

PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY

July 31, 2022

Phoebe Putney Health System, Inc. (Corporation) is a not-for-profit health care organization that was formed to serve as the parent organization of a group of affiliated entities and as such, its primary purpose is to plan, coordinate, and direct the group and to provide centralized administrative and management services to the exempt entities in the group. The Corporation is recognized as exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 509(a)(3) of the Internal Revenue Code. Currently, the affiliated entities comprising the group include: Phoebe Putney Memorial Hospital, Inc. (PPMH), Phoebe Foundation, Inc. (Foundation), Phoebe Putney Health Ventures, Inc. (Health Ventures), Phoebe Physician Group, Inc. (PPG), Phoebe Putney Indemnity, Ltd., Phoebe Sumter Medical Center, Inc. (PSMC) and Phoebe Worth Medical Center, Inc. (PWMC).

As a tax exempt organization, the Corporation has no stockholders or owners. All revenue after expenses is reinvested in our mission to care for the citizens of the communities served by the Corporation and its affiliated entities and includes clinical care, health programs, state-of-the-art technology and facilities, research and teaching and training of medical professionals to meet current and future needs.

Phoebe Putney Health System, Inc. 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. The Corporation 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. The Corporation demonstrates a continued and expanding commitment to meeting our mission 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.

Through its affiliated group of hospitals, the Corporation improves the health and well-being of Southwest Georgia through clinical services, education, research and partnerships that build health capacity in the community. Each hospital provides community benefits for every citizen in its service area as well as for the medically underserved. The hospitals conduct community needs assessments and pay close attention to the needs of low income and other vulnerable persons and the community at large. The Corporation often works with community groups to identify needs, strengthen existing community programs and plan newly needed services. In addition to providing free and discounted services to people who are uninsured and underinsured, the Corporation provides a wide-ranging array of community benefit services designed to improve community and individual health and to increase access to health care. The Corporation’s excellence in community benefit programs was recognized by the prestigious Foster McGaw Prize awarded to the hospital in 2003 for its broad-based outreach in building collaboratives that make measurable improvements in health status, expand access to care and build community capacity, so that patients receive care closest to their own neighborhoods. Drawing on a dynamic and flexible structure, the community benefit programs are designed to respond to assessed needs and are focused on upstream prevention.

See independent auditor’s report on supplemental information.

PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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As Southwest Georgia's leading provider of cost-effective, patient-centered health care, the Corporation's affiliated hospitals participate in the Medicare and Medicaid programs and are among 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 the affiliated hospitals due to inadequate payments by these programs and for indigent/charity. This table does not include discounts offered by the organizations under managed care and other agreements:

	<u>Charges Foregone</u>	<u>Estimated Unreimbursed Cost</u>
Medicare	\$ 862,000,000	\$ 317,000,000
Medicaid	321,000,000	117,000,000
Indigent/charity	<u>171,000,000</u>	<u>63,000,000</u>
	<u>\$ 1,354,000,000</u>	<u>\$ 497,000,000</u>

The following is a summary of the community benefit activities and health improvement services offered by the hospitals and illustrates the activities and donations during fiscal year 2022.

I. Community Health Improvement Services

A. Community Health Education

The Corporation's affiliated hospitals provided health education services that reached 3,854 individuals in 2022 at a cost of \$307,004. These services included the following free classes and seminars:

- Teen Pregnancy Prevention Education
- Teen Parenting Classes (Network of Trust)
- CPR Training to Teachers
- Safe-Sitter Classes
- Asthma & Epi-Pen Education
- Health Education at Summer Camps
- Breast Cancer Prevention Education
- Shop Talk discussions related to Prostate Cancer and Diabetes
- Opioid Prevention Presentations

See independent auditor's report on supplemental information.

PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
July 31, 2022

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

A. Community Health Education, Continued

Men's and Women's Health Conferences

The PPMH's men's and women's conferences attracted a total of 665 participants. The men's conference was an in-person event in June with the headline of "Healthy Fathers-Healthy Families." The event was staged as a barber shop with topics on prostate health and prevention, healthy eating and being physically active. The leaders of the topic areas were Dr. McGill, Dr. Richardson, Dr. Rivers, and Dr. Heard (PPG). The event was held in conjunction with Morehouse School of Medicine, Peach State and the American Cancer Society. The women's conference was held in October of 2021, and focused on breast, lung, and colorectal cancer prevention. The event was sponsored by Peach State, Ambetter, and the American Cancer Society. Presenters included Dr. Jani, Dr. McAfee, Dr. Grant, Dr. Munireddy, and Dr. Kwayisi. The total cost to the organization for both events was \$19,183.

In Americus, PSMC provided in-person pediatric and men's health fairs. With 125 participants, the men's health fair provided free prostate, blood pressure, glucose and cholesterol screenings, and COVID vaccinations. The children's health fair attracted 225 participants, and provided weight, BMI, and blood pressure readings in addition to free COVID vaccines. Fun was had with games played, a healthy lunch, and the participants were provided fruit and vegetable boxes as well as back-to-school supplies. The total cost to the organization for these events was \$9,095.

Network of Trust

This is a nationally recognized program aimed at teen mothers to provide parenting skills, attempt to reduce repeat pregnancies, and complete high school. This program also includes a teen father program along with other teenaged children programs. Internal evaluations show teens participating in the program are less likely to repeat a pregnancy prior to graduation. Network of Trust enrolled 22 teen parents (with zero repeat pregnancies) during the 2021/2022 school year at a cost of \$278,726. Projected results demonstrate teens that graduated from the two-semester program are less likely to have a second pregnancy prior to age 21. Four of nine Network of Trust seniors graduated in 2022. In addition, Network of Trust and the school nurse program provided teen pregnancy prevention programming, asthma and epi-pen education and conducted health education at summer camps.

B. Community Based Clinical Services

Flu Shots

The Corporation provides free flu shots to volunteers and students, and homeless shelters. In 2022, the Corporation administered 127 flu shots at an unreimbursed cost of \$2,358.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
July 31, 2022

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

B. Community Based Clinical Services, Continued

Mammography

PPMH provided 177 mammograms to the uninsured in 2022 at a cost of \$24,780.

School Nurse Program

PPMH places nurses in sixteen elementary schools, six middle schools, and four high schools in Dougherty County with a goal of creating access to care for students and staff, assessing the health care status of each population represented, and effectively establishing referrals for all health care needs. Nurses conducted CPR training, Safe Sitter classes, teen pregnancy prevention education, asthma and epi-pen education and health education summer camps. During the 2021/2022 school year, the school nurse program covered approximately 5,726 student lives. This program operated at a cost of \$279,489 in 2022.

Nurse Family Partnership

The Nurse Family Partnership (NFP) is a home visitation training for first time moms who are eligible for Medicaid/WIC from pregnancy until the child's second birthday. Without a variance from the National Service Office (NSO), the mom should enter the program no later than the 28th week of pregnancy. The BSN nurse provides scheduled visits throughout the pregnancy and until the child turns two. The goal of NFP is to have healthy moms having healthy babies. In 2022, the Corporation spent \$58,588 and provided services to 23 active clients.

C. Health Care Support Services

Although the Corporation anticipates reimbursement from various funding sources in fiscal year 2022, the Corporation wanted to highlight these life-saving benefits to the community:

Monoclonal Antibody Treatment

The Corporation provided 2,889 monoclonal antibody treatments to patients with COVID-19. Monoclonal anti-body treatment is authorized to treat COVID-19 early in the course of illness, within ten days of symptom onset, in outpatient settings, and has been shown to reduce the risk of hospitalization by upwards to 70%. Additionally, monoclonal antibodies can be administered proactively after a potential exposure (source: PhRMA).

