

Engaging
Georgia
taxpayers



Enhancing
rural
hospitals



Elevating
patient
care

2019 HEART Annual Report

GEORGIA HEART
HOSPITAL PROGRAM

Helping Enhance Access to Rural Treatment

Now, more than ever, Georgians — Take HEART!

INSIDE THE REPORT

A Letter from Georgia Governor Brian P. Kemp3
A Letter from Georgia Lt. Governor Geoff Duncan4
Georgia HEART Hospitals5
HEART Contribution Results.6
Important Tax Developments7
Hospital Testimonials.8-9
2019 HEART Tax Credit Survey Results10
Business Community Involvement.11

THE HEART TEAM



LISA KELLY
Executive Director



ALLISON SAXBY
Director of Operations



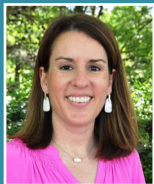
AVERY PARKER RICE
Director of Accounting & Finance



KATE SAYLOR
Director of Marketing & Communications



ROSALYN MERRICK
Director of Stakeholder Engagement



MEGHAN MEYER
Client Services Manager



SHERRI O'CONNOR
Accounting Manager



DIANNE NELSON-WILLIAMS
Accounting Associate



JIM KELLY
General Counsel

A LETTER FROM
GEORGIA
GOVERNOR
BRIAN P. KEMP

Dear Supporters of the Georgia HEART Rural Hospital Tax Credit Program,

As Georgians address the health challenges arising from the COVID-19 virus, I cannot overstate the key role played by our rural hospitals and courageous service providers fighting on the front lines for those impacted by this pandemic.

Since 2017, many of you have donated to one or more of the Georgia HEART rural hospitals. As a result of your generosity, these hospitals were better able to provide critical care that, absent your thoughtful contributions, would not have been available to many of those infected by the coronavirus. Truly, these were life-saving contributions.

As Georgia lawmakers consider the long-term effects of the COVID-19 pandemic and the steps that must be taken to promote related healthcare solutions in rural Georgia, it is reassuring to know that so many concerned citizens have embraced the Georgia HEART program. I deeply appreciate your continued financial support of our rural hospitals and the message of solidarity and hope that it sends to your fellow Georgians.

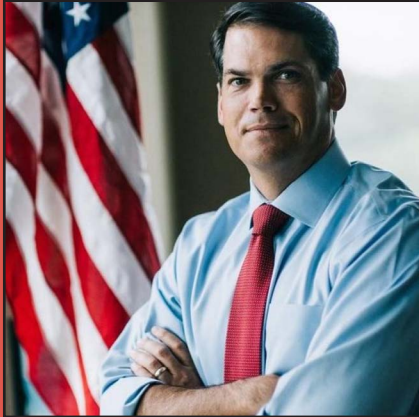
Sincerely,



Governor Brian P. Kemp



A LETTER FROM
GEORGIA
LIEUTENANT
GOVERNOR
GEOFF DUNCAN



Dear Georgia HEART Supporters,

Thank you for your support of the Georgia HEART program, which, in light of the COVID-19 pandemic, is more critical than ever. I hope you will join me in offering prayers and best wishes to the impacted patients and their families in rural Georgia and to their compassionate and brave health care providers.

My desire to improve access to quality rural health care led to my introduction of rural hospital tax credit legislation in 2016. Georgia's elected officials enacted what was (and remains) the nation's only program of its kind. Two principles, evidenced during the recent pandemic, explain the success of the program: that states excel at finding unique solutions to pressing national issues; and, that individual compassion and philanthropy are indispensable to effectively addressing emergency situations and systemic social problems.

I believe that it is possible, both as a state and as a free people, for us to exit this crisis stronger than ever. Your continued support of our rural communities through the Georgia HEART program is one of the important ways you can help us realize that possibility.

Sincerely,

A handwritten signature in black ink, appearing to be "Geoff Duncan".

