

Baylor Scott & White Medical Center – Irving
Annual Report of Community Benefits
1901 North MacArthur Blvd, Irving, TX 75061
Taxpayer ID # 75-2586857
For the Fiscal Year Ended June 30, 2018

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June 30, 2018

Dear Fellow Texan:

At Baylor Scott & White Medical Center – Irving, we recognize that prevention, early detection and health education are very important areas of healthcare and have the potential to make a positive impact on the overall health of the communities we serve. During Fiscal Year 2018, Baylor Scott & White – Irving enhanced healthcare services and added new technology including 3D mammography now available at both Women’s Imaging Centers, robotic-assisted surgical services for complex colorectal procedures, low dose CT lung cancer screenings supported by our Chest Mass Program, comprehensive vascular services, and accredited stroke care program. With our new renovation and construction project, launched in Fiscal Year 17, we are building and growing to meet the ever-changing healthcare needs of our communities. The project includes a renovated hospital exterior and welcome center, and multiple expanded services including surgical services, digestive health, women’s health, dialysis, catheterization lab, and a new 6-floor patient tower. This multi-phase project will complete in summer 2020.

As a full-service, fully accredited hospital, our dedicated team is working not just to mend bodies, but provide our community with healthcare knowledge and tools to **Get Better**. Baylor Scott & White – Irving is committed to fulfilling our new mission:

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

As a preferred community partner, we continue to work collaboratively with school districts, businesses, community groups, and not-for-profit health organizations to support healthy lifestyles and improve quality of life in the region. Our community assessment reveals key areas of focus including multiple chronic conditions, preventive health screenings, access to care for low income/underserved, behavioral health, emergency and urgent care, patient safety and hospital acquired conditions. These areas, addressed by the hospital through multiple channels include on-site and off-site health seminars and education, support groups, community wellness programs, monetary grants, health fairs and screenings that help identify those at risk.

Enclosed is the report for Fiscal Year 2018. Our plan developed according to community needs identified by the FY 2017-20 Community Benefit Implementation Plan, Dallas County, includes specific focus areas identified by Baylor Scott & White Health.

I encourage you to provide any feedback you may have. Please address comments to me, in care of Niki Shah, Vice President, Care Redesign and Equitable Care, Baylor Scott & White Health, 8080 Central Expressway, Dallas, Texas 75206.

Sincerely,



Cindy K. Schamp
President

Baylor Scott & White Medical Center – Irving
Annual Report of Community Benefits
1901 North MacArthur Blvd, Irving, TX 75061
Taxpayer ID # 75-2586857
For the Fiscal Year Ended June 30, 2018

I. Effective Dates of the Report

The annual report of community benefits provided is for the fiscal year ended June 30, 2018 (Fiscal Year 2018).

II. Hospital Description

Baylor Scott & White Medical Center – Irving (Hospital), an affiliate of Baylor Scott & White Health (BSWH), is a leading community and safety-net hospital in its service area. Baylor Scott & White Medical Center - Irving has been a beacon of trusted, quality health care in our community for decades. This commitment to care continues to strengthen through innovative technology advancements, award-winning care and accreditations.

Baylor Scott & White - Irving is the premier medical facility providing care to Irving, Las Colinas, Grand Prairie, Coppell and the surrounding communities. For your whole family's medical care, from joint replacements, diagnostic imaging, oncology and chest pain to delivering babies, Baylor Scott & White - Irving is committed to providing comprehensive care. When advanced treatment is required, Baylor Scott & White – Irving has got you covered.

The full-service, fully accredited 293-bed hospital offers advanced health care services in cardiovascular care, diagnostic imaging, digestive health, physical medicine and rehabilitation, cancer care, orthopedic surgery, neurology, neurosurgery, minimally invasive surgery, general surgery and emergency medicine. Baylor Scott & White - Irving has received numerous recognitions, accolades and accreditations including:

