



PERFORMANCE AUDIT • REPORT NUMBER 22-09 • MAY 2023

# Rural Hospital Tax Credit

Credit Administration Consistent with Statutory Requirements

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**DOAA**

Georgia Department  
of Audits & Accounts



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### Why we did this review

O.C.G.A. § 48-7-29.20 requires the Department of Audits and Accounts to conduct an annual audit of the Rural Hospital Tax Credit (RHTC) program that includes the following:

1. All contributions received by rural hospital organizations;
2. All tax credits received by individual and corporate donors; and
3. All amounts received by third parties that solicited, administered, or managed donations pertaining to O.C.G.A. § 48-7-29.20 and 31-8-9.1.

### About the Rural Hospital Tax Credit

The RHTC was established in 2017 and allows taxpayers to donate to eligible rural hospitals and reduce their state income tax liability by the amounts they donate. Taxpayers may choose a specific hospital or, if one is not designated, the hospital will be chosen based on a ranking of need.

The Department of Revenue (DOR) administers portions of the RHTC related to taxpayer eligibility criteria, and the Department of Community Health (DCH) administers portions related to hospital eligibility criteria. A third-party vendor provides services to hospitals and contributors but is under contract with hospitals, not the state, for these services.

## Rural Hospital Tax Credit

### Credit administration consistent with statutory requirements

#### What we found

Taxpayer credits nearly reached the annual program cap of \$60 million in calendar years 2021 and 2022. In 2022, hospitals reported spending nearly \$49 million and having another \$40 million in donations still available for future years. Finally, hospitals, state agencies, and other entities with program responsibilities were largely compliant with program requirements.

#### ***Contributions to rural hospitals totaled \$58.7 million in 2022.***

In calendar year 2022, taxpayers contributed \$58.7 million to eligible rural hospitals. The amount contributed to each hospital varied significantly, ranging from \$67,000 to \$3.99 million.

RHTC collections vary significantly across the hospitals. In 2022, 22 of the 55 eligible hospitals received more than \$1 million in contributions, and 22 received less than \$500,000. Most contributions were directed by donors and not necessarily to the neediest hospitals as designated by the DCH. Five of the 10 neediest received less than the average collections per hospital of \$1,067,862.

Contributions not designated for a specific hospital by donors were distributed to the neediest hospital on the DCH list. All undesignated contributions were assigned to the hospital ranked as most financially needy (St. Mary's Sacred Heart Hospital).

#### ***Hospitals spent \$49 million in RHTC funds and had \$40 million in unspent funds in 2021.***

Hospitals reported to DCH that the majority of RHTC funds were spent on capital assets or regular operating expenses in 2021. Hospitals reported \$40 million in unspent RHTC funds, which is an increase from \$29.5 million in unspent funds reported in 2020. Twenty-six of the 56 hospitals reported

unspent funds, with the amount ranging from \$6,201 to nearly \$7.0 million. Hospitals are not required to spend funds within a specific timeframe, and information from the hospitals indicated that funds are designated to be used for capital projects, equipment purchases, and retiring debt. However, the COVID-19 pandemic forced hospitals to delay planned projects.

***Rural hospitals that received RHTC contributions were eligible and in compliance with state law, but improvements in reporting are needed.***

DCH verified that all rural hospitals receiving contributions in tax years 2021 and 2022 were eligible based on the criteria established in state law. The number of eligible hospitals remained at 56 in tax year 2021 but decreased to 55 in tax year 2022. All hospitals provided DCH with required RHTC reports that detailed 2021 contributions; however, we noted inconsistencies in reporting. A review of reports submitted by the hospitals from 2018 to 2021 identified errors in contribution amounts received, third party fees paid, expenditures exceeding available funds, and prior year unspent funds. Total RHTC contributions did not exceed the \$60 million program limit, and no hospital received contributions exceeding the \$4 million hospital limit. The hospital with the highest RHTC contribution total in tax year 2022—Colquitt Regional Medical Center—received \$4 million.

***Hospitals paid Georgia HEART 3% of contributions, as permitted by state law***

All 55 rural hospitals contracted with Georgia HEART Hospital Program, LLC, to provide services such as marketing the credit to taxpayers, processing taxpayer preapproval requests, processing contributions, and assisting hospitals with required reporting to DOR and DCH. Georgia HEART charged rural hospitals a 3% fee (\$1.78 million in fee revenue). Contribution expenditure reports filed with DCH indicated that no rural hospital made payments exceeding the 3% limit.

## **What we recommend**

DCH should add clarifying information or instructions to the Donation and Expenditure Report template on its website. Hospitals that receive RHTC funds should ensure that they are reporting accurate information on contribution expenditures and third party fees. DCH should review the Donation and Expenditure Reports for accuracy and require corrected/additional information from the hospitals when necessary.

See [Appendix A](#) for a detailed listing of recommendations.

*Agency Response: The Department of Revenue and Georgia HEART agreed with the report. The Department of Community Health generally agreed and provided planned corrective action, which is included on pages 13 and 14 of the report.*



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## Purpose of the Audit

O.C.G.A. § 48-7-29.20 requires the Department of Audits and Accounts to conduct an annual audit of the Rural Hospital Tax Credit (RHTC) program. The review must include:

1. All contributions received by rural hospital organizations;
2. All tax credits received by individual and corporate donors; and
3. All amounts received by third parties that solicited, administered, or managed donations pertaining to O.C.G.A. §§ 48-7-29.20 and 31-8-9.1.

A description of the objectives, scope, and methodology used in this review is included in [Appendix B](#). A draft of the report was provided to the Department of Revenue, the Department of Community Health, and Georgia HEART for their review, and pertinent responses were incorporated into the report.

## Background

### Rural Hospitals

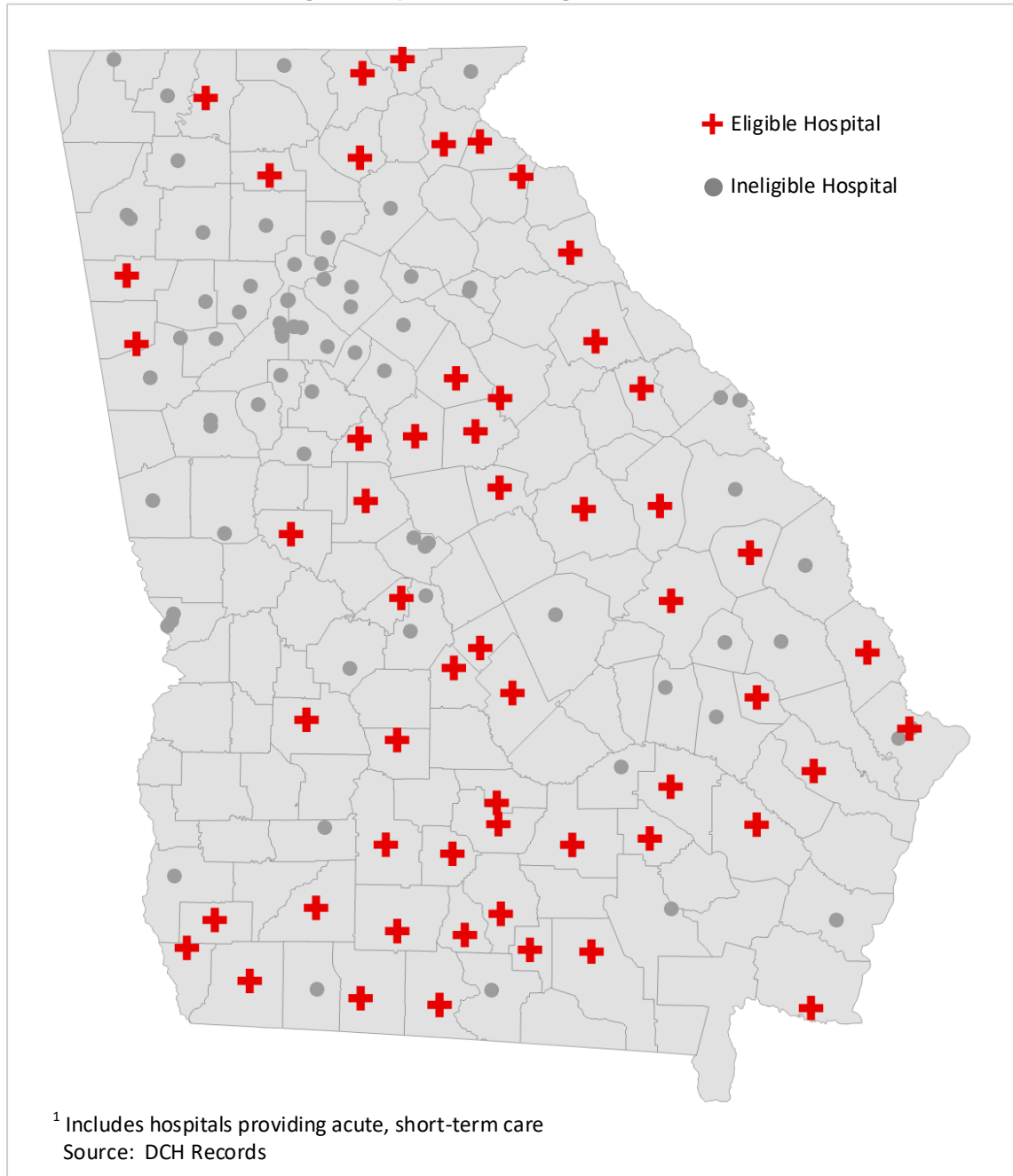
The Rural Hospital Tax Credit (RHTC) was established to provide financial support to rural hospitals by allowing Georgia taxpayers to contribute to eligible rural hospitals and receive a tax credit. It became effective January 1, 2017.

