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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 08-01-2012 , 2012, and ending 07-31-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 3770

City or town, state or country, and ZIP + 4
ALBANY, GA 31706

D Employer identification number
58-1928247

E Telephone number
(229) 312-1000

G Gross receipts $ 518,077,031

F Name and address of principal officer
JOEL WERNICK CEO
PO BOX 3770
ALBANY, GA 31706

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW PHOEBEPUTNEY COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1990 | **M** State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO DELIVER SUPERIOR HEALTH CARE SERVICES THAT IMPROVES THE HEALTH AND WELLNESS OF THE PEOPLE AND COMMUNITIES WE SERVE

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	3,893
6	Total number of volunteers (estimate if necessary)	6	608
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	905,128
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-370,684

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,126,514	5,090,002
9	Program service revenue (Part VIII, line 2g)	510,591,665	496,274,330
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,124,284	2,389,138
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,422,427	13,767,304
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	524,264,890	517,520,774
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	127,440	180,334
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	192,158,448	237,163,772
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	315,433,170	338,220,304
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	507,719,058	575,564,410
19	Revenue less expenses Subtract line 18 from line 12	16,545,832	-58,043,636

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	675,940,460	626,679,567
21	Total liabilities (Part X, line 26)	508,001,294	463,041,830
22	Net assets or fund balances Subtract line 21 from line 20	167,939,166	163,637,737

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

****** | 2014-06-03
Signature of officer | Date

KERRY LOUDERMILK PPHS CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☑ if self-employed	PTIN
LINTON A HARRIS		2014-06-03		
Firm's name ▶ DRAFFIN & TUCKER LLP				Firm's EIN ▶
Firm's address ▶ PO BOX 71309 ALBANY, GA 317081309				Phone no (229) 883-7878

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

TO DELIVER SUPERIOR HEALTH CARE SERVICES THAT IMPROVES THE HEALTH AND WELLNESS OF THE PEOPLE AND COMMUNITIES WE SERVE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 404,045,021 including grants of $ 180,334) (Revenue $ 500,128,116)

PHOEBE PUTNEY MEMORIAL HOSPITAL IS A 522-BED ACUTE CARE HOSPITAL, WITH PATIENT DAYS OF 121,416 IN THE CURRENT YEAR INTENSIVE CARE, NEONATAL INTENSIVE CARE, NURSERY, REHAB, AND PSYCHIATRY SERVICES ARE INCLUDED IN THE SERVICES PROVIDED THE HOSPITAL ALSO OPERATES A HOME HEALTH AGENCY AND A 12 BED HOSPICE OTHER 22,759 INPATIENT ADMISSIONS, 13,097 SURGERIES, 2,794 BIRTHS, 103,152 EMERGENCY VISITS, AND 811,387 CLINIC VISITS SEE ATTACHMENT FOR FORM 990, PART III, WHICH INCLUDES DETAILED DISCUSSIONS ON ALL CHARITABLE AND COMMUNITY ACTIVITIES OF THE HOSPITAL

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 404,045,021

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	289		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,893		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year **1a** 13			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent **1b** 10			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

Section B. Policies (*This Section B requests information about policies not required by the Internal Revenue Code.*)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ GA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ KERRY LOUDERMILK CFO PO BOX 3770 ALBANY, GA (229) 312-4068

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOEL WERNICK CEO/PRES/BRD	25 00 27 00	X		X				0	957,191	914,342
(2) SALLY WHATLEY PHD BOARD MEMBER	1 00	X						0	0	0
(3) JOHN CULBREATH CHAIRMAN	1 00	X		X				0	0	0
(4) BERNARD P SCOGGINS MD BOARD MEMBER	1 00	X						0	0	0
(5) MARY HELEN DYKES VICE CHAIRMA	1 00	X		X				0	0	0
(6) HASAN RIZVI MD BOARD MEMBER	1 00	X						0	0	0
(7) STEVE E KITCHEN BOARD MEMBER	1 00	X						0	0	0
(8) KIMBERLY FIELDS PHD BOARD MEMBER	1 00	X						0	0	0
(9) RON WALLACE BOARD MEMBER	1 00	X						0	0	0
(10) MARK LANE BOARD MEMBER	1 00	X						0	0	0
(11) TIM DILL BOARD MEMBER	1 00	X						0	0	0
(12) CLAY BANKS BOARD MEMBER	1 00	X						0	0	0
(13) KAREN ILER BOARD MEMBER	1 00	X						0	0	0
(14) JOE AUSTIN SVP/COO	25 00 27 00			X				0	538,683	102,919
(15) KERRY LOUDERMILK SVP/CFO	25 00 27 00			X				0	495,904	124,517
(16) THOMAS CHAMBLESS SVP GEN COUN	25 00 25 00				X			0	434,536	16,772
(17) DOUG PATTEN SVP CMO	25 00 25 00				X			0	417,617	98,379

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) LAURA SHEARER SVP CNO	50 00				X			301,948	0	65,545
(19) DAVID BARANSKI SVP HR	50 00 0 00				X			0	292,378	119,465
(20) THOMAS SULLIVAN SVP STRATEGI	50 00				X			0	276,034	71,645
(21) DOUG CALHOUN CHIEF MIO	50 00					X		310,974	0	16,168
(22) BIPIN AGARWAL PHYSICIAN	50 00					X		228,720	0	20,021
(23) MAUREEN JACKSON VP SURGICAL	50 00					X		211,416	0	67,393
(24) RODOLPH GILMORE PHARMACIST	50 00					X		206,035	0	23,053
(25) JEFF FLOWERS VP OPERATION	50 00					X		202,309	0	26,867

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	1,461,402	3,412,343	1,667,086

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶166

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ROBINS & MORTON 400 SHADE CREEK PARKWAY BIRMINGHAM AL 35209	CONSTRUCTION	22,138,583
SYNTHES PO BOX 8538-662 PHILADELPHIA PA 19171	MEDICAL SERVICE	1,233,413
PAGE SOUTHERLAND PAGE 1800 MAIN STREET SUITE 123 DALLAS TX 75201	CONSTRUCTION	927,108
PHARMACY HEALTHCARE SOLUTIONS 24042 NETWORK PLACE CHICAGO IL 60673	CONSULTING	825,438
STONEBELT LITHOTRIPSY 503 GANDER ROAD DAWSON GA 39842	MEDICAL	630,350

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶29

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	289,924			
	e	Government grants (contributions)	1e	4,800,078			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		5,090,002			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	623000	495,369,202	495,369,202		
	b	LAUNDRY SERVICES	812300	588,920		588,920	
	c	RETAIL SALES	561499	187,093		187,093	
	d	REFERENCE LAB	621500	129,115		129,115	
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		496,274,330			
	3	Investment income (including dividends, interest, and other similar amounts)		2,382,488			2,382,488
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	1,831,991				
	b	Less rental expenses					
	c	Rental income or (loss)	1,831,991				
	d	Net rental income or (loss)			1,831,991		1,831,991
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		6,650			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)		6,650			
	d	Net gain or (loss)			6,650		6,650
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a	607,919			
	b	Less cost of goods sold	b	556,257			
	c	Net income or (loss) from sales of inventory			51,662		51,662
		Miscellaneous Revenue	Business Code				
	11a	EMPLOYEE REVENUE	621990	3,911,514			3,911,514
	b	MEDICAL RECORDS FEES	621990	2,699,696	2,699,696		
	c	CAFETERIA SALES	722514	2,421,482			2,421,482
	d	All other revenue		2,850,959	2,059,218		791,741
	e	**Total.** Add lines 11a–11d		11,883,651			
	12	**Total revenue.** See Instructions		517,520,774	500,128,116	905,128	11,397,528

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	180,334	180,334		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	322,491		322,491	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	163,358,934	148,476,681	14,882,253	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	23,387,200	21,221,263	2,165,937	
9 Other employee benefits	38,073,376	34,289,028	3,784,348	
10 Payroll taxes	12,021,771	10,900,965	1,120,806	
11 Fees for services (non-employees)				
a Management	9,754,239	4,118,005	5,636,234	
b Legal	3,215,809		3,215,809	
c Accounting	147,636		147,636	
d Lobbying	181,140		181,140	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	56,243,969	37,674,163	18,569,806	
12 Advertising and promotion	3,102,347	900,559	2,201,788	
13 Office expenses	74,776,595	72,577,929	2,198,666	
14 Information technology	6,090,489	755,299	5,335,190	
15 Royalties . .				
16 Occupancy	8,250,494	6,542,201	1,708,293	
17 Travel	1,838,913	1,596,156	242,757	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	7,468,176		7,468,176	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	32,778,369	25,989,969	6,788,400	
23 Insurance	7,060,679	998,854	6,061,825	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a GOODWILL IMPAIRMENT	43,929,294		43,929,294	
b SEE SCHEDULE O	41,150,181		41,150,181	
c MEDICAL SUPPLIES	23,256,575	23,256,575		
d REPAIRS & MAINTENANCE	10,371,779	7,667,600	2,704,179	
e All other expenses	8,603,620	6,899,440	1,704,180	
25 **Total functional expenses.** Add lines 1 through 24e	575,564,410	404,045,021	171,519,389	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		9,799	1	11,849
	2	Savings and temporary cash investments		73,004,079	2	51,585,720
	3	Pledges and grants receivable, net		68,149	3	693,936
	4	Accounts receivable, net		78,551,919	4	105,475,197
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		2,245	7	
	8	Inventories for sale or use		7,120,264	8	11,454,189
	9	Prepaid expenses and deferred charges		3,105,008	9	10,899,029
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 678,979,264			
	b	Less accumulated depreciation	10b 365,938,265	278,233,198	10c	313,040,999
	11	Investments—publicly traded securities		15,734,886	11	3,006,854
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		11,621,404	14	124,991,769
	15	Other assets See Part IV, line 11		208,489,509	15	5,520,025
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		675,940,460	16	626,679,567
Liabilities	17	Accounts payable and accrued expenses		41,236,480	17	44,076,064
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		213,830,000	20	309,017,020
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		100,000,000	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		152,934,814	25	109,948,746
	26	**Total liabilities.** Add lines 17 through 25		508,001,294	26	463,041,830
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		161,324,421	27	157,360,441
	28	Temporarily restricted net assets		5,033,647	28	4,496,165
	29	Permanently restricted net assets		1,581,098	29	1,781,131
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		167,939,166	33	163,637,737
	34	Total liabilities and net assets/fund balances		675,940,460	34	626,679,567

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	517,520,774
2	Total expenses (must equal Part IX, column (A), line 25)	2	575,564,410
3	Revenue less expenses Subtract line 2 from line 1	3	-58,043,636
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	167,939,166
5	Net unrealized gains (losses) on investments	5	6,905,522
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	46,836,685
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	163,637,737

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
PHOEBE PUTNEY MEMORIAL HOSPITAL INC	58-1928247

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		181,140
j	Total Add lines 1c through 1i			181,140
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
	SCHEDULE C, PART II-B, LINE 1	PART II-B, 1I LOBBYING ACTIVITIES WERE RELATED TO LEGISLATION IMPACTING HEALTHCARE PROGRAMS TO SERVE THE RESIDENTS OF SOUTHWEST GEORGIA. THE ORGANIZATION RETAINED PROFESSIONAL CONSULTANTS WITH EXPERTISE IN ACCESS TO HEALTHCARE SERVICES TO MONITOR AND EXPRESS SUPPORT FOR OR OPPOSITION TO LEGISLATION DIRECTLY IMPACTING THE ORGANIZATION'S ABILITY TO INCREASE ACCESS TO HEALTHCARE SERVICES TO THE CITIZENS OF SOUTHWEST GEORGIA, INCLUDING THOSE WITHOUT THE ABILITY TO PAY. THE TOTAL AMOUNT PAID TO CONSULTANTS IN 2013 WAS 129,169. THE ORGANIZATION PAYS MEMBERSHIP DUES TO NATIONAL AND STATE HEALTHCARE ORGANIZATIONS. A PORTION OF THOSE DUES IS ALLOCATED TO LOBBYING ACTIVITIES IN WHICH THESE NATIONAL AND STATE HEALTHCARE ORGANIZATION PARTICIPATES. THE TOTAL AMOUNT PAID FOR MEMBERSHIP DUES IN 2013 WAS 51,971

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(b) (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	371,340	365,925	364,670	355,694	346,091
b	Contributions					
c	Net investment earnings, gains, and losses	5,076	5,415	1,255	8,976	9,603
d	Grants or scholarships					
e	Other expenditures for facilities and programs	5,170				
f	Administrative expenses					
g	End of year balance	371,246	371,340	365,925	364,670	355,694

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		13,136,197		13,136,197
b Buildings		333,162,366	126,657,632	206,504,734
c Leasehold improvements		2,655,285	1,648,626	1,006,659
d Equipment		315,490,625	237,632,007	77,858,618
e Other		14,534,791		14,534,791
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				313,040,999

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
ACCRUED PENSION COST	103,153,525
INTEREST RATE SWAPS	6,795,221
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	109,948,746

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	524,982,553
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	6,905,522		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	556,257		
e	Add lines **2a** through **2d**			2e	7,461,779
3	Subtract line **2e** from line **1**			3	517,520,774
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	517,520,774

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	576,120,667
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	556,257		
e	Add lines **2a** through **2d**			2e	556,257
3	Subtract line **2e** from line **1**			3	575,564,410
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	575,564,410

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	THE INTENDED USE OF THE FUNDS IS TO BE USED TO FURTHER THE ORGANIZATIONS TAX-EXEMPT PURPOSE
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION THAT HAS BEEN RECOGNIZED AS TAX-EXEMPT PURSUANT TO SECTION 501(C)3 OF THE INTERNAL REVENUE CODE THE CORPORATION APPLIES ACCOUNTING POLICIES THAT PRESCRIBE WHEN TO RECOGNIZE AND HOW TO MEASURE THE FINANCIAL STATEMENT EFFECTS OF INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON ITS INCOME TAX RETURNS THESE RULES REQUIRE MANAGEMENT TO EVALUATE THE LIKELIHOOD THAT, UPON EXAMINATION BY THE RELEVANT TAXING JURISDICTIONS, THOSE INCOME TAX POSITIONS WOULD BE SUSTAINED BASED ON THAT EVALUATION, THE CORPORATION ONLY RECOGNIZES THE MAXIMUM BENEFIT OF EACH INCOME TAX POSITION THAT IS MORE THAN 50% LIKELY OF BEING SUSTAINED TO THE EXTENT THAT ALL OR A PORTION OF THE BENEFITS OF AN INCOME TAX POSITION ARE NOT RECOGNIZED, A LIABILITY WOULD BE RECOGNIZED FOR THE UNRECOGNIZED BENEFITS, ALONG WITH ANY INTEREST AND PENALTIES THAT WOULD RESULT FROM DISALLOWANCE OF THE POSITION SHOULD ANY SUCH PENALTIES AND INTEREST BE INCURRED, THEY WOULD BE RECOGNIZED AS OPERATING EXPENSES BASED ON THE RESULTS OF MANAGEMENT'S EVALUATION, NO LIABILITY IS RECOGNIZED IN THE ACCOMPANYING BALANCE SHEET FOR UNRECOGNIZED INCOME TAX POSITIONS FURTHER, NO INTEREST OR PENALTIES HAVE BEEN ACCRUED OR CHARGED TO EXPENSE AS OF JULY 31, 2013 AND 2012 OR FOR THE YEARS THEN ENDED THE CORPORATION'S OPEN AUDIT PERIODS ARE FOR TAX YEARS 2010-2012
REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 2D	GIFT SHOP COGS 556,257
EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 2D	GIFT SHOP COGS 556,257

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 125 000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other ____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			25,711,668		25,711,668	4 830 %
b Medicaid (from Worksheet 3, column a)			95,164,066	77,197,786	17,966,280	3 380 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			120,875,734	77,197,786	43,677,948	8 210 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		92,336	3,949,631	637,815	3,311,816	0 620 %
f Health professions education (from Worksheet 5)		608	5,383,620	2,015,611	3,368,009	0 630 %
g Subsidized health services (from Worksheet 6)			17,327,317		17,327,317	3 260 %
h Research (from Worksheet 7)			826,609	96,727	729,882	0 140 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		579	820,809		820,809	0 150 %
j **Total.** Other Benefits		93,523	28,307,986	2,750,153	25,557,833	4 800 %
k **Total.** Add lines 7d and 7j		93,523	149,183,720	79,947,939	69,235,781	13 010 %

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development			83,250		83,250	0 020 %
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			83,250		83,250	0 020 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	28,255,433		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	135,967,307
6	Enter Medicare allowable costs of care relating to payments on line 5	6	222,622,499
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-86,655,192

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	PHOEBE PUTNEY MEMORIAL HOSPITAL INC PO BOX 3770 ALBANY, GA 31706	X	X		X			X		HHA, HOSPICE	

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Name of hospital facility or facility reporting group _____

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 125 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
2