- Best Medical Center in Irving Award from the Greater Irving, Las Colinas Chamber of Commerce
- High Performer in treatment of Congestive Heart Failure by US News & World Report in its Best Hospitals ratings, 2018 - 2019
- Magnet Re-designation from the American Nurses Credentialing Center
- Press Ganey Guardian of Excellence Award for the Neonatal Intensive Care Unit
- Top Performer on Key Quality Measures® Recognition from the Joint Commission
- Texas Award for Performance Excellence
- Texas Health Care Quality Improvement Award
- Texas Nurses Association and DFW Hospital Council Great 100 Nurses
- Cycle 4 Chest Pain Center with PCI accreditation
- Advanced Certified Primary Stroke Center
- Nationally Accredited Cancer Program from the American College of Surgeons Commission on Cancer
- Nurses Improving Care for Healthsystem Elders (NICHE) Exemplary Designation
- Wound Center Accreditation with Distinction by the Undersea & Hyperbaric Medical Society

The Hospital uses its revenue after expenses to improve the health of Irving and surrounding communities through patient care, education, research, and community service. In the fiscal year ending June 30, 2018, the Hospital had 20,805 total adult and special care nursery admits resulting in a total of 50,658 days of care; delivered 1,507 babies, and there were 63,483 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.

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 six North Texas schools of nursing, the Hospital maintains strong affiliations with schools of nursing. In the fiscal year ending June 30, 2018, the Hospital invested in training 78 nurses and 321 allied health students. Total unreimbursed cost of these programs was \$251,958 for nursing and \$1,557,075 for allied health students. Like physicians, nursing graduates trained at a System entity are not obligated to join the staff although many remain in the North Texas area to provide top quality nursing services to many health care institutions.

III. Hospital Mission Statement

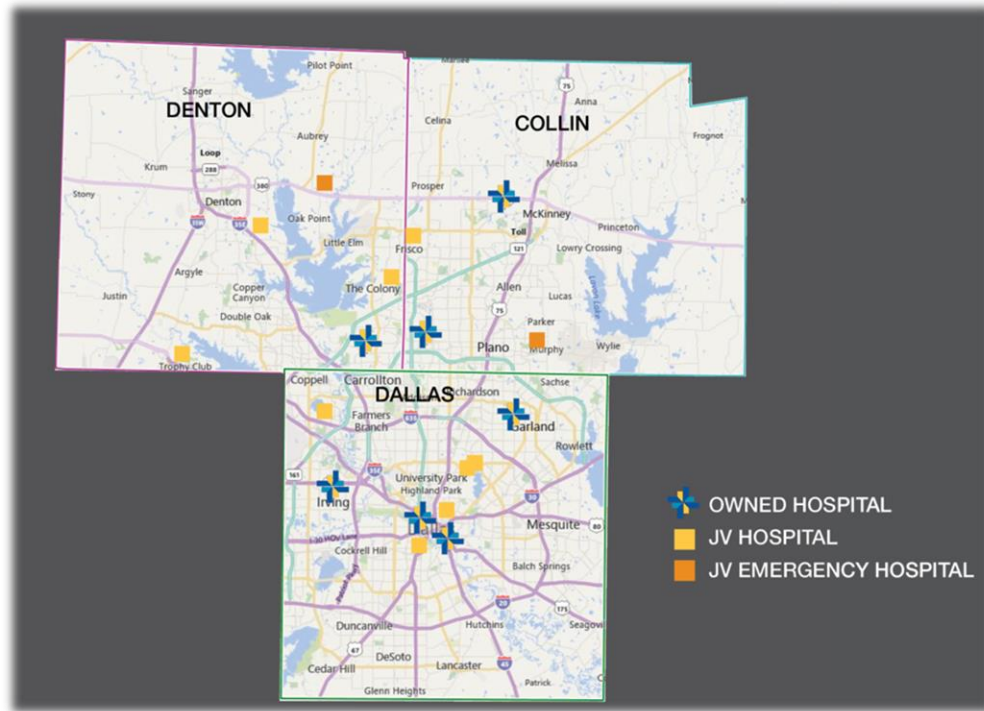
Founded as a Christian ministry of healing, Baylor Scott & White Health promotes the well-being of all individuals, families and communities.

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 2016 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.