Rural hospitals in Georgia face financial challenges; nine have closed since 2010. Closures can occur for several reasons. Rural communities suffer from depopulation, resulting in fewer hospital patients. Additionally, rural hospitals often have a high share of patients who either lack insurance or are on Medicaid, which has lower reimbursement rates than most group insurance.

As of calendar year 2022,<sup>1</sup> 130 hospitals provided acute, short-term care to patients in Georgia, including 55 RHTC-eligible hospitals. While not a rural hospital, Atlanta Medical Center closed in October 2022, which reduced the number of hospitals from 131 in 2021. In several regions, including Southwest, Southeast, and Middle Georgia, a hospital closure would significantly increase the distance residents would need to travel to receive medical care. **Exhibit 1** shows all hospitals in the state that provide acute, short-term care to patients, including RHTC-eligible hospitals.

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<sup>1</sup> Data used in this report consists of the most recent data available. Tax year 2021 data was used to report credits earned and claimed, while calendar year 2022 data reported by Georgia HEART was used to report the most recent contributions received by hospitals.

**Exhibit 1****More than 40% of Georgia Hospitals<sup>1</sup> are Eligible for RHTC, Calendar Year 2022****Eligibility Criteria**

In calendar year 2022, 55 hospitals were eligible to receive contributions through the RHTC. A hospital must meet the following criteria to qualify:

- Reside in a county with a population of less than 50,000 or be designated as a Critical Access Hospital;
- Be an acute care licensed hospital that provides inpatient hospital services and participates in Medicare and Medicaid;

- Provide healthcare services to indigent patients;
- Have at least 10% annual net revenue from indigent care, charity care, or bad debt;
- Is operated by a county or municipal authority or is a tax-exempt 501(c)(3) organization;
- Be current with all audits and reports required by law; and
- Have a three-year average patient margin, as percentage of expense, less than one standard deviation above the statewide three-year average of other rural hospitals, as calculated by the Department of Community Health (DCH).

DCH is required to annually rank all eligible rural hospitals by financial need. To rank rural hospitals by financial need, DCH utilizes the following each year:

- **Dun and Bradstreet Supplier Evaluation Risk (SER) Score** – Obtained from the Supplier Qualifier Reports that the hospitals submit with their five-year plans, this supply risk metric helps management professionals evaluate long-term risks of doing business with various entities, including hospitals.
- **Low Income Utilization Rate (LIUR)** – The LIUR is the percentage of revenue a hospital receives from Medicaid, state and local government cash subsidies, and uncompensated hospital services attributable to charity care. This is obtained from the Disproportionate Share Hospital calculation.
- **Current Ratio** – Calculated using annual financial data that hospitals submit to DCH, the Current Ratio measures an entity's ability to pay short-term obligations or those due within one year.

DCH ranks each eligible rural hospital for each criterion and adds the three equally weighted ranks to calculate a hospital's overall financial need ranking. DCH posts the ranked list of eligible hospitals on its website. All eligible rural hospitals may receive RHTC contributions.

### RHTC Tax Limits

In tax years 2021 to 2022, the RHTC had an annual aggregate limit of \$60 million. The aggregate limit was increased to \$75 million beginning January 1, 2023. Each hospital has an annual individual limit of \$4 million.

Taxpayers who participate in the RHTC may receive a state tax credit equal to 100% of their contribution to an eligible rural hospital. The maximum credit between January 1 and June 30 is \$5,000 for individuals and \$10,000 for married couples filing jointly. Owners of pass-through entities<sup>2</sup> (including S-corporations and partnerships) may also receive a maximum credit of \$10,000,

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<sup>2</sup> For pass-through entities, O.C.G.A. § 48-7-29.20 states that the maximum credit "shall be allowed only for the portion of the income on which such tax was actually paid by such individual."



unless they elect to pay tax at the entity level. If paying taxes at the entity level, the maximum earned in the first half of the year increases to 75% of their Georgia income tax liability. Unlimited contributions for individuals are allowed after July 1 of the tax year if the aggregate limit has not been met. For C-corporations, it is also a 100% tax credit, equal to the actual contribution amount or 75% of the corporation's income tax liability, whichever is less. Credits not claimed in the tax year of the contribution can be carried forward for five years. **Exhibit 2** shows the limits for individual and corporate taxpayers.

Since the RHTC was created in 2017, the General Assembly has expanded eligibility to owners of pass-through entities, required the publication of various documents, provided direction for the handling of undesignated contribution, and required an annual audit by the Department of Audits and Accounts.

## Exhibit 2

### In 2022, Some Individuals Could Qualify for a Higher Credit

State Tax Credit	2021	2022
Individual <sup>1</sup>	100%	100%
C-Corporation, Trust	100% or 75% of the corporation's tax liability, whichever is less	100% or 75% of the corporation's tax liability, whichever is less
Maximum Preapproval Amount through June 30 <sup>2</sup>		
Individual <sup>1</sup>	\$5,000 individual \$10,000 married \$10,000 LLC member, S-Corp shareholder, partner	\$5,000 individual \$10,000 married \$10,000 LLC member, S-Corp shareholder, partner or 75% of annual Georgia income tax liability for pass-through entities electing to pay tax at the entity level
Maximum Credit Amount – Full Year		
Individual	Unlimited	Unlimited
C-Corporation, Trust	100% of the amount expended or 75% of the corporation's tax liability, whichever is less	100% of the amount expended or 75% of the corporation's tax liability, whichever is less
<sup>1</sup> Owners of pass-through entities have the same limits and credit amounts as married filing jointly, provided that the maximum credit "shall be allowed only for the portion of the income on which such tax was actually paid by such individual."		
<sup>2</sup> Donation limits are removed after June 30, with donations preapproved on a first-come basis until the aggregate cap of \$60 million is reached.		
Source: O.C.G.A. §§ 48-7-29.20 and 48-7-21		

## Roles and Responsibilities

DCH and the Department of Revenue (DOR) are responsible for administering the RHTC. DCH enforces statutory requirements for rural hospitals and DOR enforces statutory requirements related to taxpayer credit claims. In addition, a private third-party vendor acts as a processor for some taxpayer contributions to the hospitals under contract.

## DCH Requirements

O.C.G.A. § 31-7-22 and O.C.G.A. § 31-8-9.1 require DCH to:

- Finalize the list of rural hospitals eligible for participation in the RHTC for the upcoming calendar year;
- Maintain an operations manual containing the current ranking of

rural hospitals in order of financial need, the criteria and formula used to calculate financial neediness of rural hospitals, rural hospitals' deadlines for submitting required information to DCH, and materials required for rural hospitals to submit;

- Collect five-year plans from rural hospitals each year;
- Prepare an annual report containing information on all donations received by eligible hospitals and how those funds were expended for members of the General Assembly; and
- Post on its website a list of eligible rural hospitals in order of financial need; the annual report prepared for the General Assembly; amounts retained by third-party vendors participating in soliciting, administering, or managing contributions; and a link to DOR's website containing RHTC tax credit information.

### **DOR Requirements**

O.C.G.A. § 48-7-29.20 requires DOR to:

- Track and enforce contribution limits for the RHTC;
- Notify taxpayers of preapproval or denial for contributing to the RHTC within 30 days;
- Post timelines and deadlines related to the RHTC on its website;
- Post the ranking of rural hospitals eligible to receive RHTC contributions; and
- Maintain a monthly progress report of total preapproved contributions to date to rural hospitals, total contributions received to date by rural hospitals, total aggregate amount of preapproved contributions, aggregate amount of tax credits available, and a list of preapproved contributions made to undesignated rural hospitals, as well as which rural hospitals have received undesignated contributions.

### **Third-Party Administrator**

Portage Charity Advisors (Portage) established itself as a third-party administrator prior to the RHTC law coming into effect. Portage created the Georgia HEART Hospital Program to assist rural hospitals in obtaining and administering contributions through the RHTC. In April 2018, Portage was converted into Georgia HEART Hospital Program, LLC, and the owner contributed 100% of his interest in Georgia HEART to the Georgia Community Foundation, a 501(c)(3) tax-exempt organization.<sup>3</sup> The leadership remained the same.

Georgia HEART contracted with all eligible rural hospitals in tax years 2021 and 2022. As permitted by state law, it charged each hospital a 3% fee on its services.

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<sup>3</sup> According to the transparency and accountability narrative posted on Georgia HEART's website.

According to Georgia HEART, its services include:

- Marketing the RHTC to individuals and businesses;
- Submitting and tracking taxpayers' preapproval requests to DOR;
- Managing an online dashboard for rural hospitals to view contribution activity in real-time;
- Assisting with preparing documents rural hospitals must submit to DCH and DOR;
- Providing RHTC-related customer service to rural hospitals, contributors, and tax preparers;
- Monitoring RHTC-related legislation and federal and state tax laws; and
- Providing continuing professional education training and updates to CPAs, tax professionals, and financial advisors.

### Contribution Process

Taxpayers may contribute to the RHTC through DOR's online Georgia Tax Center or through Georgia HEART.

- **Contributing through Georgia HEART** – Taxpayers complete a form on the Georgia HEART website, and the information is submitted to DOR by Georgia HEART on their behalf. Taxpayers may contribute without designating a rural hospital, allowing DOR to designate to the highest ranked hospital on the DCH list. Upon DOR approval, Georgia HEART informs the taxpayer of the hospital that should receive the contribution. Whether a contribution was initially designated by the taxpayer or DOR, the taxpayers send checks made out to the hospital, and Georgia HEART deposits the checks on behalf of the hospital.
- **Contributing directly through DOR** – A taxpayer can submit a request to DOR for preapproval to contribute to a specified rural hospital. DOR then sends notification of preapproval or denial within 30 days based on the aggregate, taxpayer, and rural hospital limits of the RHTC. Prior to November 2019, DOR's system could not process contributions that were not already designated to an eligible hospital. A system update now permits the processing of these undesignated contributions.