	Name and address	Type of Facility (describe)
1	PHOEBE HOME CARE 417 THIRD AVENUE ALBANY, GA 31701	HOME HEALTH AGENCY
2	ALBANY COMMUNITY HOSPICE 320 FOUNDATION LANE ALBANY, GA 31707	HOSPICE
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
SUBSIDIZED HEALTH SERVICES EXPLANATION	PART I LINE 7G	THE NET COST ASSOCIATED WITH PHYSICIAN CLINIC SERVICES REPORTED ON SCHEDULE H PART 7G IS 17327317
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	IN DERIVING THE DENOMINATOR TO BE USED FOR COLUMN F THE FOLLOWING ADJUSTMENTS WERE MADE TO THE TOTAL EXPENSES REPORTED ON FORM 990 PART IX LINE 25 FORM 990 PART IX LINE 25 575564410 LESS IMPAIRMENT LOSS IN PART IX LINE 24 43929294 ADD EXPENSES REPORTED IN PART VIII 556175 DENOMINATOR FOR COLUMN F 532191291 THE ORGANIZATION RECOGNIZED AN IMPAIRMENT LOSS OF 43929294 FOR FISCAL YEAR 2013 DUE TO THE INFREQUENCY OF THE LOSS THE AMOUNT WILL BE EXCLUDED FROM TOTAL EXPENSES AS WELL AS THE COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	THE COST OF MEDICAID AND CHARITY CARE WAS CALCULATED USING THE COSTTO CHARGE RATIO AS CALCULATED USING WORKSHEET 2 FROM THE IRS FORM 990 INSTRUCTIONS THE COST OF OTHER BENEFITS WAS THE DIRECT COST OF THE SERVICES
COMMUNITY BUILDING ACTIVITIES	PART II	THE ORGANIZATION IS INVOLVED IN VARIOUS ECONOMIC DEVELOPMENT ACTIVITIES THROUGHOUT THE YEAR IN 2013 THE ORGANIZATION CONTRIBUTED 84126 TO VARIOUS ECONOMIC DEVELOPMENT INITIATIVES IN THE COMMUNITY HIGHLIGHTED BY A 50000 CONTRIBUTION TO MOVE THE MOUNTAIN AND A 30000 CONTRIBUTION TO STRIVE TO THRIVE BOTH ANTIPOVERTY PROGRAMS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	THE AMOUNT ON PART III LINE 2 WAS CALCULATED USING THE RCC AS DEFINED IN WORKSHEET 2 FINANCIAL STATEMENT EXCERPT ALLOWANCE FOR DOUBTFUL ACCOUNTS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE THE CORPORATION ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRDPARTY COVERAGE THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS IF NECESSARY FOR EXAMPLE FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRDPARTY PAYOR HAS NOT YET PAID OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY FOR RECEIVABLES ASSOCIATED WITH SELFPAY PATIENTS WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRDPARTY COVERAGE EXISTS FOR PART OF THE BILL THE CORPORATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES OR THE DISCOUNTED RATES IF NEGOTIATED AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE CORPORATIONS ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR FISCAL YEAR 2013 INCREASED APPROXIMATELY 3 AS A PERCENTAGE OF SELFPAY ACCOUNTS RECEIVABLE COMPARED TO FISCAL YEAR 2012 THE INCREASE WAS DUE TO SEVERAL FACTORS INCLUDING AN INCREASE IN ACCOUNTS RECEIVABLE DUE IN PART TO THE LEASING OF PALMYRA WHICH BEGAN AUGUST 1 2012 THE ACCOUNTS RECEIVABLE RELATED TO PALMYRA INCLUDED IN THE INITIAL LEASE ARE SIGNIFICANTLY AGED AND THEREFORE REQUIRE A HIGHER ALLOWANCE FOR DOUBTFUL ACCOUNTS IN ADDITION THE CORPORATION EXPERIENCED AN INCREASE IN SELFPAY VOLUME DURING FISCAL YEAR 2013 ANOTHER FACTOR THAT LED TO THE INCREASE IS THE RESULT OF NEGATIVE TRENDS RELATED TO THE COLLECTABILITY OF AMOUNTS DUE FROM SELFPAY PATIENTS DURING FISCAL YEAR 2013 THE HEALTHCARE INDUSTRY IS ALSO EXPERIENCING A MOVEMENT OF MORE PATIENTS FAVORING THE HIGH DEDUCTIBLE INSURANCE PLANS WITH LOWER PREMIUM COSTS ALTHOUGH THESE PATIENTS ARE INSURED COLLECTION IS OFTEN DIFFICULT WHEN THE PATIENT IS LEFT WITH THE RESPONSIBILITY OF THE ACCOUNT BALANCE AFTER INSURANCE HAS PAID THE CLAIM THE CORPORATION HAS NOT CHANGED ITS CHARITY CARE OR UNINSURED DISCOUNT POLICIES DURING FISCAL YEARS 2012 OR 2013
MEDICARE EXPLANATION	PART III LINE 8	THE MEDICARE SHORTFALL WAS CALCULATED USING THE COSTTOCHARGE RATIO FROM WORKSHEET 2 OF THE IRS FORM 990 INSTRUCTIONS THE MEDICARE SHORTFALL IS TREATED AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	THE ORGANIZATION WRITES OFF PATIENT ACCOUNTS RECEIVABLE BALANCES FOR PATIENTS QUALIFYING FOR CHARITY CARE OR FINANCIAL ASSISTANCE AND DOES NOT MAKE FURTHER COLLECTION EFFORTS
NEEDS ASSESSMENT	PART VI	NEEDS ASSESSMENTS HAVE TRADITIONALLY LED TO THE CREATION OF COMMUNITYBASED DELIVERY SYSTEMS THAT EXPAND ACCESS TO HEALTH CARE MEET THE NEEDS OF THE PEOPLE AND BUILD HEALTHY COMMUNITIES IN THE BROADEST SENSE BY IMPACTING MAJOR DETERMINANTS SUCH AS ECONOMIC DEVELOPMENT EMPLOYMENT CHILDRENS SAFETY EDUCATION AND ADEQUATE HOUSING THE ORGANIZATION CONDUCTS REGULAR NEEDS ASSESSMENT THROUGH FORMAL AND INFORMAL SURVEYS AND PROCESSES INCLUDING COLLABORATIONS WITH PUBLIC AND COMMUNITY AGENCIES THROUGH STRATEGIC PLANNING AND COMMUNITY INTERVIEWS THE ORGANIZATION DEVELOPS PROGRAMS AND SERVICES THAT CONSIDER THE ECONOMIC IMPERATIVES OF THE REGION THE EFFECT OF LEGISLATION AND THE INVOLVEMENT OF OTHER COMMUNITYBASED ORGANIZATIONS AND PARTNERS THE ORGANIZATION REGULARLY CONDUCTS FOCUS GROUPS IN THE COMMUNITY TO UNDERSTAND ISSUES AFFECTING ITS PATIENTS AND HAS CREATED PROGRAMS IN RESPONSE TO HEALTH DISPARITIES PREVALENT IN THE AREA THE ORGANIZATION ALSO CONTRIBUTES FINANCIALLY AND WITH PERSONNEL TO THE CANCER COALITION OF SOUTH GEORGIA INC AND THE EMORY RESEARCH PREVENTION PROJECT WHICH CONDUCTS HEALTH ASSESSMENT STUDIES AND IMPLEMENTS PROGRAMS TO ELIMINATE DISPARITIES IN ACCESS TO CARE AND THE DIAGNOSIS AND TREATMENT OF DISEASE THE ORGANIZATION WHICH FUNDS NURSES IN ALL PUBLIC SCHOOLS IN DOUGHERTY COUNTY ALSO COLLECTS HEALTH NEEDS INFORMATION FROM NURSES WHO PROVIDE DIRECT CARE TO STUDENTS AND STAFF AND WHO COLLABORATE WITH OTHER AGENCIES TO DEVELOP HEALTH AWARENESS AND DISEASE PREVENTION PROGRAMS THE ORGANIZATION ALSO CONDUCTS REGULAR PHYSICIAN WORKFORCE STUDIES THROUGH ITS STRATEGIC PLANNING ARM TO DETERMINE UNMET PHYSICIAN NEEDS AND BARRIERS TO ACCESSING CARE THE ORGANIZATION MEASURES THE SUCCESS OF ITS COMMITMENT BY HOW WELL IT KEEPS PEOPLE HEALTHY AND HOW WELL IT IMPACTS THE SOCIALCULTURAL BONDS THAT WILL SECURE THE COMMUNITIES OF THE FUTURE

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	THE BOARD HAS CLEARLY WRITTEN INDIGENT AND CHARITY CARE POLICIES THAT ARE AVAILABLE ON THE ORGANIZATION WEB SITE AND THROUGH THE BUSINESS OFFICE SIGNS ARE PROMINENTLY POSTED ON THE AVAILABILITY OF FREE AND CHARITY CARE PATIENT EDUCATION ON THE ORGANIZATIONS INDIGENT AND CHARITY CARE PROGRAMS ARE CONDUCTED DURING PREREGISTRATION THROUGH FLOOR VISITS BY BUSINESS OFFICE REPRESENTATIVES FOR PATIENTS THAT STRESS CONCERN IN MEETING THE FINANCIAL OBLIGATIONS FOR THEIR SERVICES THROUGH THE CUSTOMER SERVICE DEPARTMENT AND THE PHOEBE CARES DEPARTMENT BROCHURES ARE PROMINENTLY DISPLAYED AT EACH REGISTRATION BOOTH THE BUSINESS OFFICE CONTINUOUSLY PROVIDES UPDATED MATERIAL TO PHYSICIAN OFFICES FOR ISSUANCE TO THEIR PATIENTS THAT HIGHLIGHT THE FINANCIAL ASSISTANCE PROGRAM AND POLICIES THE PATIENT STATEMENTS HIGHLIGHT THE ORGANIZATIONS CHARITY PROGRAM AND ENCOURAGE PATIENTS TO CALL FOR FINANCIAL ASSISTANCE
COMMUNITY INFORMATION	PART VI	THE ORGANIZATIONS PRIMARY SERVICE AREA IS BASED ON HOSPITAL INPATIENT DISCHARGE DATA BY COUNTY OF RESIDENCE AND INCLUDES DOUGHERTY LEE MITCHELL TERRELL AND WORTH COUNTIES AS OF 2011 DOUGHERTY IS THE LARGEST COUNTY WITH A POPULATION OF 95088 RECORDED IN US CENSUS RECORDS IT ACCOUNTS FOR 53 OF THE PRIMARY SERVICE AREA TOTAL POPULATION THE SERVICE AREA ETHNIC COMPOSITION IS COMPRISED OF 515 AFRICANAMERICANS 67 IN DOUGHERTY COUNTY 435 WHITES 26 HISPANICS AND 24 OF ALL OTHERS POPULATION GROWTH IS EXPECTED TO BE VERY SMALL BY 2017 THE AREA POPULATION IS PROJECTED TO INCREASE BY 3 LED BY A 12 POPULATION INCREASE IN TERRELL ONE OF THE STATES POOREST COUNTIES THE REGION IS MARKED BY LARGE DICHOTOMIES IN INCOME HEALTH STATUS AND EDUCATIONAL ATTAINMENT ACCORDING TO COUNTY HEALTH RANKINGS THE SERVICE AREA HAS SOME OF THE WORST SOCIAL AND ECONOMIC FACTORS RANKING IN THE STATE OUT OF 159 COUNTIES THE LARGEST COUNTY IN THE AREA DOUGHERTY RANKS 150 TERRELL 141 MITCHELL 130 AND WORTH 83 ALL ARE BELOW THE 50TH PERCENTILE WITH THE EXCEPTION OF LEE COUNTY WHICH RANKS 12TH COMPARED TO ALL US COUNTIES THOSE SAME FOUR COUNTIES SHOW ENTRENCHED POVERTY WELL BELOW THE 25TH PERCENTILE WITH POVERTY RANGING FROM 23 TO 30 OF THE TOTAL POPULATION THE IMPACT IS EVEN DEEPER AMONG CHILDREN WITH POVERTY ESTIMATES RANGING FROM 33 TO 42 WITH MANY LIVING IN SINGLEPARENT HOUSEHOLDS MORE THAN 33 OF RESIDENTS ARE ELIGIBLE TO RECEIVE MEDICAID MORE THAN DOUBLE THE STATE AVERAGE

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	THE ORGANIZATION AND ALL ITS VOLUNTEER BOARDS ARE COMPOSED OF COMMUNITY MEMBERS WITH DIVERSE PROFESSIONAL AND COMMUNITY SERVICE BACKGROUNDS AS WELL AS PHYSICIAN MEMBERS IN ALL FACILITIES EMERGENCY CENTERS ARE OPERATED 247 AND OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY THE BOARDS MAINTAIN OPEN MEDICAL STAFF POLICIES WITH PRIVILEGES AVAILABLE TO ALL QUALIFYING PHYSICIANS THE BOARD HAS CLEARLY WRITTEN INDIGENT AND CHARITY CARE POLICIES THAT ARE AVAILABLE ON THE ORGANIZATION WEB SITE AND THROUGH THE BUSINESS OFFICE SIGNS ARE PROMINENTLY POSTED ON THE AVAILABILITY OF FREE AND CHARITY CARE
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	GEORGIA

Identifier	ReturnReference	Explanation
ADDITIONAL INFORMATION	PART VI	SERVICE TO THE COMMUNITY PHOEBE PUTNEY MEMORIAL HOSPITAL INC CORPORATION IS A NOTFORPROFIT HEALTH CARE ORGANIZATION THAT EXISTS TO SERVE THE COMMUNITY THE CORPORATION OPENED IN 1911 TO SERVE THE COMMUNITY BY CARING FOR THE SICK REGARDLESS OF ABILITY TO PAY AS A TAXEXEMPT HOSPITAL THE CORPORATION HAS NO STOCKHOLDERS OR OWNERS ALL REVENUE AFTER EXPENSES IS REINVESTED IN THE MISSION TO CARE FOR THE CITIZENS OF THE COMMUNITY INTO CLINICAL CARE HEALTH PROGRAMS STATEOFTHEART TECHNOLOGY AND FACILITIES RESEARCH AND TEACHING AND TRAINING OF MEDICAL PROFESSIONALS NOW AND FOR THE FUTURE THE CORPORATION OPERATES AS A CHARITABLE ORGANIZATION CONSISTENT WITH THE REQUIREMENTS OF INTERNAL REVENUE CODE SECTION 501C3 AND THE COMMUNITY BENEFIT STANDARD OF IRS REVENUE RULING 69545 THE CORPORATION TAKES SERIOUSLY ITS RESPONSIBILITY AS THE COMMUNITYS SAFETY NET HOSPITAL AND HAS A STRONG RECORD OF MEETING AND EXCEEDING THE CHARITABLE CARE AND THE ORGANIZATIONAL AND OPERATIONAL STANDARDS REQUIRED FOR FEDERAL TAXEXEMPT STATUS THE CORPORATION DEMONSTRATES A CONTINUED AND EXPANDING COMMITMENT TO MEETING ITS MISSION AND SERVING THE CITIZENS BY PROVIDING COMMUNITY BENEFITS A COMMUNITY BENEFIT IS A PLANNED MANAGED ORGANIZED AND MEASURED APPROACH TO MEETING IDENTIFIED COMMUNITY HEALTH NEEDS REQUIRING A PARTNERSHIP BETWEEN THE HEALTHCARE ORGANIZATION AND THE COMMUNITY TO BENEFIT RESIDENTS THROUGH PROGRAMS AND SERVICES THAT IMPROVE HEALTH STATUS AND QUALITY OF LIFE THE CORPORATION IMPROVES THE HEALTH AND WELLBEING OF SOUTHWEST GEORGIA THROUGH CLINICAL SERVICES EDUCATION RESEARCH AND PARTNERSHIPS THAT BUILD HEALTH CAPACITY IN THE COMMUNITY THE CORPORATION PROVIDES COMMUNITY BENEFITS FOR EVERY CITIZEN IN ITS SERVICE AREA AS WELL AS FOR THE MEDICALLY UNDERSERVED THE CORPORATION CONDUCTS COMMUNITY NEEDS ASSESSMENTS AND PAYS CLOSE ATTENTION TO THE NEEDS OF LOW INCOME AND OTHER VULNERABLE PERSONS AND THE COMMUNITY AT LARGE THE CORPORATION OFTEN WORKS WITH COMMUNITY GROUPS TO IDENTIFY NEEDS STRENGTHEN EXISTING COMMUNITY PROGRAMS AND PLAN NEWLY NEEDED SERVICES IT PROVIDES A WIDERANGING ARRAY OF COMMUNITY BENEFIT SERVICES DESIGNED TO IMPROVE COMMUNITY HEALTH AND THE HEALTH OF INDIVIDUALS AND TO INCREASE ACCESS TO HEALTH CARE IN ADDITION TO PROVIDING FREE AND DISCOUNTED SERVICES TO PEOPLE WHO ARE UNINSURED AND UNDERINSURED THE CORPORATIONS EXCELLENCE IN COMMUNITY BENEFIT PROGRAMS WAS RECOGNIZED BY THE PRESTIGIOUS FOSTER MCGAW PRIZE AWARDED TO THE CORPORATION IN 2003 FOR ITS BROADBASED OUTREACH IN BUILDING COLLABORATIVES THAT MAKE MEASURABLE IMPROVEMENTS IN HEALTH STATUS EXPAND ACCESS TO CARE AND BUILD COMMUNITY CAPACITY SO THAT PATIENTS RECEIVE CARE CLOSEST TO THEIR OWN NEIGHBORHOODS DRAWING ON A DYNAMIC AND FLEXIBLE STRUCTURE THE COMMUNITY BENEFIT PROGRAMS ARE DESIGNED TO RESPOND TO ASSESSED NEEDS AND ARE FOCUSED ON UPSTREAM PREVENTION AS SOUTHWEST GEORGIAS LEADING PROVIDER OF COSTEFFECTIVE PATIENTCENTERED HEALTH CARE THE CORPORATION IS ALSO THE REGIONS LARGEST EMPLOYER WITH MORE THAN 3600 MEMBERS OF THE CORPORATION FAMILY CARING FOR PATIENTS THE CORPORATION PARTICIPATES IN THE MEDICARE AND MEDICAID PROGRAMS AND IS ONE OF THE LEADING PROVIDERS OF MEDICAID SERVICES IN GEORGIA THE FOLLOWING TABLE SUMMARIZES THE AMOUNTS OF CHARGES FOREGONE IECONTRACTUAL ADJUSTMENTS AND ESTIMATES THE LOSSES INCURRED BY THE CORPORATION DUE TO INADEQUATE PAYMENTS BY THESE PROGRAMS AND FOR INDIGENTCHARITY THIS TABLE DOES NOT INCLUDE DISCOUNTS OFFERED BY THE CORPORATION UNDER MANAGED CARE AND OTHER AGREEMENTS CHARGES ESTIMATED FOREGONE UNREIMBURSED COST MEDICARE 463000000 176000000 MEDICAID 182000000 69000000 INDIGENTCHARITY 72000000 27000000 717000000 272000000 THE FOLLOWING IS A SUMMARY OF THE COMMUNITY BENEFIT ACTIVITIES AND HEALTH IMPROVEMENT SERVICES OFFERED BY THE CORPORATION AND ILLUSTRATES THE ACTIVITIES AND DONATIONS DURING FISCAL YEAR 2013 ICOMMUNITY HEALTH IMPROVEMENT SERVICES A COMMUNITY HEALTH EDUCATION PHOEBE PUTNEY MEMORIAL HOSPITAL PROVIDES HEALTH EDUCATION SERVICES THAT REACHED 37064 INDIVIDUALS IN 2013 AT A COST OF 796025 THESE SERVICES INCLUDED THE FOLLOWING FREE CLASSES AND SEMINARS PREPARED CHILDBIRTH CLASSES REFRESHER CHILDBIRTH CLASSES PREGNANCY CLASSES BREASTFEEDING CLASSES LACTATION CONSULTING TEEN MAZE HEALTH TEACHER TRAINING NUTRITION AND DIABETES EDUCATION BREAST CANCER AWARENESS K12 HEALTH FAIRS CANCER PREVENTION SUN SAFETY GOLDEN KEY HEALTH SEMINARS SUPPORT GROUPS INCLUDING CAMP GOOD GRIEF THE CORPORATION IS INVOLVED IN MANY ACTIVITIES AIMED AT EDUCATING THE COMMUNITY ABOUT HEALTHRELATED TOPICS A QUARTERLY HEALTH INFORMATION NEWSLETTER DISTRIBUTED TO 22000 SENIOR CITIZENS AT A COST OF 35777 AND FREQUENT ONGOING HEALTH SEMINARS HELD AT PHOEBE NORTHWEST FREE OF CHARGE AND ATTRACTING AUDIENCES RANGING FROM 30 TO 150 PERSONS CAMP GOOD GRIEF THIS IS AN ANNUAL EVENT AND THIS YEAR WAS HELD AT HOSPICE THIS EVENT IS FOR CHILDREN WHO HAVE EXPERIENCED THE LOSS OF A LOVED ONE AND IS FREE THE EVENT PROVIDES A HOST OF ACTIVITIES DESIGNED TO HELP THE PARTICIPANTS DEAL WITH THEIR GRIEF THE EVENT CONCLUDES WITH A MEMORIAL SERVICE THIS YEAR 14 CHILDREN ATTENDED THE HALFDAY EVENT AT A COST OF 4255 MEN AND WOMENS HEALTH CONFERENCES THE MENS AND WOMENS HEALTH CONFERENCES ATTRACTED APPROXIMATELY 800 PARTICIPANTS THE MENS CONFERENCE CENTERED ON HYPERTENSION WHILE THE WOMENS FOCUS WAS ON BREAST HEALTH SUPPORTED BY OVER 70 VOLUNTEERS THESE CONFERENCES PROVIDED BLOOD PRESSURE GLUCOSE AND CHOLESTEROL AND BMI SCREENINGS FOR EACH PARTICIPANT AND WERE MADE POSSIBLE BY A BROAD COALITION OF PROVIDERS SUCH AS THE FAITHBASED INITIATIVE HEART AND CANCER SOCIETY SWGA CANCER COALITION AND PUBLIC HEALTH AMONG OTHERS GOLDEN KEY THIS IS A MEMBERSHIP ORGANIZATION FOR PEOPLE AGE 55 AND OLDER WITH 23535 MEMBERS GOLDEN KEY OFFERS PROGRAMS THAT ENCOURAGE HEALTHY LIFESTYLES INCLUDING THE PRIVILEGE OF WALKING AT THE CORPORATIONS PHYSICAL MEDICINE COMPLEX TO ITS MEMBERS IT PROVIDED A BIMONTHLY NEWSLETTER KEY NOTES IN 2013 THE UNREIMBURSED COST WAS 67312 NETWORK OF TRUST THIS IS A NATIONALLY RECOGNIZED PROGRAM AIMED AT TEEN MOTHERS TO PREVENT REPEAT PREGNANCIES PROVIDE PARENTING SKILLS AND COMPLETE HIGH SCHOOL THIS PROGRAM ALSO INCLUDES A TEEN FATHER PROGRAM ALONG WITH OTHER TEENAGED CHILDREN PROGRAMS NETWORK OF TRUST ENROLLED 195 UNDUPLICATED TEEN PARENTS DURING THE 20122013 SCHOOL YEAR AT A COST OF 332775 BCOMMUNITY BASED CLINICAL SERVICES FLU SHOTS AND HEALTH SCREENINGS THE CORPORATION PROVIDES FREE FLU SHOTS TO VOLUNTEERS IN 2013 THE CORPORATION ADMINISTERED 419 FLU SHOTS AT AN UNREIMBURSED COST OF 5093 THE CORPORATION ALSO PROVIDES FREE HEALTH SCREENINGS TO INDIVIDUALS IN SOUTHWEST GEORGIA IN 2013 THE CORPORATION ADMINISTERED 706 HEALTH SCREENINGS AT A UNREIMBURSED COST OF 1426 SCHOOL NURSE PROGRAM THE CORPORATION PLACES NURSES IN SIXTEEN ELEMENTARY SCHOOLS SIX MIDDLE SCHOOLS AND FIVE HIGH SCHOOLS IN DOUGHERTY COUNTY WITH A GOAL OF CREATING ACCESS TO CARE FOR STUDENTS AND STAFF ASSESSING THE HEALTH CARE STATUS OF EACH POPULATION REPRESENTED AND EFFECTIVELY ESTABLISHING REFERRALS FOR ALL HEALTH CARE NEEDS NURSES ALSO CONDUCTED THE EIGHTH GRADE HEALTH FAIRS DURING THE 20122013 SCHOOL YEAR THE SCHOOL NURSE PROGRAM COVERED 51645 STUDENT VISITS THIS PROGRAM IS OPERATED AT A COST OF 1384585 IN 2013 CHEALTH CARE SUPPORT SERVICES NEW FOUNDATIONS THE CORPORATION OFFERS NEW FOUNDATIONS BREAST FORMS AND FASHION BOUTIQUE NEW FOUNDATIONS CATERS TO THE PHYSICAL AND MENTAL WELLBEING OF WOMEN AND THEIR FAMILIES THEY PROVIDE ONEONONE POST MASTECTOMY CONSULTATION TO HELP WOMEN OVERCOME THEIR ANXIETIES AND FEEL BETTER ABOUT THEMSELVES THEY CARRY A LARGE VARIETY OF PROSTHESIS AND ALSO HAVE A WIDE SELECTION OF CLOTHING THEY CONDUCT SUPPORT GROUPS SEMINARS AND EXERCISE CLASSES AND HELP PATIENTS WITH BREAST CANCER ISSUES THIS DEPARTMENT SAW 1675 PATIENTS AND OPERATED AT AN UNREIMBURSED COST IN 2013 OF 41539 LIGHTS OF LOVE VANS LIGHTS OF LOVE DONATED VANS TO THE CORPORATION TO TRANSPORT CANCER PATIENTS TO AND FROM THE HOSPITAL FOR THEIR TREATMENTS IN 2013 LIGHTS OF LOVE PROVIDED TRANSPORT TO 83 PATIENTS COVERING A TOTAL OF 918 TRIPS AT A COST OF 110539 GOVERNMENT SPONSORED ELIGIBILITY APPLICATIONS TO THE POOR AND NEEDY THE CORPORATION CONTRACTS WITH CHAMBERLAIN EDMONDS TO PROCESS ELIGIBILITY APPLICATIONS ON BEHALF OF THE POOR AND NEEDY THAT MAY BE ELIGIBLE FOR MEDICAID IN SOME CASES IT CAN TAKE UP TO TWO YEARS TO BE DEEMED ELIGIBLE IN 2013 THE CORPORATION PAID 1361331 TO CHAMBERLAIN EDMONDS TO PROCESS 1377 APPLICATIONS FOR 744 UNIQUE PATIENTS INDIGENT FINANCIAL ASSISTANCE PATIENTS WHOSE INCOME IS BELOW 125 OF THE FEDERAL POVERTY LEVELS ARE CLASSIFIED AS INDIGENT AND RECEIVE CARE AT NO COST CHARITY FINANCIAL ASSISTANCE PATIENTS WHOSE INCOME LEVEL IS BETWEEN 126 200 OF THE FEDERAL POVERTY LEVELS ARE CLASSIFIED AS CHARITY THESE PATIENTS WILL BE RESPONSIBLE FOR A PERCENTAGE OF THEIR HOSPITAL CHARGES THIS PERCENTAGE WILL BE BASED ON CALCULATIONS USING THE FEDERAL POVERTY LEVELS THAT ARE PUBLISHED IN THE FEDERAL REGISTER EACH YEAR IF IT
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 3	PART V LINE 3	IN 2013 THE ORGANIZATION UNDERTOOK A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT STAKEHOLDER AND KEY LEADER INTERVIEWS OF 60 TO 90 MINUTES IN LENGTH WERE CONDUCTED WITH THIRTYTHREE 33 INDIVIDUALS WHO WORK DIRECTLY IN THE HEALTH IMPROVEMENT ARENA THE SELECTION PROCESS WAS CAREFUL TO INCLUDE REPRESENTATION THAT REFLECTS THE MAKEUP OF PATIENTS RECEIVING SERVICES IN OUR HEALTH SYSTEM PUBLIC HEALTH FAITHBASED ORGANIZATIONS UNITED WAY AND VARIOUS HEALTH RELATED CHARITY ORGANIZATIONS TWO LARGEAUDIENCE INPUT SESSIONS WERE ALSO HELD TO REVIEW DATA AND PROVIDE FEEDBACK ON THE COMMUNITYS VIEW OF PRIORITIES MEMBERS OF THE ORGANIZATION PARTICIPATE IN LOCAL AND STATE COALITIONS COLLABORATIVES PARTNERSHIPS AND PANELS ETHNIC HEALTH PROMOTERS SCHOOL BASED NURSES AND OUTREACH COORDINATORS WORK IN THE HOSPITAL AND IN THE COMMUNITY TO PROVIDE FIRSTHAND INFORMATION ON COMMUNITY HEALTH NEEDS SEVERAL CONTRIBUTORS ALSO PROVIDED INPUT FROM INDIVIDUALS WITH SPECIAL KNOWLEDGE OF PUBLIC HEALTH THE SESSIONS ELICITED STAKEHOLDER OPINION ON IMPORTANT HEALTH CONCERNS IN THE COMMUNITY SIGNIFICANT GAPS IN SERVICE AND IDEAS FOR ADDRESSING HEALTH CONCERNS AND GAPS AS A COMMUNITY