Lieutenant Governor Geoff Duncan

GEORGIA HEART HOSPITALS

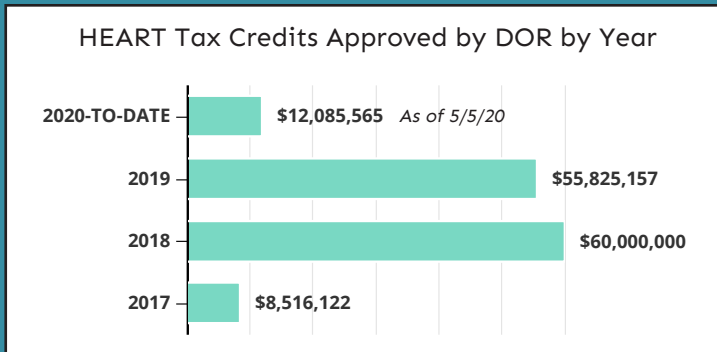
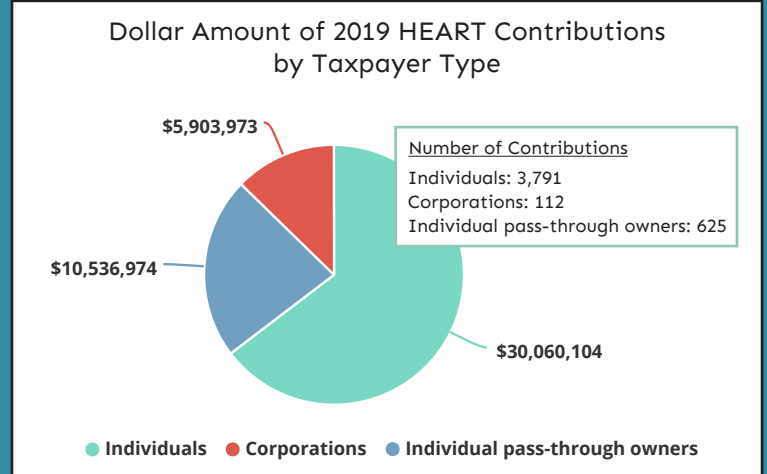
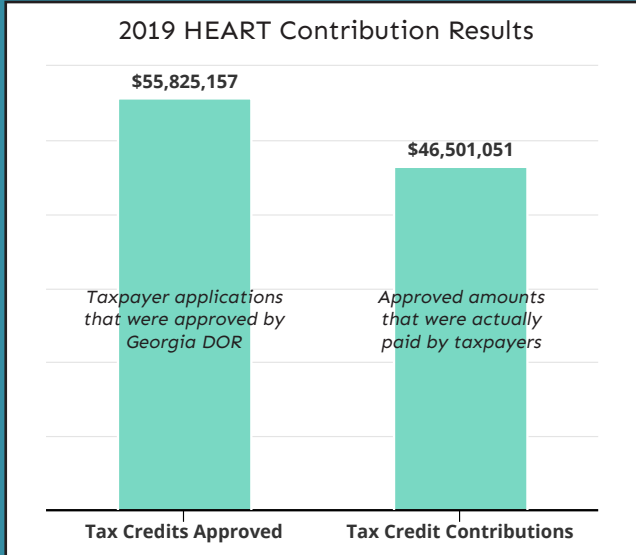
Together, these 56 qualified rural hospitals and HEART are Helping Enhance Access to Rural Treatment.

Appling Healthcare System, Baxley
Bacon County Hospital, Alma
Bleckley Memorial Hospital, Cochran
Brooks County Hospital, Quitman
Burke Medical Center, Waynesboro
Candler County Hospital, Metter
Chatuge Regional Hospital, Hiawassee
Clinch Memorial Hospital, Homerville
Coffee Regional Medical Center, Douglas
Colquitt Regional Medical Center, Moultrie
Crisp Regional Hospital, Cordele
Dodge County Hospital, Eastman
Donalsonville Hospital, Donalsonville
Dorminy Medical Center, Fitzgerald
Effingham Hospital, Springfield
Elbert Memorial Hospital, Elberton
Emanuel Medical Center, Swainsboro
Evans Memorial Hospital, Claxton
Habersham Medical Center, Demorest
Higgins General Hospital, Bremen
Irwin County Hospital, Ocilla
Jasper Memorial Hospital, Monticello
Jeff Davis Hospital, Hazlehurst
Jefferson Hospital, Louisville
John D. Archbold Memorial Hospital, Thomasville
Liberty Regional Medical Center, Hinesville
Meadows Regional Medical Center, Vidalia
Medical Center of Peach County, Byron

