

Heal the Sick: Chaplains, charity care set faith-based hospitals apart

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What distinguishes religiously affiliated hospitals from their secular counterparts? Chaplains and charity care top the list, administrators of faith-based, nonprofit health care institutions agree.

“Every morning at 5 a.m., a chaplain goes into our surgical unit where he has the opportunity to encourage patients who are facing surgery and offer them the opportunity for prayer. You don’t find that in every hospital in America,” said Glenn Robinson, president and chief executive officer of Hillcrest Health System in Waco.

A technician at Hillcrest Health Care in Waco prepares a patient for a CT scan. (Photos courtesy of Hillcrest Health Care)

Hospitals that are not religiously affiliated may have a chaplain on staff or on call. But at a faith-based institution, pastoral ministry staff members are viewed as an integral part of the healing team, helping to meet spiritual and emotional needs while physicians respond to medical concerns, he added.

Hospitals with denominational ties also offer a different level of clinical pastoral education through their chaplaincy programs, Robinson noted. Hillcrest works closely with Baylor University’s Truett Theological

Seminary, as well as other divinity schools, to offer pastoral ministry experience and training.

“For many Baptist hospitals in particular, the chaplains’ office and CPE program are not just there to provide pastoral care, but also to provide education for pastoral care providers,” said Mike Williams, chief executive officer of Community Hospital Corporation.

Churches benefit from that service—a fact not lost on denominational organizations. In Texas, churches affiliated with the Baptist General Convention of Texas historically have supported healthcare institutions through their Cooperative Program unified giving plan.

At one time, those funds provided some operating expenses, particularly for charity care. But as healthcare costs skyrocketed and the BGCT allocation to hospitals became an increasingly minute fraction of their total operating budgets, the state convention shifted toward designating funds to pastoral ministry at the institutions.

In recent years, Texas Baptists have provide more than \$1.2 million annually to support chaplaincy and pastoral ministry programs in five BGCT-affiliated healthcare systems.



Each year, the Hillcrest Health Care system provides about \$70 million in uncompensated care for people in Central Texas—about \$20 million that clearly could be characterized as charity care and more than \$50 in uncompensated care resulting from bad debt, including from people who don’t qualify for charity care but who cannot pay their medical bills.

But while the ability of denominations to provide direct financial support for charity care in their affiliated hospitals has lessened, the healthcare systems have maintained a commitment to providing medical attention for poor people in their communities.

More than any other single factor, that commitment sets faith-based nonprofit hospitals apart from secular for-profit healthcare providers, Williams insisted.

“The biggest issue is the mission of faith-based hospitals to provide health care to all people, regardless of their ability to pay for it,” he said. “Not-for-profits are the safety net hospitals in our country—the institutions that provide the vast amount of uncompensated care for the uninsured or underinsured.”

That sense of mission—to make sure all people had access to medical care—prompted Baptists in the United States to enter the institutional healthcare arena in the mid-1880s. That’s when William H. Mayfield, a physician, called on Third Baptist Church of St. Louis, Mo., to help him launch the Missouri Baptist Sanitarium and later the Mayfield Sanitarium. Ultimately, the fledgling entry into healthcare grew to become Missouri Baptist Medical Center.

In 1903, George W. Truett, pastor of First Baptist Church in Dallas, challenged a group of North Texas community leaders by asking, “Is it not now time to begin the erection of a great humanitarian hospital, one to which men of all creeds and those of none may come with equal confidence?”

Truett joined R.C. Buckner, who had pioneered a small-scale hospital in an annex of the Buckner Orphans Home in east Dallas, and wealthy Dallas layman C.C. Slaughter in giving birth to the Texas Baptist Memorial Sanitarium in Dallas—predecessor of what is now Baylor Health Care

system.

“That sense of justice and equality expressed by George Truett is a guiding principle,” said Jim Walton, vice president and chief equity officer for Baylor Health Care System.