BSWH Community Health Needs Assessment



Map of Community Served

The population of this community served expects to grow 7.4% (310,512 people) by 2020. The 7.4% population growth expects to be slightly higher than both the state growth rate (6.7%) and the national growth rate (3.5%). The ZIP Codes expected to experience the most growth in five years:

- 75070 McKinney (Colling County) – 11,518 people
- 75052 Grand Prairie (Dallas County) – 8,933 people

A majority (61%) of the community's population was concentrated in Dallas County. Within the county, the city of Dallas expects to grow at a rate of 5.4% with a population increase of 66,887 people; the rest of Dallas County is growing faster at 6.6% (86,559 people). Both Collin and Denton counties will see growth approaching 10% over the next five years with a population increase of 77,000 and 79,000, respectively.

The sixty-five plus cohort expects to experience the most growth over the next five years. This is particularly true in Collin County (34% growth) and Denton County (37% growth). Overall, in this community the age 65+ population will grow by 116,000 people. Growth in this age cohort will likely contribute to increased utilization of services as the population continues to age. The age group that will experience the least amount of growth in the community is the 18-44 age cohort with an expected increase of 36,975 people.

Diversity in the community projects to increase. Collin and Denton counties expects to experience higher rates of growth in minority populations than in Dallas County. In 2015, the community, a majority of the population (60%) was white followed by black at 17%. Black and Asian/Pacific Islander populations will see significant growth over the next five years. Growth in these populations is projected to be greater than 20% in both Collin County (37,000 additional people between both races) and Denton County at (171,000 additional people between both races). The total population analyzed by race or by Hispanic ethnicity display the community's total population breakdown by race (including all ethnicities) and by ethnicity (including all races).

Those of Hispanic ethnicity comprised 30% of the community's population, just below the overall state proportion of Hispanics but above the national proportion. The Hispanic population in this community expects to increase 11%, or 142,000 people. Collin and Denton counties expect to experience higher growth rate of Hispanic population. Dallas County projects a 10% growth in this population.

The median household income for the community served was \$60,384, greater than both the state and U.S. benchmarks. Sixty-one percent (61%) of the community comprise commercially insured, which equates to over 2.5 million lives. Commercial covered lives expects growth by over 212,000 lives (6%) over the next five years. Medicare and dual eligible lives (those receiving both Medicare and Medicaid benefits) will experience the highest growth rates at 27% (90,000 lives) and 22% (12,000 lives) respectively. The number of uninsured and Medicaid lives expect to decline slightly in all counties. Collin and Denton counties will see a greater percentage increase in Medicare, growing 33% (20,000 lives) and 37% (18,000 lives) respectively.

V. Identified Community Health Needs

During the fiscal year ending June 30, 2017, 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 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.

A qualitative and quantitative approach assessed the health needs of the community served. In addition to collecting data from a number of public and Truven Health Analytics proprietary sources, interviews and focus groups with individuals representing public health, community leaders/groups, public organizations, and other providers. This health assessment will serve as the foundation for community health improvement efforts for next three years.

The identified, reviewed, prioritized and finalized community health needs received input from the Baylor Scott & White Health (BSWH) Senior Leadership, and approval by the BSWH Board of Trustees..

Significant community health needs identified through the weight of quantitative and qualitative data obtained when assessing the community. Needs supported by data showing the community to be worse than the state by a greater magnitude, and were a frequent theme during interviews and focus groups were determined to be significant.

These prioritization basis of significant needs included input gathered from the focus groups and interviews. Participants of these focus groups and interviews ranked the top three health needs of

the community based on the importance they placed on addressing the need. Through this process, the frequency of listing as the top health care needs formed the basis of the prioritization of health needs. The prioritized health needs of this community are below.

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

Identified Community Needs

1. Access to care for middle to lower socioeconomic status
2. Drug abuse
3. Mental / behavioral health
4. Lack of dental providers
5. Preventable admissions: adult uncontrolled diabetes
6. Teen births

VI. Programs Addressing Identified Community Health Needs

Program Title: **Community Benefit Operations**

Description: The Hospital produces a tri-annual Community Needs Assessment, and provides dedicated staff for managing or overseeing community benefit program activities that are not included in other categories of community benefit. This staff provides internal tracking and reporting community benefit as well as managing or overseeing community benefit program activities.