Taxpayers have 180 days to submit their preapproved contributions to their designated rural hospital to claim the credit on their state income taxes. After submitting their payment, the taxpayer's designated rural hospital confirms with the taxpayer that it received their contribution and submits required documentation to DOR. Once the hospital reports that the contribution was received, the taxpayer is eligible to claim the credit on a tax return.

Requested Information

Hospitals Receiving Contributions

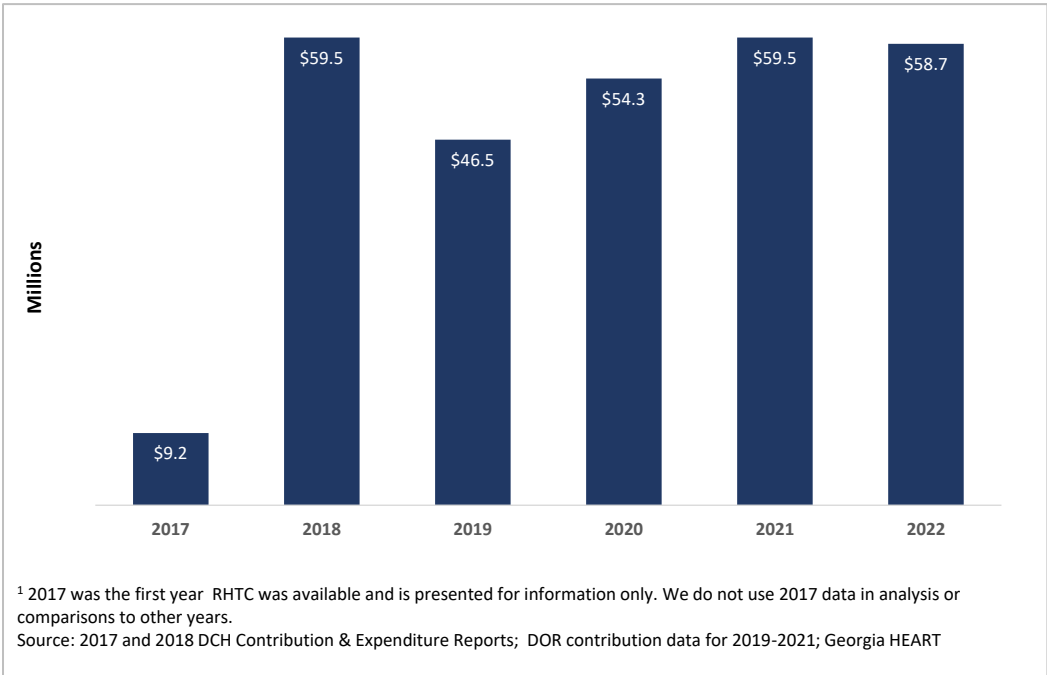
**Finding 1:** Eligible hospitals received approximately \$58.7 million in RHTC contributions in tax year 2022, with amounts to individual hospitals varying significantly.

The amount of RHTC contributions that rural hospitals receive is dependent on taxpayer usage of the RHTC tax credit. RHTC contributions have ranged from a low of \$46.5 million in tax year 2019 to a high of \$59.5 million in tax years 2018 and 2021. Tax year 2022 contributions totaled \$58.7 million, and individual hospitals received between approximately \$67,000 and \$4.0 million.<sup>4</sup>

Rural Hospital Contributions

For tax year 2022, Georgia HEART reported \$58.7 million in contributions. (See **Exhibit 3**). Contributions have exceeded \$50 million in most years.

**Exhibit 3**  
**RHTC Contributions Were Close to \$60 Million Limit In Most Years, Tax Years 2018-2022<sup>1</sup>**



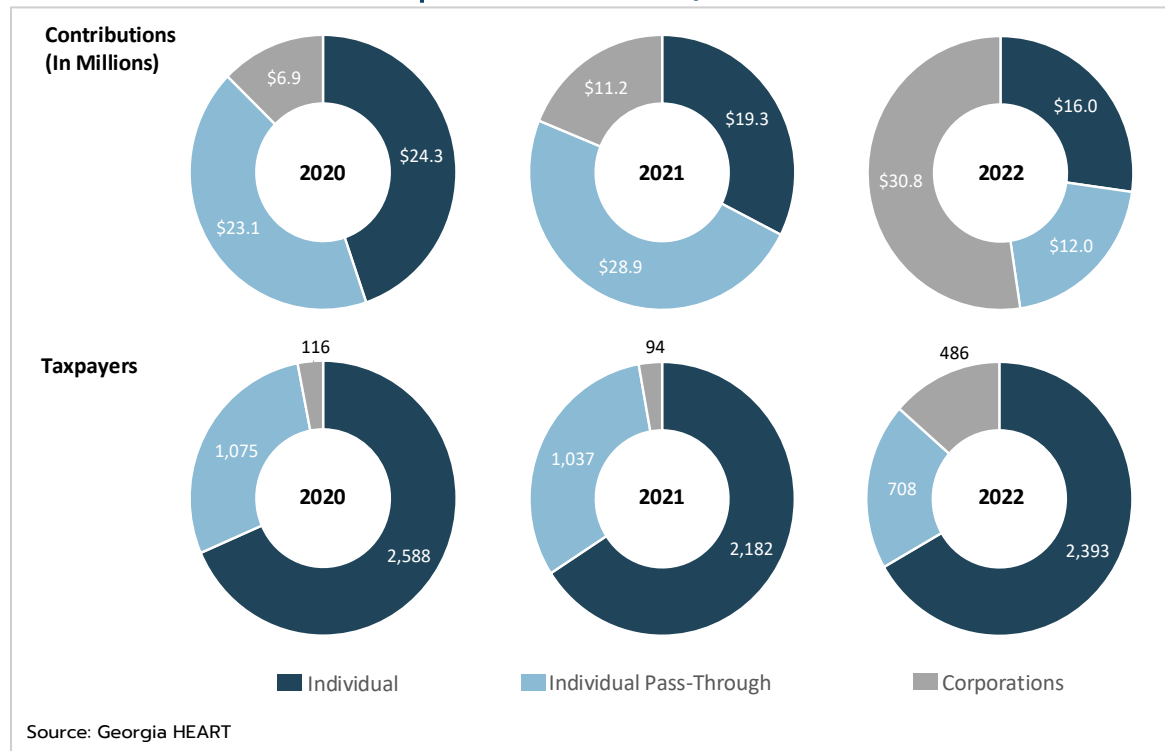
The total number of taxpayers contributing to the RHTC has decreased slightly (5%) in recent years—from 3,779 in tax year 2020 to 3,587 in tax year 2022. As shown in **Exhibit 4**, individual taxpayers and individual pass-through owners decreased by 15% between 2020 and 2022. Their contributions decreased by 41%

<sup>4</sup> The data presented in this report includes 2021 tax year data based on DOR’s November 7, 2022, Monthly Contribution Report for calendar year 2021 and Georgia HEART 2022 contribution data provided in January 2023.

over the same period. However, the number of corporate taxpayers and their contributions increased significantly over the period. Corporate contributions were 52% of the total in 2022. Georgia HEART staff indicated that the change in state law resulting from the passage of HB 149<sup>5</sup> contributed to the increase in corporate contributions. Of the 486 corporate taxpayers in 2022, 342 were pass-through entities that elected to pay tax at the entity level.

#### Exhibit 4

#### RHTC Contributions from Corporations Increased, Tax Years 2020-2022



#### Designated vs. Undesignated Contributions

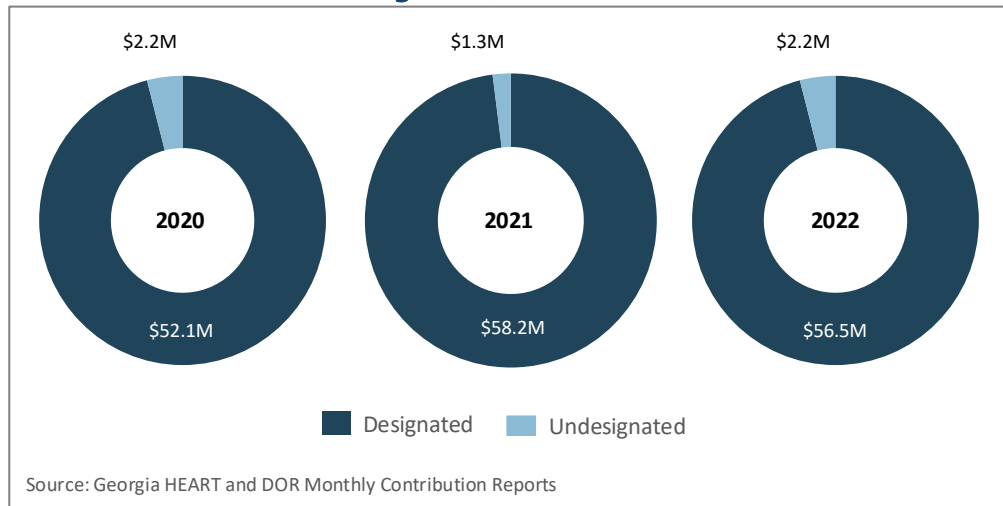
The majority of contributions have been designated to specific rural hospitals, and the percentage ranged from 96%-98% between tax years 2020 and 2022. As shown in **Exhibit 5**, designated contributions comprised the vast majority of total contributions in tax year 2022.