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 5C	PART V LINE 5C	A COMPLETE COPY OF THE COMMUNITY HEALTH NEEDS ASSESSMENT CAN BE FOUND AT HTTPWWWPHOEBEPUTNEYCOMMEDIAFILENEEDSASSESSCHNACOMPLETEPDF
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 12H	PART V LINE 12H	OTHER FACTORS THAT WERE USED TO CALCULATE AMOUNTS CHARGED TO PATIENTS INCLUDED THE NUMBER OF INDIVIDUALS IN A HOUSEHOLD

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 14G	PART V LINE 14G	CASE MANAGEMENT REFERS PATIENTS TO PHOEBE CARES REPRESENTATIVES FOR OTHER HEALTHCARE SERVICES OTHER THAN THE INPATIENT STAY
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 20D	PART V LINE 20D	PHOEBE DETERMINES THE PATIENTS ABILITY TO PAY BASED ON FINANCIAL ASSISTANCE POLICY AND PROVIDES FREE OR DISCOUNTED CARE AS INDICATED PROMPT PAY POLICIES ARE ALSO APPLIED

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 22	PART V LINE 22	ALL PATIENTS ARE CHARGED GROSS CHARGES AND THEN FINANCIAL ASSISTANCE AND PROMPT PAY POLICIES ARE APPLIED AS APPROPRIATE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EDUCATIONAL LOANS	118	180,334			

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	EMPLOYEE MUST BE EMPLOYED AS A REGULAR FULL TIME EMPLOYEE (64+ HOURS PER PAY PERIOD) FOR AT LEAST ONE YEAR, 12 MONTHS THEY MUST SCORE A "MEETS EXPECTATIONS" OR GREATER ON THEIR LAST EVALUATION THE EMPLOYEE MUST MAINTAIN A SEMESTER OR QUARTER GPA OF 2 5 FOR UNDERGRADUATE STUDIES AND 3 0 FOR GRADUATE STUDIES TO RECEIVE TUITION ASSISTANCE EMPLOYEE MUST SUBMIT A COPY OF GRADE TO THE BENEFITS DEPARTMENT AND MANAGER AFTER THE COMPLETION OF EACH COURSE AN EMPLOYEE RECEIVING TUITION ASSISTANCE IS REQUIRED TO WORK FOR PHOEBE ONE YEAR, FULL-TIME UPON DEGREE COMPLETION OR CESSATION FROM THE DEGREE PROGRAM

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
RELATED ORG METHODS USED FOR COMPENSATION EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 3	NONE OF THE INDIVIDUAL BOARD MEMBERS OR OFFICERS ARE COMPENSATED BY THE FILING ORGANIZATION THE FILING ORGANIZATION, INSTEAD, RELIES ON THE METHODS USED BY PPHS TO ESTABLISH COMPENSATION OF THE CEO AND EXECUTIVE OFFICERS COMPENSATION DETERMINATION BY PPHS INCLUDES AN INDEPENDENT COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT AND SURVEYS, AND BOARD APPROVAL THESE METHODS ARE WELL DOCUMENTED
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	JOEL WERNICK 0 854,100 0 JOE AUSTIN 0 71,400 0 KERRY LOUDERMILK 0 71,100 0 DOUG PATTEN 0 41,400 0 LAURA SHEARER 0 9,600 0 DAVID BARANSKI 0 48,300 0 THOMAS SULLIVAN 0 14,000 0
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	PART I, LINE 4 - DEFERRED COMPENSATION PLAN 457(B) THE DEFERRED COMPENSATION PLAN IS AN ADDITIONAL RETIREMENT PLAN OFFERED THROUGH PHOEBE PUTNEY THE 457(B) PLAN IS A NON-QUALIFIED RETIREMENT PLAN THAT ALLOWS ONE TO DEFER ADDITIONAL DOLLARS TOWARDS RETIREMENT HIGHLIGHTS INCLUDE O NOT LIMITED BY THE AMOUNTS DEFERRED INTO THE PHOEBE 403(B) O PLAN IS SUBJECT TO ANNUAL DEFERRAL LIMITS SET BY THE IRS O PER IRS REGULATIONS, EACH PARTICIPANT IS A GENERAL UNSECURED CREDITOR OF THE PLAN SPONSOR, CREATING A RISK OF FORFEITURE SENIOR VICE PRESIDENTS AND ABOVE AND PHYSICIANS MAKING OVER 115,000 ARE ELIGIBLE TO PARTICIPATE IN THE 457(B) PLAN SCHEDULE J, PART II, COLUMN C A SUBSTANTIAL PORTION OF THE AMOUNT REPORTED IN COLUMN C OF SCHEDULE J, PART II (RETIREMENT AND OTHER DEFERRED COMPENSATION) FOR EMPLOYEES IDENTIFIED ABOVE IS A SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM THE PURPOSE OF THE PLAN IS TO PROVIDE A RETIREMENT BENEFIT FOR AFFECTED EXECUTIVES CONSISTENT WITH THE BENEFIT AVAILABLE TO EMPLOYEES NOT IMPACTED BY IRS COMPENSATION LIMITS ON DEFINED BENEFIT PLANS THE AMOUNTS REPORTED AS SUPPLEMENTAL EXECUTIVE RETIREMENT COMPENSATION FOR AFFECTED EMPLOYEES REPRESENTS CREDITED, BUT NOT VESTED, RETIREMENT BENEFITS AND IS AVAILABLE IN FUTURE PERIODS TO THE EMPLOYEE SUBJECT TO CONTINUING EMPLOYMENT THE HEALTH SYSTEM MAINTAINS OWNERSHIP OF THE FUNDS ALLOCATED TO THE PARTICIPANT PRIOR TO NORMAL RETIREMENT AGE, THE HEALTH SYSTEM RETAINS AT LEAST THREE YEARS OF DEPOSITS WHICH ARE SUBJECT TO CONTINUING EMPLOYMENT FOR THE PARTICIPANT TO RECEIVE THE FUNDS THIS PLAN IS A DEFINED CONTRIBUTION ACCOUNT BASED AND PARTICIPANT DIRECTED INVESTMENT PROGRAM THAT IS EMPLOYEE FUNDED

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-1928247
Name: PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOEL WERNICK	(I)							
	(II)	744,316	205,312	7,563	901,513	12,829	1,871,533	
JOE AUSTIN	(I)							
	(II)	429,591	97,391	11,701	88,097	14,822	641,602	
KERRY LOUDERMILK	(I)							
	(II)	395,303	90,794	9,807	108,963	15,554	620,421	
THOMAS CHAMBLESS	(I)							
	(II)	370,935	58,709	4,892	16,697	75	451,308	
DOUG PATTEN	(I)							
	(II)	345,114	65,196	7,307	78,411	19,968	515,996	
LAURA SHEARER	(I)	243,661	45,002	13,285	57,931	7,614	367,493	
	(II)							
DAVID BARANSKI	(I)							
	(II)	235,095	43,126	14,157	117,924	1,541	411,843	
THOMAS SULLIVAN	(I)							
	(II)	197,619	67,110	11,305	54,369	17,276	347,679	
DOUG CALHOUN	(I)	287,798	19,594	3,582	5,000	11,168	327,142	
	(II)							
BIPIN AGARWAL	(I)	227,864	350	506	4,665	15,356	248,741	
	(II)							
MAUREEN JACKSON	(I)	172,177	38,630	609	60,717	6,676	278,809	
	(II)							
RODOLPH GILMORE	(I)	149,587	55,927	521	4,131	18,922	229,088	
	(II)							
JEFF FLOWERS	(I)	176,051	24,608	1,650	9,209	17,658	229,176	
	(II)							

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSP AUTH OF ALBANY-DO CO GA 2010	58-6001516	NONENONEN	07-09-2010	99,000,000	SEE PART VI		X		X		X
B	HOSP AUTH OF ALB-DO CO GA 2008	58-6001516	NONENONEN	12-07-2012	97,005,000	SEE PART VI		X		X		X
C	HOSP AUTH OF ALBANY-DO CO GA 2012	58-6001516	012170EC6	12-13-2012	114,306,593	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	1,170,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	99,000,000	97,005,000	114,306,593	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	359,731		906,593	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	98,640,269		113,400,000	
11	Other spent proceeds	97,005,000	97,005,000		
12	Other unspent proceeds				
13	Year of substantial completion	2011	2012	2012	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0%		%		0%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	0%		%		0%		%	
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		
b	Exception to rebate?		X	X		X			
c	No rebate due?	X		X		X			
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X			X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
DATE REBATE COMPUTATION PERFORMED	SCHEDULE K	HOSP AUTH OF ALBANYDO CO GA 2010 103111 HOSP AUTH OF ALBDO CO GA 2008 060713 HOSP AUTH OF ALBANYDO CO GA 2012 061313
ADDITIONAL INFORMATION	SCHEDULE K	HOSP AUTH OF ALBANYDO CO GA 2010 PART I COLUMN F RENOCATION IMPROVEMENTS AND CONSTRUCTION OF FACILITIES PART IV LINE 2C SINCE THE BOND PROCEEDS HAVE BEEN SPENT A SPENDING EXCEPTION WAS MET AND THE DEBT SERVICE FUND WAS OPERATED ON A BONA FIDE BASIS NO FURTHER REBATE CALCULATION IS NECESSARY HOSP AUTH OF ALBDO CO GA 2008 PART I COLUMN F REISSUANCE OF SERIES 2008A AND 2008B REVENUE CERIFICATES PART IV LINE 2C SINCE THE BOND PROCEEDS HAVE BEEN SPENT A SPENDING EXCEPTION WAS MET AND THE DEBT SERVICE FUND WAS OPERATED ON A BONA FIDE BASIS NO FURTHER CALCULATION IS NECESSARY HOSP AUTH OF ALBANYDO CO GA 2012 PART I COLUMN F FINANCING THE COSTS OF MAKING CERTAIN ADDITIONS EXTENSIONS AND CAPITAL IMPROVEMENTS TO THE HEALTH CARE SYSTEM PART IV LINE 2C SINCE THE BOND PROCEEDS HAVE BEEN SPENT A SPENDING EXCEPTION WAS MET AND THE DEBT SERVICE FUND WAS OPERATED ON A BONA FIDE BASIS NO FURTHER REBATE CALCULATION IS NECESSARY

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MASOOMA RIZVI	FAM BD MEMBER	29,660	COMPENSATION		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	SCHEDULE L PART V	MASOOMA RIZVI AN EMPLOYEE OF THE ORGANIZATION IS THE SPOUSE OF HASAN RIZVI MD WHO IS A BOARD MEMBER OF THE ORGANIZATION

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	FORM 990	IN 2013, THE ORGANIZATION ACQUIRED CERTAIN ASSETS AND LIABILITIES AS A RESULT OF LEASING THE HOSPITAL FORMERLY KNOWN AS PALMYRA PARK HOSPITAL, LLC FROM THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA FORM 990, PART IX, LINE 24B SUBSIDY TO PHYSICIAN CLINICS FOR LOSS ASSOCIATED TO LOW-INCOME PATIENTS

Identifier	Return Reference	Explanation
FINANCIAL ACCOUNTS IN FOREIGN COUNTRIES	FORM 990, PART V, LINE 4B	CAYMAN ISLANDS, BERMUDA, BRITISH VIRGIN ISLANDS

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	THE BOARD OF DIRECTORS OF PPHS HAS THE RIGHT TO APPOINT DIRECTORS OF THE FILING ORGANIZATION

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	THE MEMBER SHALL HAVE THE FOLLOWING RESPONSIBILITIES - THE MEMBER SHALL SELECT OR REMOVE THE ORGANIZATION'S OFFICERS - THE MEMBER SHALL APPROVE ALL AMENDMENTS TO THE ORGANIZATION'S ARTICLES OF INCORPORATION AND BYLAWS BEFORE THEY MAY BECOME EFFECTIVE - THE MEMBER SHALL APPROVE ANY ANNUAL OPERATING OR CAPITAL BUDGETS - THE MEMBER SHALL APPOINT OR REMOVE THE INDEPENDENT AUDITORS

