



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors  
Phoebe Sumter Medical Center, Inc.  
Americus, Georgia

We have audited the financial statements of Phoebe Sumter Medical Center, Inc. as of and for the years ended July 31, 2020 and 2019 and our report thereon dated January 27, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in this report on pages 38 to 40, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads 'Draffin &amp; Tucker, LLP'.

Albany, Georgia  
January 27, 2021

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY

July 31, 2020

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	\$ 29,000,000
Medicaid	41,000,000	12,000,000
Indigent/Charity	14,000,000	4,000,000
	<u>\$ 159,000,000</u>	<u>\$ 45,000,000</u>

Continued

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY, Continued  
July 31, 2020

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 2020.

**I. Community Health Improvement Services**

A. Community Health Education

Men's and Women's Health Conferences

Due to the COVID-19 pandemic, many of PSMC's annual community health education programs were cancelled. However, PSMC did host the following events:

<u>Event</u>	<u>Date</u>	<u>Number of Participants</u>
GSW Resource Fair for New Students	8/16/2019	150
Wellness Class at St Paul AME	8/21/2019	15
Men's Health Fair	9/14/2019	150
Prostate Cancer Awareness Walk	9/21/2019	25
Americus & Sumter County Fair	9/25/2019	150
Plains Community Fair	11/2/2019	200
Macon County Health Fair	11/9/2019	200
Sumter County Gov't Employee Health Fair	1/31/2020	100
Heart Walk/Run	2/8/2020	75
Sumter EMC Health Fair	<u>3/12/2020</u>	<u>100</u>
Total	<u>10</u>	<u>1,165</u>

B. Community Based Clinical Services

Flu Shots

PSMC provides free flu shots to volunteers and students. In fiscal year 2019, PSMC administered 41 flu shots at an unreimbursed cost of \$620.

Nurses/Nursing Students

In fiscal year 2020, PSMC provided an estimated \$32,201 representing 924 hours in clinical supervision and training of 11 nursing students.

Continued

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY, Continued  
July 31, 2020

---

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

**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 \$88,817 in support staff costs to support its community benefit efforts.

See independent auditor's report on supplemental information.