

# Case Statement

Phoebe Sumter Medical Center, Inc. (PSMC) is a 76-bed, not-for-profit healthcare organization that exists to serve our community by caring for the sick regardless of their ability to pay. PSMC opened in 1953, and, as a not-for-profit hospital, 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, and teaching and training of medical professionals now and for the future.

Located in Sumter County, GA, Phoebe Sumter is a safety net hospital for a seven-county service area (Sumter, Schley, Macon, Dooly, Marion, Stewart, Webster, and Taylor counties) where other rural hospitals have recently closed. This region has a high poverty rate and local employment opportunities are not sufficient to provide for the local community.

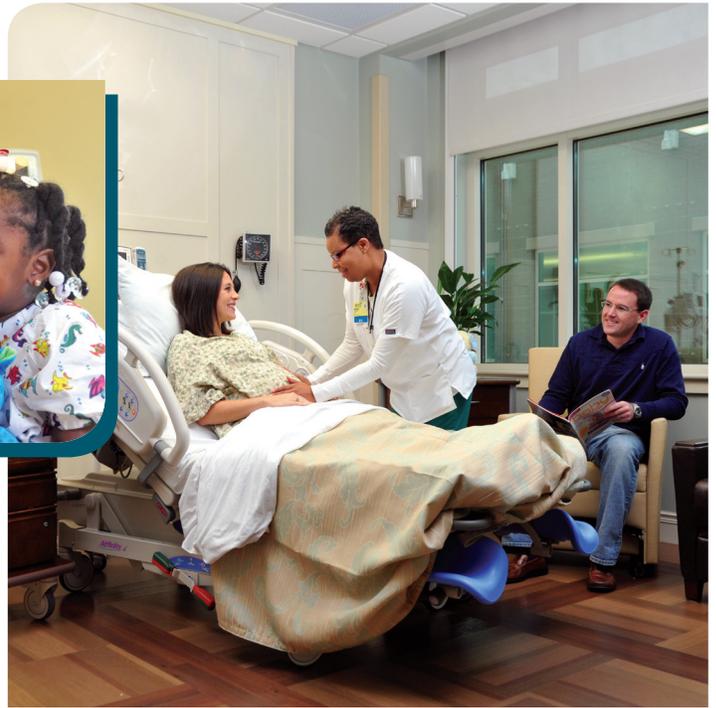


All but two zip codes in our service area exceed the median national percent of people in poverty of 15.9%. The health outcomes of our community are affected by the high poverty rate and our rates of adult and child obesity, diabetes, heart disease, and other serious illnesses exceed both the state and national averages. Significant gaps in access to care impact many residents in our service area. Our goal as a safety net hospital is to establish a primary care and specialist network and appropriate community health and wellness activities to improve the health and wellness of our region of rural southwest Georgia.

Phoebe Sumter provided \$19.9 million in uncompensated care during fiscal year 2016. Money donated to Phoebe Sumter through the Helping Enhance Access to Rural Treatment (HEART) program will enhance our operational stability while allowing us to expand community health and wellness activities and invest further in physician/provider recruitment and facility expansions in rural



counties to address healthcare disparities and lack of access in our region. In 2017, we served over 100 patients in our Community Para-medicine program, designed to provide an in-home visit with a paramedic along with support and tools for patients with chronic conditions, free of charge, to help them successfully transition home after a serious hospitalization. The total cost of the program is borne by the hospital to support patients with limited resources.



We recently opened Phoebe Sumter Ellaville Clinic to serve patients in rural Schley County and to expand our partnership with the Georgia Farmworker Health Program. We are also expanding physician employment in Marion County and planning a \$4 million facility there to increase access to both primary and specialist care in 2018. The funds donated via the Rural Hospital Tax Credit program help make projects like these a reality for our patients.



# Five-Year Plan For Utilization of Tax Credit Donations

**PURPOSE:** The five-year plan will include strategies to address debt, uncompensated care and other challenges to the fiscal viability and stability of critical access and small rural hospitals through the use of tax credit donations.