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PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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I. **Community Health Improvement Services, Continued**

C. Health Care Support Services, Continued

COVID-19 Vaccinations

The Corporation administered 7,044 doses of the COVID-19 vaccine to Southwest Georgia Residents (excluding employees) during 2022 across multiple sites.

The breakdown by facility of the number of doses given is as follows:

- PPMH 6,274
- PSMC 770

Mobile Units

In fiscal year 2021 the Corporation purchased two 36-foot mobile healthcare units for \$946,869, funded through generous donations from Phoebe Foundation. These mobile units are dedicated to improving the health of our region's vulnerable residents in medically underserved communities throughout Southwest Georgia. Each unit is equipped with two examination rooms, equipped with comprehensive primary, specialty and occupational healthcare facilities. These exam rooms can accommodate full physical examinations, specimen collections, clinical vital readings, hearing examinations and respiratory testing. Each unit is equipped with Telehealth presentation site capabilities, which allow for a variety of subspecialty providers to evaluate and assess patients within the mobile unit. In addition, each unit is equipped with a wireless connectivity cradle point, allowing for real time medical documentation. Both units are self-sustainable, requiring no external electrical or water hook ups.

The mobile units are designed to provide in-person primary care, virtual specialty care, and health & wellness resources in regular rotation across southwest Georgia, many of whom lack the resources to travel to service deliverable sites. Such access enhancements connect patients with medical professionals before an emergency room visit or hospitalization becomes necessary. Through low cost /no cost treatment, education, and referral to additional resources, the mobile clinics are able to keep potentially serious health conditions in check, helping targeted patient populations take control of their health in ways they'd never be able to otherwise.

In 2022, the mobile units partnered with Albany Area Primary Health Care (AAPHC) and Medicaid providers to host primary care clinics throughout rural Southwest Georgia.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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I. **Community Health Improvement Services, Continued**

C. Health Care Support Services, Continued

Mobile Units, Continued

The mobile units traveled 6,519 miles sponsoring 261 events and provided care for 6,148 community members from the following counties:

- Baker
- Calhoun
- Clay
- Crisp
- Dooly
- Dougherty
- Grady
- Lee
- Macon
- Marion
- Randolph
- Sumter
- Terrell
- Tift
- Webster

Government Sponsored Eligibility Applications to the Poor and Needy

The Corporation contracts for eligibility on behalf of the poor and needy that may be eligible for Medicaid. In some cases, it can take up to two years to be deemed eligible. In 2022 the Corporation paid \$880,550 to process these applications with 850 receiving Medicaid benefits.

The Light House

The Light House is a place of warmth, comfort and rest for families going through some of the hardest and darkest days of their lives. Our cancer patients sometimes have treatments in the morning and the afternoon. Many of them travel to Albany from outlying areas to receive world-class care and need treatments multiple days in a row. It's conveniently located across the street from the Phoebe Cancer Center and includes six bedrooms, each with a wheelchair accessible restroom and shower. There's a commons area, a large kitchen, two quiet rooms, a veranda, sunroom and screened in porch. The Light House provides a comfortable home-like setting where qualified patients can relax between treatments or spend the night to avoid having to travel back and forth to their home. In 2022, the Corporation spent \$20,492 on Light House facility maintenance.

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PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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I. Community Health Improvement Services, Continued

C. Health Care Support Services, Continued

Financial Assistance Policy (FAP)

PPHS Hospital Facilities 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 200% of the Federal Poverty Guidelines are eligible for free care. Patients whose household income is between 201% and 400% of the Federal Poverty Guidelines qualify for discounted charges based on a sliding fee schedule in the FAP. Phoebe 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. Health Professions Education

The Corporation recognizes that to continuously improve the Corporation's long-term value to our community and our customers, to encourage life-long learning among employees and to achieve a world-class employer status, it is in the organization's best interest to provide opportunities that will assist eligible employees in pursuing formal, healthcare related educational opportunities. PPHS also provides non-employees financial support in pursuing healthcare related degrees. In 2022, 933 students received clinical instruction from the Corporation's facilities at a total cost of \$2,422,394.

