

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY
July 31, 2019

Phoebe Putney Memorial Hospital, Inc. (Corporation) is a not-for-profit health care organization that exists to serve the community. The Corporation opened in 1911 to serve the community by caring for the sick regardless of ability to pay. As a tax-exempt hospital, the Corporation has no stockholders or owners. All revenue after expenses is reinvested in the mission to care for the citizens of the community – into clinical care, health programs, state-of-the-art technology and facilities, research, and teaching and training of medical professionals now and for the future.

The Corporation operates as a charitable organization consistent with the requirements of Internal Revenue Code Section 501(c)(3) and the “community benefit standard” of IRS Revenue Ruling 69-545. The Corporation takes seriously its responsibility as the community’s safety net hospital and has a strong record of meeting and exceeding the charitable care and the organizational and operational standards required for federal tax-exempt status. The Corporation demonstrates a continued and expanding commitment to meeting its mission and serving the citizens by providing community benefits. A community benefit is a planned, managed, organized, and measured approach to meeting identified community health needs, requiring a partnership between the healthcare organization and the community to benefit residents through programs and services that improve health status and quality of life.

The Corporation improves the health and well-being of Southwest Georgia through clinical services, education, research and partnerships that build health capacity in the community. The Corporation provides community benefits for every citizen in its service area as well as for the medically underserved. The Corporation conducts community needs assessments and pays close attention to the needs of low income and other vulnerable persons and the community at large. The Corporation often works with community groups to identify needs, strengthen existing community programs and plan newly needed services. It provides a wide-ranging array of community benefit services designed to improve community health and the health of individuals and to increase access to health care, in addition to providing free and discounted services to people who are uninsured and underinsured. The Corporation’s excellence in community benefit programs was recognized by the prestigious Foster McGaw Prize awarded to the Corporation in 2003 for its broad-based outreach in building collaboratives that make measurable improvements in health status, expand access to care and build community capacity, so that patients receive care closest to their own neighborhoods. Drawing on a dynamic and flexible structure, the community benefit programs are designed to respond to assessed needs and are focused on upstream prevention.

As Southwest Georgia’s leading provider of cost-effective, patient-centered health care, the Corporation is also the region’s largest employer with more than 3,600 members of the Corporation Family caring for patients. The Corporation participates in the Medicare and Medicaid programs and is one of the leading providers of Medicaid services in Georgia.

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The following table summarizes the amounts of charges foregone (i.e., contractual adjustments) and estimates the losses (computed by applying a total cost factor to charges foregone) incurred by the Corporation due to inadequate payments by these programs and for indigent/charity. This table does not include discounts offered by the Corporation under managed care and other agreements:

	<u>Charges Foregone</u>	<u>Estimated Unreimbursed Cost</u>
Medicare	\$ 732,000,000	\$ 215,000,000
Medicaid	244,000,000	72,000,000
Indigent/Charity	<u>75,000,000</u>	<u>22,000,000</u>
	<u>\$ 1,051,000,000</u>	<u>\$ 309,000,000</u>

Indigent/Charity Care by County

The Corporation provided care to a total of 8,117 Indigent/Charity patients during 2019. These patients came from numerous counties throughout Georgia and surrounding states. The following table summarizes the amounts of charges foregone and estimates the losses incurred by the Corporation by county.

<u>County</u>	<u>Charges Foregone</u>	<u>Estimated Unreimbursed Cost</u>
Dougherty	\$ 41,000,000	\$ 12,000,000
Lee	8,600,000	2,500,000
Worth	4,900,000	1,400,000
Terrell	4,700,000	1,400,000
Mitchell	3,800,000	1,100,000
Sumter	2,500,000	700,000
Randolph	1,200,000	400,000
Crisp	1,000,000	300,000
Calhoun	1,000,000	300,000
Colquitt	1,000,000	300,000
Other Georgia	4,600,000	1,400,000
Out of State	<u>700,000</u>	<u>200,000</u>
Total	<u>\$ 75,000,000</u>	<u>\$ 22,000,000</u>

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The following is a summary of the community benefit activities and health improvement services offered by the Corporation and illustrates the activities and donations during fiscal year 2019.

I. Community Health Improvement Services

A. Community Health Education

The Corporation provided health education services in 2019 including the following free classes and seminars:

- Teen Maze
- Health Teacher Training
- CPR Training
- Safe Sitter Classes
- Opioid Community Task Force Meetings and Campaign Launch
- School-based Opioid Prevention Program
- School Staff Education in Elementary Schools
- Diabetes Awareness Seminars
- Participated in Community Garden activities at all the public schools in Dougherty County
- Various Support Groups

Men's and Women's Health Conferences

The Men's and Women's Conferences attracted approximately 700 participants. These conferences provided blood pressure, glucose, cholesterol, PSA for men and BMI screenings for each participant and were made possible by a broad coalition of providers such as the Faith-based Initiative, Heart and Cancer Society, Horizons Community Solutions, and Public Health among others. The total costs for all health fairs was \$25,106. Other community health education expenses totaled \$455 for the year.

Network of Trust

This is a nationally recognized program aimed at teen mothers to provide parenting skills, attempt to reduce repeat pregnancies, and complete high school. This program also includes a teen father program along with other teenaged children programs. Internal evaluation shows teens participating in the program are less likely to repeat a pregnancy prior to graduation. Network of Trust enrolled 78 teen parents during the 2018/2019 school year at a cost of \$260,658. Project results demonstrate teens that graduate from the two-semester program are less likely to have a second pregnancy prior to age 21. 22 of the 30 Network of Trust seniors graduated. In addition, Network of Trust and the school nurse program provided health fairs to children at various public schools with 586 students participating and an additional 7,734 students participating in the Opioid Prevention Project.