**DUN & BRADSTREET SUPPLIER EVALUATION REPORT:** To demonstrate the hospitals' financial viability and stability, each qualifying hospital will submit to the Department of Community Health their most recent Dun and Bradstreet Supplier Evaluation Report. (Instructions on obtaining the report will be provided by the State Office of Rural Health)

## Five-Year Plan

<b>DEBT</b>	
Total Amount of Long-Term Debt	\$0
Amount of payables over 30 days	\$0
<p><i>How will donations be used to reduce/eliminate current short and long-term debt?</i></p> <p>Phoebe Sumter Medical Center does not currently have any long-term debt or payables over 30 days. Our facility was rebuilt after the March 1, 2007 tornado with funds from various sources, including FEMA/GEMA and insurance funds.</p>	
<b>UNCOMPENSATED CARE (indigent, charity, bad debt)</b>	
Total Amount of Uncompensated Care	\$16,451,499 (fiscal year 2016)
<p><i>How will donations be used to address uncompensated care?</i></p> <p>Our hospital services reach into a total of seven counties. Our Emergency Room and other services provide a significant amount of indigent and uncompensated care for residents of those counties. Funds would be used to support the continued provision of those services.</p> <p>Phoebe Sumter Medical Center continues to focus on programs and services that will also improve access to care for the underserved, indigent population. We are working to help keep patients healthy and from needing costly services due to lack of preventive care or timely follow up care. We would use these funds to continue to provide support for indigent patients in these existing and new programs:</p> <p>Providing free supplies and dietitian and case management resources for our existing Para-medicine Outreach program for patients with chronic diseases (CHF, Diabetes, COPD). The program reaches patients who have discharged from the hospital and need support to transition to home and avoid costly readmissions or</p>	

emergency center visits. Each patient we see costs approximately \$200, and in CHF and Diabetes we have cared for well over 60 patients in the first year, with a projected volume of 300 per year after adding COPD.

Establishing a Faith Community Nursing Program to reach indigent patients and provide social support in local churches. The hospital would provide equipment, information and resources, and regular training and education for nurses who see church members to provide chronic disease check-ups and information, general blood pressure and weight management, and information about local social services available to people of that congregation. The goal would be to reach patients where they worship and help them manage their health and be proactive about health issues that impact them.

Remodel space for a Community Care Clinic to reduce cost of care for the community. The clinic model was implemented in Albany with great success to provide sliding fee scale care near the Emergency Center and provide an option for patients once they have been medically screened to reduce

wait times and cost. In the first five months of the program in Albany, the cost avoided for patients referred to the clinic versus seeking emergency care for conditions that were not emergent was over \$1M.

We would use these funds to help us address our goals to address healthcare disparities and improving social determinants of health as part of our community health needs assessment. Our goals for 2016-2019 are to reduce adult and childhood obesity, improve diabetes management, and improve access to behavioral health and addiction services for adults and adolescents. We would plan to fund things like walking trails and other free exercise options, health fairs, support groups and behavioral modification support of necessary lifestyle changes (smoking, diet and exercise), additional services and locations in partnership with behavioral health and addiction services partners, and care coordination resources to work with our primary care providers to improve diabetes management and management of other chronic diseases.

## **OTHER CHALLENGES TO FINANCIAL VIABILITY AND STABILITY**

Phoebe Sumter Medical Center is beginning to experience infrastructure replacement or upgrade needs. Over the next five years, we anticipate many pieces of equipment and our infrastructure to need replacement as things depreciate and age.

1. Our hospital system has installed a new EMR system. We have server replacements needed to optimize our EMR system functionality.
2. Our facility is now experiencing replacement costs for various components of our air handling system and our roof system.
3. Other maintenance needs to address facility upkeep to meet life safety and code updates.
4. Purchase replacement equipment as needed for key clinical services (laboratory, radiology, etc.)