Nursing Students

In 2022, PPHS provided \$1,669,361 in clinical supervision and training to 751 nursing students. In 2021, the nursing clinical team added three full time employees for Academic Clinic Instructors to assist college nursing program supervisors and provided Simulation Lab instruction to all the nursing students.

Simulation & Innovation Center

PPMH's technologically advanced Simulation & Innovation Center is the leading provider of nurse training and development in Southwest Georgia. The Simulation & Innovation Center features a state-of-the-art skills lab and simulators for labor & delivery, NICU, pediatrics, med-surg, surgery, trauma and critical care. Students participate in full patient codes on life-like mannequins that respond to a variety of conditions. What nurses experience in the Simulation & Innovation Center will mirror what one would experience on the floor. In 2022, the Simulation & Innovation Center provided various training to 950 participants.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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II. Health Professions Education, Continued

Clinical Preceptorship Program

The Corporation is excited to offer nursing students the opportunity to gain professional growth and enhanced clinical hands-on skills through a competitive preceptorship program during their final semester of college. Students are paired with a Phoebe RN to complete a one-on-one clinical learning experience on an inpatient floor or unit.

Other Health Professional Education

The Corporation provided an additional \$753,033 in clinical supervision and training to pharmacy, pharmacy techs, and other allied health professionals providing clinical opportunities for 182 students.

III. Subsidized Health Services

A. Other Subsidized Services

Inmate Care

The Corporation provides care to persons in jail for Dougherty County. In 2022 the Corporation provided \$645,472 of unreimbursed medical and drug treatment to 386 inmates.

Indigent Drug Pharmacy

Indigent Drug Pharmacy provides medication upon discharge to patients that are either indigent or uninsured. In 2022, the pharmacy dispensed 3,329 prescriptions to patients at a cost of \$122,783.

IV. Financial and In-Kind Support

In 2022, the Corporation provided \$489,171 in cash donations and in-kind support to non-profit organizations in Southwest Georgia. Listed are some highlights:

- PWMC gave \$45,619 to the Worth County Health Department for chronic disease management.
- PPMH, PSMC, and PWMC contributed \$106,197 in forgone rent to local non-profits.
- PPMH Gave \$146,250 to Horizons Community Solutions to support cancer screenings
- PPMH Flint River Fresh received a donation of \$27,210 to address food scarcity.
- The United Way of Southwest Georgia received \$30,820.
- PSMC paid for the Community Garden and other initiatives of Healthy Sumter to include advertising, consulting fees and the monthly fees for the Wellable app. The cost was \$129,157.

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PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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V. Community Building Activities

A. Economic Development

The Corporation supports the Economic Development Commission of Dougherty County with funding to support improved employment and health coverage as a way to improve the overall health of the residents of the region.

B. Workforce Development

To address long-standing nursing and medical occupational shortages, the Corporation spent \$560,754 in developing and expanding enrollment in nursing and other medical occupational programs in 2022. This funding was provided to the 4C Academy, Albany State University, Albany Technical College, South Georgia Technical College, and Georgia Southwestern State University.

Simulation Lab Other Educational Opportunities

The Corporation's \$5.3 million dollar Simulation Plan became operational in 2021. It was built to train workers in a variety of healthcare roles and duplicates hospital environments exactly, including patient and operating rooms, intensive care units, and the emergency center. The following are some training highlights for 2022:

a. Workforce Development

Through various investments with our academic partners, the Corporation has enabled the nursing programs to increase student enrollment by providing funding for full and/or part-time faculty for each of the nursing programs, as well as for three full time clinical faculty who are located in the Simulation & Innovation Center.

b. ASU Summer Health and STEM Camp:

This camp will provide experiential learning opportunities to high school students in the areas of biology, chemistry/physics and biomedical/healthcare fields. Students will engage in scientific experimentation and demonstrations with ASU faculty in the aforementioned areas. Additionally, students will meet with keynote motivational speakers and personnel at PPMH for a tour of medical facilities.

