

On a Mission

BY SARAH GANTZ | STAFF

Bon Secours spends big on its community as it barely breaks even

There is a washer, two dryers and some space to fold. The back door leads to a garden where women could wait for their wash to dry — if it wasn't overgrown with weeds.

Still, this small space is a godsend for families that are homeless or can't afford the laundromat. Thanks to Bon Secours, children in West Baltimore can go to school in clean clothes.

Hospitals all tout the millions of dollars they spend on programs and services provided for free to their communities. But in Maryland, about half of the \$1.4 billion hospitals spent on the so-called community benefit came out of the rates paid by Medicare, private insurers, and you and me. A close look at the \$652 million in community benefit spending that actually came out of hospitals' own coffers reveals that the hospitals with the least financial means also put the greatest portion of their expenses toward these programs.

Bon Secours in West Baltimore is a prime example. The hospital is in a part of town where residents earn less and die sooner than the average Baltimore resident. Because Bon Secours



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Margaret Walker, a licensed practical nurse with 18 years experience, helps Daniel Patterson with dialysis treatment inside the renal dialysis unit at Bon Secours Hospital in West Baltimore.

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Doing the Community Good

Bon Secours Hospital's interaction with patients goes far beyond the emergency room. The West Baltimore hospital is involved in helping residents find jobs, feed their families and feel safer in their neighborhoods. Here are a few examples of the hospital's community benefit spending at work.

Senior Living

2 N. Smallwood St.

Bon Secours helps residents access medical care, social services and recreation in housing renovated by the hospital system.

Women's Resource Center

10 N. Pulaski St.

This building is dedicated to women and families. It offers washers and dryers for doing laundry.

W. Baltimore St.

Apartments/Rowhomes

2138 W. Baltimore St., 2011 W. Baltimore St.

Bon Secours has renovated 119 apartments and rowhomes. The overhaul doesn't count toward its community benefit expenses but has addressed a dire need for housing.

Bon Secours Hospital

2000 W. Baltimore St.

The 127-bed community hospital is one of the smallest in Baltimore. However, it has a busy emergency room, treats many kidney dialysis patients and is growing its primary care program.

W. Lexington St.

N. Payson St.

W. Fayette St.

W. Fairmount Ave.

W. Baltimore St.

N. Monroe St.

N. Monroe St.

N. Fulton Ave.

Community Works

26 N. Fulton Ave.

This center houses many of Bon Secours community benefit programs such as a GED class that offers daycare for students' children.

Apartments/Rowhomes

1-5 S. Fulton St., 1801-1824 W. Baltimore St., 1935 W. Baltimore St.

When Bon Secours started renovating homes, 67 of the 101 units in a three-block target area were vacant. Fifty-nine have been fixed up and occupied.

Senior Living

1800 Hollins St.

Here's another example of a renovated senior living complex. Dilapidated housing is common in the neighborhood.



Source: Bon Secours Hospital

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treats a disproportionately sick and low-income population, it struggles more than other hospitals to fundraise and hire physicians. The hospital is barely breaking even, with an operating profit of just \$1.2 million in fiscal 2012. Yet Bon Secours is putting all it has into services meant to improve its community.

“Our success happens in small bites,” said Bon Secours CEO Dr. Samuel Ross.

Washers and dryers. Twice-monthly farmers markets. Classes about buying a house or applying for a job.

“But each time it happens, it’s encouragement to say, ‘We need to do more,’ ” Ross said.

Bon Secours spent a total of \$23.8 million on community benefit in fiscal 2012, of which just under \$14 million came out of the hospital’s bottom line. By sheer dollars, the hospital is not a top spender when it comes to community benefit. But that \$14 million accounted for 12 percent of the hospital’s total operating expenses. Community benefit spending, excluding funding in hospital rates, accounted for between 2 percent and 6 percent of operating expenses for a majority of hospitals in Maryland. There are no requirements for how much each hospital must spend on community benefit, which means Bon Secours could have spent less — and put the money instead to helping prop up the struggling hospital.

“They’ve listened to what people are saying they want. I think Bon Secours has been there for residents.”

— Debbie Rock,

LIGHT Health & Wellness

Benefits all over the map

In Maryland and most other states hospitals are required to spend money on community benefit programs as a condition of being a nonprofit organization that is exempt from taxes. Unlike any other state, Maryland’s Health Services Cost Review Commission sets rates for hospitals and includes in those rates money for uninsured patients and physician training. In other words, insurers and other payers pony up a little more so hospitals have money to care for uninsured patients and train new doctors.