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE INDEPENDENT ACCOUNTING FIRM THAT PREPARES THE FORM 990 (BASED UPON INFORMATION PROVIDED BY THE ORGANIZATION) PROVIDES A COPY OF THE RETURN TO BE REVIEWED BY MANAGEMENT UPON REVIEW, THE FORM 990 IS THEN FORWARDED TO THE FINANCE COMMITTEE FOR THEIR REVIEW, TO GAIN THEIR COMMENTS AND APPROVAL UPON APPROVAL FROM THE FINANCE COMMITTEE, THE FORM 990 AND RELATED SCHEDULES ARE PROVIDED TO ALL BOARD MEMBERS FOR REVIEW AND FEEDBACK ONCE THE FORM 990 IS REVIEWED BY ALL APPLICABLE PARTIES, A COPY OF THE FINAL VERSION IS PROVIDED TO ALL MEMBERS OF THE GOVERNING BODY PRIOR TO FILING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ON AN ANNUAL BASIS, PHOEBE PUTNEY MEMORIAL HOSPITAL (PPMH) BOARD MEMBERS AS WELL AS ALL OFFICERS COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. THIS QUESTIONNAIRE IS ADMINISTERED BY THE PHOEBE PUTNEY HEALTH SYSTEM (PPHS) COMPLIANCE DEPARTMENT AND THE DOCUMENT ASKS EACH INDIVIDUAL TO DISCLOSE ANY PERSONAL, BUSINESS, OR OTHER AFFILIATIONS AND MONETARY AMOUNT IF APPLICABLE THAT THEY OR THEIR IMMEDIATE FAMILY MEMBERS HAVE HAD WITHIN THE PAST 12 MONTHS WITH PPMH OR ANY RELATED ENTITIES. ALL RESPONSES ARE THEN EVALUATED BY THE PPHS COMPLIANCE DEPARTMENT

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE ORGANIZATIONS FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE CEO IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACCOMPLISHING THE ORGANIZATIONS MISSION, ACHIEVE ITS STRATEGIC GOALS, TO RECOGNIZE PERFORMANCE, AND TO OPERATE IN KEEPING WITH THE ORGANIZATIONS OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE EXECUTIVE COMPENSATION COMMITTEE OF THE ORGANIZATIONS BOARD OF DIRECTORS CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION OF THE CEO THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT COMPETITIVE MARKET ANALYSIS OF THE MARKET RANGES OF BASE, INCENTIVE AND TOTAL CASH COMPENSATION THE INFORMATION THE COMMITTEE MAY CONSIDER CAN INCLUDE BUT IS NOT LIMITED TO THE PERFORMANCE OF AN INDIVIDUAL, THE PERFORMANCE OF THE ORGANIZATION, AN INDIVIDUALS LENGTH OF SERVICE, CREDENTIALS AND EXPERIENCE, THE ELEMENTS OF TOTAL COMPENSATION AND SALARY HISTORY, THE ORGANIZATIONS COMPENSATION TARGETS, AND COMPARABILITY DATA, INCLUDING THE DATA PREPARED BY THE INDEPENDENT CONSULTANT AND REVIEWED WITH THE COMMITTEE THE COMMITTEE INCORPORATES A FORMAL PERFORMANCE APPRAISAL PROCESS IN THE CEO COMPENSATION REVIEW IT UTILIZES A MULTI-PERSPECTIVE APPROACH AND PERFORMANCE MEASURES WHICH ARE LINKED TO THE ORGANIZATIONS LONG-TERM STRATEGIC PLAN AND ACHIEVEMENT OF ANNUAL SYSTEM OBJECTIVES THE CEO IS NOT PRESENT WHEN THE COMMITTEE DISCUSSES AND ESTABLISHES HIS COMPENSATION

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	THE ORGANIZATIONS FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE OTHER OFFICERS AND KEY EMPLOYEES IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACCOMPLISHING THE ORGANIZATIONS MISSION, ACHIEVE ITS STRATEGIC GOALS, TO RECOGNIZE PERFORMANCE, AND TO OPERATE IN KEEPING WITH THE ORGANIZATIONS OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE EXECUTIVE COMPENSATION COMMITTEE OF THE ORGANIZATIONS BOARD OF DIRECTORS CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION OF THE OTHER OFFICERS AND KEY EMPLOYEES THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT COMPETITIVE MARKET ANALYSIS OF THE MARKET RANGES OF BASE, INCENTIVE AND TOTAL CASH COMPENSATION THE INFORMATION THE COMMITTEE MAY CONSIDER CAN INCLUDE BUT IS NOT LIMITED TO THE PERFORMANCE OF AN INDIVIDUAL, THE PERFORMANCE OF THE ORGANIZATION, AN INDIVIDUALS LENGTH OF SERVICE, CREDENTIALS AND EXPERIENCE, THE ELEMENTS OF TOTAL COMPENSATION AND SALARY HISTORY, THE ORGANIZATIONS COMPENSATION TARGETS, AND COMPARABILITY DATA, INCLUDING THE DATA PREPARED BY THE INDEPENDENT CONSULTANT AND REVIEWED WITH THE COMMITTEE THE COMMITTEE INCORPORATES A FORMAL PERFORMANCE APPRAISAL PROCESS IN THE OTHER OFFICERS AND KEY EMPLOYEES COMPENSATION REVIEW IT UTILIZES A MULTI-PERSPECTIVE APPROACH AND PERFORMANCE MEASURES WHICH ARE LINKED TO THE ORGANIZATIONS LONG-TERM STRATEGIC PLAN AND ACHIEVEMENT OF ANNUAL SYSTEM OBJECTIVES THE CEO PROVIDES A PERFORMANCE NARRATIVE AND RECOMMENDED COMPENSATION ADJUSTMENT FOR THE OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION THE COMMITTEE DETERMINES THE REASONABLENESS OF ANY COMPENSATION ADJUSTMENTS FOR OTHER OFFICERS AND KEY EMPLOYEES BASED ON THE PRESENTED EVALUATION AND COMPARATIVE COMPENSATION DATA

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION MAKES AVAILABLE TO THE PUBLIC ITS CONFLICT OF INTEREST AND AUDITED FINANCIAL STATEMENTS ON THE ORGANIZATION'S WEBSITE, BY PROVIDING COPIES UPON REQUEST, AND BY INSPECTION AT THE ADMINISTRATIVE OFFICES OF THE ORGANIZATION

Identifier	Return Reference	Explanation
RECONCILIATION OF CHANGES - OTHER	FORM 990, PART XI, LINE 9	GIFT SHOP COGS 556,257 GIFT SHOP COGS -556,257

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 9	AMORTIZATION OF NET GAIN 7,064,269 AMORTIZATION OF PRIOR SERVICE COST 181,422 PHOEBE FOUNDATION NET ASSETS 147,121 NET ACTUARIAL GAIN 39,447,559 OTHER CHANGES IN NET ASSETS -3,686 TOTAL CHANGES IN NET ASSETS 46,836,685

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) PHOEBE PUTNEY HEALTH SYSTEMS INC PO BOX 3770 ALBANY, GA 31706 58-2001014	HEALTHCARE	GA	501C3	11A	NA		No
(2) PHOEBE FOUNDATION INC PO BOX 3770 ALBANY, GA 31706 58-1847104	FOUNDATION	GA	501C3	11	NA		No
(3) PHOEBE SUMTER MEDICAL CENTER INC 126 HIGHWAY 280 WEST AMERICUS, GA 31719 26-3975185	HEALTHCARE	GA	501C3	3	NA		No
(4) PHOEBE WORTH MEDICAL CENTER INC PO BOX 545 SYLVESTER, GA 31791 38-3647394	HEALTHCARE	GA	501C3	3	NA		No
(5) PHOEBE PHYSICIAN GROUP INC PO BOX 3770 ALBANY, GA 31706 26-3792403	HEALTHCARE	GA	501C3	9	NA		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) PHOEBE HEALTH PARTNERS INC PO BOX 3770 ALBANY, GA 31706 58-2198241	HEALTHCARE	GA	NA	C CORP	310,889	430,079	50 000 %		No

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-1928247
Name: PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	

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PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

FINANCIAL STATEMENTS

for the years ended July 31, 2013 and 2012

CONTENTS

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Phoebe Putney Memorial Hospital, Inc.
Albany, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of Phoebe Putney Memorial Hospital, Inc. (Corporation), which comprise the balance sheets as of July 31, 2013 and 2012, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Continued

P.O Box 71309
2617 Gillionville Road
Albany, GA 31708-1309
Tel (229) 883-7878
Fax (229) 435-3152

Five Concourse Parkway
Suite 1250
Atlanta, GA 30328
Tel (404) 220-8494
Fax (229) 435-3152

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Phoebe Putney Memorial Hospital, Inc. as of July 31, 2013 and 2012, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Corporation changed its presentation of revenues and provision for doubtful accounts as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities.*

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards,* we have also issued our report dated December 4, 2013, on our consideration of Phoebe Putney Memorial Hospital, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Phoebe Putney Memorial Hospital, Inc.'s internal control over financial reporting and compliance

Draffin & Tucker, LLP

Albany, Georgia
December 4, 2013, except for Note 10
and Note 20, as to which the date is
February 5, 2014

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

BALANCE SHEETS, July 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 51,192,263	$ 70,939,255
Assets limited as to use – current	-	1,664,022
Patient accounts receivable, net of allowance for doubtful accounts of $36,000,000 in 2013 and $21,000,000 in 2012	101,079,896	78,551,918
Supplies, at lower of cost (first-in, first-out) or market	11,454,190	7,120,264
Estimated third-party payor settlements	8,250,252	6,545,126
Other current assets	12,858,260	3,401,266
Total current assets	184,834,861	168,221,851
Assets limited as to use:		
Internally designated for capital improvements	3,412,161	16,145,491
Under bond indenture agreement	-	1,664,022
Total assets limited as to use	3,412,161	17,809,513
Less amount required to meet current obligations	-	1,664,022
Assets limited as to use – long-term	3,412,161	16,145,491
Property and equipment, net	313,040,999	278,233,195
Other assets:		
Interest in net assets of Phoebe Foundation, Inc.	11,504,481	11,357,360
Deferred financing cost	3,188,380	3,029,453
Goodwill	124,991,769	11,340,057
Related party receivables	-	184,257,320
Other assets	343,158	3,305,250
Total other assets	140,027,788	213,289,440
Total assets	$ 641,315,809	$ 675,889,977

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

BALANCE SHEETS, July 31, 2013 and 2012

	2013	2012
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	$ 5,423,553	$ 4,715,000
Short-term debt	-	100,000,000
Accounts payable	13,227,078	15,927,169
Accrued expenses	30,969,364	25,309,608
Total current liabilities	49,619,995	145,951,777
Long-term debt, net of current portion	303,593,467	209,064,518
Accrued pension cost	103,153,525	138,899,342
Related party payables	14,515,863	-
Derivative financial instruments	6,795,221	14,035,472
Total liabilities	477,678,071	507,951,109
Net assets:		
Unrestricted	157,360,442	161,324,123
Temporarily restricted	4,496,165	5,033,647
Permanently restricted	1,781,131	1,581,098
Total net assets	163,637,738	167,938,868
Total liabilities and net assets	$ 641,315,809	$ 675,889,977

See accompanying notes to financial statements.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
for the years ended July 31, 2013 and 2012

	2013	2012
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	$ 574,437,910	$ 510,591,675
Provision for bad debts	(79,064,262)	(43,996,875)
Net patient service revenue	495,373,648	466,594,800
Other revenue	20,313,993	13,321,929
Total revenues, gains and other support	515,687,641	479,916,729
Expenses:		
Salaries and wages	184,058,632	163,271,798
Employee health and welfare	73,858,218	46,536,787
Medical supplies and other	189,558,888	164,153,830
Professional fees	2,775,816	2,545,433
Purchased services	41,693,192	56,901,202
Depreciation and amortization	32,778,369	25,425,813
Interest	7,468,176	5,660,312
Total expenses	532,191,291	464,495,175
Operating income (loss)	(16,503,650)	15,421,554
Nonoperating gains (losses):		
Investment income (loss)	9,294,831	(6,361,479)
Loss on impairment of goodwill	(43,929,294)	-
Total nonoperating gains (losses)	(34,634,463)	(6,361,479)
Excess revenues (expenses)	(51,138,113)	9,060,075

Continued

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS, Continued
for the years ended July 31, 2013 and 2012

	2013	2012
Change in interest in net assets of Phoebe Foundation, Inc.	$(723,870)	$ 256,496
Net assets released from restrictions	1,208,440	42,782
Net actuarial gain (loss)	39,447,559	(62,349,691)
Amortization of prior service cost	181,422	181,422
Amortization of net gain	7,064,269	3,276,175
Other changes in unrestricted net assets	(3,388)	(127,922)
Increase (decrease) in unrestricted net assets	(3,963,681)	(49,660,663)
Temporarily restricted net assets:		
Change in interest in net assets of Phoebe Foundation, Inc.	670,958	306,702
Net assets released from restriction	(1,208,440)	(42,782)
Increase (decrease) in temporarily restricted net assets	(537,482)	263,920
Permanently restricted net assets:		
Change in interest in net assets of Phoebe Foundation, Inc.	200,033	154,569
Increase (decrease) in net assets	(4,301,130)	(49,242,174)
Net assets, beginning of year	167,938,868	217,181,042
Net assets, end of year	$ 163,637,738	$ 167,938,868

See accompanying notes to financial statements.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

STATEMENTS OF CASH FLOWS
for the years ended July 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Increase (decrease) in net assets	$(4,301,130)	$(49,242,174)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	32,778,369	25,425,813
Change in interest in net assets of Phoebe Foundation, Inc.	(147,121)	(717,767)
Loss on impairment of goodwill	43,929,294	-
Changes in:		
Receivables	(13,435,212)	496,867
Supplies	(1,121,813)	37,332
Estimated third-party payor settlements	(2,596,196)	(4,707,885)
Other assets	(6,653,829)	1,613,160
Accounts payable and accrued expenses	(3,684,035)	(11,801,037)
Accrued pension cost	(35,745,817)	55,833,352
Related party receivables/payables	33,551,103	83,255,295
Derivative financial instruments	(7,240,251)	9,428,915
Net cash provided by operating activities	35,333,362	109,621,871
Cash flows from investing activities:		
Purchase of property and equipment	(26,686,179)	(38,661,415)
Purchase of assets limited as to use	(3,735,961)	(5,134,929)
Sale of assets limited as to use	18,133,313	4,885,676
Payments from related parties	23,977,541	-
Payments to related parties	(62,006,570)	(328,306,994)
Net cash used by investing activities	(50,317,856)	(367,217,662)

Continued

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

STATEMENTS OF CASH FLOWS, Continued
for the years ended July 31, 2013 and 2012

	2013	2012
Cash flows from financing activities:		
Payments on short-term debt	$(100,000,000)	$ -
Payments on long-term debt	(116,074,091)	(5,184,509)
Proceeds from issuance of short-term debt	-	100,000,000
Proceeds from issuance of long-term debt	211,311,593	-
Net cash provided (used) by financing activities	(4,762,498)	94,815,491
Decrease in cash and cash equivalents	(19,746,992)	(162,780,300)
Cash and cash equivalents, beginning of year	70,939,255	233,719,555
Cash and cash equivalents, end of year	$ 51,192,263	$ 70,939,255
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 7,700,000	$ 5,800,000

- In 2013, the Corporation acquired certain assets and liabilities as a result of leasing the hospital formerly known as Palmyra Park Hospital, LLC from the Hospital Authority of Albany-Dougherty County, Georgia. See Note 8 for additional information related to the lease.

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization

Phoebe Putney Memorial Hospital, Inc., (Corporation) located in Albany, Georgia, is a not-for-profit acute care hospital which operates satellite clinics in the surrounding counties. The Corporation provides inpatient, outpatient and emergency care services for residents of Southwest Georgia. Admitting physicians are primarily practitioners in the local area. The Corporation is a single operating entity and is a wholly owned subsidiary of Phoebe Putney Health System, Inc. (System).

Reorganization

Effective September 1, 1991, the Hospital Authority of Albany-Dougherty County, Georgia (Authority) implemented a reorganization plan for the hospital whereby all the assets, management and governance of the hospital was transferred to Phoebe Putney Memorial Hospital, Inc., a not-for-profit corporation, qualified as an organization described in Section 501(c)3 of the Internal Revenue Code, pursuant to a Lease and Transfer Agreement. During 2009, the lease term was renewed for an additional forty years with a nominal annual lease payment.

Effective August 1, 2012, the Lease and Transfer Agreement between the Corporation and the Authority was amended and restated. The amendment was made for the transfer and inclusion of the hospital formerly known as Palmyra Park Hospital, LLC (Palmyra) which was acquired by the Hospital Authority of Albany-Dougherty County, Georgia. The amendment included the extension of the lease for a term of forty years from the date of the current amendment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in certificates of deposit with original maturities of twelve months or less. The Corporation routinely invests its surplus operating funds in money market mutual funds.

Continued

1. Summary of Significant Accounting Policies, Continued

Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporation records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Corporation's allowance for doubtful accounts for fiscal year 2013 increased approximately 3% as a percentage of self-pay accounts receivable compared to fiscal year 2012. The increase was due to several factors, including an increase in accounts receivable due in part to the leasing of Palmyra which began August 1, 2012. The accounts receivable related to Palmyra included in the initial lease are significantly aged and therefore require a higher allowance for doubtful accounts. In addition, the Corporation experienced an increase in self-pay volume during fiscal year 2013. Another factor that led to the increase is the result of negative trends related to the collectability of amounts due from self-pay patients during fiscal year 2013. The healthcare industry is also experiencing a movement of more patients favoring the high deductible insurance plans with lower premium costs. Although these patients are insured, collection is often difficult when the patient is left with the responsibility of the account balance after insurance has paid the claim. The Corporation has not changed its charity care or uninsured discount policies during fiscal years 2012 or 2013.

Continued

1. Summary of Significant Accounting Policies, Continued

Supplies

Supplies, which consist primarily of drugs, food, and medical supplies, are valued at first-in, first-out cost, but not in excess of market.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Investments without a readily determinable fair value are evaluated for the applicability of the cost or equity method. Investments qualifying for the equity method are stated at quoted net asset value of shares held at year end. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess revenues (expenses) unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess revenues (expenses) unless the investments are trading securities.

Derivative Financial Instruments

The Corporation has entered into interest rate swap agreements as part of its interest rate risk management strategy. These arrangements are accounted for under the provisions of FASB ASC 815 *Derivatives and Hedging*. FASB ASC 815 establishes accounting and reporting standards requiring that derivative instruments be recorded at fair value as either an asset or liability.

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of unrestricted net assets. The ineffective component, if any, is recorded in excess revenues (expenses) in the period in which the hedge transaction affects earnings. If the hedging relationship ceases to be highly effective or it becomes probable that an expected transaction will no longer occur, gains or losses on the derivative are recorded in excess revenues (expenses). For derivative instruments not designated as hedging instruments, the unrealized gain or loss is recognized in nonoperating gains during the period of change.

Continued

1. Summary of Significant Accounting Policies, Continued

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture agreements and designated assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently, use for other purposes. Amounts required to meet current liabilities of the Corporation have been reclassified in the balance sheet at July 31, 2013 and 2012.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from excess revenues (expenses), unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Beneficial Interest in Net Assets of Foundation

The Corporation accounts for the activities of its related Foundation in accordance with FASB ASC 958-20, *Not-For-Profit Entities, Financially Interrelated Entities.* FASB ASC 958-20 establishes reporting standards for transactions in which a donor makes a contribution to a not-for-profit organization which accepts the assets on behalf of or transfers these assets to a beneficiary which is specified by the donor. Phoebe Foundation, Inc. accepts assets on behalf of the Corporation.

