

## MEDIA RELEASE

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### **A Crisis of Affordable Health Care at Northside**

*Report reveals how hospital management affects health care access, cost*

**ATLANTA** – Georgia Watch today released a report documenting the financial performance of one of metro Atlanta's largest nonprofit hospitals, Northside Hospital. The research and analysis is based on figures reported by the hospital to the Internal Revenue Service and the US Centers for Medicaid and Medicare Services.

"A Crisis of Affordable Health Care: Northside Hospital" describes how the tax-exempt nonprofit hospital rewards executives with million-dollar compensation packages, treats few indigent and charity care patients, and charges uninsured patients significantly higher costs for services than it charges insurance companies and government-sponsored insurance programs. Approximately one in every ten Northside Hospital patients is billed inflated charges.

Northside Hospital also invests heavily outside Fulton County, from which they have received taxpayer support for more than 15 years. Of a total \$423.4 million in approved and proposed capital expenditures, over 66 percent, or \$285 million, has been spent or will be spent on expansions at a Northside facility in Forsyth County.

In 2005 filings with the federal government, Northside Hospital reported:

- Only 25 percent of Northside Hospital's patients came from Fulton County, the lowest number of in-county patients served by any Fulton tax-exempt nonprofit hospital.
- A 297 percent overall price mark-up – from approximately \$439,309,863 in costs to \$1,304,700,247 in patient charges.
- A 3,060 percent mark-up in anesthesiology services – from \$463,061 in total costs to \$14,167,361 in patient charges.
- A total 3.25 percent of annual adjusted gross revenue dedicated to indigent and charity care – compared to 10.98 percent provided by the other Fulton County Hospital Authority facility, Grady Memorial Hospital.

**"As a Fulton County Authority hospital, Northside has a financial responsibility to provide health care to Fulton residents, regardless of ability to pay,"** said Georgia Watch Executive Director Allison Wall. **"Their own tax filings indicate that Northside has failed to meet its basic obligation to county taxpayers."**

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Tax-exempt nonprofit hospitals such as Northside Hospital do not pay most taxes, including income, sales or property taxes. Thus, nonprofit hospitals don't contribute financially to local infrastructure, even though they utilize these services.

**“Fulton taxpayers deserve a comprehensive cost-benefit analysis that takes into account lost tax revenue, what Northside provides the area in terms of indigent and charity care, and even impacts on Grady”** said Wall.

Specific policy recommendations include:

**Level II trauma center:** Northside Hospital should utilize surplus funds to open a Level II trauma center. Currently, there is only one other Level II trauma center at a nonprofit hospital in the 13-county metro Atlanta area. A Level II trauma center offers emergency care to trauma patients similar to that of a Level I trauma center, though it is not required to have the same research and surgical residency programs.

**Affordability:** Charges to patients should be fair and clearly explained at the time of admission to the hospital, as should financial assistance options. Information about financial assistance should be posted at all points of entry to the hospital, including the emergency department, intake office and billing areas, and should be in languages used by the patient population.

**Transparency:** State lawmakers should enact definitions for the terms “indigent care,” “charity care,” and “bad debt” that are based on cost instead of marked-up charges and inflated hospital pricing schedules.

**Oversight:** The state Department of Revenue should conduct annual audits and certifications of tax-exempt nonprofit entities in Georgia.

**Assessments to evaluate real value of tax-exempt status:** County taxing authorities should regularly assess the property holdings of tax-exempt nonprofit health care facilities to ensure the community is receiving a comparable benefit for its loss of property tax revenue.

Of the 100 counties in the nation with the highest rates of bankruptcy, 45 are in Georgia. On average, Georgians spend \$4,891 a year on health care at hospitals and doctor's offices.

**“Nonprofit management impacts not only a patient’s access to care, but also the community as a whole,”** said Wall. **“Approximately half of all Americans who file for bankruptcy do so because of medical bills, and three-quarters of those patients had health insurance at the time of illness or injury.”**

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*“A Crisis of Affordable Health Care: Northside Hospital” can found at [www.georgiawatch.org](http://www.georgiawatch.org)*

*Founded in 2002, Georgia Watch is a nonprofit, nonpartisan 501-(c)(3) watchdog group focusing on consumer education and research in the areas of health care, insurance, identity theft and personal finance.*