Letter from the President

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Dear Fellow Texan:

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

Baylor McKinney serves thousands of patients annually for emergency services, pulmonology, diabetes management, gastroenterology, neuroscience, orthopedics, oncology, women’s services, all digital imaging, rehabilitation and more. The hospital 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."

Throughout each year, Baylor Regional Medical Center at McKinney hosts and participates in major community health fairs targeted at the underserved as well as support 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, access to care for low income/underserved, emergency and urgent care, co-morbid medical conditions and prenatal care. These areas have been addressed by the hospital through multiple channels including educational seminars and material, support groups, monetary grants, health fairs and screenings that help identify those at risk. Baylor McKinney is also proud to be a supporter of the American Heart Association and 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 Jennifer Coleman, Senior Vice President, Public Affairs, Baylor Health Care System, and 3500 Gaston Avenue, Dallas, Texas 75246.

Sincerely,

Scott Peek, President
I. Mission Statement
Baylor Medical Center at McKinney (Baylor McKinney), 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, 2013 (Fiscal Year 2013).

III. Description of the Community Served
Located in Collin County, Baylor McKinney serves the Eastern Region of the System. Its total service area (TSA) includes zip codes from Princeton, Prosper, Allen, Farmersville, Anna, Celina, Melissa and Blue Ridge. The TSA comprises:

- An urban/suburban geographic area
- Service area population: 284,528
- Service area ethnicity: White Non Hispanic = 71.2 percent; Black Non Hispanic = 6.7 percent; Hispanic = 16.4 percent; Asian and Pacific Islanders Non-Hispanic = 3.2 percent; all others = 2.5 percent
- Service area payer mix: managed care = 48.8 percent; Medicaid = 10.0 percent; Medicare = 32.9 percent; self pay/charity = 7.8 percent; other = 0.5 percent
- Service area household average income: $98,808
- Service area living below the Federal Poverty Level (FPL): 5.4 percent (compared to 10.5 percent living below the FPL in the Dallas/Fort Worth Metroplex, and 10.2 percent living below the FPL in the United States)
- Number of other hospitals serving the community: 4 hospitals other than Baylor McKinney
- Medically underserved: The Baylor McKinney service area contains four designated medically underserved areas or populations.
Service Area Education: Less than High School = 5.2 percent; Some High School = 5.6 percent; High School Diploma = 20.4 percent; Some College/Associates Degree = 29.5 percent; Bachelor’s Degree or Greater = 39.4 percent

Service Area male population = 143,042; Service Area female population = 141,486

Service Area Age: 0-14 = 25.1 percent; 15-17 = 4.9 percent; 18-24 = 8.2 percent; 25-34 = 12.2 percent; 35-54 = 31.4 percent; 55-64 = 9.2 percent; 65+ = 9.0 percent

IV. Charity Care and Government-Sponsored Indigent Health Care Provided
For Fiscal Year 2013, Baylor McKinney provided $12,083,916 in unreimbursed costs of charity care and government-sponsored indigent health care.

V. Government-Sponsored Health Care Provided
For Fiscal Year 2013, Baylor McKinney provided $18,905,477 unreimbursed costs of government-sponsored health care.

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

A. Community Health & Wellness improvement Services $124,204
   Community Health Education - $19,161
   Baylor McKinney offers a variety of health education seminars, support groups and counseling to patients and community members to prevent specific diseases or enhance the quality of life for those who are ill.

   BMCM served 19,419 people through a variety of educational activities, including our Look Good Feel Better cancer program, Cancer Support Groups, and disease specific health seminars and new parent education.

   Physician Recruitment - $105,043
   Baylor McKinney has recruited new physicians to the total service area to stem the proven physician shortage and improve access to quality primary and specialty care and establish a “medical home” for residents of North Texas who lack a primary care physician.

B. Health Screenings & Health Fairs $47,439
   Cancer, chronic respiratory problems and cardiac/stroke are among the top health concerns identified in the needs assessment, and screenings to detect
these conditions were provided through our For Women For Life Event, It’s a Guy
Thing and other health fairs throughout the year.

Baylor McKinney served 2,257 people through a variety of health screenings,
including skin cancer screenings, lung volume screenings, cholesterol screenings,
blood pressure checks, etc.

C. Medical Education  $83,397
   • Nursing Education - $80,902
   Assisting with the preparation of future nurses at entry and advanced levels of
nursing is critical to establishing a workforce of qualified nurses. Through their
work with fifteen North Texas schools of nursing, Baylor McKinney maintains
strong affiliations with schools of nursing. During fiscal year 2013, Baylor
McKinney invested 2,416 hours in training 47 nursing and allied health students.
The nurses trained at Baylor 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.

   • Physician Education - $2,495
   Baylor McKinney offers continuing medical education (CME) offered to physicians
outside of the medical staff on subjects for which Baylor Health Care System has
special expertise.

D. Financial Donations  $84,748
   Baylor McKinney awarded community monetary grants to fund philanthropic
support and proliferation of its mission through other not-for-profit
organizations serving the community. These organizations support
infrastructure improvements, increase access to care, support research,
education, cultural development and increase awareness of early disease
detection/prevention.

E. In Kind Donations  $12,834
   Medical equipment and supplies, meeting room space, emergency medical care at
community events and food donations were donated to a variety of nonprofit
organizations through Baylor McKinney’s giving fund.

F. Health Care Support Services  $120,282
Baylor McKinney provides free financial counselors to help patients determine how to meet their financial obligations for health care services. These financial counselors are also available to assist patients in need in applying for government assistance programs such as Medicaid or Baylor McKinney’s charity care program. Uninsured patients who are admitted to the hospital will automatically receive help from a financial counselor. These services are provided in writing and through interpretation services in the primary language of the patient requesting assistance. Though the most often needed alternate language is Spanish, Baylor McKinney can accommodate many languages, including American Sign Language.

G. Community Benefit Operations $41,644

Baylor McKinney provides 35% of a salaried position to the provision of community benefit.

VII. Total Operating Expenses and Calculation of the Ratio of Cost to Charge
As required by Section 311.046 (a) (4), Baylor McKinney reports $91,372,298 in total operating expenses. As required by Section 311.046(1) (5), the ratio of cost to charges was 39.20%. Please see the attached worksheet for the full calculation.

VIII. Report of Community Benefit Provided During Fiscal Year 2013
In a commitment to fulfill its mission, Baylor McKinney benefit to the community, conservatively estimated, was $31,503,941 for Fiscal Year 2013. Baylor McKinney is filing its Annual Statement of Community Benefits Standard (Statement) as a consolidated system with the other affiliated hospitals of BHCS (excluding those that qualify as Medicaid disproportionate share hospitals).

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, 3600, Suite 1600 Gaston Avenue, Suite 150, Dallas, Texas 75246.