

CHRISTUS Spohn Health System

Continuing the Mission through Building Healthier Communities.

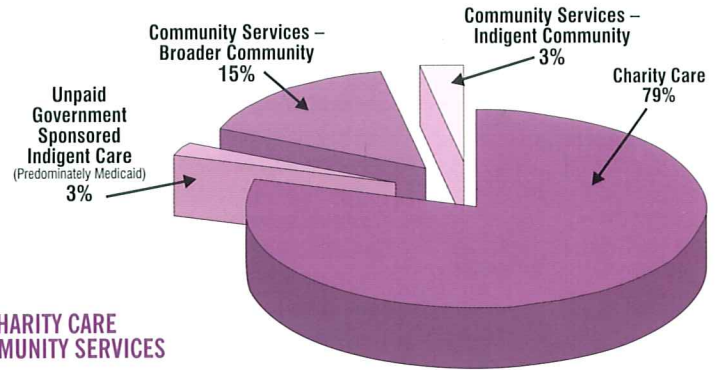
A Synopsis of Community Benefit in Fiscal Year 2007.

CHRISTUS Spohn Health System, a region of the CHRISTUS Health system, is committed not only to offering high-quality health services to every patient we serve, but also to partnering with others in the Coastal Bend community to improve the health and quality of life for all.

The benefit that CHRISTUS Spohn Health System provides to the Coastal Bend cannot be measured in dollars alone. We are dedicated to improving community health and to collaborating with other community members to provide a comprehensive array of programs, grants and affordable services for the uninsured. The total value of our contribution to improving the health of the region exceeds the dollars that can be captured in any community benefit report.

CHRISTUS Spohn Health System follows the Catholic Health Association (CHA) guidelines for reporting community benefit, and we also report to the state of Texas in cooperation with state regulations.

Charity Care is defined as the unpaid cost of medical services provided to the uninsured and underinsured, including Medicaid. During fiscal year 2007, CHRISTUS Spohn Health System



FY2007 CHARITY CARE AND COMMUNITY SERVICES

provided more than \$54.4 million in Charity Care, which is 9.2 percent of our region's net patient revenue. Of this amount, **Unpaid Government Indigent Care** for the underserved, predominately Medicaid, comprises more than \$1.8 million of unpaid costs for fiscal year 2007, which is 0.3 percent of net patient revenue.

CHRISTUS Spohn Health System also contributed more than \$11.8 million in **Community Services** to the Coastal Bend in fiscal year 2007. Thus, the CHRISTUS Spohn Health System provided \$66.2 million in total community benefits, which is 11.3 percent of net patient revenue earned in fiscal year 2007. This equates to \$181,000 a day in community

benefits. Not only that, but CHRISTUS Spohn Health System invests back into the community through expanded health services, new technologies and better facilities.

In addition, the cost of **Unpaid Government Sponsored Programs** – mostly Medicare – is reported to the state of Texas following the state's Community Benefit reporting requirements. This year, that amount for the CHRISTUS Spohn Health System was more than \$52.4 million, or 8.9 percent of the region's net patient revenue. In accordance with CHA guidelines, CHRISTUS Spohn Health System does not include this amount in reports of community benefit provided to other agencies.

CHRISTUS SPOHN HEALTH SYSTEM COMMUNITY BENEFIT FY2006 vs FY2007

	YEAR ENDED 06/30/06		YEAR ENDED 6/30/07	
	UNPAID COSTS \$	AS A % OF NPR*	UNPAID COSTS \$	AS A % OF NPR*
CHARITY CARE				
Charity Care	55,353,429	9.3	52,567,665	8.9
Unpaid Government Indigent Care (predominately Medicaid)	3,679,349	0.6	1,838,777	0.3
Charity Care Subtotal	59,032,778	9.9	54,406,442	9.2
COMMUNITY SERVICES				
Total Community Benefit as per CHA Guidelines	68,935,041	11.6	66,275,404	11.3
UNPAID GOVERNMENT SPONSORED PROGRAMS (predominately Medicare)	47,990,361	8.1	52,471,884	8.9
Total Community Benefit plus unpaid Medicare costs per State of Texas rules	116,925,402	19.7	118,747,288	20.2
NET PATIENT REVENUE (NPR)*	594,993,127		591,098,668	

*All Numbers Are Taken From The Consolidated Financial Statements.