As previously mentioned, the decrease in undesignated contributions<sup>6</sup> is likely related to the RHTC no longer qualifying as a charitable contribution for federal tax purposes. In addition, Georgia HEART indicated that donors who initially chose to make an undesignated contribution have become loyal contributors to the hospital that received their donation. Designated contributions are less likely to be affected because the donors may have a personal, professional, or community-related reason for donating to a particular hospital, even without the additional federal tax benefit.

<sup>5</sup> HB 149, passed in 2021, allows owners of pass-through entities to elect to pay state taxes at the entity level instead of on their individual return. Pass-through entities that pay tax at the entity level are essentially treated as "C" corporations.

<sup>6</sup> DOR designates these contributions to the hospital deemed most in need, as determined by DCH. See Finding 7 for more information.



**Exhibit 5****Most Contributions Are Designated, Tax Years 2020-2022****Distribution of RHTC Contributions Across Rural Hospitals**

RHTC contributions to individual hospitals vary significantly. As shown in **Exhibit 6**, 39 of 56 rural hospitals in tax year 2021 and 33 of 55 rural hospitals in tax year 2022 received less than \$1 million in contributions. The smallest annual contributions were received by Burke Medical Center (\$118,000) in 2021 and Mitchell County Hospital (\$66,846) in 2022. Colquitt Medical Center received the highest contributions in both 2021 and 2022 at \$3.98 million and \$4.0 million, respectively. The median contribution was \$741,140 in 2021 and \$672,468 in 2022, while the averages were \$1,062,824 and \$1,067,862. (See **Appendix C** for a list of hospitals and their tax year 2022 contributions.)

**Exhibit 6****Most Hospitals Received Less than \$1 Million, Tax Years 2021 and 2022**

Total Contributions	2021 Hospitals	2022 Hospitals
\$0 - \$500k	17	22
\$500k - \$1M	22	11
\$1M - \$1.5M	4	8
\$1.5M - \$2M	4	3
\$2M - \$2.5M	2	5
\$2.5M - \$3M	2	4
\$3M - \$3.5M	1	1
\$3.5M-\$4M	4	1

Source: 2021 DOR Monthly Contribution Report; 2022 Georgia HEART Contribution Data

The distribution of RHTC contributions was not consistent with individual hospitals' financial need as determined by DCH.

- In tax year 2021, 41 of the 56 rural hospitals received less than the average of \$1,062,824 and eight received more than twice the average contribution. Of the five that received more than \$3 million in

contributions, two (South Georgia Medical Center – Berrien Campus and Colquitt Regional Medical Center) were on the bottom half of DCH’s list of hospitals ranked by financial need. Seven of the 10 neediest hospitals received contributions below the average.

- In tax year 2022, nearly two-thirds of the 55 eligible hospitals (34) received less than the \$1,067,862 average contribution, and 10 hospitals received total contributions more than twice the average. Of the two hospitals with more than \$3 million in contributions, one (Colquitt Regional Medical Center) was on the bottom half of DCH’s list of hospitals ranked by financial need. Finally, 5 of the 10 neediest hospitals received contributions below the average.

**Agency Response:** *DOR and Georgia HEART stated that they agree with the finding.*

## **Finding 2: All RHTC contributions to hospitals were within statutory limits in tax year 2022.**

Tax year 2022 contributions made through the RHTC program were within statutory limits. Preapprovals and contributions were within the aggregate limit for the program, and no hospital received contributions that exceeded mid-year or end-of-year limits.

As shown on **Exhibit 7** and described below, O.C.G.A. § 48-7-29.20 sets limits for aggregate earnings and individual hospitals, which were not exceeded in tax year 2022.

- **Aggregate Credit Limits** – According to state law, the aggregate amount of tax credits shall not exceed \$60 million per taxable year. In tax year 2022, total contributions to rural hospitals through the program were \$58.7 million—\$1.3 million below the limit.
- **Individual Hospital Limits** – According to the law, no rural hospital shall receive more than \$4 million of the aggregate contributions in a taxable year, and during tax year 2022, no individual rural hospital received more than \$4 million. Additionally, no hospital may receive more than \$2 million from either individual taxpayers or corporations prior to July 1. We identified six hospitals that were preapproved for more than \$2 million prior to July 1; however, none exceeded the taxpayer type cap.

DOR’s tax system has controls designed to ensure that total program and individual hospital limits are not exceeded. The controls are intended to reject an application for a tax credit that exceeds these limits.

**Exhibit 7****RHTC Contribution Complied with State Law, Tax Year 2022**

Statutory Requirement	Compliant	Non-Compliant
Credits earned from contributions are capped at \$60 million each year.	✓	
Credits earned from contributions are capped at \$4 million for individual hospitals each year.	✓	
Preapproved contributions do not exceed \$2 million per hospital from individual taxpayers prior to July 1.	✓	
Preapproved contributions do not exceed \$2 million per hospital from corporate taxpayers prior to July 1.	✓	

**Agency Response:** DOR and Georgia HEART stated that they agree with the finding.

**Finding 3: While rural hospitals that received RHTC contributions were eligible and in compliance with state law, improvements in reporting are needed.**

DCH verified that all rural hospitals receiving contributions in tax years 2021 and 2022 were eligible based on the criteria established in state law.<sup>7</sup> The hospitals followed statutory requirements to report all contribution expenditures and administrative fees remitted to third parties involved in the RHTC program.

- **Hospital Eligibility Requirements** – O.C.G.A. § 31-8-9.1 outlines criteria that must be met for rural hospitals to receive RHTC contributions. These criteria include a county population of no more than 50,000 or critical access designation, acceptance of Medicaid and Medicare patients, and demonstration that at least 10% of annual net revenue is indigent care, charity, or bad debt. For a complete list of criteria established by state law, see pages 2 and 3.

To verify hospitals' eligibility, DCH staff review census data, hospital financial reporting, IRS forms, and other information reported to the agency.

- **Hospital Five-Year Plans** – O.C.G.A. § 31-8-9.1 requires hospitals to annually submit to DCH a Five-Year Plan that details the financial viability and stability of the rural hospital organization before it can be considered eligible by DCH. The Five-Year Plan asks for the information on the hospital's debt, amount of uncompensated care, planned use of RHTC funds to support uncompensated care, and a description of other challenges to financial viability and stability.

<sup>7</sup> We reviewed the supporting documentation for DCH's calculations for the preliminary eligibility and ranking of financial need for 2021 and 2022. For our 2022 review, we included the Five-Year Plans required by state law and the submission of the contribution expenditures and administrative fees.

As a part of our review of DCH's verification work for the 2022 list of eligible hospitals, we obtained copies of the hospitals' Five-Year Plans. We noted that 54 of 55 hospitals that were determined to be eligible submitted a plan on the form created by DCH; the remaining hospital submitted a narrative that did not contain all of the information included on the form. DCH accepted the plan as submitted.

Agency officials stated that they do not use the information in the Five-Year Plans and have never been asked to provide this information to another entity. The information is collected due to the statutory requirement only.

- **Hospital Donation and Expenditure Reports** – O.C.G.A. § 31-8-9.1 requires rural hospitals to annually report to DCH how RHTC contributions have been spent, as well as the payments made to third parties that solicit, administer, or manage RHTC donations. Payments to these third parties must not exceed 3% of total RHTC contributions.

As shown in **Exhibit 8**, all hospitals receiving RHTC contributions complied with this statutory requirement in 2021.

### Exhibit 8

#### Hospitals in Compliance with RHTC Reporting Requirements, Tax Year 2021

Statutory Requirement	Compliant	Non-Compliant
Rural hospitals must report contribution expenditures to DCH	✓	
Rural hospitals must report payments to third parties to DCH	✓	
Payments to third parties do not exceed 3% of contributions	✓	

While submitted as required, the Donation and Expenditure reports contained obvious errors in some instances. The reports are to include the amount of contributions received, prior year unspent RHTC funds, expenditures (including the third party administrative fee), and remaining unspent funds. Inaccuracies identified in reports submitted for 2018 through 2021 include the following:

- **Inaccurate contribution amounts** – A review of reported contributions found four instances in which a hospital underreported contributions received. The underreported amounts ranged from \$3,540 to \$15,483.
- **Incorrect third party administrator fee reported** – A review of third party fees reported found three instances of underreporting by \$3,540 to \$27,880. We obtained corrected numbers from Georgia HEART, and the administrative fees did not exceed 3%.
- **More RHTC expenditures than funds available** – A review of expenditures reported found nine instances in which hospitals

reported RHTC expenditures exceeding RHTC funds available. The amounts ranged from \$3,835 to \$259,274.

- **Inaccurate prior year unspent funds** – We found 20 errors in relation to prior year unspent funds. These errors included both over and underreporting the amounts of prior year unspent funds. The underreported amounts ranged from \$5,000 to \$1,308,219, while overreported amounts ranged from \$1,000 to \$1,507,509.

DCH does not provide instructions for completing the Donation and Expenditure Reports, and hospital personnel contacted by the audit team indicated that instructions or clarifying information would be helpful. DCH staff indicated that they do not review the reports for accuracy and stated that the submitted reports are simply compiled into a single annual report for submission to the General Assembly, as required by law.

## RECOMMENDATIONS

1. DCH should add clarifying information or instructions to the Donation and Expenditure Report template on its website. For example, the form should indicate that the Prior Year Unspent Funds should equal the Unspent Funds from the previous hospital report and that expenditures should not exceed available RHTC funds.
2. Hospitals that receive RHTC funds should ensure that they are reporting accurate information on contribution expenditures and third party fees.
3. DCH should review the Donation and Expenditure Report for obvious errors and require corrected/additional information from the hospitals when necessary.

