnesota to care for her daughter, who receives regular treatment for a blood disorder.

LEARN MORE

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