



Baylor Scott & White University Medical Center
Annual Report of Community Benefits
3500 Junius Street Dallas, TX 75246
Taxpayer ID # 75-1837454
For the Fiscal Year Ended June 30, 2020

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BAYLOR
University Medical Center
at Dallas

Part of  **Baylor Scott & White** HEALTH

June 30, 2020

Dear Fellow Texan:

Dear Fellow Texan:

Communities and healthcare systems around the world have built a resilience like never before through this year's challenges with the coronavirus SARS-CoV-2 (COVID-19). Baylor Scott & White Health is committed to educating our communities about the many ways we are working to safeguard their health and well-being, and to provide education about protection from community spread of COVID-19. More than ever before, we are taking strides to serve our communities by protecting and improving the health and well-being of individuals and families as well as enhancing the customer experience both within our hospitals and in our community.

Baylor University Medical Center Dallas has been a valuable source of community care for the past 117 years. As a quaternary medical center, we provide comprehensive health care, education, research and community service. Our goal is to meet the needs of the underserved and uninsured, provide education to upcoming professionals in the future of health care, and to seek research that will lead to greater advances in medicine. Today, Baylor Dallas is one of the State's largest not-for-profit medical centers in the country with more than 900 patient beds, a Level 1 Trauma Center and Level 3 NICU designation. Now and going forward, we at Baylor Dallas will continue to invest our resources, time and dedication back into the community.

At Baylor Dallas, we provide community benefit activities throughout the city of Dallas but focus much of our efforts and resources on underserved and uninsured residents particularly in East Dallas and South Dallas near our campus. The medically and financially indigent are at highest risk for many diseases.

I encourage you to give me feedback for this report. Please address comments to me, in care of Niki Shah, Vice President, Care Redesign and Equitable Health, Baylor Scott and White Health, 8080 N. Central Expressway, Suite 700, Dallas, TX 75206.

Sincerely,



Steven R. Newton, FACHE
President
Baylor University Medical Center

Baylor Scott & White University Medical Center – part of Baylor Scott & White Health
Annual Report of Community Benefits
3500 Junius Street Dallas, TX 75246
Taxpayer ID # 75-1837454
For the Fiscal Year Ended June 30, 2020

I. Effective Dates of the Report

The annual report of community benefits provided is for the fiscal year ended June 30, 2020 (Fiscal Year 2020).

II. Hospital Description

Baylor University Medical Center, part of Baylor Scott & White Health, provides quaternary, evidence-based medicine and quality services at a lower cost through innovation and an actively engaged workforce. In 1903, the hospital opened with 25 beds; today, it is a major patient care, teaching and research center for the Southwest. Baylor Dallas has 914 licensed beds, more than 4,982 employees and 1,057 active members of the medical staff. Baylor University Medical Center serves as the flagship hospital of Baylor Scott & White Health. Physicians on the medical staff at Baylor University Medical Center and affiliated researchers are committed to advancing medicine and enhancing the patient experience by seeking innovative solutions and new procedures.

The Hospital uses its revenue after expenses to improve the health of Dallas and surrounding communities through patient care, education, research, and community service. In the fiscal year ending June 30, 2020, the Hospital had 39,217 total adult and special care nursery admits resulting in 210,513 days of care; delivered 3,359 babies; and there were 108,714 emergency department visits.

As part of the Hospital's commitment to the community, the Hospital provides financial assistance in the form of charity care to patients who are indigent and satisfy certain requirements. Additionally, the Hospital is committed to treating patients who are eligible for means tested government programs such as Medicaid and other government sponsored programs including Medicare, provided regardless of the reimbursement shortfall, and thereby relieves the state and federal government of the burden of paying the full cost of care for these patients. Often, patients are unaware of the federal, state and local programs open to them for financial assistance, or they are unable to access them due to the cumbersome enrollment process required to receive these benefits. The Hospital offers assistance in enrollment to these government programs or extends financial assistance in the form of charity care through the Hospital's Financial Assistance Policy, which can be located on the Hospital's website at BaylorHealth.com/Financial Assistance. In addition to the Hospital's Financial Assistance Policy, as part of a large faith based integrated health care delivery System the areas of medical education, research, subsidized services and community health education and screenings are initiatives that take place across the System, and comprise a significant portion of the Hospital's community benefit program.