***DCH's Response:*** “In reviewing the report and its conclusions this year, the Department determined that there could be an additional derived benefit from the hospital’s Five-Year Plans if responsibilities of the RHTC program were divided differently within the agency. Up to this point, most departmental responsibilities for the RHTC have been assigned to the Reimbursement Unit of the Finance Division as the hospital eligibility determination for the tax credit aligns well with the reimbursement to hospitals for federal Medicaid payment programs. However, the Department has determined that the reporting elements of RHTC would be better aligned with our State Office of Rural Health.

“The State Office of Rural Health administers several federal and state grant initiatives to the same hospitals that typically are determined eligible for the RHTC. Therefore, the Department plans to reassign the reporting aspects of the RHTC to the State Office of Rural Health. This will allow the staff that provide technical assistance and coordinate state and federal grant assistance to rural hospitals to be involved in coordinating the Hospital Five-Year Plans with any other available resources. Additionally, the



*Department would like to note that the Five-Year Plans provide insight to potential donors about the needs and potential uses of donated funds that are derived from the tax credit.”*

**Recommendations 1-3:** *Regarding the recommendations, “the agency agrees with these [recommendations] and will work to correct each of these through the reassignment of the reporting aspects of the RHTC to the State Office of Rural Health. The staff at the State Office of Rural Health will draft and improve the process for the instructions for the applicable forms as soon as practicable. Additionally, the same staff that provides technical assistance to rural hospitals will now be assigned the task of reviewing the Donation and Expenditure forms for obvious errors and working with hospitals to ensure they are reporting accurate information and contribution expenditures, including third party fees.”*

**Finding 4: Rural hospitals reported spending \$48.7 million of RHTC funds in 2021, with approximately \$40 million in funds remaining unspent.**

As previously noted, O.C.G.A. § 31-8-9.1 requires rural hospitals to report to DCH how RHTC contributions are used each year. The hospitals should report all expenditures in one of the nine categories included in the DCH template and listed in **Exhibit 9** below. If a recipient hospital does not spend all available contributions in the year reviewed, it must report how it intends to use the remaining contributions in the future.

**Exhibit 9**

**Hospitals Used Most Contributions on Capital Expenditures and Regular Operating, Tax Year 2021**

<b>RHTC Donations</b>		
Donations	\$59,469,704	
Unspent from Prior Years	<u>\$29,536,415</u>	
Total	<b>\$89,006,119</b>	
<b>RHTC Expenditures</b>		<b>% of Total</b>
Capital Expenditures	\$14,817,066	30%
Regular Operating Expenses	\$13,756,830	28%
Payments to Reduce Long-term Debt	\$6,085,966	12%
Equipment Purchases	\$4,350,410	9%
Other	\$4,145,244	9%
Personnel Expenses	\$2,321,408	5%
Admin Fees to HEART	\$1,783,971	4%
Contracts (Other than HEART)	\$1,363,058	3%
Motor Vehicle Purchases	<u>\$73,860</u>	0%
Total	<b><u>\$48,697,813</u></b>	<b><u>100%</u></b>
<b>RHTC Outstanding</b>		
Unspent Donated Funds	<b>\$ 40,308,306</b>	

Source: 2021 DCH Contribution and Expenditure Report, DOAA analysis, and information from hospitals

As noted in the previous finding, we identified errors in the contribution and expenditure reports submitted to DCH. However, the totals for the entire population of hospitals appear reasonable to provide an overview of hospital activities. This information is self-reported and is not verified or audited.

### 2021 Available Funds and Expenditures

As shown in **Exhibit 9**, rural hospitals had approximately \$89 million in RHTC funds available over the course of the year, including 2021 contributions and unspent funds from prior years.

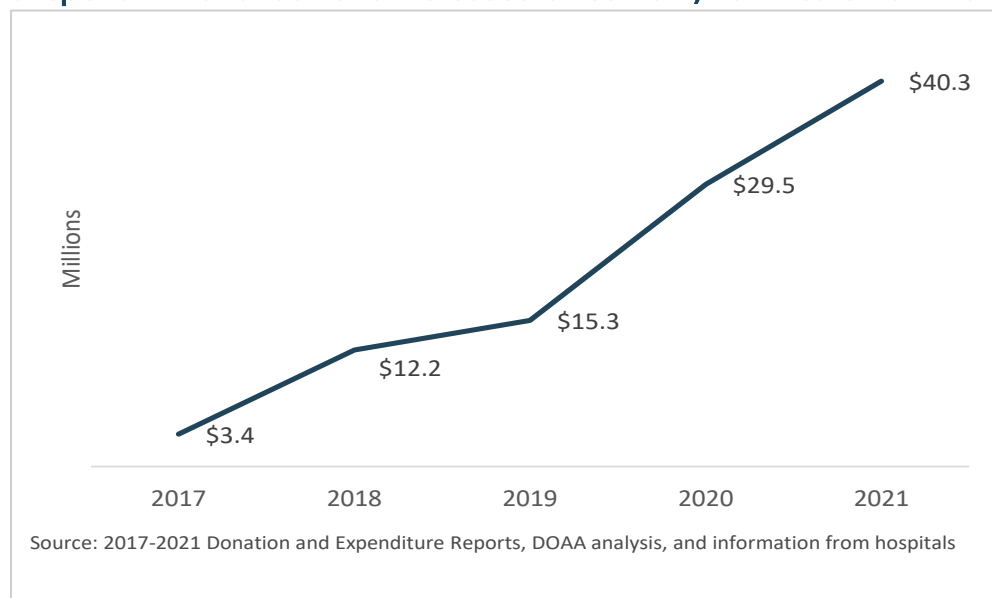
The hospitals reported spending nearly \$49 million during 2021. The majority of RHTC expenditures were incurred in two categories: capital expenditures and regular operating expenses. Capital expenditures (30%) may include renovating outdated facilities or expanding existing facilities to increase services, while regular operating expenses (28%) can include costs such as administering medicine or providing other treatment to patients. Other notable expenditures included payments to reduce long-term debt (12%), equipment purchases (9%), and undefined/other expenditures (9%).

### 2021 Unspent Funds

In 2021, 26 of the 56 hospitals reported approximately \$40 million in unspent funds, averaging \$1.56 million. Amounts ranged from \$6,201 to nearly \$7 million. Fourteen hospitals reported more than \$1 million in unspent funds, including seven with more than \$2 million. Hospitals indicated that they intend to use the unspent funds on large capital projects, equipment purchases, and retiring of debt. Some indicated that COVID-19 had delayed projects. As shown in **Exhibit 10**, unspent RHTC funds greatly increased from 2019 through 2021. There is no requirement to use funds within a certain timeframe.

### Exhibit 10

#### Unspent RHTC funds have increased since 2017, Tax Years 2017-2021



**Agency Response:** DCH stated that it agrees with the finding.

Taxpayers Obtaining Credits

Finding 5: Rural hospital tax credits were primarily claimed by individual taxpayers in tax year 2021.

Approximately 41% of tax credits that were available to taxpayers in 2021 will be carried forward to future tax years. Individual taxpayers, who were responsible for the majority of claimed credits in tax year 2021, represented most of Georgia’s counties.

As shown in **Exhibit 11**, approximately \$73 million in rural hospital tax credits were available in tax year 2021—approximately \$59.5 million was earned during tax year 2021, with the remainder unclaimed from previous years. During tax year 2021, taxpayers claimed \$42.9 million in rural hospital tax credits. As a result, approximately \$30.2 million in available tax credits will carry forward to future tax years.<sup>8</sup>

Exhibit 11  
Tax Credits Carried Forward are Increasing<sup>1</sup>

Credit Type	2018	2019	2020	2021
Amount Available	\$59,152,069	\$54,701,457	\$64,489,577	\$73,151,079
Amount Utilized	<u>\$50,967,059</u>	<u>\$44,539,778</u>	<u>\$50,856,647</u>	<u>\$42,942,192</u>
Amount Remaining	\$8,185,010	\$10,161,679	\$13,632,930	\$30,208,887
<sup>1</sup> Claims processed through December 2021. Source: DOR				

Individual taxpayers accounted for nearly 90% (\$37.8 million) of the \$42.9 million rural hospital tax credits claimed in tax year 2021. The remaining credits were claimed by corporations, LLCs, S-corps, and fiduciaries. Approximately 84%

DOR should continue to improve controls related to corporate credits.

During reviews of the Qualified Education Expense Credit and the Rural Hospital Tax Credit in 2020, we determined that DOR did not have a process to ensure that corporations and individuals receiving income from pass-through organizations have the necessary tax liability to qualify for the amount of the credit earned. As a result, these taxpayers could and did receive higher credits than they qualified for based on their tax liability.

DOR created a process for the Qualified Education Expense Credit, RHTC, and other credits with a similar potential for issues (i.e., credits that require a preapproval before a taxpayer can qualify for the credit) that includes running an annual query in the calendar year after the tax returns are processed by DOR and adjusting any claims that are determined to exceed the tax liability. Once a return is flagged as exceeding the tax liabilities, the returns are reviewed and any adjustments to the tax credit claimed are made.

<sup>8</sup> As previously noted, credits can be carried forward for five years. Unused credits earned in the program’s first year (2017) will expire if not claimed in tax year 2022. Because only \$9.2 million in credits were earned in 2017, the amount that may expire after 2022 tax filings is likely very small.

of individual taxpayers who claimed the rural hospital tax credit filed as married filing jointly.

While taxpayers in all income groups claimed the rural hospital tax credit in tax year 2021, the proportion of credits claimed greatly increased in the highest income group (see **Exhibit 12**). Individuals who claimed the credit had an average Georgia Adjusted Gross Income of approximately \$718,000. Those with incomes above \$700,000 represented 63% (\$23.9 million) of all credits claimed by individual taxpayers in tax year 2021.