While hospitals are required to provide community benefit programs and report their activities, there are no requirements about how much they must spend. For that reason, the amount hospitals spend on community benefit varies widely.

For example, community benefit spending not included in rates accounted for 2 percent of Johns Hopkins Hospital’s total operating expenses. Granted, at Johns Hopkins, 2 percent is \$37 million.

That \$37 million went to programs aimed at addressing heart disease, a common chronic problem in Hopkins’ service area. Hopkins also supported initiatives aimed at maternal and child health, substance abuse and mental health — all needs identified in a community review.

The IRS wants hospitals’ community

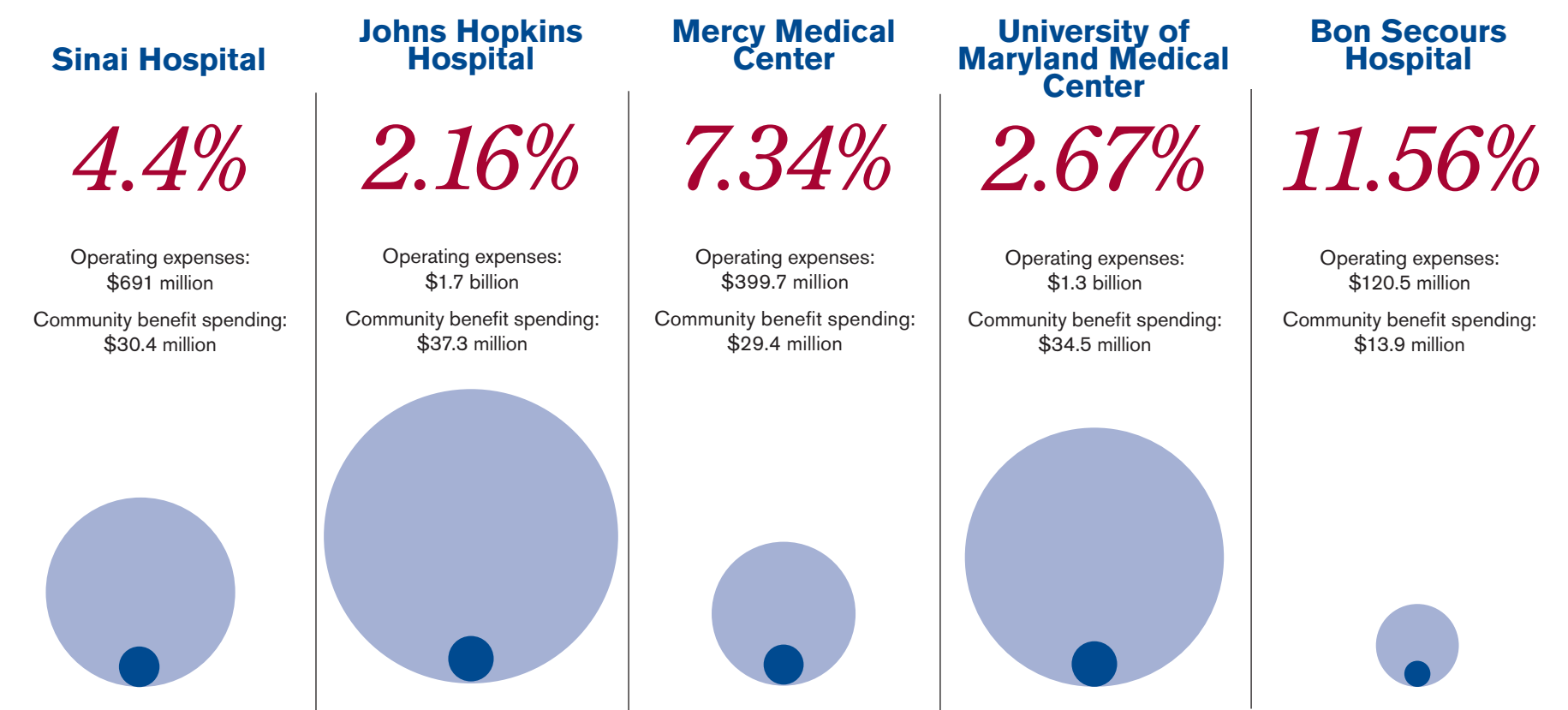


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‘Our success happens in small bites,’ says CEO Dr. Samuel Ross.

► COMMUNITY BENEFIT SPENDING

Maryland hospitals spent a total of \$1.4 billion on community benefit — programs and services provided for free or at reduced rates — in fiscal 2012. But more than half that amount was paid for through what they charged patients and insurers. Here’s a look at the percentage of community benefit spending that came out of hospitals’ own coffers, excluding the money pulled in from rates.



