



# Georgia's Rural Hospital Tax Credit Program

House Rural Development Council

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# Community Impacts







# *Coffee Regional Medical Center*

*Douglas, Georgia*

“Coffee Regional Medical Center used funds raised through Georgia HEART to expand our interventional cardiology program. We were able to build a second, state-of-the-art cardiac cath lab in our Heart & Vascular Center to meet the growing demands of our region thanks to the Rural Hospital Tax Credit. Since 2021, we have performed nearly 4,000 heart & vascular procedures, including over 650 Percutaneous Coronary Interventions, and we’ve stopped over 100 active heart attacks. Georgia HEART has ensured that when seconds count, our community can count on us for life-saving cardiac care.”



# *Clinch Memorial*

*Homerville, Georgia*

“The Georgia HEART Tax Credit has played a vital role in keeping Clinch Memorial Hospital alive and thriving to offer the most quality healthcare to our community. Georgia HEART funds have allowed Clinch Memorial to purchase ventilators to support our ventilator/trach weaning services. This niche service line has supported Clinch Memorial during financial hardships - without the Georgia HEART Tax Credit, CMH would have been unable to afford and implement this successful service line. Additionally, Georgia HEART funds have helped us maintain our cash position while keeping up with the continued rising supply costs, as well as provide assistance each year with the hospital’s monthly USDA loan payment for the new facility that was built in 2007. Clinch Memorial is beyond grateful for the healthcare lifeline that is the Georgia HEART “Rural Hospital” Tax Credit! ”





# *Chatuge Regional Hospital and Union General Hospital*

*Blairsville, Georgia*

“Prior to 2022, both Chatuge Regional Hospital and Union General Hospital were performing diagnostic procedures using equipment that was over 15 years old. Through the incredible generosity of our 2022 Georgia HEART donors, we were able to purchase two new, highly-advanced and state-of-the-art MRI Machines for our Radiology Departments. These new machines provide incredible precision, accuracy, image quality, and efficiency. Thanks to the Georgia HEART Hospital Program, our patients are able to experience greater comfort and have the confidence of knowing they are receiving the most accurate diagnosis and their overall well-being during this diagnostic procedure is a top priority. Without the support we receive through the Georgia HEART Hospital Program, our patients would have to drive 50+ miles to obtain this level of care. Satisfying the healthcare needs of our patients and our community close to home is a truly invaluable benefit of this program.”



# *Colquitt Regional Medical Center*

*Moultrie, Georgia*

“The Rural Hospital Tax Credit was instrumental in our decision to add Radiation Oncology services to our Cancer Center. With over 35 miles between us and the next closest treatment center, we saw patients in our county having to commute 200+ miles for radiation treatment over the course of a standard 30-treatment radiation regimen, leading to sub-optimal care and poor outcomes. Many patients were not able to finish treatment. The funding helped to offset the cost of a new \$7.7 million facility and \$2.4 million for the latest linear accelerator technology and software. In just 30 months, we have provided over 4,000 treatments to over 200 rural Georgia residents.”





# *Appling Healthcare*

*Baxley, Georgia*

“Appling Healthcare used their Georgia HEART funds to upgrade to the new MEDITECH Expanse EHR platform. They kicked off the first phase of the transition from the previous platform in June and, after months of system-wide user training, anticipate going live early next year. Appling Healthcare is excited about making this investment (\$165,035 from Georgia HEART) in the health of their community and providing a more user-friendly and intuitive experience to both patients and providers. More than \$274,000 in funds raised through Georgia HEART were also used to purchase nuclear medicine and portable x-ray equipment. All of these expenditures will have a significant long-term impact in how Appling Healthcare serves its patients, residents and community. None of this would have been possible without the Georgia HEART program and its generous supporters.”



