Baylor Scott & White Continuing Care Hospital
Annual Report of Community Benefits
546 North Kegley Road, Temple TX 76502
Taxpayer ID # 20-2850920
For the Fiscal Year Ended June 30, 2017

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June 30, 2017

To My fellow Texans and community neighbors:

Baylor Scott & White Continuing Care Hospital is honored to serve the Central Texas community operating within an integrated health care system driven by the Baylor Scott & White Health System’s mission to serve our community by providing personalized health and wellness through exemplary care, education and research as a Christian ministry of healing.

Baylor Scott & White Health, the organization formed from the 2013 merger between Baylor Health Care System and Scott & White Healthcare, is today the largest not-for-profit health care system in the state of Texas. The organization now includes 48 hospitals, nearly 1,000 patient care sites, 9,700 active physicians, and 47,000 employees, as well as the Scott & White Health Plan, Baylor Scott & White Research Institute and Baylor Scott & White Quality Alliance – a network of clinical providers and facilities focused on improving quality, managing the health of patient populations, and reducing the overall cost of care.

Our Board of Directors, physicians, nurses and staff take our responsibility to the community very seriously. We are committed to providing high-quality healthcare to each person in need, regardless of their ability to pay and our number one goal is to achieve quality patient care. This simple frame of mind and the decision to go beyond the walls of our hospital to serve our community is our commitment to not only treat our patients, but to improve the overall health of the population.

Baylor Scott & White Continuing Care Hospital is a 50-bed, long-term acute care hospital. It is not a chronic care nursing home or skilled nursing facility but patients that stay at CCH are typically critically ill and have complex conditions. The average length of stay is 25 days and many depend on technology such as ventilators, special monitors or dialysis machines. This hospital was built in response to a need for patients in Central Texas to be closer to their family and friends while receiving long term acute care. The goals are to move patients to the next level of care and avoid readmissions to a general acute care hospital.

The Community Benefit goal at Baylor Scott & White is to improve access to healthcare and empower citizens to make healthy life choices. At the Continuing Care Hospital, we provide a multitude of community benefit activities, placing particular emphasis on supplying resources for the underserved and uninsured residents in the community, which are included in this report for fiscal year 2017.

Through regular community health needs assessments, we identify priority areas of focus that enable us to maximize our community benefit resources in specific areas including: addressing causes of obesity managing the effects of chronic diseases as well as preventing the onset when possible. These have been incorporated into overall hospital strategies to better manage the health of the community. Now and going forward, we at Baylor Scott & White will continue to invest our resources, time and dedication back into the community.

I encourage you to give me feedback for this report. Please address comments to me, in care of Tara Stafford, Director of Community Benefit, Baylor Scott & White Health, at 2401 S. 31st Street, Mailstop: MS-09-C600A, Temple, TX 76508.

Sincerely,

Shahin Motakef
President

Baylor Scott & White Continuing Care Hospital
Community Benefit Report: FY 2017
Page 2
I. Mission Statement

*Baylor Scott & White Continuing Care Hospital*, an affiliated hospital of Baylor Scott & White Health System (BSWHS), is committed to fulfilling its mission: “we exist to serve all people providing personalized health and wellness through exemplary care, education and research as a Christian ministry of healing.”

II. Effective Dates of the Plan

The annual report of community benefits provided is for the fiscal year ended June 30, 2017 (“Fiscal Year 2017”).

III. Description of the Community Served

*Baylor Scott & White Continuing Care Hospital* serves children and families across the greater Central Texas area with the majority of its patient population residing in Bell County. The Hospital defines Bell County as its primary community served:

1) Based on examination of inpatient utilization data for past fiscal years
2) Bell County is the single county from which the hospital serves the largest number of patients
3) The hospital is located in Bell County along with more than 30 other Baylor Scott & White facilities.

Bell County encompasses 16 zip codes in 11 cities which include Belton, Fort Hood, Harker Heights, Killeen, Moody, Morgans Point Resort, Nolanville, Rogers, Salado, Temple and Troy.