Continued

1. Summary of Significant Accounting Policies, Continued

Goodwill

Under FASB authoritative guidance, goodwill and intangible assets with indefinite lives are no longer amortized, but are tested for impairment annually and more frequently in the event of an impairment indicator. The accounting standard also requires that intangible assets with definite lives be amortized over their respective estimated useful lives, and reviewed whenever events or circumstances indicate impairment may exist.

The Corporation assesses qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, the Corporation determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is required. If the two-step impairment test is determined to be necessary, and in step two the carrying value of a reporting unit's goodwill exceeds its implied fair value, an impairment loss equal to the difference will be recorded.

In accordance with the accounting standard, the Corporation assesses goodwill for impairment on an annual basis. See Note 7 for goodwill disclosures.

Deferred Financing Cost

Costs related to the issuance of long-term debt were deferred and are being amortized using the straight-line method, which approximates the effective interest method, over the life of the related debt.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Continued

1. Summary of Significant Accounting Policies, Continued

Excess Revenues (Expenses)

The statement of operations and changes in net assets includes excess revenues (expenses). Changes in unrestricted net assets which are excluded from excess revenues (expenses), consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenues.

Continued

1. Summary of Significant Accounting Policies, Continued

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Estimated Malpractice and Other Self-Insurance Cost

The provisions for estimated malpractice claims and other claims under self-insurance plans include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Income Taxes

The Corporation is a not-for-profit corporation that has been recognized as tax-exempt pursuant to Section 501(c)3 of the Internal Revenue Code.

The Corporation applies accounting policies that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by the relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Corporation only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Continued

1. Summary of Significant Accounting Policies, Continued

Income Taxes, Continued

Based on the results of management's evaluation, no liability is recognized in the accompanying balance sheet for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of July 31, 2013 and 2012 or for the years then ended. The Corporation's open audit periods are for tax years ended 2010-2012.

Impairment of Long-Lived Assets

The Corporation evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate. The Corporation has not recorded any impairment charges of long-lived assets in the accompanying statements of operations and changes in net assets for the years ended July 31, 2013 and 2012.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurement and Disclosures* defines fair value as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC 820 describes the following three levels of inputs that may be used:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

- Level 3: Unobservable inputs when there is little or no market data available, thereby requiring an entity to develop its own assumptions. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Continued

1. Summary of Significant Accounting Policies, Continued

Recently Issued Accounting Pronouncement

In 2013, the Corporation adopted the provisions of FASB Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities.* The ASU requires health care entities to change the presentation of the statement of operations by reclassifying the provision for doubtful accounts from an operating expense to a deduction from patient service revenues. Additionally, the guidance requires enhanced disclosures about the policies for recognizing revenue, assessing bad debts and qualitative and quantitative information about the changes in the allowance for doubtful accounts. All periods presented in these financial statements and notes to financial statements have been reclassified in accordance with the ASU.

In 2013, the Corporation adopted the provisions of FASB Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement.* This new guidance was issued to achieve common fair value measurement and disclosure requirements between GAAP and International Financial Reporting Standards. This new guidance amends current fair value measurement and disclosure guidance to include increased transparency around valuation inputs and investment categorization. The adoption of this ASU resulted in additional disclosure and did not have a material impact on the Corporation's financial position or results of operations.

Subsequent Event

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through December 4, 2013, the date the financial statements were issued, except for Note 10 and Note 20, as to which the date is February 5, 2014.

Prior Year Reclassifications

Certain reclassifications have been made to the fiscal year 2012 financial statements to conform to the fiscal year 2013 presentation. The reclassifications had no impact on the change in net assets in the accompanying financial statements.

Continued

2. Net Patient Service Revenue

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. The Corporation does not believe that there are any significant credit risks associated with receivables due from third-party payors.

The Corporation recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Corporation recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

July 31, 2013
Patient Service Revenue
(Net of Contractual Allowances and Discounts)

Medicare	Medicaid	Third-Party Payors	Self-Pay	Total All Payors
$ 168,769,995	$ 72,231,998	$ 249,337,345	$ 84,098,572	$ 574,437,910

Revenue from the Medicare and Medicaid programs accounted for approximately 34% and 15%, respectively, of the Corporation's net patient revenue for the year ended July 31, 2013 and 35% and 17%, respectively, of the Corporation's net patient revenue for the year ended July 31, 2012. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined.

Continued

2. Net Patient Service Revenue

The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. However, there has been an increase in regulatory initiatives at the state and federal levels including the initiation of the Recovery Audit Contractor (RAC) program and the Medicaid Integrity Contractor (MIC) program. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue improper payments with a three year look back from the date the claim was paid. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

A summary of the payment arrangements with major third-party payors follows:

- Medicare

  Inpatient acute care and rehabilitation services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

  Inpatient psychiatric services rendered to Medicare program beneficiaries are paid at prospectively determined per diems.

  The Corporation is reimbursed for certain reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare Administrative Contractor (MAC). The Corporation's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Corporation. The Corporation's Medicare cost reports have been audited by the MAC through July 31, 2008.

- Medicaid

  Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate per admission. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology.

Continued

2. Net Patient Service Revenue

- Medicaid, Continued

The Corporation is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicaid fiscal intermediary. The Corporation's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through July 31, 2010.

The Corporation has also entered into contracts with certain managed care organizations to receive reimbursement for providing services to selected enrolled Medicaid beneficiaries. Payment arrangements with these managed care organizations consist primarily of prospectively determined rates per discharge, discounts from established charges, or prospectively determined per diems.

The Corporation participates in the Georgia Indigent Care Trust Fund (ICTF) Program. The Corporation receives ICTF payments for treating a disproportionate number of Medicaid and other indigent patients. ICTF payments are based on the Corporation's estimated uncompensated cost of services to Medicaid and uninsured patients. The amount of ICTF payments recognized in net patient service revenue was approximately $5,205,000 and $5,480,000 for the years ended July 31, 2013 and 2012, respectively.

The Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) provides for payment adjustments to certain facilities based on the Medicaid Upper Payment Limit (UPL). The UPL payment adjustments are based on a measure of the difference between Medicaid payments and the amount that could be paid based on Medicare payment principles. The net amount of UPL payment adjustments recognized in net patient service revenue was approximately $2,782,000 and $1,455,000 for the years ended July 31, 2013 and 2012, respectively.

During 2010, the state of Georgia enacted legislation known as the Provider Payment Agreement Act (the Act) whereby hospitals in the state of Georgia are assessed a "provider payment" in the amount of 1.45% of their net patient revenue. The Act became effective July 1, 2010, the beginning of state fiscal year 2011. The provider payments are due on a quarterly basis to the Department of Community Health. The payments are to be used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients. The provider payment will result in an increase in hospital payments on Medicaid services of approximately 11.88%. Approximately $7,138,000 and $5,665,000 relating to the Act is included in medical supplies and other in the accompanying statement of operations and changes in net assets for the years ended July 31, 2013 and 2012, respectively.

Continued

2. Net Patient Service Revenue

- Other Arrangements

The Corporation has also entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these arrangements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

3. Uncompensated Services

The Corporation was compensated for services at amounts less than its established rates. Charges for uncompensated services for 2013 and 2012 were approximately $906,000,000 and $736,000,000, respectively.

Uncompensated care includes charity and indigent care services of approximately $72,000,000 and $62,000,000 in 2013 and 2012, respectively. The cost of charity and indigent care services provided during 2013 and 2012 was approximately $27,000,000 and $24,000,000, respectively computed by applying a total cost factor to the charges foregone.

The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2013 and 2012.

	2013	2012
Gross patient charges	$ 1,401,362,344	$ 1,202,451,005
Uncompensated services:		
Charity and indigent care	71,946,310	62,005,935
Medicare	462,541,602	375,743,112
Medicaid	181,779,312	143,715,250
Other allowances	110,657,210	110,395,033
Bad debts	79,064,262	43,996,875
Total uncompensated care	905,988,696	735,856,205
Net patient service revenue	$ 495,373,648	$ 466,594,800

Continued

4. Investments

Assets Limited as to Use

The composition of assets limited as to use at July 31, 2013 and 2012 is set forth in the following table. Assets limited as to use are trading and are stated at fair value.

	2013	2012
By board for capital improvements:		
Money market funds	$ 34,061	$ 44,435
Certificates of deposit	371,246	366,170
Mutual funds – index funds	-	2,404,188
Mutual funds – fixed income funds	-	1,959,875
Mutual funds – total return funds	-	1,600,000
Alternative investments in hedge funds	3,006,854	8,926,349
Common collective trusts invested in equity securities	-	844,474
Total board restricted for capital improvements	3,412,161	16,145,491
Under bond indenture agreement:		
Government debt securities	-	1,664,022
Total assets limited as to use	$ 3,412,161	$ 17,809,513

The Corporation has classified all marketable securities as trading securities. These trading securities are bought and held for the purpose of selling them in the near term and are reported at fair value, with unrealized gains and losses recognized in earnings. The estimated fair value of substantially all securities is based on similar types of securities that are traded in the market. Gains and losses on securities sold are based on the specific identification method.

Continued

4. Investments, Continued

Assets Limited as to Use, Continued

Investment income and gains and losses for assets limited as to use are comprised of the following for the years ending July 31, 2013 and 2012:

	2013	2012
Dividend income	$ 67,199	$ 60,229
Interest income	466,535	791,298
Realized gains on sales of securities	1,748,768	226,859
Investment expenses	(10,533)	(54,942)
Unrealized gains (losses)	23,981	(82,178)
Total	$ 2,295,950	$ 941,266

The Corporation's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

5. Property and Equipment

A summary of property and equipment at July 31, 2013 and 2012 follows:

	2013	2012
Land	$ 13,136,197	$ 7,471,578
Land improvements	2,655,285	2,403,512
Building	333,162,366	278,719,449
Equipment	315,490,625	263,605,208
	664,444,473	552,199,747
Less accumulated depreciation	365,938,265	330,603,541
	298,506,208	221,596,206
Construction in progress	14,534,791	56,636,989
Net property and equipment	$ 313,040,999	$ 278,233,195

Continued

5. Property and Equipment, Continued

Depreciation expense for the years ended July 31, 2013 and 2012 amounted to approximately $32,778,000 and $25,426,000, respectively.

Construction contracts exist for various projects at year end with a total commitment of $786,000. At July 31, 2013, the remaining commitment on these contracts approximated $392,000.

6. Deferred Financing Costs

Bond issue costs and loan origination fees are amortized over the life of the debt instrument. Amortization expense and write-offs for the years ended July 31, 2013 and 2012 amounted to approximately $1,235,000 and $619,000, respectively.

7. Goodwill and Other Assets

A summary of goodwill and other assets at July 31, 2013 and 2012 follows:

	2013	2012
Goodwill	$ 124,991,769	$ 11,340,057
Long-term receivables	$ -	$ 3,006,703
Other investment	343,158	298,547
Total other assets	$ 343,158	$ 3,305,250

Goodwill is related to the Corporation's purchase of health care clinics and lease of Palmyra, formerly purchased by the Authority. The goodwill is evaluated annually for impairment.

Due to an increase in the uninsured population as well as regulatory changes, the Corporation determined that the carrying amount of the net assets related to Palmyra exceeded their fair value. The fair value was computed using a combination of the discounted cash flow method and two market approach methods including the guideline public company method and the merger and acquisition method performed on July 1, 2013. Accordingly, the Corporation recognized an impairment loss of approximately $43,929,000 for fiscal year 2013.

Continued

7. Goodwill and Other Assets, Continued

The changes in the carrying amount of goodwill for the years ended July 31, 2013 and 2012, are as follows:

	2013	2012
Balance at beginning of year:		
Goodwill	$ 11,340,057	$ 11,340,057
Accumulated impairment losses	-	-
	11,340,057	11,340,057
Goodwill acquired during the year	157,581,006	-
Impairment losses	(43,929,294)	-
Balance at end of year:		
Goodwill	168,921,063	11,340,057
Accumulated impairment losses	(43,929,294)	-
Total	$ 124,991,769	$ 11,340,057

8. Hospital Authority of Albany-Dougherty County, Georgia Lease Amendment

On August 1, 2012, the Corporation leased Palmyra from the Authority which satisfied the receivable balance in full. Accordingly, the results of operations for Palmyra have been included in the accompanying financial statements from that date forward.

The lease was entered into for the purpose of gaining additional patient capacity.

Consideration for the lease comprised of the following (at fair value):	
Satisfaction of receivable from the Authority and the System	$ 217,893,063

Goodwill in the amount of approximately $157,581,000 was recognized in the lease of Palmyra and is attributable to a long history of successful operations resulting in strong earnings.

Continued

8. Hospital Authority of Albany-Dougherty County, Georgia Lease Amendment, Continued

The following assets and liabilities were recognized in the lease (at fair value):

Cash	$ 17,316,845
Patient accounts receivable	9,092,766
Prepaid expenses, supplies, and other assets	3,212,113
Capital assets	38,225,103
Current liabilities	(7,534,770)
Total identifiable assets	60,312,057
Goodwill and other intangible assets	157,581,006
Total	$ 217,893,063

Intangible assets acquired include the trade name, certificate of need and other licenses, and non-compete covenants whose fair value is approximately $1,757,000.

The amounts of Palmyra's revenue and earnings included in the consolidated statements of operations and changes in net assets (from the inception of the lease) for 2013 are approximately $73,869,000 and $14,202,000, respectively. The following pro forma information is based on the assumption that the lease occurred on August 1, 2011.

	2013	2012
Operating revenue	$ 515,687,641	$ 540,299,433
Excess revenues (expenses)	$(51,138,113)	$ 11,970,620

9. Short-Term Debt

The Corporation entered into a loan agreement with Bank of America for an amount of $100,000,000 bearing interest at LIBOR plus 0.29% with a maturity date of December 15, 2012 and collateralized by the executed loan agreement. The outstanding balance on the loan at July 31, 2012 was $100,000,000. The purpose of the loan agreement was to provide funds to the Authority for the purchase of Palmyra. The loan was repaid in full during 2013.

Continued

10. Long-Term Debt

	2013	2012
1993 Series Revenue Anticipation Certificates, paid off in January 2013.	$ -	$ 15,680,000
2008A Series Revenue Anticipation Certificates, payable in varying annual amounts from $1,565,000 in 2014 to $3,795,000 in 2033; bearing interest at a daily rate to be adjusted by the Remarketing Agent, refunded in December 2012.	-	49,840,000
2008B Series Revenue Anticipation Certificates, payable in varying annual amounts from $1,565,000 in 2014 to $3,790,000 in 2033; bearing interest at a daily rate to be adjusted by the Remarketing Agent, refunded in December 2012.	-	49,750,000
2008A Series Refunding Revenue Anticipation Certificates, payable in varying annual amounts from $1,565,000 in 2014 to $3,795,000 in 2033; bearing interest at a variable rate based on a percentage of LIBOR plus a credit spread.	48,545,000	-
2008B Series Refunding Revenue Anticipation Certificates, payable in varying annual amounts from $1,565,000 in 2014 to $3,790,000 in 2033; bearing interest at a variable rate based on a percentage of LIBOR plus a credit spread.	48,460,000	-

Continued

10. Long-Term Debt, Continued

	2013	2012
2010A Series Revenue Anticipation Certificates, payable in varying annual amounts from $355,000 in 2014 to $11,355,000 in 2040; bearing interest at a monthly rate to be adjusted by the Remarketing Agent.	$ 97,830,000	$ 98,560,000
2012 Series Revenue Anticipation Certificates, payable in varying annual amounts from $1,725,000 in 2014 to $16,285,000 in 2043; bearing interest at fixed rates from 2.00% to 5.00%.	107,900,000	-
	302,735,000	213,830,000
Less current portion	5,423,553	4,715,000
	297,311,447	209,115,000
Add unamortized premium	6,282,020	-
Less unamortized discount	-	50,482
	$ 303,593,467	$ 209,064,518

The Series 1993 Revenue Certificates were paid off in January 2013 pursuant to the prior redemption clause.

The Series 2008A and 2008B Revenue Certificates were converted from a daily variable rate with security provided by bank letters of credit to a variable rate based on a percentage of LIBOR plus a credit spread. The certificates were reissued as the Series 2008A and 2008B Refunding Revenue Certificates on December 7, 2012.

The Series 2010A Revenue Certificates were issued on July 9, 2010 for the purpose of reimbursing the Corporation for prior additions, extensions and improvements to the Corporation's facilities. The 2010A Revenue Certificates bear interest at a monthly rate adjusted by J. P. Morgan Chase Bank, N.A. The Corporation may convert the interest rate upon compliance with terms and provisions of the indenture.

Continued

10. Long-Term Debt, Continued

The Series 2012 Revenue Certificates were issued on December 1, 2012 for the purposes of financing the costs of making certain additions, extensions, and capital improvements to its health care system. The Series 2012 Revenue Certificates bear interest at fixed rates from 2.00% to 5.00%.

Series 1993, 2008A, 2008B, 2010A and 2012 Revenue Certificates are secured by all receipts of, and revenue, income and money derived from the Corporation's operation of the Hospital premises.

Under the terms of the 1993 Certificate Indenture, the Corporation is limited on the incurrence of additional borrowings and requires that the Corporation satisfy certain measures of financial performance as long as the notes are outstanding.

Scheduled principal repayments on long-term debt for the next five years are as follows:

Year	2008A	2008B	2010A	2012	Total
2014	$ 1,565,000	$ 1,565,000	$ 355,000	$ 1,725,000	$ 5,210,000
2015	1,600,000	1,595,000	285,000	2,310,000	5,790,000
2016	1,825,000	1,825,000	-	2,310,000	5,960,000
2017	1,780,000	1,770,000	120,000	2,500,000	6,170,000
2018	1,860,000	1,850,000	85,000	2,590,000	6,385,000
Thereafter	39,915,000	39,855,000	96,985,000	96,465,000	273,220,000
Total	$ 48,545,000	$ 48,460,000	$ 97,830,000	$ 107,900,000	$ 302,735,000

Subsequent to the issuance of the financial statements on December 4, 2013, Note 10 was revised to include additional information related to the interest rates on the Series 2012 Revenue Certificates. In addition, Note 20 was revised to include additional information related to the fair value of the Corporation's long-term debt.