Our long term strategy to address healthcare needs in the counties in our service area that are challenged for access to healthcare in rural areas. The next five years we anticipate making major investments in primary care, including physician recruitment and building construction throughout our service area. We also need to extend our specialty network, including uses of telehealth for services with limited ability to recruit such as mental health, neurology, and other appropriate specialties. We will also use the funds to provide financial support to key services like obstetrics and pediatrics to maintain services for our local community.



# Georgia HEART Tax Credit

## Information for C-Corporations and Trusts Deadline to Apply for 2017 Tax Credits is November 1

### What is the need?

- Since 2012, eight small community hospitals in Georgia have closed
- Rural hospitals face significant financial and demographic challenges
- Georgia lawmakers provided taxpayers with an incredible opportunity to help rural hospitals survive

### How can I help and how will I benefit?

- You can support your local hospital by directing the state of Georgia how to spend your tax money
- You can receive a state income tax credit for 90% of the amount you contribute as well as a federal income tax deduction
- As a simple illustration – if you owe \$100 to the state of Georgia, you can direct that money to a qualifying hospital and receive a \$90 tax credit, reducing the Georgia tax payable to \$10
- Tax credits are limited to 75% of your Georgia income tax liability

### How do I sign up to contribute?

- Complete and submit a HEART Tax Credit Form in the “donate” section at [www.georgiaheart.org](http://www.georgiaheart.org) or mail a completed form to Georgia HEART at:  
3740 Davinci Court, Suite 375  
Peachtree Corners, GA 30092
- Georgia HEART will submit your pre-approval form on your behalf to the Georgia Department of Revenue (DOR)
- Within 60 days of receiving DOR tax credit pre-approval, send a check (made payable to your designated rural hospital) to Georgia HEART for deposit in the hospital’s account
- Georgia HEART will send you confirmation of your contribution and instruct you on how to submit a copy to the DOR
- Georgia HEART will send you a tax receipt and filing instructions for tax filing purposes

# Georgia HEART Tax Credit

## Information for Individuals and Joint Filers Deadline to Apply for 2017 Tax Credits is November 1

### What is the need?

- Since 2012, eight small community hospitals in Georgia have closed
- Rural hospitals face significant financial and demographic challenges
- Georgia lawmakers provided taxpayers with an incredible opportunity to help rural hospitals survive

### How can I help and how will I benefit?

- You can support your local hospital by directing the state of Georgia how to spend your tax money
- You can receive a state income tax credit for 90% of the amount you contribute
- As a simple illustration – if you owe \$100 to the state of Georgia, you can direct that money to a qualifying hospital and receive a \$90 tax credit, reducing the Georgia tax payable to \$10
- The individual tax credit limit is \$5,000 with a contribution of \$5,556
- The joint filers tax credit limit is \$10,000 with a contribution of \$11,112
- If you itemize your tax return, you will also receive a federal charitable income tax deduction

### How do I sign up to contribute?

- Complete and submit a HEART Tax Credit Form in the “donate” section at [www.georgiaheart.org](http://www.georgiaheart.org) or mail a completed form to Georgia HEART at:  
3740 Davinci Court, Suite 375  
Peachtree Corners, GA 30092
- Georgia HEART will submit your pre-approval form on your behalf to the Georgia Department of Revenue (DOR)
- Within 60 days of receiving DOR tax credit pre-approval, send a check (made payable to your designated rural hospital) to Georgia HEART for deposit in the hospital’s account
- Georgia HEART will send you confirmation of your contribution and instruct you on how to submit a copy to the DOR
- Georgia HEART will send you a tax receipt and filing instructions for tax filing purposes

# Georgia HEART Tax Credit

## Information for Tax Preparers Deadline to Apply for 2017 Tax Credits is November 1

### What is the need?

- Since 2012, eight small community hospitals in Georgia have closed
- Rural hospitals face significant financial and demographic challenges
- Georgia lawmakers provided taxpayers with an incredible opportunity to help rural hospitals survive