- Costs associated with community benefit evaluation.
- Cost of fundraising for hospital sponsored and community sponsored health improvement programs, including grant writing.
- Grant writing and other fundraising costs related to equipment used for Hospital sponsored community benefit services and activities.
- Costs associated with developing a community benefit plan, conducting community forums, and reporting community benefit.
- Overhead and office expenses associated with community benefit operations.

Persons Served: 16,519

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: **Community Health Education, Cancer, Heart Disease, Joint Pain, School Based, and Other**

Description: These events provide education and outreach through support groups that teach residents in the Hospital's area about living with chronic diseases and issues related to care givers of those living with serious life altering injury or chronic diseases to aid in maintaining a healthy lifestyle. This program improves the quality of life for those living with or providing care for those living with chronic illnesses and conditions, and those for whom depression alters their ability to function optimally.

Persons Served: 1016

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Community Support Groups

Description: Baylor Scott & White Medical Center - Irving offers free support groups for individuals living with certain medical conditions and their caregivers. The cost of community support groups includes rental and facilitator fees. Community support groups offered at Baylor Irving includes Better Breathers Club, diabetes, and stroke support groups.

Persons Served: 451

Needs Addressed Under This Program:

- Mental/Behavioral Health

Program Title: Delivery System Reform Incentive Payment - Diabetes Bundle

Description: Develop and implement chronic disease management interventions that geared toward improving management of diabetes and comorbidities, improving health outcomes and quality of life, preventing disease complications, and reducing unnecessary acute and emergency care utilization.

Persons Served: 4,067

Needs Addressed Under This Program:

- Access to Care for Middle to Lower Socio Economic
- Preventable Admits: Adult Uncontrolled Diabetes

Program Title: Donations –Financial

Description: Baylor Medical Center at Irving provides financial support to non-profit organizations that serve residents in the hospital's primary and secondary service area. The hospital supports organizations that address chronic health conditions, support education, and serve the poor and underserved.

Number Served: 900

Community Partners:

Name: American Cancer Society - The American Cancer Society (ACS) is the largest nongovernmental funder of cancer research in the United States, having spent more than \$4 billion since 1946 to find cures. The ACS funds both external research projects through grants and scholarships as well as conduct our own research into cancer epidemiology, surveillance, and health policy. The ACS funds beginning researchers with cutting-edge ideas in their careers -- 47 of whom have gone on to win the Nobel Prize, the highest accolade in scientific achievement.

Outcomes: The American Cancer Society has contributed to the 22% decline in cancer mortality in the past 2 decades, preventing more than 1.5 million cancer deaths during that time. The American Cancer Society is focused on saving more lives from cancer every day. In the community education, the Society's 80% by 2018 initiative in colorectal screening awareness aims to have 80% of those 45 and older screened for colorectal cancer and therefore substantially reducing colorectal cancer as a major public health problem. Our current estimated rate for colorectal cancer screens in the population in North Texas is around 2 million, saving more lives from colorectal cancer with an increase to screening. with our mission: HPV Cancer Free project, we intend to work with partners to prevent HPV- associated cancers and pre-cancers by increasing and

sustaining U.S. HPV vaccination from the current 50% to the goal of 80%. The Human Papillomavirus or HPV vaccine prevents a viral infection that can cause six types of cancer and represents a new era of cancer prevention.

Name: Coppell Community Development Foundation -The Coppell Community Development Foundation (CCDF) is a 501 c (3) that helps provide assistance for business, philanthropic, and education programs in Coppell.

Name: Grand Prairie Education Foundation - The Mission of the GPISD Education Foundation is the promotion of educational excellence to inspire community ownership, commitment, confidence, and pride in the GPISD.

Name: Irving Cares - Founded by a group of concerned citizens in 1957, Irving Cares is committed to providing essential services to Irving, Texas residents in need. Irving Cares strives to meet those needs with caring volunteers and staff that guide their clients through their crises. They offer proven programs that are efficient, effective, and measured for productivity.

Name: Irving School Foundations - The Irving Schools Foundation, Inc. is a 501(c)(3) nonprofit corporation that seeks to maximize educational opportunities for teachers and students by funding projects and activities that are not within the budgetary guidelines of the Irving Independent School District and for which tax dollars may not be expended.