c. SOWEGA-AHEC Pathway to Medicine:

SOWEGA-AHEC, in collaboration with AAPHC and the Phoebe Family Medicine Residency Program, created the Pathway to Med School Program to address the critical need for primary care physicians in Southwest Georgia. Knowing that students from rural communities are more likely to return to a rural area to practice and understanding the need to increase the pipeline of rural students enrolled in Georgia medical schools, it was determined that students from the 38-county region needed to become more competitive in the application process.

See independent auditor's report on supplemental information.

V. Community Building Activities, Continued

B. Workforce Development, Continued

Simulation Lab Other Educational Opportunities, Continued

c. SOWEGA-AHEC Pathway to Medicine, Continued:

To determine how to make the students more competitive, AHEC polled the admissions committees from each of the medical schools in Georgia to determine what beyond MCAT scores and GPA would increase their chances of being accepted. The overwhelming consensus was a much needed and significant structured clinical shadowing and medical research experience. The Albany based Pathway to Med School Program was structured accordingly as a 4-week residential experience to include 50 hours of clinical shadowing in a primary care setting and 75 hours of community-based research to include data collection, interpretation, and presentation.

Southwest Georgia is a medically underserved area (MUA) and by supporting the efforts of local aspiring medical students at the pre-med academic level, we can improve access to healthcare in our communities.

C. Coalition Building

In honor of Martin Luther King, Jr. Day, 33 Phoebe employees participated in the January 15, 2022 MLK Day of Service. Phoebe allowed staff to volunteer and remain on the clock for the day of service, located at the 5th Avenue community garden. Phoebe has monetarily supported the community garden since its inception. The volunteer cost of the MLK Day of Service was \$4,332.

VI. Community Benefit Operations

The Corporation incurred \$154,090 in dedicated staff to operate the community benefit programs. The Corporation also provided \$48,220 in data management and community dashboard that displays over 180 community health indicators on our website:

<http://www.phoebehealth.com/health-matters/building-healthy-communities>

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SERVICE TO THE COMMUNITY, Continued
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Summary

	<u>2022</u>
Community Health Improvement Services:	
Community Health Education	\$ 307,004
Community Based Clinical Services	365,215
Healthcare Support Services	<u>901,042</u>
Total community health improvement services	<u>1,573,261</u>
Health Professions Education:	
Nurses/nursing students	1,669,361
Other health professional education	<u>753,033</u>
Total health professional education	<u>2,422,394</u>
Subsidized Health Services:	
Other subsidized health services	<u>768,255</u>
Total subsidized health services	<u>768,255</u>
Financial and In-Kind Support:	
Cash donations	260,560
In-kind donations	<u>228,611</u>
Total financial and in-kind support	<u>489,171</u>
Community Building Activities:	
Workforce development	560,754
Coalition building	<u>4,332</u>
Total community building activities	<u>565,086</u>
Community Benefit Operations:	
Dedicated staff and other resources	<u>202,310</u>
Total community benefit operations	<u>202,310</u>

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PHOEBE PUTNEY HEALTH SYSTEM, INC.

SERVICE TO THE COMMUNITY, Continued
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Summary, Continued

Other:	<u>2022</u>
Traditional charity care - estimated unreimbursed cost of charity services	63,000,000
Unpaid cost of Medicare services - estimated unreimbursed cost of Medicare services	317,000,000
Unpaid cost of Medicaid services - estimated unreimbursed cost of Medicaid services	<u>117,000,000</u>
Total other	<u>497,000,000</u>
Total summary	\$ <u>503,020,477</u>

This report has been prepared in accordance with the community benefit reporting guidelines established by Catholic Health Association (CHA) and VHA. The Internal Revenue Services' requirements for reporting community benefits are different than the guidelines under which this report has been prepared.

See independent auditor's report on supplemental information.