



Baylor Scott & White Medical Center - McKinney
Annual Report of Community Benefits
5252 W. University Drive
McKinney, Texas 75071
Taxpayer ID # 75-1037591
For the Fiscal Year Ended June 30, 2020
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June 30, 2020

Dear Fellow Texan:

Since opening in July 2012, Baylor Scott & White Medical Center – McKinney has dedicated itself to providing compassionate, quality care in a safe and efficient manner to our diverse population that includes adults residing in McKinney and the surrounding areas. It has also been our mission to work towards increasing the public's knowledge about their health risks and the services offered at the hospital to help meet these needs.

Baylor Scott & White – McKinney serves thousands of patients annually for emergency services, orthopedics, oncology, women's services, pulmonology, diabetes management, gastroenterology, neuroscience, all digital imaging, rehabilitation and more. The hospital is committed to fulfilling its mission:

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

Throughout each year, Baylor Scott & White – McKinney hosts and participates in major community health fairs targeted at the underserved and supports local not-for-profit organizations as part of our community benefit efforts. Our community assessment reveals that key areas of focus include multiple chronic conditions, preventive health screenings, emergency and urgent care, access to care for low income/underserved, co-morbid medical conditions and prenatal care.

These areas addressed by the hospital through multiple channels include educational seminars and materials, support groups, monetary grants, health fairs and screenings that help identify those at risk. Baylor Scott & White – McKinney is also proud to be a supporter of the United Way through employee donations. Additionally, many of our employees are members of community organizations and serve on various boards.

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 North Central Expressway, Suite 700, Dallas, Texas 75206.

Sincerely,

A handwritten signature in cursive script that reads "Erin Blair".

Erin Blair, President
Baylor Scott & White Medical Center – McKinney

Baylor Scott & White Health
Baylor Scott & White Medical Center –McKinney
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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 Scott & White Medical Center – McKinney is a 143-bed facility located at the northwest corner of University Drive (Highway 380) and Lake Forest Drive in McKinney, Texas. The 469,000 square-foot, full-service medical center opened in July 2012 and is dedicated to serving the residents of McKinney and surrounding communities.

The Hospital uses its revenue after expenses to improve the health of McKinney and surrounding communities through patient care, education, research, and community service. In the fiscal year ending June 30, 2020 the Hospital had 8,483 total adult/special care nursery admits, resulting in a total of 33,998 days of care, delivered 2,133 babies and there were 40,409 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 and other allied health professions at entry and advanced levels to establish a workforce of qualified nurses. Through the System's relationships with six North Texas schools of nursing and six high schools preparing students for health careers, in the fiscal year ending June 30, 2020, the Hospital invested in training 40 nurses and 161 allied health students. During this fiscal year, the hospital also offered

a continuing medical education course for physicians in the community. Total unreimbursed cost of these programs was \$523,619.00. 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 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 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.

1. Cancer Incidence
2. Depression in the Medicare Population
3. Motor Vehicles Driving Deaths With Alcohol Impairment
4. Ratio of Population to One Non-Physician Primary Care Provider
5. Schizophrenia & Other Psychotic Disorders in Medicare Populations
6. Corona Virus Pandemic (ancillary to FY 2019 CHNA)

VI. Programs Addressing Identified Community Health Needs

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 Medical Center –McKinney provided \$9,866,639 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 Medical Center –McKinney provided \$16,013,934 in unreimbursed costs of government-sponsored health care.

IX. Other Types of Community Benefits Provided \$ 1,880,152

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

A. Community Health and Wellness Improvement Services \$ 375,220

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. Cash & In-kind Donations \$ 173,763

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 \$ 523,619

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. Subsidized Health Services

\$ 807,550

Subsidized health services 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 Medical Center –McKinney reports \$166,771,201 in total operating expenses. As required by Section 311.046(1) (5), the ratio of cost to charges was 22.68%. 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 Medical Center –McKinney benefit to the community, conservatively estimated, \$27,760,725 for Fiscal Year 2020. Baylor Scott & White Medical Center –McKinney is filing its Annual Statement of Community Benefits Standard (Statement) as a consolidated system with the other affiliated hospitals of BSWH that are qualified to file as a hospital system.

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.

Please address any comments or suggestions concerning the community benefit activities to Niki Shah, Vice President, Care Redesign and Equitable Health, Baylor Scott and White Health, 8080 North Central Expressway, Suite 700, Dallas, Texas 75206.

Baylor Medical Center at McKinney

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

For the Fiscal Year Ended June 30, 2019 166,771,201

**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>638,029,679</u>
Total Operating Expenses (from 2019 Medicare Cost Report, Worksheet A, Line 118, Col. 7)	(b)	<u>138,124,362</u>
Initial Ratio of Cost to Charge ((b) divided by (a))	(c)	<u>21.65%</u>
Application of Initial Ratio of Cost to Charge to Bad-Debt Expense		
Bad Debt Expense (from 2020 audited financial statements)	(d)	<u>30,358,446</u>
Multiply "Bad Debt Expense" by "Initial Ratio of Cost to Charge" ((d)*(c))	(e)	<u>6,572,603</u>
Add the allowable "Bad-Debt Expense" to "Total Operating Expenses" ((b) + (e))	(f)	<u>144,696,965</u>
Calculation of Ratio of Cost to Charge ((f) divided by (a))	(g)	<u>22.68%</u>