Letter from the President

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August 31, 2011

My fellow Texans and community neighbors, “Do not withhold good from those who deserve it, when it is in your power to act,” Proverbs 3:27. This scripture about Christian ministry illustrates Baylor’s responsibility to provide quality health care to those in need. This simple frame of mind and decision to go beyond the walls of our hospital is our commitment to not only treat our patients but to serve our community. Beginning with the vision of a great humanitarian hospital as the Texas Baptist Memorial Sanitarium, Baylor University Medical Center has been a valuable source of community care for the past 108 years. We strive to act in our mission to serve all people with exemplary health care, education, research, and community service. It is our goal to meet the needs of the underserved and uninsured, provide education to upcoming professionals in the future of health care, and seek out research that will lead to greater advances in medicine. Today, Baylor University Medical Center is one of the nation’s largest not-for-profit medical centers in the country with more than 1,000 patient beds and 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 University Medical Center, 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 the Baylor University Medical Center campus. The medically and financially indigent are at highest risk for many diseases. Drawing from the 2009 Community Health Checkup for Dallas County and other credentialed sources of health care status, Baylor University Medical Center chose to serve the community by addressing the following diseases identified as the greatest needs: (1) Alzheimer’s, (2) cancer, (3) cardiovascular disease, (4) diabetes, (5) injury prevention, (6) pulmonary diseases, (7) stroke, and (8) wellness/well-being.

This year, in particular, Baylor University Medical Center sought to delve deeper into the community of South Dallas through an initiative to combat diabetes. In a cooperative effort between Baylor and the City of Dallas, the Diabetes Health and Wellness Institute at the Juanita J. Craft Recreation Center opened in June 2010 to provide diabetes education, prevention, and treatment to South Dallas residents. Research reveals that this community has 30% greater incidence of hospital stays related to diabetes or a diabetic condition than other areas of Dallas. Established as a community endeavor, this facility’s clinical and educational resources will aim to help people with diabetes maintain a healthy, happy lifestyle.

I encourage you to share your feedback for this report. Please address any comments to me in care of Jennifer Coleman, senior vice president, Public Affairs, Baylor Health Care System, 3500 Gaston Avenue, Dallas, Texas 75246.

Sincerely,

John McWhorter, MBA
President
I. Mission Statement
Baylor University Medical Center ("Baylor Dallas"), an affiliated hospital of Baylor Health Care System ("BHCS"), is committed to fulfilling its mission, “Founded as a Christian ministry of healing, Baylor Health Care System exists to serve all people through exemplary health care, education, research and community service.

II. Effective Dates of the Plan
The annual report of community benefits provided is for the fiscal year ended June 30, 2011 (“Fiscal Year 2011”).

III. Description of the Community Served
Baylor Dallas provides community benefit activities throughout the city of Dallas, but focuses much of its efforts on underserved and uninsured residents, particularly in East Dallas and South Dallas near the Baylor University Medical Center campus. Residents here are often medically indigent (the working poor) and financially indigent (non-working) who are at highest risk for many diseases.

IV. Charity Care and Government-Sponsored Indigent Health Care Provided
For Fiscal Year 2011, Baylor Dallas provided $57,858,923 in unreimbursed costs of charity care and government-sponsored indigent health care.

V. Government-Sponsored Health Care Provided
For Fiscal Year 2011, Baylor Dallas provided $96,679,486 in unreimbursed costs of government-sponsored health care.

VII. Other Types of Community Benefits Provided
Baylor University Medical Center
Baylor Dallas is committed to improving the quality of life for the many citizens living and working in its area and was pleased to allocate funds to the following community benefit activities.

A. Community Benefit Operations

Dedicated staff of the Baylor Dallas Community Benefit Coordinator, two full time staff member salaries in the Volunteer Services office at Baylor Dallas, and a percentage of salaries for reporters who spend 75% of their work time attending, tracking or reporting community benefit activities.
Baylor Dallas provides health education presentations and seminars to the public for education on health risks, early detection, and prevention and management of disease.

B. Community Health Education $ 281,309
Community health education includes lectures, presentations, and other group programs and activities apart from clinical or diagnostic services. Community benefit in this area can include staff time, travel, materials, staff preparation and indirect costs.

C. Financial Donations $ 183,389
Baylor Dallas provides grants and sponsorships to other non-profit organizations through its community support fund.

D. Health Fairs and Screenings $ 179,957
Baylor Dallas provides screenings for early detection and prevention.

E. In-Kind Donations $ 125,845
This category includes new, used and surplus medical equipment and supplies donated to support the Haiti disaster relief efforts, efforts and costs of planning the annual Back-to-School drive for Baylor’s adopted schools and Blessing Tree Christmas projects.

F. Health Care Support Services $2,681,342
Baylor Dallas provides interpreting and translation services for limited English speaking and American Sign Language (ASL) patients and their families and partners with the Texas Health and Human Services Commission to improve access to care for individuals who may benefit from government sponsored health care or charity care. These interpretation services go beyond what is required by law or for accreditation. Health care support services are provided by Baylor Dallas to increase access and quality of care in health services to individuals, especially persons living in poverty and those in vulnerable situations.

G. Medical Education $ 39,578,789
Baylor Dallas provides clinical education and supervision for nursing students through outside organizations and the Baylor School of Nursing. Employees on the medical staff at Baylor Dallas also supervise and coordinate the Medical Residency program, radiology residency and fellowship programs, and dietetic internships.

H. Subsidized Health Services $ 2,804,710
Baylor Dallas provides some clinical services, including emergency and trauma care and palliative care, despite the financial loss they incur.

I. Research $ 11,445,273
Baylor Dallas provides financial support for Baylor Research Institute operating expenses and capital purchases.
VII. Total Operating Expenses and Calculation of the Ratio of Cost to Charge

As required by Section 311.046 (a) (4), Baylor Dallas reports $948,302,471 in total operating expenses. As required by Section 311.046(1) (5), the ratio of cost to charges was 35.14%. Please see the attached worksheet for the full calculation.

VIII. Report of Community Benefit Provided During Fiscal Year 2011

In a commitment to fulfill its mission, Baylor Dallas benefit to the community, conservatively estimated, was $212,557,106 in Fiscal Year 2011. Baylor Dallas is filing its Annual Statement of Community Benefits Standard (“Statement”) on a separate basis as it qualifies as a Medicaid disproportionate share hospital.

Through community benefit activities, BHCS-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 Jennifer Coleman, Senior Vice President, Consumer Affairs, Baylor Health Care System, 3500 Gaston Avenue, Dallas, Texas 75246.