Medical education is a crucial part of the Hospital's mission. Being one of the nation's largest private teaching hospitals the System trains residents and fellows in specialties and sub-specialties. These quality-teaching programs add many dimensions to the System's ability to serve patients. Residents in the Hospitals' program graduate with demonstrated competence in population health management, continuous quality improvement, and the importance of patient satisfaction. Residents work with physician's assistants and are active managers of the patient-centered medical home, often assuming leadership roles in clinic and hospital operations. The Texas A&M Health Science Center (TAMHSC) College of Medicine and the Hospital have joined forces to establish a Clinical Training Program in Dallas for students to complete clinical rotations in surgery, internal medicine, family medicine, psychiatry, pediatrics, and obstetrics/gynecology at the Hospital and other clinical affiliates over their last two years of residency. While residents and fellows of the Hospital are not required to work for an affiliate of BSWH, most remain in North Texas upon completion of their program, providing a continuous supply of well-trained medical professionals for the region. In fiscal year ending in June 30, 2020, the Hospital invested \$ 29,709,387

The Hospital is also committed to assisting with the preparation of future nurses at entry and advanced levels of the profession to establish a workforce of qualified nurses. Through the System's relationships with 15 North Texas schools of nursing and other health education institutions, the Hospital maintains strong affiliations with schools of nursing. In the fiscal year ending June 30, 2020, the Hospital invested in training 668 nurses. Total unreimbursed cost of these programs was \$6,222,269. Also trained in the hospital, 258 allied health students from area technical and high schools seeking attainment of non-nursing health professions including Scrub Techs, Paramedics; EMT's, Respiratory Care Techs and others were supervised at a cost of \$465,204. Like physicians, neither nursing graduates nor allied health professions students trained at a System entity are obligated to join the staff, although many remain in the North Texas area to provide top quality nursing and allied health services for many health care institutions.

III. Hospital Mission Statement

Founded as a Christian ministry of healing, Baylor Scott & White Health promotes the well-being of all individuals, families and communities.

IV. Description of Community Served

The System is committed to serving a vast array of neighborhoods comprising its service area and recognizes the importance of preserving a local community focus to meet community needs.

For the 2019 assessment, the hospital has defined their community to be the geographical area of Collin, Dallas and Denton counties. The community served was determined based on the counties that make up at least 75 percent of each hospital's inpatient and outpatient admissions.

V. Identified Community Health Needs

During the fiscal year ending June 30, 2019, the Hospital conducted a CHNA to assess the health care needs of the community. The CHNA took into account input from persons who represent the Baylor Scott & White University Medical Center – part of Baylor Scott & White Health
Community Benefit Report: FY 2020

broad interest of the community served by the Hospital, including those with special knowledge of or expertise in public health. The CHNA is widely available to the public and is located on the website at the following address: BSWHealth.com/CommunityNeeds.

By addressing the prioritized needs via an implementation strategy, the Hospital aims to affect and elevate the overall health status of the community.

Identified Community Needs

- Accidental Poisoning Deaths Where Opioids Were Involved
- No Vehicle Available
- Ratio of Population to One Dentist
- Ratio of Population to One Mental Health Provider
- Ratio of Population to One Non-Physician Primary Care Provider
- Ratio of Population to One Primary Care Physician
- Corona Virus Pandemic (provisional to CHNA 2019)

VI. Programs Addressing Identified Community Health

Community benefit services include programs or activities providing treatment promote health and healing as response to identified community need and meet at least one of these objectives:

- Improve access to health care services
- Enhance public health
- Advance/increase general knowledge
- Relieve or reduce the burden of government to improve health.

VII. Charity Care and Government-Sponsored Indigent Health Care Provided

For Fiscal Year 2020, Baylor Scott & White University Medical Center – part of Baylor Scott & White Health provided \$61,566,187 in unreimbursed costs of charity care and government-sponsored indigent health care.

VIII. Government-Sponsored Health Care Provided

For Fiscal Year 2020, Baylor Scott & White University Medical Center – part of Baylor Scott & White Health provided \$47,132,350 in unreimbursed costs of government-sponsored health care.

