



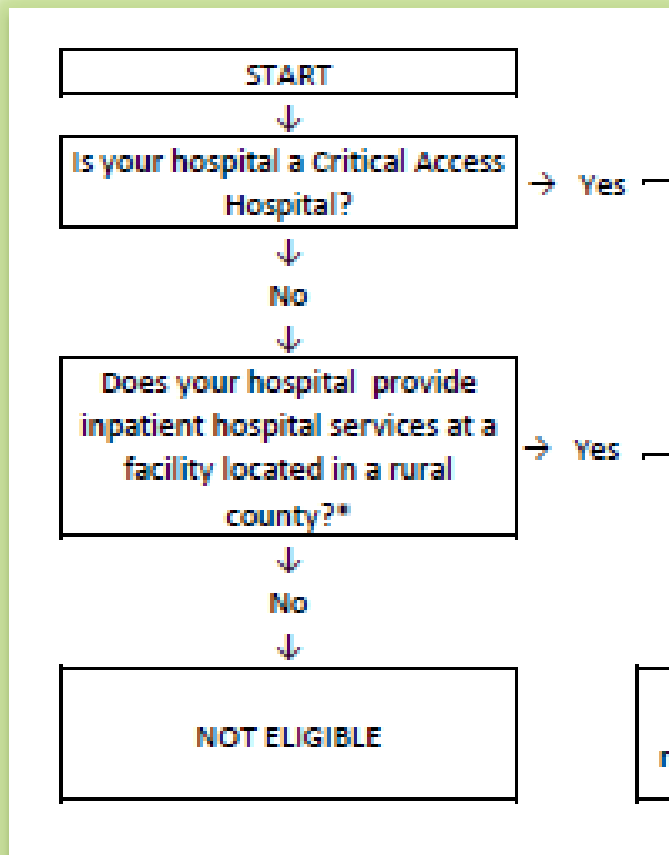
Center for Rural Health Rural Hospital Tax Credit Program ELIGIBILITY

Keri Conley, Associate General Counsel
Carie Summers, VP Healthcare Financing
May 23, 2016

Program Eligibility

- To be annually determined by the Department of Community Health (DCH)
- By December 1st of each year, DCH will approve a list of **rural hospital organizations** (RHO) eligible to receive contributions from the tax credit provided
 - The list will be ranked in order of financial need.
- DCH will send the list to the Department of Revenue (DOR) for use in the following tax year
(e.g., the December 1, 2016 list will be used for CY 2017 contributions)

Is Your Hospital a “Rural Hospital Organization”?

