

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY
July 31, 2019

Phoebe Sumter Medical Center, Inc. (PSMC), formerly Sumter Regional Hospital, is a not-for-profit health care organization that exists to serve the community. PSMC opened in 1953 to serve the community by caring for the sick regardless of their ability to pay. As a not-for-profit hospital, PSMC 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.

PSMC 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. PSMC 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. PSMC 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.

PSMC improves the health and well being of Southwest Georgia through clinical services, education, research, and partnerships that build health capacity in the community. PSMC provides community benefits for all citizens, as well as for the medically underserved. PSMC conducts community needs assessments and pays close attention to the needs of low income and other vulnerable persons and the community at large. PSMC 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. Drawing on a dynamic and flexible structure, the community benefit programs are designed to respond to assessed needs and are focused on upstream prevention.

PSMC participates in the Medicare and Medicaid programs and is one of the leading providers of Medicaid services in Georgia.

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 PSMC due to inadequate payments by these programs and for indigent/charity services. This table does not include discounts offered by PSMC under managed care and other agreements:

	<u>Charges Foregone</u>	<u>Estimated Unreimbursed Cost</u>
Medicare	\$ 104,000,000	\$ 28,000,000
Medicaid	40,000,000	11,000,000
Indigent/charity	<u>16,000,000</u>	<u>4,000,000</u>
	\$ <u>160,000,000</u>	\$ <u>43,000,000</u>

Continued

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY, Continued
July 31, 2019

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

I. Community Health Improvement Services

A. Community Health Education

Men's Health Fair

The Men's Health Conference was held on Saturday, September 15, 2018 and provided health screenings for PSA, cholesterol, blood pressure, hearing and vision, health information, speakers and fellowship to about 55 men who attended. PSMC incurred expenses of \$7,849 for this event.

Children's Health Fair

PSMC held a Children's Health Fair on July 27, 2019 that provided health screenings for weight, BMI, blood pressure and blood sugar, health information, speakers and fellowship to more than 150 attendees. Soil screenings for lead were also available from Rural Georgia Healthy Housing. The health conference programs provide outreach, health screenings and educational programs about nutrition and physical activity. These programs target children at risk of poor health status. The programs target uninsured or underinsured children without a primary care physician or knowledge of recommended preventive health care services. PSMC incurred expenses of \$2,436 for this event.

Women's Health Conferences

PSMC held a Women's Health Fair on May 18, 2019 that provided health screenings for weight, BMI, blood pressure and blood sugar, health information, speakers and fellowship to more than 400 attendees at each fair. Dominique Dawes, gold medal gymnast, was a guest celebrity speaker at the fair held on May 18, 2019. The health conference programs provide outreach, health screenings and educational programs about nutrition and physical activity. The programs target uninsured and underinsured women without a primary care physician or knowledge of recommended preventive health care services. PSMC incurred expenses of \$17,664 for this event.

Community Health Symposium

PSMC held a Community Health Symposium in April 2019 that provided health information and speakers from various health providers in the area such as Middle Flint Behavioral, Innovative Senior Solutions and Perry Wellness Center. Ron Clark was the keynote speaker. The program was attended by approximately 200 guests. PSMC incurred expenses of \$17,936 for this event.

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PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY, Continued
July 31, 2019

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

B. Community Based Clinical Services

Flu Shots and Health Screenings

PSMC provides free flu shots to volunteers and students. In fiscal year 2019, PSMC administered 48 flu shots at an unreimbursed cost of \$770.

School Nurse Program

PSMC places a nurse and two techs in the Sumter County School System. During the 2018/2019 school year, the school nurse program had 16,860 clinic visits and administered 27,633 doses of medication at a cost of \$21,605.

Nurses/Nursing Students

In fiscal year 2019, PSMC provided an estimated \$44,905 representing 1,283 hours in clinical supervision and training of 10 nursing students.

C. Health Care Support Services

PSMC 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. PSMC will not charge eligible individuals more for emergency or other medically necessary care than the Amount Generally Billed (AGB) 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).

II. **Community Benefit Operations**

PSMC incurred \$85,437 in support staff costs to support its community benefit efforts.

See independent auditor's report on supplemental information.