IV. Identified Community Health Needs from the 2016 Assessment

A. Obesity
B. Chronic Disease Management

V. Program Addressing Community Health Needs

*Programs Addressing Obesity and Chronic Disease:*

<table>
<thead>
<tr>
<th>Title:</th>
<th>COMMUNITY HEALTH EDUCATION-Community Based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Baylor Scott &amp; White consistently looks for opportunities to educate the community on health issues to support our mission and vision. The programs and services that fall into this category extend beyond patient care activities and include services directed to both individuals and larger populations in the community. They include such things as educational information about preventive health care, lectures, or presentations held by SWHC physicians and staff about health related topics like understanding various conditions and diseases, when to seek treatment, and the treatment options available.</td>
</tr>
</tbody>
</table>
Title: Faith Community Health
Description: Faith Community Health is a branch of Faith In Action Initiatives in the Office of Mission and Ministries of Baylor Scott & White Health (BSWH). Faith Community Health strives to form relationships and collaborate with faith communities to improve the health of those people in their congregations and communities. Congregations and communities are supported by integrating faith and health through health educators, faith community nurses, home visits, and church volunteer members.

Title: HEALTH FAIRS
Description: BS&W regularly participates in health fairs all over the communities we serve in order to provide access to educational materials that will help impact healthy lifestyle habits. Information supplied at health fairs includes making healthy lifestyle changes like quitting smoking, starting a nutritional diet, and increasing exercise.

Title: SMOKING CESSATION OUTREACH
Description: Many of our patients and family members have addictions to tobacco. We provide free materials on quitting smoking and offer a variety of resources to connect them to in order to aid in that journey.

VI. Charity Care and Government-Sponsored Indigent Health Care Provided
For Fiscal Year 2017, Baylor Scott & White Continuing Care Hospital provided $ 2,578,251 in unreimbursed costs of charity care and government-sponsored indigent health care.

VII. Other Types of Community Benefits Provided
Baylor Scott & White Continuing Care Hospital is committed to improving the quality of life for the many citizens living and working in its area and was pleased to allocate a total of $ 8,792 to the following community benefit activities.

A. Community Health Improvement Services $ 3,489
These are costs associated with programs and services that extend beyond patient care activities and include services directed to both individuals and larger populations in the community. These services include such things as educational information about preventive health care and treatment for specific diseases, informational health lectures to help understand various conditions and diseases as well as available treatment options, opportunities that promote healthy activity and wellness initiatives, health fairs and screenings, and support groups.

B. Other Community Benefits $ 5,303
Baylor Scott & White provides other services with the goal of improving the overall health of the community including ongoing assessment of community health needs and evaluation of community health programs and services.
VIII. Total Operating Expenses and Calculation of the Ratio of Cost to Charge
As required by Section 311.046 (a) (4), Baylor Scott & White Continuing Care Hospital reports $19,571,612 in total operating expenses for the prior audited fiscal year ending June 30, 2016. As required by Section 311.046(1) (5), the ratio of cost to charges was 35.30%. Please see the attached worksheet for the full calculation.

IX. Report of Community Benefit Provided During Fiscal Year 2017
In a commitment to fulfill its mission, Baylor Scott & White Continuing Care Hospital benefit to the community, conservatively estimated, was $2,587,043 for Fiscal Year 2017. Baylor Scott & White Continuing Care Hospital is filing its Annual Statement of Community Benefits Standard (Statement) as a consolidated system with the other affiliated hospitals of BSWHS (excluding those that qualify as Medicaid disproportionate share hospitals).

Through community benefit activities, BSWHS - 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 in regard to the community benefit activities are greatly welcomed and may be addressed to Tara Stafford, Director of Community Benefit, Baylor Scott & White Health, 2401 S. 31st Street, Temple, TX 76508.
Total Operating Expenses and Calculation of the Ratio of Cost to Charge

Baylor Scott & White Health

**Baylor Scott & White Continuing Care Hospital**

**Total Operating Expenses**

Section 311.046(a)(4)

For the Fiscal Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>$19,571,612</td>
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**Calculation of the Ratio of Cost to Charge**

Section 311.046(a)(5)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Total Patient Revenues</td>
<td>$56,824,915</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$19,161,846</td>
</tr>
<tr>
<td>Initial Ratio of Cost to Charge ((b) divided by (a))</td>
<td>33.72%</td>
</tr>
<tr>
<td>Bad Debt Expense (d)</td>
<td>$2,660,286</td>
</tr>
<tr>
<td>Multiply &quot;Bad Debt Expense&quot; by &quot;Initial Ratio of Cost to Charge&quot; ((d)*(c))</td>
<td>$897,048</td>
</tr>
<tr>
<td>Add the allowable &quot;Bad-Debt Expense&quot; to &quot;Total Operating Expenses&quot; ((b) + (e))</td>
<td>$20,058,894</td>
</tr>
<tr>
<td>Calculation of Ratio of Cost to Charge ((f) divided by (a))</td>
<td>35.30%</td>
</tr>
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