Outcomes: 4 Medical scholarships awarded and 890 Attendees.

Name: Lake Joe Pool – The Grand Prairie Metro Rotary hosts the annual Lake Joe Pool Pumpkin Run reaches out to youth and families. The purpose of the event is to raise funds for local Alzheimer's research and other local and international charities.

Name: LifeLine Shelter for Families, Inc. - LifeLine Shelter for Families, Inc. targets low-income families that are working and homeless or near homelessness. All of our families are in crisis and LifeLine bridges the financial gap for a period of one to three months, time enough to stabilize the family. The outcome is simple; keep the children in school, with a roof over their heads so they can continue their education. When families are in crisis, the education process suffers. This also leads to illnesses, that otherwise could have been avoided.

Outcomes: The impact was positive for two families that exposed to the harsh summer heat. We were able to stabilize two families (3 adults and 7 children, all under the age of 12) in the month of June. With the generous support of Baylor, combined with other funds, these families are on their way to housing stabilization and the children will remain in their original GPISD School.

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: **Donations – In Kind**

Description: Baylor Irving supports area organizations through the donation of equipment, medical supplies and emergency medical care at community events. This provides a service to cities, municipalities, school districts and non-profit organizations otherwise not provided.

Persons Served: 1,210

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Enrollment Services

Description: The hospitals will provide assistance to enroll in public programs, such as SCHIP and Medicaid. These health care support services provided by the hospital increase access and quality of care in health services to individuals, especially persons living in poverty and those in vulnerable situations. The hospital provides staff to assist in the qualification of the medically under-served for programs that will enable their access to care, such as Medicaid, Medicare, SCHIP and other government programs or charity care programs for use in any hospital within or outside the hospital.

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: For Women, For Life - Administrative

Description: Regular health exams and tests can help find problems before they start. They also can help find problems early, when the chances for treatment and cure are better. Through For Women, For Life the Hospital provides health services, screenings, and treatments, assisting women in taking steps that help their chances for living a longer, healthier life. This annual event for women focusing on proactive health care including preventive health screenings, seminars and healthy lifestyle information.

Persons Served: 200

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Health Professions Education

Description: Through the educational services department, Baylor Irving hosts and provides other professional education to students to encourage them to enter the medical field, thereby allaying the documented shortage of health care professionals.

Persons Served: 410

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Health Screenings Cancer

Description: The Hospital participates in community health screenings to aid in reducing the number of undiagnosed cancer cases, as well as illness, disability, and death caused by cancer. Screening tests can help find cancer at an early stage, before symptoms appear. Found early abnormal tissue or cancer may be easier to treat or cure. Events include the Women's Health Day, Men's Health Day, community and corporate sponsored health fairs, seminars and screenings held throughout the year.

Persons Served: 7

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Health Screenings - Heart Disease

Description: The Hospital provides blood pressure screenings to improve cardiovascular health and quality of life through prevention, detection and treatment of risk factors through focusing particularly on hypertension and cholesterol in men and women and minority groups at high risk for disease development. The key to preventing cardiovascular disease, also called coronary artery disease (CAD), is managing risk factors such as high blood pressure, high total cholesterol or high blood glucose. Regular cardiovascular screening is important because it helps detect risk factors in their earliest stages and identify lifestyle changes and pharmacotherapies, if appropriate, before it ultimately leads to the development of cardiovascular disease.

Persons Served: 150

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Health Screenings - Wellness

Description: Events will focus on educational materials and screenings that will affect lifestyle habits. The focus will be on risk factors. Events will include the Women's Health Day, Men's Health Day, community and corporate sponsored health fairs, seminars and screenings held throughout the year. Wellness health screenings include Body fat/Body Mass Index.

Persons Served: 685

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Medical Education – Allied Health

Description: Baylor Irving provides a clinical setting for student training and internships for dietary professionals, technicians, chaplaincy/pastoral care, physical therapists, social workers, pharmacists, and other health professionals. There is no work requirement tied to this training at the hospital.

Persons Served: 321

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Medical Education – Nursing Students

Description: The hospital is 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 many North Texas schools of nursing, the hospital maintains strong affiliations with schools of nursing. Like physicians, nursing graduates trained at the hospital are not obligated to join the staff although many remain in the North Texas area to provide top quality nursing services to many health care institutions.