### Who is eligible to participate and how will they benefit?

- Taxpayer receives a Georgia income tax credit of 90% for the contribution to a qualifying rural hospital
- Individual filers can claim a tax credit up to \$5,000 with a contribution of \$5,556
- Joint filers can claim a tax credit up to \$10,000 with a contribution of \$11,112
- C-Corporations and taxable trusts can claim a tax credit up to 75% of their Georgia income tax liability
- Partnerships and S-Corporations are not eligible; owners may participate only as individuals
- Contributions are treated as a deductible, charitable contribution for federal income tax purposes (the federal deduction is added back in computing Georgia taxable income)
- For taxpayers subject to the alternative minimum tax (AMT), the tax savings may exceed the cost of the contribution due to converting Georgia income taxes expenses to a charitable contribution

### What is the timetable?

- The deadline to apply for 2017 tax credits is Nov. 1, 2017
- The tax credit legislation is approved for three years and sunsets on Dec. 31, 2019
- For each of the three years, the statewide limit of total tax credits is \$60,000,000 allocated on a first-come first-served basis

### How do donors register to contribute?

- Complete and submit a HEART Tax Credit Form in the “donate” section at [www.georgiaheart.org](http://www.georgiaheart.org) or mail a completed form to Georgia HEART at:  
3740 Davinci Court, Suite 375  
Peachtree Corners, GA 30092
- Georgia HEART will submit your pre-approval form on your behalf to the Georgia Department of Revenue (DOR)
- Within 60 days of receiving DOR tax credit pre-approval, send a check (made payable to your designated rural hospital) to Georgia HEART for deposit in the hospital’s account
- Georgia HEART will send you confirmation of your contribution and instruct you on how to submit a copy to the DOR
- Georgia HEART will send you a tax receipt and filing instructions for tax filing purposes

**2017 HEART Tax Credit Form**

Complete this Form to authorize Georgia HEART to submit your application to the Georgia Department of Revenue ("DOR")

Send to Georgia HEART by emailing to: [heart@georgiaheart.org](mailto:heart@georgiaheart.org)  
 or faxing to: 1-877-478-4625

**Please complete the following fields:**

Select Tax Filing Status	Tax Credit Limit
<input type="checkbox"/> Individual Filer	90% of the amount contributed or \$5,000 per tax year, whichever is less
<input type="checkbox"/> Married Filing Jointly	90% of the amount contributed or \$10,000 per tax year, whichever is less
<input type="checkbox"/> C Corporation or Trust	90% of the amount contributed or 75% of your Georgia income tax liability, whichever is less

Taxpayer's Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Spouse's Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ E-mail: \_\_\_\_\_

Contribution Amount: \_\_\_\_\_ 75% of estimated GA income tax liability: \_\_\_\_\_  
*(for C Corps & Trusts only)*

*\*Note: Only 90% of your contribution amount qualifies for a tax credit. To obtain the maximum credit, you must donate more than the maximum tax credit amount. For example, to be eligible for the maximum \$10,000 tax credit, a married couple filing jointly would need to contribute \$11,111 (\$10,000 divided by .9). Please consult your tax advisor.*

Designated Rural Hospital Organization: \_\_\_\_\_

OR

Please designate a rural hospital organization for me / us. (We will inform you about our selection).

**Authorization:**

I authorize Georgia HEART to submit my 2017 HEART Form to the GA DOR; I commit to making payment in 2017; and I commit to funding my full approved contribution amount within 60 days of DOR approval.

*With taxpayer authorization, Georgia HEART will submit this application to DOR for pre-approval. DOR has 30 days to provide approval to the taxpayer. Once DOR approval has been received, the taxpayer will have 60 days to submit payment made payable to their designated Rural Hospital Organization and sent to Georgia HEART for deposit into the hospital's account.*

Thank you for submitting your 2017 HEART Tax Credit form!