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I. **Community Health Improvement Services, Continued**

B. Community Based Clinical Services

Flu Shots

The Corporation provides free flu shots to volunteers and students. In 2019, the Corporation administered 354 flu shots at an unreimbursed cost of \$6,814.

School Nurse Program

The Corporation places nurses in sixteen elementary schools, six middle schools, and four high schools in Dougherty County with a goal of creating access to care for students and staff, assessing the health care status of each population represented and effectively establishing referrals for all health care needs. Nurses also conducted the Eighth Grade Health Fairs. During the 2018/2019 school year, the school nurse program covered 18,000 student lives. This program is operated at a cost of \$356,592 in 2019.

Mammography Screening Program

The Corporation provided 244 Mammograms to uninsured residents residing in its primary service area at a cost of \$34,502. Two suspicious screens led to a breast cancer diagnosis.

C. Health Care Support Services

Government Sponsored Eligibility Applications to the Poor and Needy

The Corporation contracts for eligibility applications on behalf of the poor and needy that may be eligible for Medicaid. In some cases, it can take up to two years to be deemed eligible. In 2019, the Corporation paid \$976,580 to process those applications.

• Financial Assistance Policy (FAP)

PPHS Hospital Facilities will extend free or discounted care to eligible individuals for all urgent, emergent, or otherwise medically necessary services. Patients whose household income is at or below 125% of the Federal Poverty Guidelines are eligible for free care. Patients whose household income is between 126% and 400% of the Federal Poverty Guidelines qualify for discounted charges based on a sliding fee schedule in the FAP. Phoebe will not charge eligible individuals more for emergency or other medically necessary care than the Amount Generally Billed to individuals who have insurance coverage, and is compliant with the requirements for a not-for-profit charitable corporation in accordance with Internal Revenue Service Regulation §1.501(r).

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II. Health Professions Education

The Corporation recognizes that to continuously improve the Corporation's long-term value to our community and our customers, to encourage life-long learning among employees and to achieve a world-class employer status, it is in the Corporation's best interest to provide opportunities that will assist eligible employees in pursuing formal, healthcare related educational opportunities. In fiscal year 2019, the Corporation provided \$528,515 in clinical supervision and training of 340 nursing students, and an additional \$475,353 in clinical supervision and training to pharmacy, pharmacy techs and other allied health professionals.

III. Subsidized Health Services

A. Other Subsidized Services

Inmate Care

The Corporation provides care to persons in jail for Dougherty County. In 2019 the Corporation provided \$290,149 of unreimbursed medical and drug treatment to 195 inmates.

Indigent Drug Pharmacy

Indigent Drug Pharmacy provides medication upon discharge to patients that are either indigent or uninsured. In 2019, the pharmacy issued 4,214 prescriptions at a cost of \$141,454.

IV. Financial and In-Kind Support

In 2019, The Corporation provided \$312,426 in cash donations and in-kind support to non-profit organizations in Southwest Georgia. Listed are some highlights:

- The Horizons Community Solutions, formerly known as Southwest Georgia Cancer Coalition, received \$114,429 for staff support and various projects.
- Gave AAPHC \$106,256 for renovation cost to open two more school health clinics.
- In-kind support of foregone rent to non-profit organizations at an estimated cost of \$58,174.
- Gave \$50,000 to Andrew College for their Respiratory Therapy Program and to Georgia Southwestern State University for their Nursing Program.

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V. **Community Building Activities**

A. Economic Development

The Corporation supports the Economic Development Commission of Dougherty County with funding to support improved employment and health coverage as a way to improve the overall health of the residents of the region. The Corporation also hosted a SWGA workforce meeting December 15, 2018 with 25 attendees and provided refreshments at a cost of \$164.

VI. **Community Benefit Obligations**

The Corporation incurred \$126,432 to support staff and community health needs assessment costs and included \$32,000 renewal of Healthy Communities Institute's dashboard feature on our website:

<http://www.phoebhealth.com/health-matters/building-healthy-communities>

Summary

	<u>2019</u>
Community Health Improvement Services:	
Community Health Education	\$ 286,219
Community Based Clinical Services	397,908
Healthcare Support Services	<u>976,580</u>
Total community health improvement services	<u>1,660,707</u>
Health Professional Education:	
Nurses/nursing students	528,515
Other health professional education	<u>475,353</u>
Total health professional education	<u>1,003,868</u>
Subsidized Health Services:	
Other subsidized health services	<u>431,603</u>
Total subsidized health services	<u>431,603</u>
Financial and In-Kind Support:	
Cash donations	254,252
In-kind donations	<u>58,174</u>
Total financial and in-kind support	<u>312,426</u>

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V. Community Benefit Obligations, Continued

Summary, Continued

	<u>2019</u>
Community Building Activities:	
Economic development	\$ <u>164</u>
Total community building activities	<u>164</u>
Community Benefit Operations:	
Dedicated staff and other resources	<u>126,432</u>
Total community benefit operations	<u>126,432</u>
Other:	
Traditional charity care – estimated unreimbursed cost of charity services	22,000,000
Unpaid cost of Medicare services – estimated unreimbursed cost of Medicare services	215,000,000
Unpaid cost of Medicaid services – estimated unreimbursed cost of Medicaid services	<u>72,000,000</u>
Total other	<u>309,000,000</u>
Total summary	<u>\$ 312,535,200</u>

This report has been prepared in accordance with the community benefit reporting guidelines established by Catholic Health Association (CHA) and VHA. The Internal Revenue Services' requirements for reporting community benefits are different than the guidelines under which this report has been prepared.

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