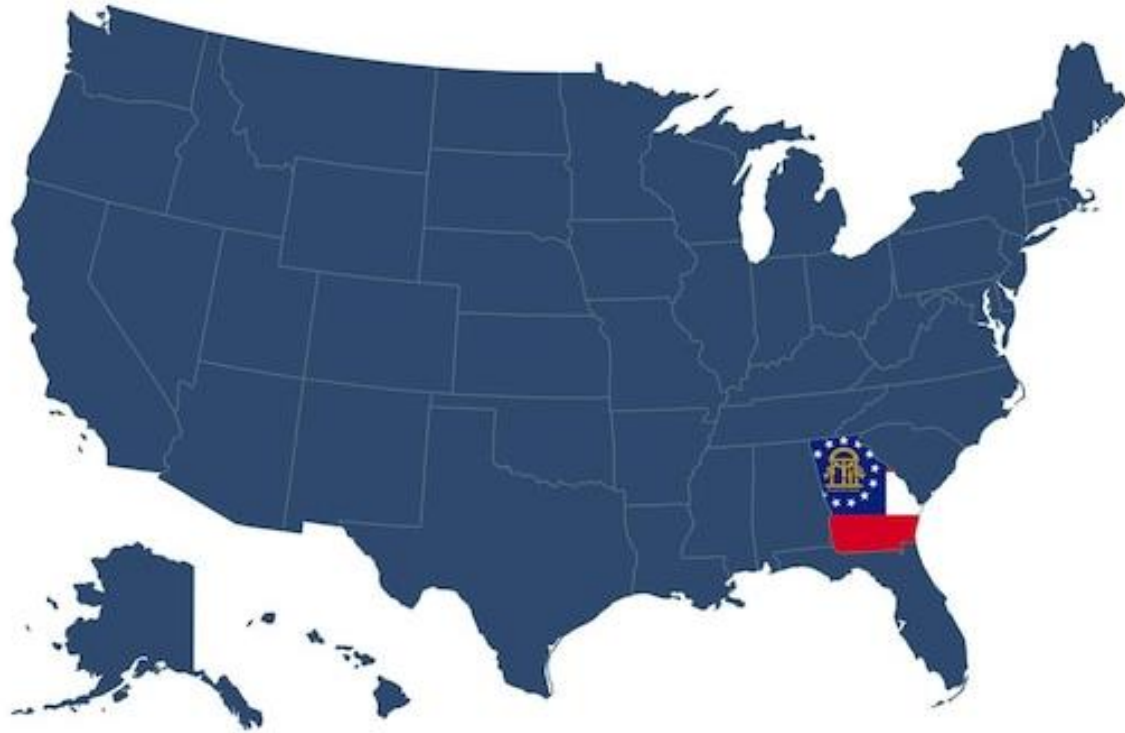


# *Candler County Hospital*

*Metter, Georgia*

"If you've ridden by our hospital in the last few months, you have witnessed a phenomenon in small town rural healthcare. This anomaly is a full a parking lot. There were days when staff members brought supplies from home. Weeks when only prayer supplied enough money to make payroll. There were horror stories coming out of the Emergency Room and some employees heading for other hospitals. But there was enough support in town among businesspeople and the general public to give the authority members the will to tough it out and to figure it out. We are not out of the woods. Our hospital continues to struggle with a backlog of old accounts payable. Some equipment is outdated and the facility is old and in need of some repairs. And it's no secret, along with the tenacity of the authority, the HEART Program (the tax credit) saved our hospital. It supplied a financial infusion of cash that could be used for operations that were not available elsewhere. Can our hospital survive without the HEART money? Probably not ... We are always going to need a source of extra revenue to have a hospital in Candler County, be it HEART or local tax dollars. What's important, at least to some of us, is we have a chance. A chance to have a local hospital, to have the jobs provided by healthcare and to have its economic impact in our community."





## *Nationwide Influence, Community Support*

- GHA has close working relationships with other state hospital associations across the country, and several other states have asked for information in past several years to learn more about Georgia's innovative Rural Hospital Tax Credit Program and how to best implement this program in their state
- The Georgia Rural Hospital Tax Credit program fosters community engagement in rural areas for hospitals that need additional support in a way that targeted state appropriations simply cannot. When individuals and local businesses make investments in their hospital, they become a part of its success and feel a sense of responsibility to the health of the community.

# HB 363 (Rep. John LaHood) Overview

HB 363 provides the necessary extension to the sunset for the rural hospital tax credit to continue and also provides the following revisions, which are supported by the 55 rural hospitals that benefit from the program.

- Revises definition of “rural hospital organization”
- Increases the tax credit limit of pass-through owners from \$10,000 to \$25,000
- Increases the statutory cap to \$100 Million
- Allows the Department of Revenue to issue proportional credits to the donor equal to the amount remaining under the hospital’s annual limit.
- Sets a deadline of 180 days, or October 31, for collection of contributions to allow time for the unused credits to be re-awarded to wait-list donors.



# Sunset

- The program is currently set to sunset in 2024. HB 363 would extend the Statutory sunset to 2029

# Revised definition of “rural hospital organization”

- HB 363 revises the definition of “rural hospital organization” to assure that hospitals that convert to *Rural Emergency Hospitals* will not lose access to the Rural Hospital Tax Credit (RHTC) Program
- Rural Emergency Hospitals are a new provider type established by Congress in 2021 that allows existing acute care hospitals to discontinue inpatient services while continuing to offer emergency services. Most of the Georgia hospitals eligible to convert to this new facility type are RHTC participants.



# Increases the tax credit limit of pass-through owners from \$10,000 to \$25,000

- Owners of pass-through companies are frequent contributors to programs such as the RHTC and the Education Tax Credit Program. These same owners are eligible to request \$25,000 under the Education Tax Credit, but only \$10,000 in RHTC. This makes the RHTC less attractive to these owners. In addition, increasing the credit limit would accelerate the cash flow to participating hospitals.

# Increased Statutory Cap

- HB 363 increases the statutory cap to \$100 Million. The cap is currently set at \$75 Million.
- Each year, the RHTC ends the year with potential donors who want to support their rural hospital still on the wait-list.



# Allows the Department of Revenue to issue proportional credits to the donor equal to the amount remaining under the hospital's annual limit

- Hospitals are eligible to receive up to \$4 million in donations annually. However, donors are typically unaware of an individual hospital's progress toward the cap, and they may request credits above that hospital's limit. This language allows the DOR to issue a proportional credit.

# **Sets a deadline of 180 days or October 31, for collection of contributions to allow time for the unused credits to be used**

- Contributions that are not funded by the deadline of December 31st can be added back to the cap. This deadline does not allow time for any unfunded contribution pledges to be reclaimed by potential donors on a wait-list. Between \$500,000 and \$1.5 million in donations are lost annually due to this deadline.

# Other Legislation

- **HB 504 – Currently in Senate**
  - *Rural Emergency Hospital clarification*
  - *Partial donation approval when hospital cap is met*
  - *Deadline for approved donation payment of October 31*
  - *Extends sunset to 2026*



GHA member hospitals thank YOU for your support of the Georgia Rural Hospital Tax Credit