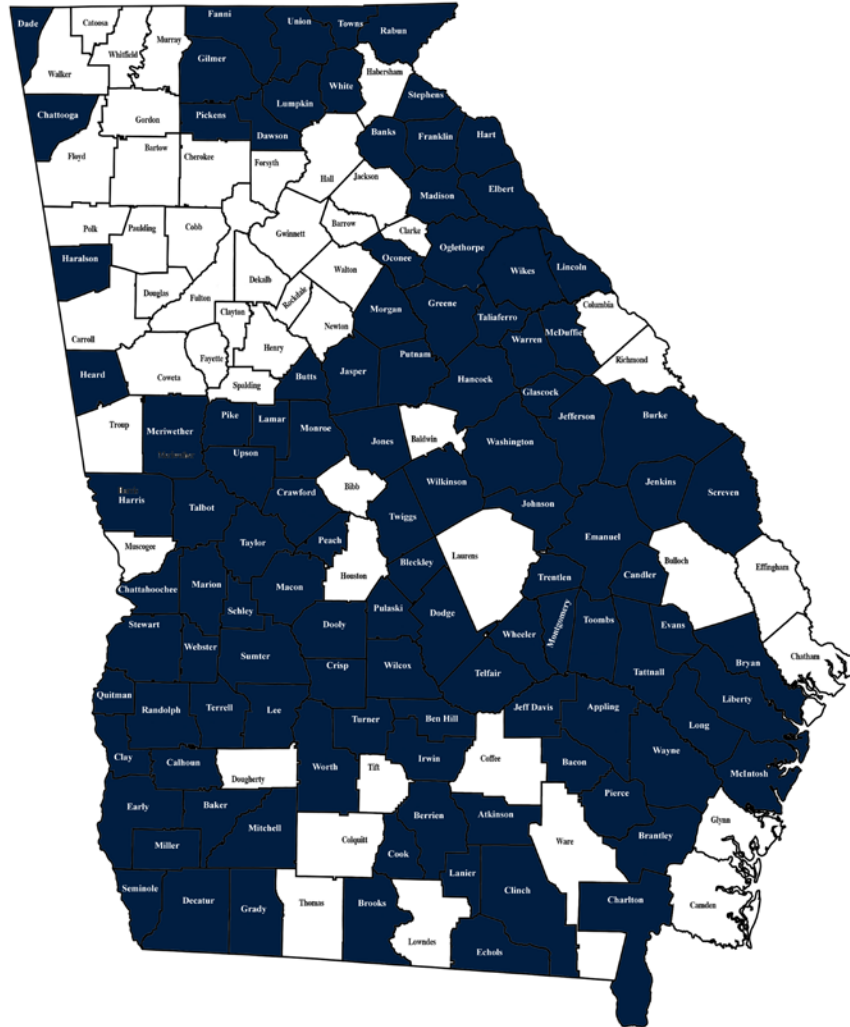


FIRST FILTER:

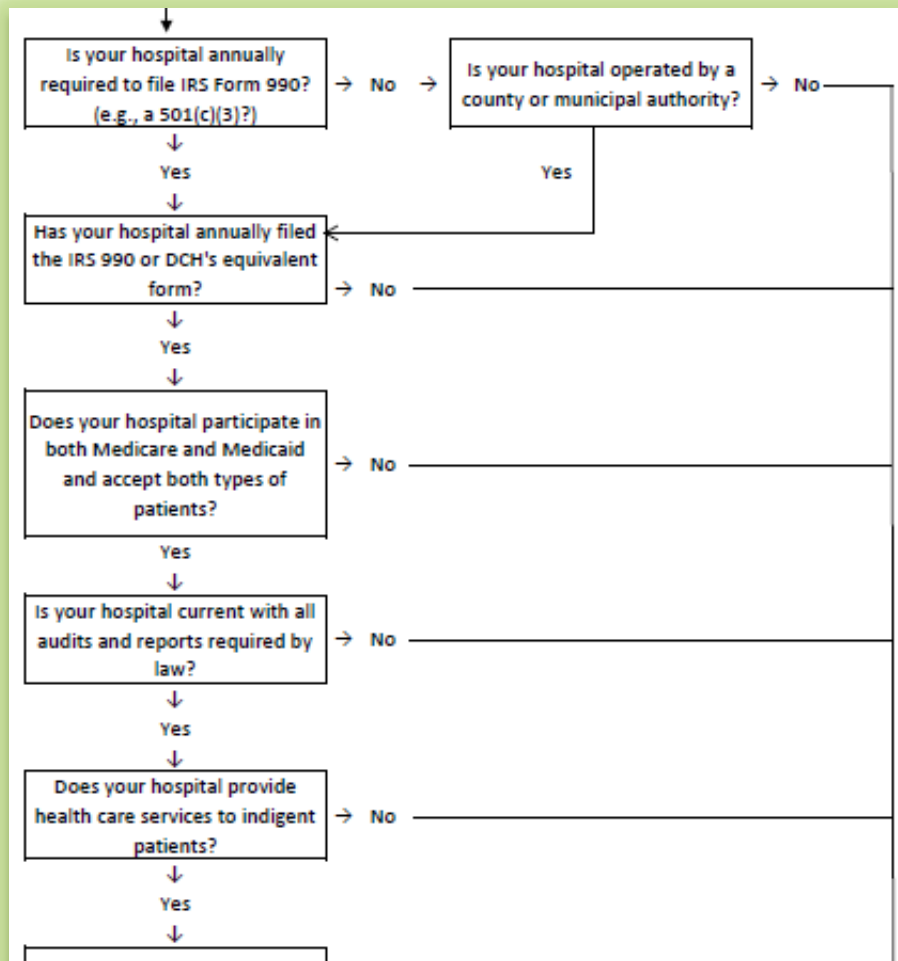
1. Critical Access Hospital **OR**
2. Inpatient Hospital in a Rural County