Memorial Hospital and Manor, Bainbridge
Miller County Hospital, Colquitt
Mitchell County Hospital, Camilla
Monroe County Hospital, Forsyth
Morgan Medical Center, Madison
Murray Medical Center, Chatsworth
Navicent Health Baldwin, Milledgeville
Phoebe Sumter Medical Center, Americus
Phoebe Worth Medical Center, Sylvester
Piedmont Mountainside Hospital, Jasper
Polk Medical Center, Cedartown
Putnam General Hospital, Eatonton
South Georgia Medical Center-Berrien Campus, Nashville
South Georgia Medical Center-Lanier Campus, Lakeland
Southeast Georgia Health System-Camden Campus, St. Marys
Southwest Georgia Regional Medical Center, Cuthbert
St. Mary's Good Samaritan Hospital, Greensboro
St. Mary's Sacred Heart Hospital, Lavonia
Stephens County Hospital, Toccoa
Taylor Regional Hospital, Hawkinsville
Tift Regional Medical Center, Tifton
Union General Hospital, Blairsville
University Hospital McDuffie, Thomson
Upson Regional Medical Center, Thomaston
Washington County Regional Medical Center, Sandersville
Wayne Memorial Hospital, Jesup
Wellstar Sylvan Grove Hospital, Jackson
Wills Memorial Hospital, Washington

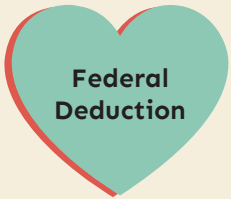


HEART CONTRIBUTION RESULTS



“Numbers and charts are important – but their real meaning is to show the extent of the impact that thousands of Georgia citizens are having on rural hospitals through this program. Your tax credit contributions have been encouraging and essential – and in 2020, they will be vital.”

– Lisa Kelly, Georgia HEART Executive Director



The HEART of the Matter for Pass-Through Businesses



Recent Federal Tax Regulations Allow for Business Deductibility of HEART Payments

- IRS proposed regulations provide that a payment made by a pass-through business to a charity (such as a rural hospital organization, or RHO) may qualify for an **ordinary and necessary business expense deduction**, even where the owners receive a state income tax credit for the payment.
- Businesses can deduct payments relevant to their trade or business that are made with the reasonable expectation of financial return commensurate with (but, according to the IRS, not necessarily equal to) the amount of the payment.
- The business expense deduction reduces the taxable net income of the pass-through business owner at the federal level, resulting in federal tax savings.
- For examples of federal tax benefit, which is \$3,500 for a \$10,000 contribution under certain circumstances, see: tinyurl.com/RHOCredit.

We recommend that you consult with your tax professional about this tax planning opportunity, as HEART does not provide tax advice.

If you pay Georgia income taxes, you are eligible to receive a 2020 tax credit for contributing to your designated RHO as follows:

Taxpayer Type	Tax Credit = 100% of the amount contributed up to the following limits:	
	<u>January 1 through June 30</u>	<u>Beginning July 1</u>
Individual Filer	\$5,000	Unlimited
Married Filing Jointly	\$10,000	Unlimited
Pass-Through Entity	\$10,000, if owner would have paid GA income tax in that amount on their share of income from the pass-through entity	Unlimited
C Corporation or Trust	75% of the corporation's or trust's GA income tax liability, whichever is less	75% of the corporation's or trust's GA income tax liability, whichever is less

IMPORTANT TAX DEVELOPMENTS

There is no federal income tax cost for any taxpayer who contributes to a qualified rural hospital organization in exchange for a Georgia income tax credit – and, their 100% state income tax credit remains intact!

Limits removed on July 1st

HOSPITAL TESTIMONIALS

"HEART contributions were instrumental in the opening of our brand new 25-bed replacement hospital facility. With the additional funds made available through the rural hospital tax credit program, we were able to upgrade equipment, enhance operational systems, improve patient way-finding, grow service lines, and make significant payment on the USDA loan for the construction project. The impact on our community has been tremendous as patients have expanded local options for medical treatment in a new, state-of-the-art facility!"



Morgan Medical Center
Madison, Georgia



Jefferson Hospital
Louisville, Georgia



Southeast Georgia
Health System –
Camden Campus
St. Marys, Georgia

"Southeast Georgia Health System used its 2019 HEART contributions to add 3D mammography technology to its Camden Campus. This innovative technology is the most effective screening method for breast cancer, and early detection can increase the chances of patient survival."

"In 2019, we utilized tax credit contributions to relocate our Wrens Rehabilitation Center to a larger, more visible, and more accessible space allowing us to accommodate more patients. We were able to purchase necessary items to ensure the office was equipped for the expansion of physical therapy and occupational therapy services. We saw an increase in patient load very quickly once we opened. Jefferson Hospital is very excited to be able to better serve our patients!"