## Exhibit 12

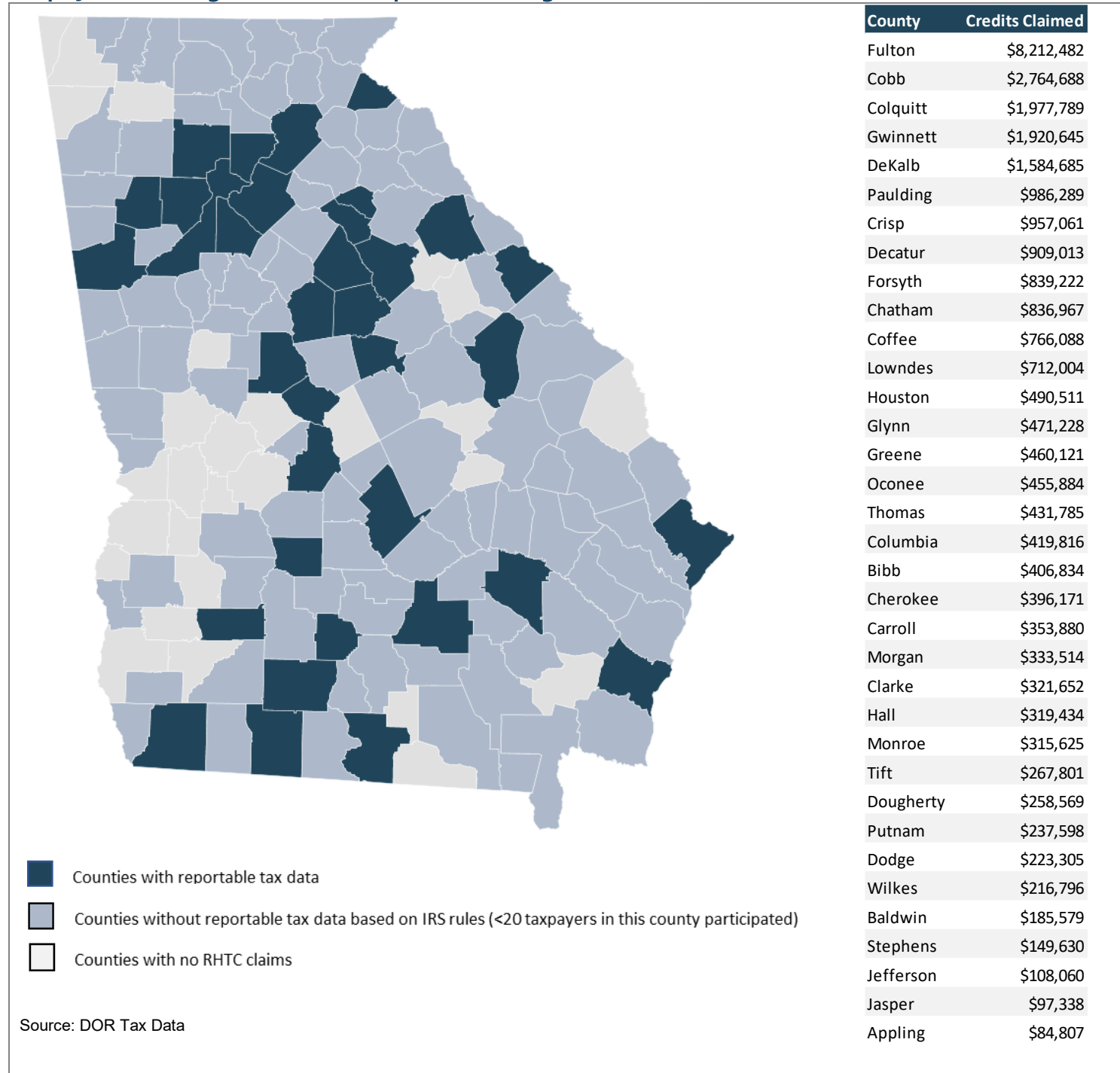
### Most Credits Claimed by Taxpayers with Incomes Above \$700,000, Tax Year 2021

Taxpayer Income	Taxpayers	Credits Claimed
\$0 - \$50K	159	\$1,224,023
\$50K - \$100K	263	\$384,628
\$100K - \$150K	274	\$776,755
\$150K - \$200K	252	\$919,115
\$200K - \$250K	244	\$1,103,198
\$250K - \$300K	203	\$1,030,038
\$300K - \$350K	163	\$1,130,952
\$350K - \$400K	148	\$1,089,022
\$400K - \$450K	140	\$1,171,302
\$450K - \$500K	128	\$1,157,011
\$500K - \$550K	105	\$1,047,354
\$550K - \$600K	104	\$1,193,441
\$600K - \$650K	85	\$888,435
\$650K - \$700K	108	\$734,263
More than \$700K	696	\$23,886,106
Unreported		\$51,737

Source: DOR tax data

Rural hospital tax credits were claimed by individual taxpayers in 131 Georgia counties.<sup>9</sup> IRS tax information security guidelines limit tax data reporting to counties where 20 or more taxpayers claimed a credit. The 35 Georgia counties that met this criterion in tax year 2021 are highlighted in **Exhibit 13**. These counties represent \$29.5 million (69%) of the \$42.9 million rural hospital tax credits claimed in tax year 2021. Four of the five counties with the most claimed credits in tax year 2021 are in Metro Atlanta.

<sup>9</sup> Taxpayers from 41 counties outside Georgia also took advantage of the tax credit.

**Exhibit 13****Taxpayers Claiming Credits Are Dispersed Throughout the State, Tax Year 2021**

**Agency Response:** DOR stated that it agrees with the finding.



Third-Party Organizations that Assist Taxpayers/Hospitals


Finding 6: Administrative fees retained by Georgia HEART in tax year 2021 were within statutory limits.

Total administrative fees that rural hospitals remitted to Georgia HEART in tax year 2021 did not exceed the statutory limit of 3% of total contributions. Additionally, no single rural hospital that received contributions in tax year 2021 remitted administrative fees exceeding 3% of reported contributions.

Rural hospitals can elect to have third-party organizations solicit, administer, and/or manage the RHTC contributions they receive. Per O.C.G.A. § 31-8-9.1, third-party organizations may charge hospitals a fee not exceeding 3% of the total amount of contributions.

In tax year 2021, all 56 rural hospitals contracted with Georgia HEART to provide services such as marketing the credit to taxpayers, processing taxpayer preapproval requests, assisting hospitals with required reporting to DOR and DCH, and monitoring RHTC-related legislation. Georgia HEART charged rural hospitals a 3% fee for services. Georgia HEART’s audited financial statements reported \$1.78 million in administrative fee revenue in tax year 2021—3% of the \$59.5 million in total RHTC contributions. Contribution expenditure reports that rural hospitals submitted to DCH further confirmed that no individual hospital exceeded the 3% limit (see **Exhibit 14**).

Exhibit 14  
Payments to Georgia HEART Within Statutory Limit, Tax Year 2021

Statutory Requirement	Compliant	Non-Compliant
Payments to third parties do not exceed 3% of contributions.		

**Agency Response:** Georgia HEART stated that it agrees with the finding.

Finding 7: Undesignated donations are distributed to rural hospitals in accordance with state law.


Information from Georgia HEART and DOR indicates that undesignated funds are assigned to hospitals in accordance with state law. Georgia HEART reports funds to DOR as undesignated, and DOR assigns the undesignated funds to hospitals in accordance with their financial need rank.

Per O.C.G.A. § 48-7-29.20, if a donor does not specify what hospital should receive their contribution, the undesignated funds must be sent to the rural hospital with the highest financial need that has not received the maximum amount of contributions (\$4 million) for that taxable year. The statute went into effect in April 2019.

Georgia HEART staff reported that when they receive an undesignated contribution, they submit the application to DOR and DOR identifies the hospital that should receive the funds using DCH’s ranking by financial need.<sup>10</sup> Once DOR accepts the preapproval, Georgia HEART notifies the taxpayer that they have 180 days to contribute to the selected hospital.

Tax year 2022 data from Georgia HEART indicates that undesignated funds were directed in accordance with state law, as shown in **Exhibit 15**. All undesignated contributions were assigned to the hospital ranked as most financially needy (St. Mary’s Sacred Heart Hospital).

**Exhibit 15**  
**Undesignated Contributions Distributed in Compliance with Statute,  
Tax Year 2022**

Statutory Requirement	Compliant	Non-Compliant
Undesignated funds are sent to neediest rural hospital.		

***Agency Response:** DOR and Georgia HEART stated that they agree with the finding.*

<sup>10</sup> State law does not require Georgia HEART to provide the Department of Audits and Accounts access to third party records. Our assessment was based on a description of the organization’s process provided via email, a review of instructions to donors on its website, and a review of DOR preapproval records.

