

MEDIA RELEASE

For Immediate Release

For More Information:

Holly Lang (404) 525-1085

Allie Wall (404) 525-1086

A Crisis of Affordable Health Care at the Medical Center of Central Georgia

Report details health care access, cost in middle Georgia.

ATLANTA – Georgia Watch today released a detailed financial analysis of Macon's Medical Center of Central Georgia, which serves approximately 30 counties and is one of Georgia's four Level 1 trauma centers.

"A Crisis of Affordable Healthcare: Medical Center of Central Georgia" describes how the tax-exempt nonprofit hospital utilizes pricing practices that can place affordable care out of reach for many patients. As the region's primary safety net hospital, the Medical Center provides the lion's share of indigent care in middle Georgia. However, the Medical Center charges uninsured and self-pay patients significantly higher costs for services than the rates charged to most third-party payers, such as private insurance, Medicare and Medicaid.

For example, in 2006 the Medical Center reported:

- A 265 percent overall price mark-up – from approximately \$502,387,466 in costs but the amount charged to patients was \$1,329,393,413;
- A average 933 percent mark-up in laboratory charges to patients; and,
- An average 60 percent discount to private insurers.

That same year, Medical Center CEO Don Faulk received a total compensation package of \$848,841 in 2007 – a 20 percent increase over his compensation in 2006.

The Georgia Watch analysis also shows that the Medical Center held approximately 248 days cash on hand in 2007, which means the hospital could operate as usual without generating a single penny of new revenue for more than eight months. Yet, the Medical Center has reported drastic reductions in operating margins in the last 12 months, which has led to hospital-wide cutbacks and layoffs.

"Nonprofit hospitals have a financial responsibility to provide health care in the communities they serve, regardless of a patient's ability to pay," said Georgia Watch executive director Allison Wall. **"Bibb County taxpayers deserve a comprehensive cost-benefit analysis that takes into account lost tax revenue and what bona fide community benefits the Medical Center provides the area."**

MORE

Chief among Georgia Watch's policy recommendations are:

Affordability: Charges to patients should be fair and clearly explained at the time of admission. Cost should be based on a sliding scale fee system that takes into account patients' ability to pay. Tax-exempt hospitals should employ a uniform system of screening patients for eligibility in payment assistance programs.

Notice of financial assistance: Tax-exempt hospitals should use multiple communication and marketing strategies, including print and broadcast media, to advise the public of available free and reduced charge services, the terms of eligibility for accessing these services, the application process for accessing these services, and the person or office to which pricing complaints or questions should be directed.

Transparency: State lawmakers should create and 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. Any state regulatory body such as the Department of Community Health (DCH), as well as county taxing authorities, could utilize these definitions in determining and assessing the financial performance of Georgia's tax-exempt nonprofit health care facilities.

Community benefits: Every tax-exempt nonprofit hospital in the state should be required to adopt a written policy on community benefits offerings that focuses on indigent care, charity care and other activities that directly affect the welfare of their communities, excluding marketing materials. This written policy should be publicly available.

In the US, more than 45 million people are uninsured, roughly 15 percent of the total population. Currently, approximately 18 percent of Georgians are uninsured. Of Bibb County's 154,709 residents, about 16 percent live without health insurance and 16 percent live below the poverty level.

The Georgia Watch report, "**A Crisis of Affordable Healthcare: Medical Center of Central Georgia,**" is the fifth report in a series that has also included Memorial Health University Medical Center in Savannah, Northside Hospital in Atlanta and Phoebe Putney Memorial Hospital in Albany. The research and analysis is based on figures reported by the hospital to the IRS and the US Centers for Medicaid and Medicare Services.

###

"A Crisis of Affordable Health Care: Medical Center of Central Georgia" can found at 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.