“Georgia HEART donations allowed us to develop, implement, and start up a Women’s Health Service line and new building for 3D Mammography and Bone Density. Lack of transportation to an out of town facility was a contributing factor to lack of this vital preventive service. The community response following our opening has been overwhelmingly positive. Without Georgia HEART dollars none of this would have been possible.”



“Wellstar Sylvan Grove used Georgia HEART contributions in 2019 to continue our radiology expansion. We also completed a renovation and equipment upgrades for our Emergency Department. This proved beneficial when COVID-19 hit our community.”

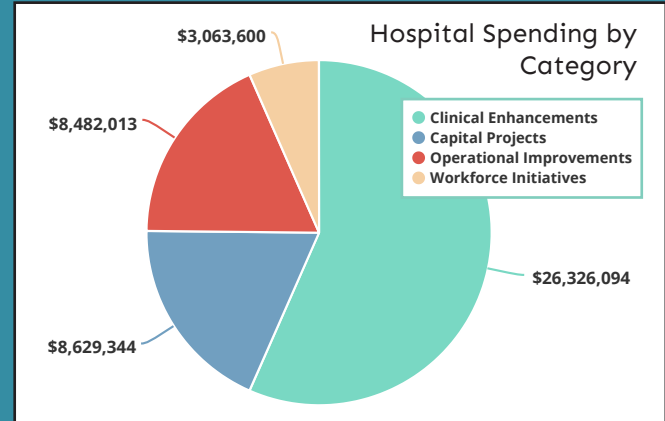
“In 2019, we used HEART contributions to invest in a 3D mammography machine to improve and enhance the care we provide women in Polk County. Additionally, we increased the number of days we offer MRI services at the hospital, reducing the need for patients to travel out of the county to receive this care.”



2019 HEART TAX CREDIT SURVEY RESULTS



In January 2020, Georgia HEART and Georgia Hospital Association surveyed all eligible rural hospitals to collect data about the various ways in which HEART tax credit contributions are being utilized. The 2019 Georgia HEART Rural Hospital Tax Credit Survey results show that the Georgia HEART program is providing critical resources for Georgia's rural hospitals and communities.



Clinical Enhancements



New Cardio/Pulmonary Rehab at Meadows Regional Medical Center in Vidalia, Georgia

"Our patients can now receive rehab services locally without traveling for treatment."

Capital Projects



Complete remodel of kitchen at Bleckley Memorial Hospital in Cochran, Georgia

"Because of the HEART contributions we received, we can more effectively feed patients, visitors and staff."

Operational Improvements



Perinatal Monitoring Technology at Donalsonville Hospital in Donalsonville, Georgia

"Georgia HEART donors enabled us to acquire new technology to watch over our smallest patients."

Workforce Initiatives



Physical & Occupational Therapy Team for Swing Bed Expansion at Elbert Memorial Hospital in Elberton, Georgia

"We could not have sustained our growth or new services without 2019 HEART contributions."

BUSINESSES ACROSS THE STATE "TAKE HEART"

Corporate donors are making a significant, positive, and lasting impact on healthcare outcomes in Georgia through their participation in the HEART tax credit program. We are thankful for their generosity, as – now, more than ever – their involvement is helping to enhance access to rural treatment.



"In this year of challenge, we encourage Georgia's business community to continue making essential investments in rural healthcare, through the Georgia HEART Program. Embracing this tax credit opportunity will enhance the state's ability to care for all our citizens and will boost statewide economic recovery in a significant way."

– Chris Clark, President and CEO
Georgia Chamber of Commerce

BUSINESS COMMUNITY INVOLVEMENT



2019 HEART AUDITED FINANCIALS

The financial statements of Georgia HEART Hospital Program, LLC are audited annually by the independent CPA firm Bennett Thrasher, LLP. Bennett Thrasher's audit opinion declared that HEART's 2019 financial statements present fairly, in all material respects, the financial position of Georgia HEART Hospital Program, LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the year ended December 31, 2019 and the period from April 18, 2018 (Inception) to December 31, 2018, in accordance with accounting principles generally accepted in the United States of America. To see the complete 2019 audit report, including financial statements and footnotes, see tinyurl.com/heartauditreport.



Georgia HEART Hospital Program, LLC
3740 Davinci Ct Ste 375
Peachtree Corners, GA 30092-7643

U.S.
Postage
PAID

**Georgia HEART
Hospital Program,
LLC**

**3740 Davinci Court
Suite 375
Peachtree Corners, GA
30092**

**770-250-5971
www.georgiaheart.org
heart@georgiaheart.org**