## Appendix A: Table of Findings and Recommendations

	Agree, Partial Agree, Disagree	Implementation Date
<b>Finding 1: Eligible hospitals received approximately \$58.7 million in RHTC contributions in tax year 2022, with amounts to individual hospitals varying significantly. (p. 7)</b>	<b>Agree</b>	<b>N/A</b>
No Recommendations	N/A	N/A
<b>Finding 2: All RHTC contributions to hospitals were within statutory limits in tax year 2022. (p. 10)</b>	<b>Agree</b>	<b>N/A</b>
No Recommendations	N/A	N/A
<b>Finding 3: While rural hospitals that received RHTC contributions were eligible and in compliance with state law, improvements in reporting are needed. (p. 11)</b>	<b>Agree</b>	
3.1 DCH should add clarifying information or instructions to the Donation and Expenditure Report template on its website. For example, the form should indicate that the Prior Year Unspent Funds should equal the Unspent Funds from the previous hospital report and that expenditures should not exceed available RHTC funds.	Agree	
3.2 Hospitals that receive RHTC funds should ensure that they are reporting accurate information on contribution expenditures and third party fees.	Agree	
3.3 DCH should review the Donation and Expenditure Report for obvious errors and require corrected/additional information from the hospitals when necessary.	Agree	
<b>Finding 4: Rural hospitals reported spending \$48.7 million of RHTC funds in 2021, with approximately \$40 million in funds remaining unspent. (p. 14)</b>	<b>Agree</b>	<b>N/A</b>
No recommendations	N/A	N/A
<b>Finding 5: Rural hospital tax credits were primarily claimed by individual taxpayers in tax year 2020. (p. 16)</b>	<b>Agree</b>	<b>N/A</b>
No recommendations	N/A	N/A
<b>Finding 6: Administrative fees retained by Georgia HEART in tax year 2021 were within statutory limits. (p. 19)</b>	<b>Agree</b>	
No recommendations	N/A	N/A
<b>Finding 7: Undesignated donations are distributed to rural hospitals in accordance with state law. (p. 19)</b>	<b>Agree</b>	<b>N/A</b>
No recommendations	N/A	N/A

## Appendix B: Objectives, Scope, and Methodology

### Objectives

This report examines the Rural Hospital Tax Credit (RHTC) program. Specifically, our examination set out to determine the following:

1. All contributions received by rural hospital organizations;
2. All tax credits received by individual and corporate donors; and
3. All amounts received by third parties that solicited, administered, or managed donations pertaining to O.C.G.A. § 48-7-29.20.

### Scope

This performance audit generally covered tax years 2021 and 2022 with consideration of earlier or later periods when relevant. We used the most current data wherever possible. We used the most recent calendar year 2022 contribution data reported by Georgia HEART to capture contributions that, due to time lags, may not yet be reflected in tax data. Tax year 2021 data is the most complete and detailed data available on credits actually earned and/or claimed by taxpayers in their tax filings.

Information used in this report was obtained by reviewing relevant laws, rules, and regulations; interviewing agency officials and staff from the Department of Community Health (DCH), the Department of Revenue (DOR), and the Georgia HEART Hospital Program, LLC (Georgia HEART); analyzing data and reports by DCH, DOR, and Georgia HEART; and reviewing previous audit work conducted by our office.

We obtained DOR and Georgia HEART data on contributions made to rural hospitals during calendar year 2022. This included data on all preapproved contributions and the actual amounts received by rural hospitals. We assessed the data used for this examination and determined the data used were sufficiently reliable for our analyses.

We obtained DCH data on Georgia hospitals' finances. This included data on revenues, expenses, and RHTC contributions received. We assessed the data used for this examination and determined the data used were sufficiently reliable for our analyses.

We obtained DOR data on taxpayers who contributed to the RHTC in tax years 2018-2021. The encrypted data included all taxpayer contribution amounts to the RHTC, the dates taxpayer contributions were approved, credits claimed and unclaimed by taxpayers, taxpayers' Georgia adjusted gross income, and taxpayers' county of residence. We assessed the data used for this examination and determined the data used were sufficiently reliable for our analyses.

Government auditing standards require that we also report the scope of our work on internal control that is significant within the context of the audit objectives. Two of the three objectives include an assessment of compliance with state law. We gained an understanding of agency controls designed to ensure compliance and reviewed the data to identify instances of noncompliance. Specific information related to our work is described by objective in the methodology section below, and deficiencies identified are noted in the findings.

## Methodology

**To evaluate the contributions received by rural hospital organization,** we reviewed DOR preapproval and contribution data for all hospitals receiving contributions through the RHTC. We used Georgia HEART data to identify the number of contributions that were reported, the contributor type, and the amount of contributions reported as undesignated. DCH data was used to report how hospitals had used their contributions.

We reviewed state law to identify compliance requirements related to total contributions to rural hospitals and reporting requirements for rural hospitals. We used DOR contribution data to determine whether total contributions complied with identified requirements, and we reviewed DCH data and rural hospital documentation to determine whether hospitals satisfied reporting requirements related to RHTC contributions.

**To evaluate the tax credits received by individual and corporate donors,** we analyzed DOR tax return data for all taxpayers who claimed the RHTC in tax years 2018, 2019, 2020, and 2021. We used taxpayer data to differentiate between credits granted to individual and corporate taxpayers, and to describe income levels and counties of residence of individual taxpayers. We also used DOR tax return data to identify the total amount of credits available for taxpayers to claim, the amount of credits that were claimed, and the amount of credits that were carried forward and are claimable in the future.

**To evaluate the amounts received by third parties that solicited, administered, or managed donations pertaining to O.C.G.A. § 48-7-29.20,** we reviewed Georgia HEART's audited financials to identify administrative fee income from RHTC contributions in tax year 2021. We also reviewed DCH data and rural hospital documentation to identify the amount rural hospitals reported as administrative fees charged by Georgia HEART. We reviewed O.C.G.A. § 48-7-29.20 to identify statutory limits on fees that can be charged by third parties and compared limits to Georgia HEART's 2021 administrative fee income.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## Appendix C: RHTC Contributions by Hospital, Tax Year 2022

Rank	Rural Hospital	County	Contributions	(Average \$1,067,862)
1	St. Mary's Sacred Heart Hospital	Franklin	\$3,144,927	
2	Navicent Health Baldwin	Baldwin	\$603,366	
3	Dorminy Medical Center	Ben Hill	\$2,260,416	
4	Irwin County Hospital	Irwin	\$389,866	
5	Candler County Hospital	Candler	\$1,742,800	
5	Northeast Georgia Medical Center Lumpkin	Lumpkin	\$574,850	
7	Medical Center Of Peach County, Navicent Health	Peach	\$255,000	
8	Wellstar Sylvan Grove Hospital	Butts	\$2,357,401	
9	Coffee Regional Medical Center	Coffee	\$2,797,689	
10	Habersham County Medical Center	Habersham	\$409,396	
11	Brooks County Hospital	Brooks	\$136,379	
11	Dodge County Hospital	Dodge	\$1,161,531	
11	Wayne Memorial Hospital	Wayne	\$217,345	
14	Washington County Regional Medical Center	Washington	\$383,645	
15	Donalsonville Hospital Inc	Seminole	\$210,546	
15	St Mary's Good Samaritan Hospital	Greene	\$2,207,036	
17	Piedmont Mountinside Hospital	Pickens	\$2,676,568	
18	Emanuel Medical Center	Emanuel	\$672,468	
19	Liberty Regional Medical Center	Liberty	\$583,923	
20	Memorial Hospital Of Bainbridge	Decatur	\$1,177,694	
21	Taylor Regional Hospital	Pulaski	\$509,500	
22	Higgins General Hospital	Haralson	\$2,479,537	
23	Southeast Georgia Health System - Camden Campus	Camden	\$1,428,538	
24	Upton Regional Medical Center	Upton	\$369,922	
25	Stephens County Hospital	Stephens	\$477,022	
26	Polk Medical Center, Inc.	Polk	\$407,396	
27	Effingham Health System	Effingham	\$278,046	
28	Evans Memorial Hospital	Evans	\$1,393,513	
28	Jefferson Hospital	Jefferson	\$1,298,498	
28	University Hospital McDuffie	McDuffie	\$755,346	
31	Mitchell County Hospital	Mitchell	\$66,846	
32	South Georgia Medical Center - Berrien Campus	Berrien	\$2,683,179	
33	Phoebe Sumter Medical Center	Sumter	\$710,928	
34	Chatuge Regional Hospital	Towns	\$463,038	
34	Clinch Memorial Hospital	Clinch	\$375,462	
36	Tift Regional Medical Center	Tift	\$1,688,746	
37	South Georgia Medical Center -Lanier Campus	Lanier	\$1,527,330	
37	Southwell Medical (formerly Cook Medical Center)	Cook	\$184,596	
39	Phoebe Worth Medical Center	Worth	\$480,701	
39	Wills Memorial Hospital	Wilkes	\$758,014	
41	Jasper Memorial Hospital	Jasper	\$480,085	
42	Colquitt Regional Medical Center	Colquitt	\$3,996,999	
43	Morgan Memorial Hospital	Morgan	\$1,479,142	
44	Miller County Hospital	Miller	\$301,546	
44	Union General Hospital	Union	\$1,097,628	
46	Elbert Memorial Hospital	Elbert	\$533,277	
46	Putnam General Hospital	Putnam	\$955,486	
48	Crisp Regional Hospital	Crisp	\$2,822,990	
48	AdventHealth Murray	Murray	\$276,000	
50	Monroe County Hospital	Monroe	\$1,025,546	
51	Jenkins County Medical Center	Jenkins	\$170,685	
52	Bacon County Hospital	Bacon	\$829,456	
52	John D Archbold Memorial Hospital	Thomas	\$2,001,046	
54	Appling Hospital	Appling	\$317,125	
55	Bleckley Memorial Hospital	Bleckley	\$146,396	

