Baylor Health Care System  
**Baylor Medical Centers at Garland and Mckinney**  
dba Baylor Medical Center at Garland  
**Annual Report of Community Benefits**  
2300 Marie Curie Dr.  
Garland, Texas 75042  
Taxpayer ID #75-1037591  
For the Fiscal Year Ended June 30, 2011

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August 1, 2011

Dear Fellow Texan:

Baylor Medical Center at Garland (Baylor Garland) has served residents of Garland and surrounding communities since 1964, and we are proud of the community support that helped build and sustain a facility with a wide array of specialists and services to meet the health care needs of the community.

In support of its mission of serving the people of Garland and surrounding communities through exemplary health care, education and community service, Baylor Garland is dedicated to providing advanced, quality health care, as well as subsidized services to the community such as health education and screenings, training for nurses, patient care assistants and other health care workers.

Baylor Garland is also committed to promoting the healthy well being of individuals and families beyond the health activities of the traditional hospital or clinic setting through its community outreach programs. For example, the medical center provides free community health seminars throughout the year at local libraries and community centers. Baylor Garland also has a tradition of collaborating with key community groups like the school district by offering programs such as Project Power, a program that provides free diabetes education to those who do not have insurance. The program is offered in English and Spanish.

Finally, because Baylor Garland is part of Baylor Health Care System, through a cooperative effort with other hospitals in the Dallas/Fort Worth Hospital Council, several Baylor facilities have again selected heart disease and diabetes for special emphasis during the period covered by this report. By aggregating our efforts, in collaboration with numerous community agencies, we can have a larger, synergistic impact on these issues.

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,

Tom Trenary
President
I. Mission Statement
Baylor Medical Centers at Garland and McKinney dba Baylor Medical Center at Garland (“Baylor Garland”), an affiliated hospital of Baylor Health Care System (“BHCS”), is committed to fulfilling its mission: Founded as a Christian ministry of healing, BHCS exists to serve all people through exemplary health care, education, research and community service.

II. Effective Dates of the Report
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 Garland serves the northeast Dallas county region including Garland and the surrounding cities of Rockwall, Rowlett, Wylie, Mesquite, Sachse, Murphy and Richardson. Baylor Garland, founded in 1964, employs more than 1,200 full and part-time employees and is the 6th largest employer in Garland.

According to the Community Health Check-up 2008 Dallas County, the Mesquite/Garland/Rowlett population is growing. This Service Area grew 5.9 percent from 2000 to 2008, and 8.1 percent of the population in 2008 was over the age of 65. The proportion of the population in the 45 to 64 year age group has also grown from 20.4 percent in 2000 to 24.5 percent in 2008, as compared to 22.6 percent of the same age group county wide. As with much of the nation, the oldest age groups (45-64 and 65+) are the fastest growing in Mesquite/Garland/Rowlett.

Gender distribution is fairly even throughout all age groups for the Mesquite/Garland/Rowlett area except for the group of 65 and up, where female dominates.

The Mesquite/Garland/Rowlett area has become more ethnically diverse. In 2008, 47.9 percent of the population is white. The remaining ethnic distribution is 30.6 percent Hispanic, 12.8 percent African-American, 6.4 percent Asian, and 1.8 percent other. Compared to the county, the Mesquite/Garland/Rowlett area has a large Asian population (6.4 percent as compared to 4.2 percent for the county as a whole).
In 2008, 15.4 percent of the Mesquite/Garland/Rowlett households still earned under $25,000. This is lower than the county rate (22.8 percent). Additionally, 18.6 percent of the households, which is higher than the county average of 17.0 percent, earned more than $100,000. Again, 51.1 percent earned between $25,000 and $75,000 which is also higher than the county average of 49.0 percent. On average, Mesquite/Garland/Rowlett households had a higher average household income than Dallas households.

According to the 2000 Census, approximately 7.6 percent of Mesquite/Garland/Rowlett population still lived below 100 percent of the federal poverty level. This is lower than the county where 13.4 percent still earned less than 100 percent of the federal poverty level. Additionally, a total of 22.6 percent lived below 200 percent of the federal poverty level, leaving 77.4 percent Mesquite/Garland/Rowlett population earning more than 200 percent of the federal poverty limits. This is higher than the percent of Dallas County residents (66.6 percent above 200 percent of the federal poverty level in the same year). From 2000 to 2007, the poverty status of Dallas County worsened. By 2007, only 60.0 percent Dallas County residents lived above 200 percent of the federal poverty level.

As of 2008, approximately 17.7 percent of Mesquite/Garland/Rowlett population over the age of 25 has not graduated high school. However, 23.5 percent have a bachelor’s degree or more, which is lower than the Dallas County rate (27.2 percent).

IV. Charity Care and Government-Sponsored Indigent Health Care Provided
For Fiscal Year 2011, Baylor Garland provided $18,110,207 in unreimbursed costs of charity care and government-sponsored indigent health care.

V. Government-Sponsored Health Care Provided For Fiscal Year 2011
Baylor Garland provided $37,738,534 unreimbursed costs of government-sponsored health care.

VI. Other Types of Community Benefits Provided For Fiscal Year 2011
Baylor Garland is committed to improving the quality of life for the many citizens living and working in its area. Baylor Garland was pleased to allocate funds to the following community benefit activities.

A. Community Health Education and Outreach $ 4,010
Baylor Garland provides health education seminars in the community to educate people about preventive health care.

B. Health Screenings and Health Fairs $ 132,530
Baylor Garland provides health fairs and health care screenings in the community for early identification of disease.

C. Financial Donations $ 32,340
Baylor Garland supports several not for profit civic and community events and organizations whose goals and mission enhances the ability of the community to improve the health infrastructure of the communities it serves.

D. In Kind Donations $ 234,558
Baylor Garland provides in kind donations of service, time and equipment to other not for profit organizations who have similar missions.

E. Medical Education $ 2,621,012
Baylor Garland provides medical education for family medicine physicians in a three-year residency program.

F. Health Care Support Services $ 384,810
Health care support services are provided by the hospital to increase access and quality of care in health services to individuals, especially persons living in poverty and those in vulnerable situations.

G. Community Benefit Operations $ 33,790
Community benefit operations include costs associated with assigned staff and community health needs and or assets assessment, as well as other costs associated with community benefit strategy and operations.

VII. Total Operating Expenses and Calculation of the Ratio of Cost to Charge
As required by Section 311.046 (a)(4), Baylor Garland reports $213,597,248 in total operating expenses. As required by Section 311.046(1) (5), the ratio of cost to charges was 33.41%. 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 Garland’s benefit to the community, conservatively estimated, was $59,291,791 for Fiscal Year 2011. Baylor Garland 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, 3500 Gaston Avenue, Dallas, Texas 75246.