

PHOEBE SUMTER MEDICAL CENTER, INC.

SERVICE TO THE COMMUNITY

July 31, 2024

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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 people 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<br/>Foregone</u> | <u>Estimated<br/>Unreimbursed Cost</u> |
|------------------|-----------------------------|----------------------------------------|
| Medicare         | \$ 145,000,000              | \$ 41,000,000                          |
| Medicaid         | 44,000,000                  | 12,000,000                             |
| Indigent/Charity | <u>21,000,000</u>           | <u>6,000,000</u>                       |
|                  | <u>\$ 210,000,000</u>       | <u>\$ 59,000,000</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 2024.

**I. Community Health Improvement Services**

Every 3 years, PSMC conducts a Community Health Needs Assessment (CHNA) as required by law for all hospitals that receive Indigent Care Trust Funds. This assessment mainly centers around health-related issues, but in 2019 the hospital decided to broaden its impact.

As a result, the Healthy Sumter initiative was born. Healthy Sumter is a county-wide health and wellness campaign that is spearheaded by PSMC and One Sumter Economic Foundation. A simple brand, aligned with the Sumter County brand, under which the efforts of many non-profits and agencies can be organized to raise public awareness.

Healthy Sumter can be broken down into three areas: Healthy Bodies, Healthy Minds and Healthy Community. In addition to areas of healthcare such as Heart Health, Cancer and Mental Health, there is also emphasis on non-medical areas such as Transportation, Employment and Housing. The goal is to serve all the needs of the residents of Sumter County, which will result in an overall healthier population.

Healthy Sumter continues to be one of the vehicles to implement its CHNA requirements. Currently, for our reporting period of 2023-2025, our commitment to the Healthy Sumter initiative can be broken down into 2 areas: Mental Health & Mental Disorders and Nutrition/Healthy Eating.

For Mental Health, PSMC leans heavily on our partnership with Middle Flint Health and Wellness (formerly Middle Flint Behavioral Health), to increase awareness and offer training related to mental health. Other partners include Sumter County Schools, the Sumter County Sheriff Department, Georgia Southwestern State University and South Georgia Technical College. PSMC hosts the Mental Health First Aid training several times each year.

Regarding Nutrition & Healthy Eating, PSMC's focus has been on creating community gardens and fresh produce giveaway distributions. PSMC entered into an agreement with Flint River Fresh, LLC to assist with these initiatives. In the summer of 2024, a garden was created at Calvary Episcopal Church here in Americus, and the goal is to add 10 new gardens in the next 10 years. During FY2024, fresh produce boxes were distributed on 16 different dates, estimating to impact 1,200 families at a cost of \$25,174.

PSMC continues to provide a free service for local community members to track their physical activity and receive updates on activities in the area and wellness topics, through the Wellable App. Participants have an opportunity to earn points that can be redeemed for Healthy Sumter Swag.

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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's 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 2024, 313 patients were approved for financial assistance.

**III. Health Professions Education**

Nursing Students

In 2024, PSMC provided \$650,431 in clinical supervision and training to 199 nursing students.

Other Students

In 2024, PSMC provided \$236,121 in clinical supervision of 93 other healthcare students.

**IV. Financial and In-Kind Support**

In 2024, PSMC provided \$23,400 for advertising and promotion of the Wellable app.

**V. Community Benefit Operations**

PSMC incurred \$96,460 in support staff costs to support its community benefit efforts.

See independent auditor's report on supplemental information.