Continued

11. Derivative Financial Instruments

The Corporation entered into fixed pay and constant maturity swaps to effectively swap variable interest rates to fixed interest rates thus reducing the impact of interest rate changes on future interest expense. The fair market value of the swaps are reported in other liabilities on the balance sheet. The critical terms of the swaps are as follows:

$25MM Fixed Pay LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 22,650,926	$ 22,905,687
Fair market value	$(3,945,119)	$(6,894,910)
Life remaining on swap	13 Years	14 Years

$25MM Fixed Pay LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 22,650,926	$ 22,905,686
Fair market value	$(4,290,406)	$(7,291,224)
Life remaining on swap	13 Years	14 Years

$21.145MM Fixed Pay LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 19,158,152	$ 19,373,629
Fair market value	$(3,335,782)	$(5,831,714)
Life remaining on swap	13 Years	14 Years

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 39,370,090	$ 40,432,590
Fair market value	$ 3,063,717	$ 3,091,820
Life remaining on swap	19 Years	20 Years

Continued

11. Derivative Financial Instruments, Continued

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 39,370,091	$ 40,432,590
Fair market value	$ 3,150,006	$ 3,249,267
Life remaining on swap	19 Years	20 Years

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ -	$ 80,865,180
Fair market value	$ -	$(358,711)
Life remaining on swap	-	1 Year

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 22,650,926	$ -
Fair market value	$(763,544)	$ -
Life remaining on swap	19 Years	-

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 22,650,926	$ -
Fair market value	$(822,719)	$ -
Life remaining on swap	19 Years	-

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 19,158,152	$ -
Fair market value	$(695,856)	$ -
Life remaining on swap	19 Years	-

Continued

11. Derivative Financial Instruments, Continued

Constant Maturity LIBOR Swap – Non-Hedge

	2013	2012
Notional amount	$ 78,740,181	$ -
Fair market value	$ 844,482	$ -
Life remaining on swap	5 Years	-

The swaps were issued at market terms so that they had no fair value at their inception. The carrying amount of the swaps has been adjusted to fair value at the end of the year which, because of changes in forecasted levels of the LIBOR, resulted in reporting a liability. As the net swaps were in a liability position as of July 31, 2013 and 2012, the Corporation deemed the capacity to perform on the part of the derivative counterparty to be of little or no concern; and no adjustment was applied to standard market valuation practices.

The swap results are included in excess revenues (expenses). For the years ending July 31, 2013 and 2012, this earnings impact totaled approximately $6,882,000 and $(7,404,000), respectively.

12. Temporarily and Permanently Restricted Net Assets

A summary of the restricted net assets at July 31, 2013 and 2012 follows:

	2013	2012
Temporarily Restricted Net Assets		
Restricted by Phoebe Foundation, Inc.	$ 4,496,165	$ 5,033,647
Permanently Restricted Net Assets		
Restricted investments to be held in perpetuity by Phoebe Foundation, Inc.	$ 1,781,131	$ 1,581,098

Continued

13. Pension Plan

The Corporation has a defined benefit pension plan covering all full time regular employees working 1,000 hours or more in a twelve month period with an employment date before December 31, 2006. The plan provides benefits that are based upon earnings and years of service. The Corporation's funding policy is to make the minimum annual contribution required by applicable regulations. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The measurement dates were January 1, 2012 and 2011. The Corporation issues a publicly available financial report that includes financial statements and required supplementary information for the Retirement Plan for Employees of Phoebe Putney Health System, Inc. That report may be obtained by contacting the management of the Corporation.

The following table sets forth the defined benefit pension plan funded status and amounts recognized in the financial statements at July 31, 2013 and 2012:

	2013	2012
Plan assets at fair value at July 31	$ 165,003,768	$ 150,375,259
Projected benefit obligation at July 31	268,157,293	289,274,601
Funded status	$(103,153,525)	$(138,899,342)
Amounts recognized in the consolidated balance sheet consist of:		
Noncurrent liabilities	$(103,153,525)	$(138,899,342)
Amounts recognized in unrestricted net assets:		
Net actuarial loss	$(74,314,252)	$(120,826,080)
Prior service cost not yet recognized in net periodic pension cost	(477,964)	(659,386)
Deferred pension cost	$(74,792,216)	$(121,485,466)
Weighted-average assumptions used to determine pension benefit obligations:		
Discount rate	5.30%	4.57%
Rate of compensation increase	4.00%	4.00%

Continued

13. Pension Plan, Continued

	2013	2012
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	4.57%	5.41%
Expected long-term return on plan assets	8.75%	8.75%
Rate of compensation increase	4.00%	4.00%

The Corporation's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

The following table sets forth the components of net periodic cost and other amounts recognized in unrestricted net assets for the years ended July 31, 2013 and 2012:

	2013	2012
Service cost	$ 14,356,617	$ 11,688,062
Interest cost	13,248,662	12,361,171
Expected return on plan assets	(14,168,537)	(12,182,271)
Amortization of prior service cost	181,422	181,422
Amortization of recognized net actuarial loss	7,064,269	3,276,175
Net periodic benefit cost	20,682,433	15,324,559
Other changes in plan assets and benefit obligations recognized in unrestricted net assets:		
Net actuarial (gain) loss	(39,447,559)	62,349,691
Amortization of prior service cost	(181,422)	(181,422)
Amortization of net actuarial loss	(7,064,269)	(3,276,175)
Total recognized in unrestricted net assets	(46,693,250)	58,892,094
Total recognized in net periodic benefit cost and unrestricted net assets	$(26,010,817)	$ 74,216,653

Continued

13. Pension Plan, Continued

The change in projected benefit obligation for the defined benefit pension plan for the years ended July 31, 2013 and 2012 included the following components:

	2013	2012
Projected benefit obligation, beginning of year	$ 289,274,601	$ 222,867,378
Service cost	14,356,617	11,688,062
Interest cost	13,248,662	12,361,171
Actuarial (gain) or loss	(31,803,450)	46,967,870
Benefits paid	(16,919,137)	(4,609,880)
Projected benefit obligation, end of year	$ 268,157,293	$ 289,274,601
Accumulated benefit obligation	$ 217,525,690	$ 225,276,957

The change in fair value of plan assets for the years ended July 31, 2013 and 2012 included the following components:

	2013	2012
Plan assets at fair value, beginning of year	$ 150,375,259	$ 139,801,388
Actual return on assets	21,812,646	(3,199,550)
Employer contributions	9,735,000	18,383,301
Benefits paid	(16,919,137)	(4,609,880)
Plan assets at fair value, end of year	$ 165,003,768	$ 150,375,259

The Corporation anticipates making a contribution during fiscal year 2014 of $13,690,840.

Continued

13. Pension Plan, Continued

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year Ending July 31	Pension Benefits
2014	$ 7,101,000
2015	$ 7,770,000
2016	$ 8,483,000
2017	$ 9,380,000
2018	$ 10,424,000
2019 – 2023	$ 71,184,000

The expected benefits to be paid are based on the same assumptions used to measure the Corporation's benefit obligation at July 31, 2013.

The actuarial loss and prior service cost to be recognized during the next 12 months beginning August 1, 2013 is as follows:

Amortization of net actuarial loss	$ 3,606,570
Amortization of prior year service costs	181,422
Total	$ 3,787,992

Continued

13. Pension Plan, Continued

Plan Assets

The composition of plan assets at July 31, 2013 and 2012 is as follows:

	Target Allocation	Pension Benefits 2013	Pension Benefits 2012
Asset category:			
Cash and cash equivalents	0%	6%	6%
U.S. equity securities	20%	24%	22%
Fixed income	20%	20%	23%
Real assets	13%	4%	4%
Opportunistic	5%	5%	5%
Hedge funds	20%	19%	20%
Non U.S. equity securities	16%	17%	15%
Emerging markets	6%	5%	5%
Total	100%	100%	100%

The Corporation's investment strategy is to manage the portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds. The portfolio is diversified by investing in multiple types of investment-grade securities. The investment policy requires assets of the plan to be primarily invested in securities with at least an investment grade rating to minimize interest rate and credit risk. The plan assets are long-term in nature and are intended to generate returns while preserving capital.

Pension assets are invested in equities, debt securities, cash and cash equivalents, hedge funds, and U.S. government securities. The allocation between different investment vehicles is determined by the Corporation, based on current market conditions, short-term and long-term market outlooks, and cash needs for distributions and plan expenses. Assumptions for expected returns on plan assets are based on historical performance, long-term market outlook, and a diversified investment approach designed to provide steady, consistent returns that minimize market fluctuations. The Corporation utilizes the services of a professional investment advisor in the selection of individual fund managers. The investment advisor tracks the performance of each fund manager and makes recommendations for redistributions, as needed, to comply with targeted allocations or to replace underperforming funds.

Continued

13. Pension Plan, Continued

The Corporation attempts to mitigate investment risk by rebalancing between investment classes as the Corporation's contributions and monthly benefit payments are made. Although changes in interest rates may affect the fair value of a portion of the investment portfolio and cause unrealized gains and losses, such gains or losses would not be realized unless the investments are sold.

The fair values of the Corporation's pension plan assets at July 31, 2013 and 2012, by asset category are as follows:

	Fair Value Measurements at July 31, 2013			
Asset Category	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 9,261,130	$ 11,400	$ 9,249,730	$ -
U.S. equity securities	39,911,652	11,349,551	13,809,829	14,752,272
Fixed income	33,231,334	-	33,231,334	-
Real assets	7,086,831	4,800,583	1,951,498	334,750
Opportunistic	8,099,923	-	8,099,923	-
Hedge funds	30,086,473	-	21,216,876	8,869,597
Non U.S. equity securities	28,518,363	-	17,241,033	11,277,330
Emerging markets	8,808,062	-	8,808,062	-
Total	$ 165,003,768	$ 16,161,534	$ 113,608,285	$ 35,233,949

Continued

13. Pension Plan, Continued

	Fair Value Measurements at July 31, 2012			
Asset Category	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 9,652,969	$ 1,500,000	$ 8,152,969	$ -
U.S. equity securities	33,529,046	8,847,122	14,009,501	10,672,423
Fixed income	33,954,690	-	33,954,690	-
Real assets	6,079,495	3,767,073	2,016,982	295,440
Opportunistic	7,058,785	-	7,058,785	-
Hedge funds	30,139,157	-	20,441,992	9,697,165
Non U.S. equity securities	23,130,814	-	11,973,041	11,157,773
Emerging markets	6,830,303	-	6,830,303	-
Total	$ 150,375,259	$ 14,114,195	$ 104,438,263	$ 31,822,801

Continued

13. Pension Plan, Continued

The following table sets forth additional information for assets valued at NAV which are greater than 5% of total investments.

	as of July 31, 2013			
	Fair Value	Unfunded Commitments	Restrictions on Redemption Frequency	Redemption Notice Period
U.S. equity securities	$ 14,752,272	10% Gate	Quarterly	60 Days
Hedge funds	$ 1,843,056	15% Share Class H	Annually	45 Days
Hedge funds	1,989,574	None	Annually	90 Days
Hedge funds	2,053,682	None	Annually	90 Days
Hedge funds	1,587,105	25% Share Class A	Annually	90 Days
Hedge funds	1,396,180	25% Share Class A	Annually	90 Days
	$ 8,869,597			
Non U.S. equity securities	$ 5,687,254	None	Monthly	15 Business Days
Non U.S. equity securities	5,590,076	None	Bi-monthly	5 Days
	$ 11,277,330			

Continued

13. Pension Plan, Continued

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Non U.S. Equities	U.S. Equities	Real Assets	Hedge Funds	Total
July 31, 2011	$ 12,717,273	$ 9,398,412	$ 195,540	$ 10,582,540	$ 32,893,765
Realized and unrealized gains (losses) included in other nonoperating revenue	(1,779,362)	1,274,011	900	17,197	(487,254)
Purchases	260,680	-	99,000	-	359,680
Sales	(40,818)	-	-	(902,572)	(943,390)
July 31, 2012	11,157,773	10,672,423	295,440	9,697,165	31,822,801
Realized and unrealized gains (losses) included in other nonoperating revenue	1,974,776	3,329,849	8,060	1,463,515	6,776,200
Purchases	198,955	750,000	31,250	300,000	1,280,205
Sales	(2,054,174)	-	-	(2,591,083)	(4,645,257)
July 31, 2013	$ 11,277,330	$ 14,752,272	$ 334,750	$ 8,869,597	$ 35,233,949

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar investments in active or inactive markets. Financial assets using Level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Continued

13. Pension Plan, Continued

The Corporation has defined contribution pension plans covering substantially all eligible employees. Employees may deposit a portion of their earnings for each pay period on a pre-tax basis and the Corporation matches 50% of each participant's voluntary contributions up to a maximum of 4% of the employee's annual salary. Matching contribution expenses for the years ended July 31, 2013 and 2012 totaled approximately $2,312,000 and $1,215,000, respectively. For 2013 and 2012, the total discretionary contributions paid totaled approximately $-0- and $1,129,000, respectively.

14. Employee Health Insurance

The Corporation has a self-insurance program under which a third-party administrator processes and pays claims. The Corporation reimburses the third-party administrator for claims incurred and paid and has purchased stop-loss insurance coverage for claims in excess of $150,000 for each individual employee. Total expenses related to this plan were approximately $33,421,000 and $17,741,000 for 2013 and 2012, respectively.

15. Malpractice Insurance

The Corporation is covered by a claims-made general and professional liability insurance policy with a specified deductible per incident and excess coverage on a claims-made basis through the parent's wholly owned subsidiary, Phoebe Putney Indemnity, LLC (PPI), located in South Carolina.

Effective August 1, 2006, PPI issued a claims-made policy covering professional and general liabilities, personal injury, advertising injury liability, and contractual liability of the Corporation with a retroactive date of January 1, 1990. Effective August 1, 2011 and renewing annually, PPI issued a policy with limits of $5,000,000 per occurrence, with an annual aggregate of $23,000,000.

PPI also provides excess liability coverage to the Corporation, which covers $25,000,000 per occurrence in excess of the underlying insurance coverage of $30,000,000 for the policy years ending July 31, 2013 and 2012. The excess policy has an annual aggregate limit of $25,000,000. All of the risk related to this coverage has been ceded to unrelated reinsurers via a contract of reinsurance.

Continued

15. Malpractice Insurance, Continued

Various claims and assertions have been made against the Corporation in its normal course of providing services. In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance.

16. Concentrations of Credit Risk

The Corporation is located in Albany, Georgia. The Corporation grants credit without collateral to its patients, most of whom are residents of Southwest Georgia and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at July 31, 2013 and 2012 was as follows:

	2013	2012
Medicare	41%	28%
Medicaid	18%	23%
Blue Cross	16%	21%
Commercial	13%	19%
Patients	12%	9%
Total	100%	100%

At July 31, 2013, the Corporation has deposits at major financial institutions which exceeded the $250,000 Federal Deposit Insurance Corporation limits. Management believes the credit risks related to these deposits is minimal.

Continued

17. Related Party Transactions

	2013	2012
Due from Phoebe Putney Health Ventures, Inc.	$ 97,861	$ 117,095
Due from (to) Phoebe Putney Health System, Inc.	(14,613,724)	184,140,225
Net related party transactions	$(14,515,863)	$ 184,257,320

The related party transactions that affect the above receivables and payables arise from the sharing of services. During 2012, the Corporation transferred approximately $200 million to the System. The System subsequently transferred approximately $200 million to the Authority for the purchase of Palmyra Park Hospital, LLC.

18. Related Organization

Phoebe Foundation, Inc. (Foundation) was established to raise funds to support the operation of the Corporation. The Foundation's bylaws provide that all funds raised, except for funds required for the operation of the Foundation, be distributed to or be held for the benefit of the Corporation. The Foundation's general funds, which represent the Foundation's unrestricted resources, are distributed to the Corporation in amounts and in periods determined by the Foundation's Board of Directors, who may also restrict the use of general funds for hospital plant replacement or expansion or other specific purposes. Plant replacement and expansion funds, specific-purpose funds, and assets obtained from endowment income of the Foundation are distributed to the Corporation as required to comply with the purposes specified by donors. The Corporation's interest in the net assets of the Foundation is reported as an other asset in the balance sheets.

	2013	2012
Assets:		
Cash and cash equivalents	$ 835,341	$ 929,930
Investments	10,407,178	10,186,826
Other assets	314,905	334,943
Total assets	$ 11,557,424	$ 11,451,699

Continued

18. Related Organization, Continued

	2013	2012
Liabilities and net assets:		
Accounts payable	$ 52,943	$ 94,339
Net assets	11,504,481	11,357,360
Total liabilities and net assets	$ 11,557,424	$ 11,451,699
Revenue and support	$ 1,333,878	$ 1,023,641
Expenses	610,343	383,373
Excess of revenue and support	723,535	640,268
Transfer to PPMH Gift Shop	(649,865)	-
Other changes in net assets	73,451	77,499
Net assets, beginning of year	11,357,360	10,639,593
Net assets, end of year	$ 11,504,481	$ 11,357,360

19. Functional Expenses

The Corporation provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	July 31,	
	2013	2012
Patient care services	$ 343,217,181	$ 293,432,756
General and administrative	148,727,565	139,976,294
Depreciation and amortization	32,778,369	25,425,813
Interest expense	7,468,176	5,660,312
Total	$ 532,191,291	$ 464,495,175

Continued

20. Fair Values of Financial Instruments

The following methods and assumptions were used by the Corporation in estimating the fair value of its financial instruments:

- Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

- Assets limited as to use: Fair values, which are the amounts reported in the balance sheet, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

- Accounts payable and accrued expenses: The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value.

- Estimated third-party payor settlements: The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates its fair value.

- Derivative financial instruments: The carrying amount reported in the balance sheet for derivative financial instruments approximates its fair value.

- Short-term and long-term debt: Fair values of the Corporation's revenue notes are based on current traded value. The fair value of the Corporation's remaining debt is estimated using discounted cash flow analyses, based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements. The carrying amount reported in the balance sheet for debt totals approximately $309,017,000 at July 31, 2013, with a fair value of approximately $294,984,000. The carrying amount reported in the balance sheet for debt approximates its fair value at July 31, 2012. Based on inputs used in determining the estimated fair value, the Corporation's long-term debt would be classified as Level 2 in the fair value hierarchy.

Continued

21. Fair Value Measurement

Following is a description of the valuation methodologies used for assets and liabilities at fair value. There have been no changes in the methodologies used at July 31, 2013 and 2012.

- Money market funds and certificates of deposit: Valued at amortized cost, which approximates fair value.

- Mutual funds and alternative investments in hedge funds: Valued at the net asset value (NAV) of shares held at year end. Certain investments invest in a variety of growth and value assets. Management of the funds has the ability to shift investments as they feel necessary to meet established goals.

- Government debt securities: Certain U. S. government securities are valued at the closing price reported in the active market in which the individual security is traded. Other U.S. governmental securities are based on yields currently available on comparable securities of issuers with similar credit ratings.

- Common collective trusts: Valued using net asset value (NAV). The NAV's are based on fair value, determined based on prices quoted and published by the investment manager of the accounts. Quoted prices are determined based on fair value of the underlying assets.

- Derivatives: Valued using forward LIBOR curves. Values are then verified against counterparty mark-to-market valuations.

- Goodwill: Valued using a combination of the discounted cash flow method and two market approach methods including the guideline public company method and the merger and acquisition method performed on July 1, 2013.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Continued

21. Fair Value Measurement, Continued

The following table sets forth additional information for assets valued at NAV:

	as of July 31, 2013			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative investments in hedge funds	$ 3,006,854	None - 10% Share Class A	Quarterly - Annually	60 Days

	as of July 31, 2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds - fixed income funds	$ 1,959,875	None	No Restrictions	3 Days
Mutual funds - index funds	$ 2,404,188	None	No Restrictions	3 Days
Mutual funds - return funds	$ 1,600,000	None	Daily	Daily
Alternative investments in hedge funds	$ 8,926,349	None - 20% Share Class A	Monthly - Annually	45 - 90 Days
Common collective trusts invested in equity securities	$ 844,474	None	Monthly	30 Days

Continued

21. Fair Value Measurement, Continued

Fair values of assets and liabilities measured on a recurring basis at July 31, 2013 and 2012 is as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
July 31, 2013				
Assets:				
Money market funds	$ 34,061	$ -	$ 34,061	$ -
Certificates of deposit	371,246	-	371,246	-
Alternative investments in hedge funds	3,006,854	-	3,006,854	-
Goodwill (nonrecurring)	124,991,769	-	-	124,991,769
Total assets	$ 128,403,930	$ -	$ 3,412,161	$ 124,991,769
Liabilities:				
Derivatives	$ 6,795,221	$ -	$ 6,795,221	$ -

In accordance with the provisions of FASB ASC 350, *Intangibles – Goodwill and Other,* goodwill, with a carrying amount of approximately $168,921,000, was written down to its implied fair value of approximately $124,992,000. This resulted in an impairment loss of approximately $43,929,000, which was included in excess revenues (expenses) for 2013. See Note 7 for additional information related to goodwill.