Source: Georgia HEART

## Appendix D: RHTC Cumulative Contributions by Hospital, Tax Years 2017-2022

Rural Hospital	County	Contributions (In 000's)							Average Financial Need Rank
		2017	2018	2019	2020	2021	2022	Total	
Dorminy Medical Center	Ben Hill	\$ 829	\$ 992	\$ 3,032	\$ 3,685	\$ 3,915	\$ 2,260	\$ 14,715	2
Irwin County Hospital	Irwin	\$ 330	\$ 983	\$ 522	\$ 734	\$ 927	\$ 390	\$ 3,886	3
Candler County Hospital	Candler	\$ 282	\$ 1,261	\$ 2,261	\$ 782	\$ 1,035	\$ 1,743	\$ 7,364	4
Northeast Georgia Medical Center Lumpkin	Lumpkin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575	\$ 575	5
Emanuel Medical Center	Emanuel	\$ 243	\$ 930	\$ 562	\$ 734	\$ 309	\$ 672	\$ 3,452	8
Taylor Regional Hospital	Pulaski	\$ 190	\$ 3,308	\$ 844	\$ 757	\$ 574	\$ 510	\$ 6,182	9
St. Mary's Sacred Heart Hospital	Franklin	\$ 140	\$ 1,310	\$ 883	\$ 863	\$ 663	\$ 3,145	\$ 7,004	10
Stephens County Hospital	Stephens	\$ 232	\$ 535	\$ 929	\$ 817	\$ 715	\$ 477	\$ 3,706	11
Coffee Regional Medical Center	Coffee	\$ -	\$ 1,980	\$ 1,312	\$ 1,692	\$ 1,766	\$ 2,798	\$ 9,548	11
Memorial Hospital Of Bainbridge	Decatur	\$ 284	\$ 854	\$ 1,619	\$ 812	\$ 2,420	\$ 1,178	\$ 7,167	11
Wellstar Sylvan Grove Hospital	Butts	\$ 126	\$ 1,237	\$ 2,193	\$ 2,871	\$ 3,609	\$ 2,357	\$ 12,393	12
Wayne Memorial Hospital	Wayne	\$ 47	\$ 804	\$ 219	\$ 397	\$ 358	\$ 217	\$ 2,042	13
Habersham County Medical Center	Habersham	\$ -	\$ 855	\$ 1,019	\$ 604	\$ 775	\$ 409	\$ 3,662	13
Navicent Health Baldwin	Baldwin	\$ -	\$ 1,062	\$ 533	\$ 687	\$ 577	\$ 603	\$ 3,462	13
Washington County Regional Medical Center	Washington	\$ 74	\$ 655	\$ 532	\$ 343	\$ 259	\$ 384	\$ 2,246	17
Liberty Regional Medical Center	Liberty	\$ 33	\$ 822	\$ 584	\$ 1,009	\$ 567	\$ 584	\$ 3,599	17
Elbert Memorial Hospital	Elbert	\$ 140	\$ 1,047	\$ 667	\$ 724	\$ 746	\$ 533	\$ 3,857	18
Evans Memorial Hospital	Evans	\$ 623	\$ 852	\$ 247	\$ 299	\$ 765	\$ 1,394	\$ 4,179	18
Burke Medical Center	Burke	\$ 35	\$ 714	\$ 446	\$ 872	\$ 118	\$ -	\$ 2,186	19
Piedmont Mountainside Hospital	Pickens	\$ 10	\$ 247	\$ 1,292	\$ 3,140	\$ 3,855	\$ 2,677	\$ 11,220	19
University Hospital Mcduffie	McDuffie	\$ 53	\$ 584	\$ 240	\$ 383	\$ 843	\$ 755	\$ 2,858	22
Wills Memorial Hospital	Wilkes	\$ 302	\$ 942	\$ 791	\$ 2,441	\$ 786	\$ 758	\$ 6,020	22
St Mary's Good Samaritan Hospital	Greene	\$ 618	\$ 2,717	\$ 2,383	\$ 2,160	\$ 2,698	\$ 2,207	\$ 12,783	23
Jefferson Hospital	Jefferson	\$ 238	\$ 682	\$ 575	\$ 609	\$ 609	\$ 1,298	\$ 4,011	25
Dodge County Hospital	Dodge	\$ 226	\$ 1,769	\$ 834	\$ 1,000	\$ 872	\$ 1,162	\$ 5,862	25
Medical Center Of Peach County, Navicent Health	Peach	\$ -	\$ 875	\$ 448	\$ 491	\$ 547	\$ 255	\$ 2,616	25
Upson Regional Medical Center	Upson	\$ 73	\$ 1,002	\$ 372	\$ 515	\$ 210	\$ 370	\$ 2,542	27
Jeff Davis Hospital	Jeff Davis	\$ 152	\$ 540	\$ 433	\$ 196	\$ 178	\$ -	\$ 1,500	28
Phoebe Sumter Medical Center	Sumter	\$ 128	\$ 906	\$ 773	\$ 1,080	\$ 782	\$ 711	\$ 4,380	29
Donalsonville Hospital Inc	Seminole	\$ 125	\$ 591	\$ 280	\$ 203	\$ 193	\$ 211	\$ 1,602	29
Effingham Health System	Effingham	\$ 57	\$ 678	\$ 330	\$ 299	\$ 590	\$ 278	\$ 2,232	30
Putnam General Hospital	Putnam	\$ 419	\$ 1,522	\$ 886	\$ 1,851	\$ 2,518	\$ 955	\$ 8,151	30
Southwest Georgia Regional Medical Center <sup>1</sup>	Randolph	\$ 105	\$ 730	\$ 236	\$ 35	\$ -	\$ -	\$ 1,106	31
Southwell Medical (formerly Cook Medical)	Cook	\$ 134	\$ 746	\$ 269	\$ -	\$ 233	\$ 185	\$ 1,566	32
Tift Regional Medical Center	Tift	\$ -	\$ 1,321	\$ 1,227	\$ 1,766	\$ 2,099	\$ 1,689	\$ 8,102	32
Monroe County Hospital	Monroe	\$ 289	\$ 1,285	\$ 826	\$ 1,302	\$ 1,155	\$ 1,026	\$ 5,883	32
Southeast Georgia Health System - Camden Campus	Camden	\$ -	\$ 22	\$ 763	\$ 1,234	\$ 782	\$ 1,429	\$ 4,230	32
Meadows Regional Medical Center	Toombs	\$ 449	\$ 1,551	\$ 998	\$ 530	\$ 213	\$ -	\$ 3,741	35
Polk Medical Center, Inc.	Polk	\$ 47	\$ 565	\$ 594	\$ 592	\$ 736	\$ 407	\$ 2,943	36
Colquitt Regional Medical Center	Colquitt	\$ -	\$ 2,319	\$ 3,310	\$ 3,936	\$ 3,983	\$ 3,997	\$ 17,545	37
Miller County Hospital	Miller	\$ 69	\$ 27	\$ 516	\$ 861	\$ 210	\$ 302	\$ 1,985	38
Bleckley Memorial Hospital	Bleckley	\$ 21	\$ 559	\$ 481	\$ 431	\$ 664	\$ 146	\$ 2,303	39
South Georgia Medical Center - Berrien Campus	Berrien	\$ 68	\$ 585	\$ 246	\$ 607	\$ 3,329	\$ 2,683	\$ 7,518	39
Higgins General Hospital	Haralson	\$ 568	\$ 1,790	\$ 1,322	\$ 1,292	\$ 1,824	\$ 2,480	\$ 9,276	39
Appling Hospital	Appling	\$ 46	\$ 632	\$ 157	\$ 252	\$ 336	\$ 317	\$ 1,739	39
Bacon County Hospital	Bacon	\$ 153	\$ 660	\$ 598	\$ 773	\$ 569	\$ 829	\$ 3,583	39
Phoebe Worth Medical Center	Worth	\$ 125	\$ 2,572	\$ 291	\$ 187	\$ 252	\$ 481	\$ 3,907	40
Morgan Memorial Hospital	Morgan	\$ 260	\$ 953	\$ 832	\$ 853	\$ 1,059	\$ 1,479	\$ 5,437	40
Brooks County Hospital	Brooks	\$ 25	\$ 499	\$ 274	\$ 394	\$ 192	\$ 136	\$ 1,519	42
Grady General Hospital	Grady	\$ 199	\$ 1,541	\$ 468	\$ -	\$ -	\$ -	\$ 2,209	44
Clinch Memorial Hospital	Clinch	\$ 67	\$ 507	\$ 249	\$ 185	\$ 221	\$ 375	\$ 1,606	45
Murray Medical Center	Murray	\$ -	\$ 218	\$ 255	\$ 112	\$ 323	\$ 276	\$ 1,184	46
Crisp Regional Hospital	Crisp	\$ 212	\$ 1,182	\$ 982	\$ 1,359	\$ 1,631	\$ 2,823	\$ 8,189	47
Jasper Memorial Hospital	Jasper	\$ 53	\$ 716	\$ 592	\$ 1,092	\$ 757	\$ 480	\$ 3,690	47
Union General Hospital	Union	\$ 127	\$ 1,271	\$ 574	\$ 824	\$ 1,210	\$ 1,098	\$ 5,103	47
Chatuge Regional Hospital	Towns	\$ 59	\$ 1,201	\$ 417	\$ 462	\$ 897	\$ 463	\$ 3,499	48
Mitchell County Hospital	Mitchell	\$ 50	\$ 488	\$ 154	\$ 174	\$ 160	\$ 67	\$ 1,093	49
John D Archbold Memorial Hospital	Thomas	\$ -	\$ 1,668	\$ 1,536	\$ 1,544	\$ 1,529	\$ 2,001	\$ 8,278	49
South Georgia Medical Center -Lanier Campus	Lanier	\$ 92	\$ 641	\$ 308	\$ 483	\$ 377	\$ 1,527	\$ 3,428	50
Jenkins County Medical Center	Jenkins	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171	\$ 171	51
Total Contributions		\$ 9,228	\$ 59,506	\$ 46,516	\$ 54,328	\$ 59,518	\$ 58,732	\$ 287,829	

<sup>1</sup> Hospital closed October 2020

Source: DCH Contribution & Expenditure Reports for 2017 and 2018; DOR Contribution Reports for 2019-2021, Georgia HEART contribution data for 2022, and DCH Financial Need Ranking

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