** Rural county means a county having a population of less than 35,000 according to the U.S. decennial census of 2010. Military personnel and their dependents in counties that contain a military base or installation are excluded from the county's population count.*

Georgia Counties with 35k or less in 2010 Census



Is Your Hospital a “Rural Hospital Organization”?



SECOND FILTER:

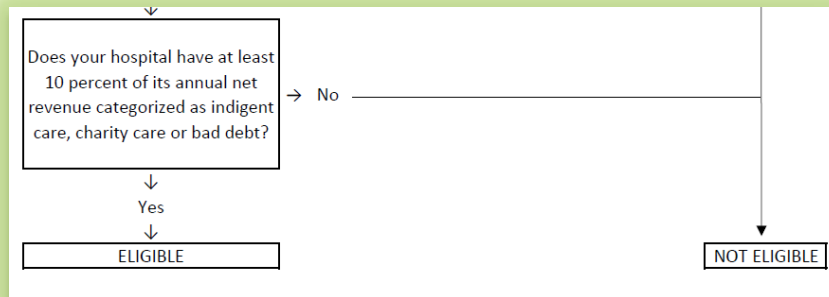
1. Must be a 501(c)(3) organization **OR**
2. Operated by a county or municipal hospital authority

For-Profit entities are NOT eligible.

ADDITIONAL FILTERS:

1. Annually files IRS Form 990 or DCH's equivalent form **AND**
2. Participate in and accept Medicare and Medicaid patients **AND**
3. Current with all audits and reports required by law **AND**
4. Provide health care services to indigent patients **AND** (continued next page)

Is Your Hospital a “Rural Hospital Organization”?



ADDITIONAL FILTERS (continued):

5. The combination of indigent care, charity care and bad debt must be **at least 10 percent** of annual net revenue.

Annual Net Revenue* =
Total Gross Revenue **Less** Total Deductions

Total Gross Revenue =
+ Inpatient Gross Revenue
+ Outpatient Gross Revenue
+ Other Revenue/Gains

Total Deductions =
+ Medicare/Medicaid/Other Contractual Adjustments
+ Hill Burton Obligations
+ Bad Debt
+ Other Free Care
+ Inpatient Indigent & Charity Care
+ Outpatient Indigent & Charity Care
- Total Compensation
+ Adjustments

* As calculated by DCH for the Hospital Financial Survey

Your Hospital is a “Rural Hospital Organization”... Now What?

- Before DCH will include your hospital on the “approved” list for DOR, they must receive from the hospital:

“A five-year plan detailing the financial viability and stability of the rural hospital organization.”

1. The criteria to be included in the five-year plan “shall be established by DCH.”
2. This plan is likely to be used by DCH to rank the financial need of the approved RHOs, which will be provided to potential donors.
3. A new five-year plan would need to be submitted each year the RHO wants to be on the approved list.

Accountability for Donations

Rural Hospital Organizations must:

1. Use the donations for the provision of healthcare-related services for residents of a rural county or for residents of the area served by the critical access hospital

AND

2. Report all contributions received from individual and corporate donors via this program and show the manner or purpose in which the contributions received were expended by the rural hospital organization (form and format TBD).

DCH will annually report on use of contributions to the General Assembly.