IX. Other Types of Community Benefits Provided \$59,437,217

Baylor Scott & White University Medical Center – part of Baylor Scott & White Health is committed to improving the quality of life for the many citizens living and working in its area. Baylor Scott & White University Medical Center – part of Baylor Scott & White Health was pleased to allocate funds to the following community benefit activities.

A. Community Health and Wellness Improvement Services \$3,199,688

These activities improve community health, extend beyond patient care activities and receive hospital subsidy. Such services do not generate patient care bills and may include community health education activities; community based clinical services for under-insured and uninsured persons; support groups; enrollment services; transportation efforts; and self-help programs; community-based chaplaincy programs and spiritual care.

B. Financial Donations and In-kind Donations \$ 1,326,302

These donations include funds and in-kind services donated to community organizations or to the community at large to address an identified need or serve a community benefit purpose. In-kind services could include hours contributed by staff while on hospital work time; the cost of meeting space provided to community groups and the donation of food, equipment, and supplies.

C. Medical Education \$ 36,400,793

This category includes educational program for physician, interns and residents, medical students, nurse and nursing students, and other health professionals when that education is necessary for a degree, certificate or training that is required by state law, accrediting body or health profession society. It may also include a clinical setting for student training and internships for dietary professionals, technicians, physical therapists, social workers, pharmacists and other health professionals.

D. Research \$14,223,811

Research includes clinical and community health research, as well as studies on health care delivery that are generalizable, share with the public and funded by the government or a tax-exempt entity (including the hospital).

E. Subsidized Health Services \$4,286,623

Subsidized health service e are clinical programs provided despite a financial loss so significant that negative margins remain after removing the effects of financial assistance, bad debt, and Medicaid shortfall . Nevertheless, the service is provided because it meets an identified community need and if no longer offered would be unavailable in the area, or fall to the responsibility of government or another tax-exempt organization to provide.

X. Total Operating Expenses and Calculation of the Ratio of Cost to Charge
As required by Section 311.046 (a) (4), Baylor Scott & White University Medical Center – part of Baylor Scott & White Health reports \$1,027,992,324 in total operating expenses. As required by Section 311.046(1) (5), the ratio of cost to charges was 28.18%. Please see the attached worksheet for the full calculation.

XI. Report of Community Benefit Provided During Fiscal Year 2020

In a commitment to fulfill its mission, Baylor Scott & White University Medical Center – part of Baylor Scott & White Health benefit to the community, conservatively estimated, was \$168,135,754 for Fiscal Year 2020.

Through community benefit activities, BSWH-affiliated hospitals provided: quality patient care and subsidized services otherwise not available in the community; medical education, training for medical technicians, hospital chaplains, nurses, and future physicians; and medical research that will speed the time between scientific finding and its application to improving medical care.

Any comments or suggestions concerning the community benefit activities are greatly welcomed. Please address remarks to Niki Shah, Vice President, Care Redesign and Equitable Health, Baylor Scott and White Health, 8080 N. Central Expressway, Suite 700, Dallas, TX 75206.

Baylor University Medical Center

**Total Operating Expenses
Section 311.046(a)(4)**

For the Fiscal Year Ended June 30, 2019 1,027,992,324

**Calculation of the Ratio of Cost to Charge
Section 311.046(a)(5)**

Total Patient Revenues (from 2019 Medicare Cost Report, Worksheet G-3, Line 1)	(a)	<u>3,204,635,814</u>
Total Operating Expenses (from 2019 Medicare Cost Report, Worksheet A, Line 118, Col. 7)	(b)	<u>864,420,273</u>
Initial Ratio of Cost to Charge ((b) divided by (a))	(c)	<u>26.97%</u>
Application of Initial Ratio of Cost to Charge to Bad-Debt Expense		
Bad Debt Expense (from 2020 audited financial statements)	(d)	<u>143,414,858</u>
Multiply "Bad Debt Expense" by "Initial Ratio of Cost to Charge" ((d)*(c))	(e)	<u>38,678,987</u>
Add the allowable "Bad-Debt Expense" to "Total Operating Expenses" ((b) + (e))	(f)	<u>903,099,260</u>
Calculation of Ratio of Cost to Charge ((f) divided by (a))	(g)	<u>28.18%</u>