A pediatric nurse comforts a patient at Hillcrest Health Care in Waco.

“It starts at the top and works its way down. It makes a difference when it comes to making decisions about how to allocate resources. As a mission-based organization that enjoys tax-exempt status, it’s expressed in our commitment to take care of the medically underserved population.”

More than 60 percent of the hospitals in the United States are nonprofit. Many were founded by religious groups or denominations, but a significant number have loosened or severed those religious ties. And in the process, some—but not all—have lessened their commitment to providing charitable care.

As ranking member of the Senate Finance Committee, Charles Grassley, R-Iowa, has led the charge to make sure hospital that enjoy the tax benefits of nonprofit status provide significant charity care for their communities.

An IRS report released in July 2007 showed nearly one-fourth of the nation’s nonprofit hospitals spend less than 1 percent of their revenue on

charity care, and nearly half spend 3 percent or less. The study showed one nonprofit hospital in five spent 10 percent or more of revenue on care for the uninsured poor.

In contrast, some Baptist hospitals that have maintained strong denominational ties report devoting anywhere from one-fifth to one-fourth of total revenue to uncompensated care for poor patients—assuming that all parties involved define terms the same way.

“About 25 percent of our total business falls into the category” of unreimbursed care, Robinson said regarding Hillcrest Health System in Central Texas. “That amounts to \$70 million every year in uncompensated care to our community.”

Of that total, \$20 million clearly falls into the category of charity care in the strictest sense, said Richard Perkins, executive vice president and chief financial officer at Hillcrest. More than \$50 million of the uncompensated care results from bad debt.

“As you know, most of the bad debt is generated by persons who don’t qualify for charity’—or don’t provide the information to confirm that they do—but don’t have the ability to pay either the entire bill or the portion that is their responsibility, even if they have insurance,” Perkins said.



Neonatal care at Hillcrest Health
Care in Waco.

“This problem is growing annually as many employers are either dropping coverage, raising the employee premiums to unaffordable levels or increasing the copays and deductibles to amounts which most people are not able to pay.”

Similarly, a community services report posted on the Baylor Health Care System website notes: “Baylor’s community benefit expenditures in fiscal year 2006 accounted for nearly 21.3 percent of its net patient revenue, reaching a record \$407 million in unreimbursed costs. The vast majority, or nearly \$395 million of the expenditure, went to provide care for charity patients and patients enrolled in government programs such as Medicare and Medicaid. Payments from these federal and state agencies are far below the actual cost of the care delivered. The remaining \$12 million provided for unreimbursed costs of medical education and research, as well as more than 200 community benefit programs.”

Faith-based nonprofit hospitals, almost by definition, serve their communities better than for-profit hospitals, Williams insisted. While the quality of care in for-profits may be high and some for-profit hospitals operate out of a sense of mission, their bottom line remains the bottom line, he said.

“If they are an investor-owned operation, they have to return a dollar benefit to their shareholders,” he said.

Still, charity care and chaplaincy programs are not the exclusive domain of denominationally related nonprofits. When Vanguard Health Systems—a for-profit healthcare corporation—acquired Baptist Health System in San Antonio several years ago, officials pledged to continue the hospital’s historic faith-based mission.

Vanguard hired George Gaston, who served 25 years as pastor of Texas Baptist churches, as regional vice president of ministry for Baptist Health

Systems. Under his leadership, the health care system's pastoral care team maintains 11 full-time chaplains and five part-timers who handle on-call work over the weekends. Two clinical pastoral education supervisors work with six residents and a dozen interns. Baptist Health Systems reported providing \$17.8 million in charity care during the 2006-2007 fiscal year and more than \$19.6 million in 2006-2007.

Just because a hospital system pays taxes, that doesn't mean it can't operate by Christian values, Gaston maintains.

"People think that when you sell a nonprofit, that you give up the ability to render Christian care. We have not done that at all," he said. "We have strengthened and built upon what was done before us. We've got a wonderful ministry here."