Continued

21. Fair Value Measurement, Continued

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
July 31, 2012				
Assets:				
Money market funds	$ 44,435	$ -	$ 44,435	$ -
Certificates of deposit	366,170	-	366,170	-
Government debt securities	1,664,022	-	1,664,022	-
Mutual funds:				
Index funds	2,404,188	-	2,404,188	-
Fixed income funds	1,959,875	-	1,959,875	-
Total return funds	1,600,000		1,600,000	
Alternative investments in hedge funds	8,926,349	-	7,192,055	1,734,294
Common collective trusts invested in equity securities	844,474	-	844,474	-
Total assets	$ 17,809,513	$ -	$ 16,075,219	$ 1,734,294
Liabilities:				
Derivatives	$ 14,035,472	$ -	$ 14,035,472	$ -

Continued

21. Fair Value Measurement, Continued

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Alternative Investments in Hedge Funds
July 31, 2011	$ 1,729,464
Realized and unrealized gains (losses) included in nonoperating revenue	4,830
July 31, 2012	1,734,294
Sales	(1,600,000)
Unrealized gains (losses) included in nonoperating revenue	(134,294)
July 31, 2013	$ -

22. Commitments and Contingencies

Compliance Plan

The healthcare industry has recently been subjected to increased scrutiny from governmental agencies at both the federal and state level with respect to compliance with regulations. Areas of noncompliance identified at the national level include Medicare and Medicaid, Internal Revenue Service, and other regulations governing the healthcare industry. The Corporation has implemented a compliance plan focusing on such issues. There can be no assurance that the Corporation will not be subjected to future investigations with accompanying monetary damages.

Continued

22. Commitments and Contingencies, Continued

Health Care Reform

In recent years, there has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare on the national or at the state level. In 2010, legislation was enacted which included cost controls on hospitals, insurance market reforms, delivery system reforms and various individual and business mandates among other provisions. The costs of certain provisions will be funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these changes will not adversely affect the Corporation.

Litigation

The Corporation is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation's future financial position or results from operations. See malpractice insurance disclosures in Note 15.

23. Electronic Health Record Incentive Payments

The Health Information Technology for Economic and Clinical Health Act (the HITECH Act) was enacted into law on February 17, 2009 as part of the American Recovery and Reinvestment Act of 2009 (ARRA). The HITECH Act includes provisions designed to increase the use of Electronic Health Records (EHR) by both physicians and hospitals. Beginning with federal fiscal year 2011 and extending through federal fiscal year 2016, eligible hospitals participating in the Medicare and Medicaid programs are eligible for reimbursement incentives based on successfully demonstrating meaningful use of its certified EHR technology. Conversely, those hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to reductions in Medicare reimbursements beginning in FY 2015. On July 13, 2010, the Department of Health and Human Services (DHHS) released final meaningful use regulations. Meaningful use criteria are divided into three distinct stages: I, II and III. The final rules specify the initial criteria for physicians and eligible hospitals necessary to qualify for incentive payments; calculation of the incentive payment amounts; payment adjustments under Medicare for covered professional services and inpatient hospital services; eligible hospitals failing to demonstrate meaningful use of certified EHR technology; and other program participation requirements.

Continued

23. Electronic Health Record Incentive Payments, Continued

The final rule set the earliest interim payment date for the incentive payment at May 2011. The first year of the Medicare portion of the program is defined as the federal government fiscal year October 1, 2010 to September 30, 2011.

The Corporation recognizes income related to the Medicare and Medicaid incentive payments using a grant model based upon when it has determined that it is reasonably assured that the hospital will be meaningfully using EHR technology for the applicable period and the cost report information is reasonably estimable.

The Corporation successfully demonstrated meeting meaningful use of its certified EHR technology prior to July 31, 2013. The Hospital applied for and received approval from Medicare and Medicaid notifying the Hospital qualified for approximately $2,500,000 from the two programs. As of July 31, 2013, all of these funds had been received and recorded in other revenue.

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Phoebe Putney Memorial Hospital, Inc.
Albany, Georgia

We have audited the financial statements of Phoebe Putney Memorial Hospital, Inc. as of and for the years ended July 31, 2013 and 2012 and our report thereon dated December 4, 2013, except for Note 10 and Note 20, as to which the date is February 5, 2014, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in this report on pages 55 to 66, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Draffin & Tucker, LLP

Albany, Georgia
December 4, 2013

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PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY

Phoebe Putney Memorial Hospital, Inc. (Corporation) is a not-for-profit health care organization that exists to serve the community. The Corporation opened in 1911 to serve the community by caring for the sick regardless of ability to pay. As a tax-exempt hospital, the Corporation has no stockholders or owners. All revenue after expenses is reinvested in the mission to care for the citizens of the community – into clinical care, health programs, state-of-the-art technology and facilities, research, and teaching and training of medical professionals now and for the future.

The Corporation operates as a charitable organization consistent with the requirements of Internal Revenue Code Section 501(c)(3) and the "community benefit standard" of IRS Revenue Ruling 69-545. The Corporation takes seriously its responsibility as the community's safety net hospital and has a strong record of meeting and exceeding the charitable care and the organizational and operational standards required for federal tax-exempt status. The Corporation demonstrates a continued and expanding commitment to meeting its mission and serving the citizens by providing community benefits. A community benefit is a planned, managed, organized, and measured approach to meeting identified community health needs, requiring a partnership between the healthcare organization and the community to benefit residents through programs and services that improve health status and quality of life.

The Corporation improves the health and well-being of Southwest Georgia through clinical services, education, research and partnerships that build health capacity in the community. The Corporation provides community benefits for every citizen in its service area as well as for the medically underserved. The Corporation conducts community needs assessments and pays close attention to the needs of low income and other vulnerable persons and the community at large. The Corporation often works with community groups to identify needs, strengthen existing community programs and plan newly needed services. It provides a wide-ranging array of community benefit services designed to improve community health and the health of individuals and to increase access to health care, in addition to providing free and discounted services to people who are uninsured and underinsured. The Corporation's excellence in community benefit programs was recognized by the prestigious Foster McGaw Prize awarded to the Corporation in 2003 for its broad-based outreach in building collaboratives that make measurable improvements in health status, expand access to care and build community capacity, so that patients receive care closest to their own neighborhoods. Drawing on a dynamic and flexible structure, the community benefit programs are designed to respond to assessed needs and are focused on upstream prevention.

As Southwest Georgia's leading provider of cost-effective, patient-centered health care, the Corporation is also the region's largest employer with more than 3,600 members of the Corporation Family caring for patients. The Corporation participates in the Medicare and Medicaid programs and is one of the leading providers of Medicaid services in Georgia.

See independent auditor's report on supplemental information.

The following table summarizes the amounts of charges foregone (i.e., contractual adjustments) and estimates the losses incurred by the Corporation due to inadequate payments by these programs and for indigent/charity. This table does not include discounts offered by the Corporation under managed care and other agreements:

	Charges Foregone	Estimated Unreimbursed Cost
Medicare	$ 463,000,000	$ 176,000,000
Medicaid	182,000,000	69,000,000
Indigent/charity	72,000,000	27,000,000
	$ 717,000,000	$ 272,000,000

The following is a summary of the community benefit activities and health improvement services offered by the Corporation and illustrates the activities and donations during fiscal year 2013.

I. Community Health Improvement Services

A. Community Health Education

Phoebe Putney Memorial Hospital provides health education services that reached 37,064 individuals in 2013 at a cost of $796,025. These services included the following free classes and seminars:

- Prepared childbirth classes
- Refresher childbirth classes
- Pregnancy classes
- Breastfeeding classes
- Lactation consulting
- Teen Maze
- Health Teacher Training
- Nutrition and Diabetes Education
- Breast Cancer Awareness
- K-12 Health Fairs
- Cancer Prevention
- Sun Safety
- Golden Key Health Seminars
- Support Groups including Camp Good Grief

See independent auditor's report on supplemental information.

I. Community Health Improvement Services, Continued

A. Community Health Education, Continued

The Corporation is involved in many activities aimed at educating the community about health-related topics; a quarterly health information newsletter distributed to 22,000 senior citizens at a cost of $35,777 and frequent ongoing health seminars held at Phoebe Northwest free of charge and attracting audiences ranging from 30 to 150 persons.

Camp Good Grief

This is an annual event and this year was held at Hospice. This event is for children who have experienced the loss of a loved one and is free. The event provides a host of activities designed to help the participants deal with their grief. The event concludes with a memorial service. This year 14 children attended the half-day event at a cost of $4,255.

Men and Women's Health Conferences

The Men's and Women's Health Conferences attracted approximately 800 participants. The men's conference centered on hypertension, while the women's focus was on breast health. Supported by over 70 volunteers, these conferences provided blood pressure, glucose, and cholesterol and BMI screenings for each participant and were made possible by a broad coalition of providers such as the faith-based initiative, heart and cancer society, SWGA Cancer Coalition, and public health among others.

Golden Key

This is a membership organization for people age 55 and older. With 23,535 members, Golden Key offers programs that encourage healthy lifestyles including the privilege of walking at the Corporation's Physical Medicine complex. To its members, it provided a bi-monthly newsletter (Key Notes). In 2013, the unreimbursed cost was $67,312.

Network of Trust

This is a nationally recognized program aimed at teen mothers to prevent repeat pregnancies, provide parenting skills and complete high school. This program also includes a teen father program along with other teenaged children programs. Network of Trust enrolled 195 unduplicated teen parents during the 2012/2013 school year at a cost of $332,775.

See independent auditor's report on supplemental information.

I. Community Health Improvement Services, Continued

B. Community Based Clinical Services

Flu Shots and Health Screenings

The Corporation provides free flu shots to volunteers. In 2013, the Corporation administered 419 flu shots at an unreimbursed cost of $5,093. The Corporation also provides free health screenings to individuals in Southwest Georgia. In 2013, the Corporation administered 706 health screenings at a unreimbursed cost of $1,426.

School Nurse Program

The Corporation places nurses in sixteen elementary schools, six middle schools, and five high schools in Dougherty County with a goal of creating access to care for students and staff, assessing the health care status of each population represented and effectively establishing referrals for all health care needs. Nurses also conducted the eighth grade health fairs. During the 2012/2013 school year, the school nurse program covered 51,645 student visits. This program is operated at a cost of $1,384,585 in 2013.

C. Health Care Support Services

New Foundations

The Corporation offers New Foundations Breast Forms and Fashion Boutique. New Foundations caters to the physical and mental well-being of women and their families. They provide one-on-one post mastectomy consultation to help women overcome their anxieties and feel better about themselves. They carry a large variety of prosthesis and also have a wide selection of clothing. They conduct support groups, seminars and exercise classes and help patients with breast cancer issues. This department saw 1,675 patients and operated at an unreimbursed cost in 2013 of $41,539.

Lights of Love Vans

Lights of Love donated vans to the Corporation to transport cancer patients to and from the hospital for their treatments. In 2013, Lights of Love provided transport to 83 patients covering a total of 918 trips at a cost of $110,539.

See independent auditor's report on supplemental information.

I. Community Health Improvement Services, Continued

C. Health Care Support Services, Continued

Government Sponsored Eligibility Applications to the Poor and Needy

The Corporation contracts with Chamberlain Edmonds to process eligibility applications on behalf of the poor and needy that may be eligible for Medicaid. In some cases, it can take up to two years to be deemed eligible. In 2013 the Corporation paid $1,361,331 to Chamberlain Edmonds to process 1,377 applications for 744 unique patients.

- Indigent Financial Assistance

  Patients whose income is below 125% of the Federal Poverty Levels are classified as indigent and receive care at no cost.

- Charity Financial Assistance

  Patients whose income level is between 126% - 200% of the Federal Poverty Levels are classified as charity. These patients will be responsible for a percentage of their hospital charges. This percentage will be based on calculations using the Federal Poverty Levels that are published in the "Federal Register" each year. If it is determined the patient responsibility will be an undue hardship on the patient/guarantor, these cases will be reviewed on an individual basis with the Phoebe Cares Supervisor for possible catastrophic charity based on sliding scale guidelines.

- Catastrophic Financial Assistance

  Patients whose income exceeds 200% of the Federal Poverty Levels and whose hospital charges exceed 25% of their annual income, resulting in excessive hardship, are eligible for a discount up to 75% of the patient balance. The patient may pay the remaining balance over 24 months.

II. Health Professions Education

The Corporation recognizes that to continuously improve its long-term value to the community and customers, to encourage life-long learning among employees and to achieve a world-class employer status, it is in the Corporation's best interest to provide opportunities that will assist eligible employees in pursuing formal, healthcare related educational opportunities. The Corporation also provides non-employees financial support in pursuing healthcare related degrees. In fiscal year 2013, the Corporation provided $831,146 in clinical supervision and training of 481 nursing students, and an additional $353,929 in clinical supervision and training to pharmacy, pharmacy technicians and other health professionals.

III. Subsidized Health Services

A. Hospital Outpatient Services

Phoebe Family Medical Centers

The Corporation has a strong commitment to primary care for the Southwest Georgia region. The family medical centers in the surrounding counties are a network of care that serves the entire family closest to where people live. In 2013, the rural clinics operated at a net loss of $142,600 and the Pelham clinic operated at a net loss of $89,684.

Convenient Cares

The Corporation's Convenient Care provides treatment for minor injuries and ailments in a more timely fashion and at a more reasonable cost than an emergency center. In 2013, the clinics operated at a net loss of $1,166,497.

Phoebe Specialty Clinics

- Phoebe Gastroenterology Associates has been a part of providing exceptional patient care for more than 30 years and treats virtually every kind of gastrointestinal related healthcare problem. In 2013, the Corporation incurred a net loss of $511,638.

- The Behavioral Health Clinic provides treatment for adults and adolescents with addictive diseases and/or psychiatric disorders. In 2013, this Clinic operated at a net loss of $469,984.

See independent auditor's report on supplemental information.

III. Subsidized Health Services, Continued

A. Hospital Outpatient Services, Continued

Phoebe Specialty Clinics, Continued

- The Corporation operates a specialty clinic encompassing Endocrinology, Rheumatology, and Physiatry. The clinic offers medical care on a referral basis to inpatients and outpatients with endocrine or rheumatoid problems or with physical medicine or rehabilitation needs. The clinic operated at a net loss of $369,019 in 2013.

- Maternal/Fetal Medicine program is for high risk mothers and pregnant women who need specialized care. It serves this perinatal region. In 2013, this clinic operated at a net loss of $1,070,582.

- The Corporation operates neurosurgery and neurology practices that provide two neurosurgeons and two neurologists to the community, improving access to care in several settings, including trauma care in the Emergency Department and community health forums. These practices operated at a net loss of $790,021.

- The Corporation offers an Infectious Disease Clinic. This clinic is primarily directed at providing treatment to those who have chronic and acute infectious diseases and to terminally ill persons in need of pain management. In 2013, this clinic operated at a net loss of $296,089.

- The Corporation operates a special senior's clinic at the Camilla Senior Center, set up for this population to have a comfortable atmosphere in which to access physician care, including a kitchen area and gathering places. The Center operated at a net loss of $17,948 for 2013.

- Lee QuickCare Clinic provides walk-in treatment for common illnesses and conditions after hours, 6 p.m. to 10 p.m. Mondays through Fridays. The staff serves non-urgent patients and can prescribe medications when indicated. The clinic operated at a net loss of $14,876.

III. Subsidized Health Services, Continued

A. Hospital Outpatient Services, Continued

Phoebe Specialty Clinics, Continued

- The Corporation operates a Surgical Oncology Department in its Cancer Center. This department surgically treats and manages cancers primarily of the esophagus, stomach, liver, pancreas, colon, breast and skin, and soft tissues. The surgical oncologist also serves as a distinguished scholar for the Georgia Cancer Coalition and conducts clinical research and is working on elevating the level of cancer care in the region. The department operated at a loss of $207,935.

- The Corporation provides palliative care to patients in Southwest Georgia with a limited life expectancy. In 2013, the service operated at a net loss of $79,764.

Residency Program

The Southwest Georgia Family Medicine Residency Program is an award winning facility continuously addressing the shortage of health care professionals in the region. Their primary mission is to train family physicians to practice in rural Southwest Georgia.

Established in 1993, this program offers a rich opportunity for physicians to develop as strong clinicians capable of delivering high-quality primary care in any setting. The need for medical services in this rural region is great. The region has high incidences of cancer, heart attack, stroke and other diseases, and the need for medical and outreach services are tremendous. The program has successfully diverted persons without access from costly emergency rooms to appropriate primary care settings. In 2013, the Corporation showed a net loss of $277,147.

B. Other Subsidized Services

Inmate Care

The Corporation provides care to persons in jail for Dougherty County. In 2013, the Corporation provided $770,543 of unreimbursed medical and drug treatment to 245 inmates.

III. Subsidized Health Services, Continued

B. Other Subsidized Services, Continued

Indigent Drug Pharmacy

Indigent Drug Pharmacy provides medication upon discharge to patients that are either indigent or uninsured. In 2013, the pharmacy assisted 6,974 patients at a cost of $288,868.

IV. Clinical Research

The Corporation offers clinical trials to cancer patients who are residents of Southwest Georgia. In 2013, patient participation in the trials cost $470,922. The Corporation is also a regional site for the collection of tissue for the statewide Tumor, Tissue and Serum Biorepository at an additional cost of $258,960.

V. Financial and In-Kind Support

In 2013, the Corporation provided $820,809 in cash donations and in-kind support to non-profit organizations in Southwest Georgia. Listed are some highlights:

- The Southwest Georgia Cancer Coalition received $187,500 for staff support and various projects, and partnered with the Corporation on a colonoscopy program that provided 457 free colonoscopies to those who could not afford one. This was estimated at a cost of $691,008 of which $521,000 was captured in the clinic loss section.
- Albany Area Primary Health Care received $167,000 to fund its midwifery program.
- The Corporation provided at a reduced cost mammographies to Dougherty County Health Department women at an estimated cost of $20,621.
- Graceway Recovery for Women received a cash donation of $11,000 for its substance abuse program.
- 100 Black Men of Albany, GA received a $10,000 donation for its mentoring program.
- Albany Marathon received a $20,000 donation to raise funds for hospice services.

V. Financial and In-Kind Support, Continued

- In-kind support of foregone rent was provided to 17 non-profit organizations at an estimated cost of $148,497.

- Albany Advocacy Resource Center received $20,000 to build a training room for children with autism.

- SOWEGA Council on Aging received $11,800 to fund its On Balance program, a fall prevention activity.

VI. Community Building Activities

A. Economic Development

As a corporate citizen, the Corporation is involved in various economic development activities throughout the year. In 2013, the Corporation contributed $84,126 to various economic development initiatives in the community highlighted by a $50,000 contribution to Move the Mountain and a $30,000 contribution to Strive to Thrive, both anti-poverty programs.