Source: Health Services Cost Review Commission

Bon Secours: Neighborhood asks for help with families

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benefit spending to be commensurate with the benefits they get for being tax-exempt, but those numbers are hard to nail down, said Steve Ports, a deputy director for the rate-setting agency.

Ross said Bon Secours' high community benefit spending harks back to the charitable mission of the Sisters of Bon Secours, who founded the hospital in 1919. But for Bon Secours, addressing community needs also helps the hospital. Hospitals in Maryland are penalized if certain patients return too soon after being discharged. Return visits are all but inevitable for many Bon Secours patients, who are in general less healthy.

In order to get a hold over the community's poor health, health care has to be about more than hospital services for Bon Secours. The hospital must first tackle the social and economic problems that persist in West Baltimore. Access to transportation to get to appointments, safe streets to walk to the pharmacy, and stores that sell fresh food are all challenges in the neighborhood.

Residents need jobs, and before that they need help getting their high school diploma or equivalent, help crafting a resume and training about what to say in an interview.

"We're giving people the tools, the confidence, the self-esteem to know they can do better," Ross said.



Mia Johnson teaches a GED class for women at Community Works, a neighborhood resource center run by Bon Secours Hospital in West Baltimore.

Bon Secours has focused its community benefit spending on services residents say they need and want. Lately, that has meant moving toward more programs for children and families, said George Kleb, executive director of housing and community development for Bon Secours. For example, Bon Secours offers a GED program for young adults who dropped out of school to take care of children. There is day care for the kids and everyone can eat lunch together.

"These aren't things we thought up in a vacuum. What these people need

is...blank," Kleb said. "There's engagement."

Neighborhood engagement

Housing is high on the list. Since 1988, Bon Secours has renovated 119 rowhouses and apartments. It also rehabilitated 648 residential units for seniors and adults with disabilities in six apartment buildings. The money to renovate those dilapidated buildings came from grants and the money for upkeep comes from the rents residents pay. The renovation projects do not count as part of the hospital's community benefit spending, but the benefit of turning abandoned, boarded up row houses into family housing is undeniable.

Back when Bon Secours began fixing up abandoned properties, 67 of the 101 units in the three-block target area were vacant. To date, Bon Secours has fixed up 59 of those homes.

"What I think I've seen Bon Secours do is they've listened to what people are saying they want," said Debbie Rock, who founded an HIV and health clinic LIGHT Health & Wellness in West Baltimore 15 years ago.

"I think Bon Secours has been there for residents," she added.

Collaboration central

But while the hospital's impact in the community is clear just by walking down the streets there and the health system owners are dedicated to community improvement, the hospital it is not a miracle worker.

Bon Secours struggles to stay in the black and brought in only \$1.2 million in operating profit in fiscal 2012. Hospitals in wealthy neighborhoods with deep-pocketed donors are struggling to balance their budgets. How can a hospital losing money and patients at the rate Bon Secours is continue to give so much?

By tapping into the community it helped build, Ross said.

Ross said he has seen more collaboration and partnership in West Baltimore in the past few years than ever before.

Now Bon Secours is leading a new neighborhood-wide initiative, called the West Baltimore Primary Care Access Collaborative. The new group is a collabora-

BON SECOURS BY THE NUMBERS

\$123.8 M
FY 2012 total net operating revenue

\$1.2 M
FY 2012 total operating profit

0.99%
FY 2012 operating profit margin

127
Number of beds

6,579
Admissions

Source: Bon Secours Baltimore Health System 2012 Community Benefit Report; Health Services Cost Review Commission

tion of more than a dozen community organizations, including Rock's LIGHT Health & Wellness. The group's task is to draw in more health services, more community support programs and dig down to the root causes of public health problems.

"We all envision West Baltimore becoming a healthy community where residents have the power to take control of their lives," Rock said.

NEIGHBORHOOD PROFILE

WEST BALTIMORE

\$28,514

Median household income

33.9%

Percent of households below the federal poverty level

17%

Percent uninsured

64.2

Average life expectancy

25%

Percent of properties that are vacant or abandoned

BALTIMORE

\$40,100

Median household income

16%

Percent of households below the federal poverty level

16%

Percent uninsured

70.9

Average life expectancy

17.5%

Percent of properties that are vacant or abandoned

VS.

Source: Bon Secours Baltimore Health System 2012 Community Benefit Report; U.S. Census Bureau