Persons Served: 78

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Palliative Care

Description: Palliative care provides relief of emotional pain that accompanies end-of-life care. Providing palliative care services addresses cultural, spiritual, ethnic and social needs in a manner respectful of patient's individuality and inherent human dignity and worth. Palliative care is provided without regard to ability to pay.

Needs Addressed Under This Program:

- Mental/Behavioral Health

Program Title: Translation Services

Description: The Hospital provides translation/interpreter services that go beyond what is required by state or federal rules or law or for accreditation. For example, translation services for a group that comprises less than 15% of the population.

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Transportation

Description: The Transportation Program is a partnership with CitySquare to provide the Baylor Community Care Clinic and Healing Hands patients with transportation to appointments.

Persons Served: 467

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

Program Title: Workforce Development

Description: Workforce Development - Recruitment of physicians and other health professionals for areas identified as medically underserved areas (MUAs) or other community needs assessment. The age and characteristics of a state's population has a direct impact on the health care system. The hospitals seeks to allay the physician shortage, thereby better managing the growing health needs of the community.

Needs Addressed Under This Program:

- Access to care for middle to lower socioeconomic status

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

For Fiscal Year 2018, Baylor Scott & White Medical Center – Irving provided \$28,235,739 in unreimbursed costs of charity care and government-sponsored indigent health care.

VIII. Government-Sponsored Health Care Provided

For Fiscal Year 2018, Baylor Scott & White Medical Center – Irving provided \$19,683,931 in unreimbursed costs of government-sponsored health care.

IX. Other Types of Community Benefits Provided \$2,618,736

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

A. Community Health and Wellness Improvement Services	\$23,598
B. Community Benefit Operations	\$163,307
C. Financial Donations	\$26,067
D. In Kind Donations	\$1,674
E. Health Care Support Services	\$1,637
F. Enrollment Services	\$112,812
G. Health Screenings	\$7,508
H. Medical Education	\$1,809,033
I. Workforce Development	\$245,759
J. Subsidized Health Services	\$227,341

X. Total Operating Expenses and Calculation of the Ratio of Cost to Charge
As required by Section 311.046 (a) (4), Baylor Scott & White Medical Center – Irving reports \$220,407,575 in total operating expenses. As required by Section 311.046(1) (5), the ratio of cost to charges was 25.30%. Please see the attached worksheet for the full calculation.

XI. Report of Community Benefit Provided During Fiscal Year 2018
In a commitment to fulfill its mission, Baylor Scott & White Medical Center – Irving benefit to the community, conservatively estimated, was \$50,538,406 for Fiscal Year 2018. Baylor Scott & White Medical Center – Irving is filing its Annual Statement of Community Benefits Standard (Statement) as a consolidated system with the other affiliated hospitals of BSWH excluding those that qualify as Medicaid disproportionate share hospitals).

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 and may be addressed to Niki Shah, Vice President of Care Redesign and Equitable Health, Baylor Scott & White Health Care System, 8080 North Central Expwy., Suite 700, Dallas, Texas 75206.

For the Fiscal Year Ended June 30, 2017

220,407,575

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

Total Patient Revenues (from 2017 Medicare Cost Report, Worksheet G-3, Line 1)	(a)	<u>745,467,909</u>
Total Operating Expenses (from 2017 Medicare Cost Report, Worksheet A, Line 118, Col. 7)	(b)	<u>178,232,901</u>
Initial Ratio of Cost to Charge ((b) divided by (a))	(c)	<u>23.91%</u>
Application of Initial Ratio of Cost to Charge to Bad-Debt Expense		
Bad Debt Expense (from 2018 audited financial statements)	(d)	<u>43,229,650</u>
Multiply "Bad Debt Expense" by "Initial Ratio of Cost to Charge" ((d)*(c))	(e)	<u>10,336,208</u>
Add the allowable "Bad-Debt Expense" to "Total Operating Expenses" ((b) + (e))	(f)	<u>188,569,109</u>
Calculation of Ratio of Cost to Charge ((f) divided by (a))	(g)	<u>25.30%</u>