VII. Community Benefit Operations

The Corporation incurred costs of $249,095 to support staff and community health needs assessment, which included a $32,000 renewal of Healthy Communities Institute's dashboard feature on the website:

http://phoebeputney.com/phoebecontentpage.aspx?nd=1660

Summary

	2013
Community Health Improvement Services:	
Community Health Education	$ 796,025
Community Based Clinical Services	1,391,104
Healthcare Support Services	1,513,409
Total community health improvement services	**3,700,538**

See independent auditor's report on supplemental information.

VII. Community Benefit Operations, Continued

Summary, Continued

	2013
Health Professions Education:	
Nurses/nursing students	$ 831,146
Other health professional education	353,929
Total health professions education	**1,185,075**
Subsidized Health Services:	
Hospital outpatient services	5,033,800
Behavioral health services	469,984
Other subsidized health services	1,059,411
Total subsidized health services	**6,563,195**
Clinical Research:	
Clinical research	729,882
Total clinical research	**729,882**
Financial and In-Kind Support:	
Cash donations	491,730
In-kind donations	329,079
Total financial and in-kind support	**820,809**
Community Building Activities:	
Economic development	84,126
Total community building activities	**84,126**
Community Benefit Operations:	
Dedicated staff and other resources	249,095
Total community benefit operations	**249,095**

See independent auditor's report on supplemental information.

VII. Community Benefit Operations, Continued

Summary, Continued

	2013
Other:	
Traditional charity care – estimated unreimbursed cost of charity services	$ 27,000,000
Unpaid cost of Medicare services – estimated unreimbursed cost of Medicare services	176,000,000
Unpaid cost of Medicaid services – estimated unreimbursed cost of Medicaid services	69,000,000
Total other	**272,000,000**
Total summary	**$ 285,332,720**

This report has been prepared in accordance with the community benefit reporting guidelines established by Catholic Health Association (CHA) and Veteran's Health Administration (VHA). The Internal Revenue Services' requirements for reporting community benefits are different than the guidelines under which this report has been prepared.

Phoebe Putney Memorial Hospital
Community Health Needs Implementation Strategy
2013-15

Introduction:

> *Greater access to effective, efficient medical care is important for our nation's well-being, but medical care cannot deliver wellness, nor can health care system reforms alone bring costs under control Instead, we need a new vision of health that rests on changing the lives of Americans in ways that lead to healthier, longer lives*
>
> Robert Wood Johnson Foundation

In 1911, Phoebe Putney Memorial Hospital (PPMH) was established in answer to a community need to have a hospital in the remote southwestern corner of Georgia. The hospital was realized through the founding $25,000 donation of Judge Francis Flagg Putney. Judge Putney had three requirements aligned to his philanthropy: that the hospital serves all regardless of race or ability to pay; that it be built of brick to withstand fire; and that it be named for his mother, Phoebe Putney. Phoebe Putney Memorial Hospital garnered the immediate support of the community, whose members brought linens and supplies to stock their new hospital. In return, Phoebe Putney Memorial Hospital became the safety net for care, ministering to the most vulnerable in the community, devoting itself to improving health in a region lacking in hospitals and healthcare providers. Phoebe has stayed true to its founding mission ever since, making sure people throughout Southwest Georgia have access to the medical care they need regardless of ability to pay. In 2013, PPMH is the dominant healthcare provider and the region's second largest employer. For the fiscal year ended July 31, 2012, PPMH provided $130 million in community benefit and reinvestment in those categories identified by the Internal Revenue Service. PPMH is the flagship of a five-hospital system (either owned/leased or managed), with two campus locations in Albany, Ga., one of which was acquired in December 2011 and converts a previously for-profit organization to tax-exempt status. The ability of the hospital to provide community benefit has grown as the scale of the organization has grown, providing benefit more broadly in the Southwest Georgia region to meet mission. Facilitating access to primary care is in the best interest of the hospital and community, and therefore, in addition to its own family practices and rural clinics, PPMH has also had a long-term and beneficial relationship with Albany Area Primary Health Care, a federally qualified clinic with regional facilities.

PPMH delivers high quality, safe healthcare to its patients and families, and extends its commitment further by reinvesting in the greater community. The organization believes in creating capacity in the community and is an active partner with patients, families, neighborhoods, government and civic organizations to provide access to care, innovation in

treatments and research, and advocacy for change. The area served is a high-needs community, and the hospital leadership recognizes the priorities identified in the needs assessment, but also the broader responsibility to provide services and service lines that might not otherwise be available to the citizens of the region. As PPMH considers its implementation strategies, it is informed by its specialty areas and populations, especially all women and children's services, inpatient rehabilitation, trauma, emergency and urgent care, neuroscience, cardiovascular and hospice and palliative care. These carefully planned services provide the infrastructure for delivering total community benefit and meeting the mission. For example, PPMH is seeking Level II trauma designation to meet the regional needs. PPMH leadership has identified and initiated planning a need for post-acute care services, such as inpatient rehabilitation and long-term acute care. PPMH funds and supports medical education and graduate medical education, and through its family medicine residency program has greatly alleviated the shortage of physicians in rural areas and will continue to evaluate the recruitment of physicians in specialties impacted by shortage. PPMH's leadership is committed to growing programs and services, both in and outside the hospital, that place care in the most effective and appropriate settings.

The 2010 Patient Protection and Affordable Care Act requires that nonprofit hospitals begin to conduct a community health needs assessment every three years and adopt implementation strategies to meet the outstanding community health needs identified in the assessment as a condition of maintaining the institution's federal tax exempt status. PPMH conducted a Community Health Needs Assessment (CHNA) during 2012 and 2013. The assessment process compiled reliable and valid data about community health needs, drawing information from secondary sources and qualitative analysis. More than 30 key leader interviews were conducted and more than 50 stakeholders participated in input sessions to identify needs, gaps and strategies that would lead to improved health in the community. In considering implementation strategies, PPMH is informed by its service area and populations, including women's and children's services, cardiovascular, oncology and mental health.

The Community Health Needs Assessment will further serve as a planning tool help create strategic initiatives regarding medical series and community outreach, particularly to meet the needs of those at risk. In addition to community-based coalitions, the hospital will form internal task forces around the identified priorities to define strategies to meet benchmarks and to assure effort is applied where it can be most effective. The CHNA has identified the following priorities in its primary service area of Dougherty, Lee, Worth, Terrell and Mitchell counties:

Maternal and Child Health
Mental Health and Substance Abuse
Obesity and Related Acute and Chronic Diseases
Health Literacy, Promotion and Awareness

The needs assessment, which informed this plan, is publicly available on the PPMH web site and distributed to local governing bodies. It provides rationale for the identification of priorities and gives details on programs that are in place to currently meet these needs. The priorities may have sub categories with related health needs. The priorities may also be impacted by community demographics or other determinants, such as poverty, literacy, transportation or geographic barriers that are not specifically addressed in this implementation plan. The programs and strategies described in the following implementation plan are, however, aligned with the four health priorities, with many of the programs addressing more than one of the four priorities. The hospital also provides many more programs, including subsidies to its primary care clinics, to address health needs in the community and improve the quality of life. This plan's purpose is to aid the organization in making prudent choices for using ever more scarce resources and to budget proactively for programs and activities that will produce better outcomes and improved community health.

Phoebe Putney Memorial Hospital is committed in its strategic and operational plans to community benefit strategies that further and strengthen the hospital's mission. The identified needs were prioritized by the internal work team based on the following criteria:

- size of the population affected
- severity of the problem
- the health system's ability to impact the need
- availability of internal and external resources that exist

Many of the successful activities and program identified in the Community Health Needs Assessment will be continued and expanded in the implementation strategies, either by PPMH itself, in partnership with others, or by outside community organizations. For example, the PPMH School Nurse Program under the Network of Trust is one such comprehensive program that meets needs in more than one identified area. It is funded by the hospital for $1.2 million annually and reaches students and staff in every public school in Dougherty County. It also operates training in collar counties and provides health literacy education in 16 counties served by PPMH.

Benchmarking and Evaluation

PPMH is required to show impact of health improvement initiatives through evaluation methodologies. In this implementation report, there are two types of benchmark outcomes that address evaluation: process and results. Process addresses how well things are done (methods) and results demonstrate to what extent behavior (the benchmark) has changed. Process outcomes will have no benchmarking, but results will be tracked through progress reports. When tracking results outcomes, PPMH will use Healthy People 2020 Tracker unless otherwise specified.

Priority 1: To Improve Maternal, Infant, and Child Health and Reproductive Responsibility

- **To reduce the rate of low birth weight from 12.3 to 7.8 in the primary service area.**
- **To reduce the rate of very low birth weight from 2.8 to 1.4 in the primary service area.**
- **To reduce the rate of pre-term births from 14.7 to 11.4 in the primary service area.**
- **To reduce the rate of infant mortality from 8.2 to 6.0/1,000 live births in the primary service area.**
- **To reduce the rate of teen pregnancy from 40.8 to 36.2 for females aged 15 to 17 in the primary service area.**
- **To reduce sexually transmitted disease from 1,272 to 703.9 cases/100,000 in the primary service area (Georgia Benchmark)**

The Community Health Needs Assessment identified Maternal, Infant and Child health as a top priority. In 2010, in the PPMH service area, one of every 6.5 births was LBW. Low and Very low birth weight babies are more likely to need specialized care and require neonatal intensive care. Because of the magnitude of VLBW and LBW babies in the region, additional NICU beds are often required, straining the 27-bed capacity at PPMH. Currently all surgical ICU infants are transported to Atlanta or Augusta for treatment.
Community key leaders and stakeholders pointed out contributing factors, including poverty, few activities, lack of school involvement or persistence and lack of family support among mothers who have low birth weight infants.
PPMH will continue, support and/or implement the following strategies:

1. Continue funding ($1.2 million)of Network of Trust programs that provide evidence-based Sex Education Curricula and help to reduce the incidence of teen pregnancy, including the placement of school nurses in all 27 Dougherty County Public Schools.

2. Expand and conduct school nurse training in service area county schools, specifically Randolph, Lee and Terrell.

3. Continue and expand Make A Difference sexual abstinence program – assistance funding will be provided by a three-year $35,000 grant from the Georgia Campaign for Adolescent Power and Prevention, the University of Georgia and 4-H. PPMH Network of Trust will conduct training, expanding outreach to more than 50 nurses in the region and to the Boys and Girls Clubs of Albany.

4. Continue Teen Father program, operated by Network of Trust

5. PPMH will hire a full time outreach coordinator to work in schools with career development for teenage mothers. This is an extension of the Teen Mothers program, which has operated for 20 years to provide prenatal care and parenting skills to pregnant teens.

6. Continue partnership with Family Connections for the Teen Maze, which reaches 1000 teens locally and more than 4000 in the region to help middle school students experience positive and negative impact of their decisions.

7. PPMH and Network of Trust will support Teen Breastfeeding Initiative

8. Support and Facilitate expansion of centering pregnancy program – The Southwest District Health plans to seek permission from PPMH's Institutional Review Board to conduct a research study with a control group to determine the impact of the centering program on low birth weight and other related outcomes to demonstrate program efficacy. PPMH will provide support for this program and nurses in labor and delivery will be informed of the program in the care of participants who come to the hospital to deliver.

9. Partner with Albany State University to conduct focus groups of women who gave birth to low birth weight children,targeting inner city Albanyand, in particular, census tract 8 adjacent to the hospital.

10. Form or re-energize a task force with the goal to improve birth outcomes and to reduce teen pregnancy.

11. Coordinate a campaign with city, county and state entities addressing reproductive responsibility.

12. Expand NICU bed capacity through the Certificate of Need process and repurposing of facility space.

13. Support Community Based programs that provide home based coaching or navigators.

14. Continue to fund the school nurse program and Network of Trust.

15. Early Elective Deliveries – PPMH will continue a new initiative to work with physicians to reduce the number of induced births.

16. Baby Friendly Education and Awareness program –This PPMH program currently receives funding of $7,000 and is one of nine in Georgia designated to work on increasing breast feeding initiation and sustained rates. Off-site lactation consulting services are currently offered and will be continued.

17. Neonatal Outreach coordinator at PPMH will continue to provide community-based services as a part of the perinatal outreach program. This individual spends more than 90% of time in the community and expansion plans call for increased coordination with other regional hospitals.

18. PPMH is expanding access to the current cadre of pediatric subspecialty physicians with Georgia Regents University to include a second neurologist, hematology/oncology for sickle cell patients and cardiology. This clinic practice operates on PPMH north campus and also includes pediatric surgery. AAPHC is an active partner, and a pediatric residency program through GRU is in discussion. The partner physicians see patients from throughout the region who would otherwise have to travel to Augusta, GA.A telemedicine component is also planned for this service.

19. Continue to support Albany Area Primary Health Care's School Based Health Center -- This center at Turner Elementary School opened March 2013 in partnership with Albany Area Primary Health Care (Federally Qualified Health Clinic), PPMH Network of Trust and Emory University Urban Health Program through a grant awarded by Health Care Georgia Foundation. It is one of only 10 such centers in Georgia and is an evidence-based model that provides the services of a medical home and a primary care physician at the school. The center is positioned to further impact health issues related to teen pregnancy and associated risk factors.

Priority 2: To Promote, advocate, and facilitate a sustainable community mental health continuum of care model with an emphasis on addressing identified gaps in service.

1. PPMH will convene a community collaborative of stakeholders and professionals in mental and behavioral health to examine resources, define gaps and craft solutions for improved stabilization of patients.

2. PPMH will help to promote and advocate for an adolescent inpatient crisis stabilization unit.

3. Continue to provide and support anti-bullying measures in the schools through the funding of HealthTeachers curriculum. This program is funded for the next two years for $200,000 for 16 counties. The new programs being introduced include:

    a. ***Awesome Upstander!***: the prototype program and anti-bullying game for young kids to learn how to deal with bullies.
    b. ***HealthTeacher at*** **Home**: a free website for parents to connect with the expert health content on topics such as bullying, obesity, physical activity and depression. HealthTeacher is making it easy for parents to connect every month with the issues their kids may face.

4. PPMH has funded a local non-profit initiative by the Albany 100 Black Men called Youth Mental Health Alliance that will be operated in local schools targeting elementary and middle school students from fatherless homes. These students have been identified or diagnosed by the Dougherty County Assistance Program as having mild to moderate family and social programs. One of the goals is teen suicide prevention.

5. PPMH will help to convene and participate in a Behavioral Health/Addictive Disease taskforce to study gaps in local resources and design proposed solutions.

6. PPMH will continue to provide various behavioral health support groups and camps such as Camp Good Grief.

7. PPMH will continue to fund through Community Visions grants program not-for-profit organizations that address mental health issues with evidenced-based, measurable programming aligned to this health needs priority.

Priority 3: To promote healthy living lifestyles that reduces obesity and related acute and chronic diseases.

- **To reduce the rate of low-income preschool obesity to 13.9% in Dougherty, Mitchell and Terrell.**
- **To reduce the rate of adult obesity to 30.9% in Dougherty, Mitchell and Terrell counties.**

1. PPMH will support promotion of and highlight the City of Albany's downtown initiative to make it more pedestrian and cycling friendly.

2. PPMH is planning the implementation of a congestive heart failure clinic to address the significant incidence in the community (PPMH: 1777 discharges FY 2008 through March 2012). This clinic would promote better management of CHF and improve access to care for those suffering with CHF.

3. PPMH will collaborate with the Choice Neighborhood AHA project's recreational and environmental rebuild to promote exercise.

4. Through its Network of Trust, PPMH will reach out to schools and pediatricians particularly in rural areas to provide nutritional counseling resources.

5. Network of Trust will implement a new program called GoNoodle! (www.gonoodle.com). GoNoodle! is a program with four interactive games that teachers can play with students in the classroom. The different games have the students participating in activities that teach them about exercise, deep breathing techniques, and yoga style stretching. It's designed to boost energy in 5 minutes or less, provide seamless transitions between subjects, improve on-task behavior and concentration, and get kids up and moving throughout the day.

6. Through its Network of Trust, PPMH will expand health fairs to all schools.

7. PPMH will continue to support Albany Area Primary Health Care's chronic disease management program and continue primary care initiatives in its Phoebe Physician Group practices.

8. PPMH will continue to operate the Southwest Georgia Family Medicine Residency program, which graduates five to six residents annually and has consistently met program goals to place physicians in rural practice since 1996.

9. PPMH is partnering with the American Heart Association for a proposed $25,000 initiative to teach new CPR training.

10. PPMH will continue to support and fund South Georgia Cancer Coalition (cancer screenings including colonoscopies) by providing services to those without access and means to pay.

11. PPMH is developing and implementing a lung cancer screening program to provide better access with a goal of earlier diagnosis and treatment.

12. PPMH is collaborating with the American Heart Association to gain accreditation for a stroke center and has convened an internal committee to structure the initiative.

13. PPMH will continue to conduct community health fairs in the service area and with increased focus on obesity and related acute and chronic diseases.

Priority 4: To promote health literacy, education, awareness and access to care

1. Increase awareness for cancer clinical trial participation.

2. Share and show Phoebe's Community Health Dashboard tool to the public.

3. PPMH will provide community information and assistance for selecting and enrolling in insurance exchanges to promote better access to care and eliminate barriers. PPMH will partner with other providers and community organizations to achieve this.

4. Network of Trust will employ a full-time outreach coordinator to implement a Healthy Futures Program in schools that is aimed increasing school persistence and teaching skill sets for career development.

Community Visions Grant Program

Phoebe Putney Memorial Hospital has provided assistance grants to 501 (c)3 organizations which have initiatives or projects that are health-related for more than 15 years. This funding will be closely aligned to the priorities of the health needs assessment and focused on proposals that promote evidence-based programs.

Indigent and Charity Care Policies and Determinations

Phoebe Putney Memorial Hospital is committed to delivering high quality safe care to all patients regardless of their ability to pay. The Community Health Needs Assessment, coupled with knowledge of the service area, shows poverty and lack of insurance as barriers to accessing care. In fiscal year 2012, Phoebe Putney Memorial Hospital provided $26 million in charity and indigent care costs. Patients and families are assisted by a Phoebe Cares Representative in applying for aid, and may pre-apply for a Phoebe Cares Card in the primary service areas for non-elective services if eligible. Active patients using this vehicle for access has increased from 3725 in Fiscal Year 2011 to 6258 in Fiscal Year 2013. Patients are also assisted by a Cares Representative in identifying all sources of possible aid. Patients in the secondary area may be eligible if the services are unavailable in their home or nearby county. The hospital's policy and guidelines help patients who lack the financial resources to pay for all or part of their bill. All financial assistance policies are available to the public in plain-language summaries, and the availability of aid is posted in all patient registration areas. The criteria follow:

- Indigent
  Patient whose income is at or below 125% of the Federal Poverty Levels (FPL) as established by the United States Department of Health and Human Services for 1990 and subsequent years. (Ref. FPL chart)

- Charity
  Patients whose income level is between 126% - 200% of the FPL as established by the United States Department of Health and Human Services for 1990 and subsequent years. (Ref. FPL chart)

- Catastrophic
  Patients whose income exceeds 200% of the Federal Poverty Levels and whose hospital charges exceed 25% of their annual income resulting in excessive hardship. (Ref. Catastrophic Guidelines)

Charity Care

	FY 2011	FY 2012	FY 2013 to date
Phoebe Cares	$28,973,015.97	$33,980,469.96	$24,890,368.30
Other	$37,638,194.27	$26,191,233.12	$14,996,599.32

Other includes: catastrophic, secondary service area, outside primary and secondary services areas, and presumptive charity software

Phoebe Cares Cards

	2011	2012	2013 to date
Active Patients	3,725	4,821	6,258