

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY

July 31, 2023

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, 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	\$ 131,000,000	\$ 37,000,000
Medicaid	51,000,000	14,000,000
Indigent/Charity	<u>19,000,000</u>	<u>5,000,000</u>
	<u>\$ 201,000,000</u>	<u>\$ 56,000,000</u>

See independent auditor’s report on supplemental information.

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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 2023.

I. Community Health Improvement Services

Healthy Sumter is a health and wellness campaign that is a collaborative effort co-convened by Phoebe Sumter and the One Sumter Economic Development Foundation. With more than 25 organizations and counting, Healthy Sumter is a simple brand, aligned with the Sumter County brand, under which efforts of many non-profits and agencies can be organized to raise public awareness.

Areas of focus fall under 3 categories: Healthy Minds (i.e. Mental Health Awareness, Literacy, etc.); Healthy Bodies (Colorectal Cancer Awareness, Overall Fitness, etc.); Healthy Community (Bike & Trail Access and other Transportation, Jobs Availability, Housing, Crime Prevention, etc.).

During FY2023 the following health education activities reached approximately 1,020 individuals:

- Sumter Pink Walk
- Annual Heart Walk
- Middle Flint Senior Picnic
- Ties that Bind Luncheon
- Children's Mental Health Day
- Sumter County Health Department Health Fair

The Wellable App is an opportunity for local community members to track their physical activities as well as learn about and engaging in behaviors associated with a new holistic wellness topic each month. Participants also have an opportunity to earn points that can be redeemed for Healthy Sumter swag, such as water bottles, tumblers, and t-shirts.

Sumter County has a high rate of Food Insecurity, which is associated with chronic health problems in adults including diabetes, heart disease, high blood pressure, obesity and mental health issues including major depression. Also, Sumter County has a high number of food deserts, meaning that residents in those respective areas have little or no access to fresh fruits and vegetables. With these facts in mind, the idea of creating community gardens in Sumter and surrounding areas came to pass.

Bags of fresh produce from our Community Gardens along with Flint River Fresh and Kononia Farms was distributed to over 1,410 individuals at a cost of \$25,310.

Phoebe Sumter hosted a children's health fair for 320 participants who were provided weight, BMI and blood pressure readings in addition to free COVID vaccines. Also provided at the event were games, a healthy lunch, fruit and vegetable boxes, as well as back-to-school supplies. The total cost for this event was \$6,000.

Phoebe Sumter provided 58 mammograms to uninsured women in 2023 for an estimated cost of \$8,120.

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II. Health Care Support Services

Indigent Financial Assistance

Patients whose income is below 125% of the Federal Poverty Levels are classified as indigent and receive care at no cost.

Charity Financial Assistance

Patients whose income level is between 126% - 400% of the Federal Poverty Levels will be classified as charity. These patients will be responsible for a percentage of the Hospital charges. This percentage will be based on calculations using the Federal Poverty Levels that are published in the "Federal Register" each year. If it is determined the patient responsibility will be an undue hardship on the patient/guarantor, these cases will be reviewed on an individual basis with the Phoebe Cares Supervisor for possible catastrophic charity based on sliding scale guidelines.

Catastrophic Financial Assistance

Patients whose income exceeds 400% of the Federal Poverty Levels and whose hospital charges exceed 25% of their annual income, resulting in excessive hardship, are eligible for a discount up to 75% of the patient balance. The patient may pay the remaining balance over 24 months.

During Fiscal Year 2023, 402 patients were approved for financial assistance.

III. Health Professions Education

Nursing Students

In 2023, Phoebe Sumter provided \$237,174 in clinical supervision and training to 142 nursing students.

Other Students

In 2023, Phoebe Sumter provided \$40,157 in clinical supervision of other healthcare students.

IV. Financial and In-Kind Support

In 2023, Phoebe Sumter provided \$58,903 for advertising and promotion of the Wellable app.

V. Community Benefit Operations

The Hospital incurred \$38,434 in support staff costs to support its community benefit efforts.

See independent auditor's report on supplemental information.