

# ADDRESSING HOSPITAL CLOSURES IN GEORGIA



## THE ISSUE

Recent hospital closures in Georgia have had devastating effects on patients, employees, surrounding communities, and neighboring health systems. With 12 hospitals closing their doors since 2013, Georgians are facing significant gaps in access to care, particularly in rural parts of the state.

# 82.9%

of Georgians believe that the closure of a hospital should be subject to a six-month review by the Georgia Attorney General and the Department of Community Health.

Source: University of Georgia Poll Commissioned by Georgia Watch in April 2023

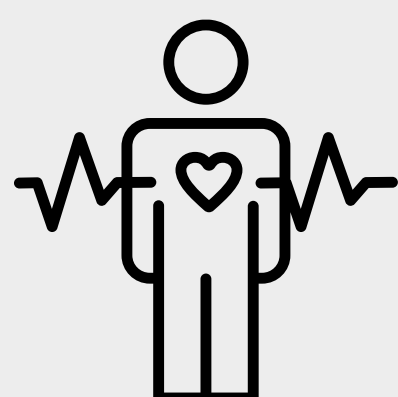
## THE OPPORTUNITY

To protect patients and providers, as well as neighboring hospitals, the legislature should:

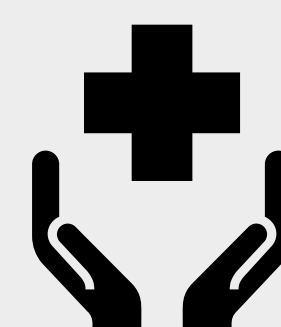
- Increase notice of closure, elimination of a service line, or conversion to a free standing ED from 30 days to 180 days.
- Ensure hospitals provide financial analysis to the Dept. of Community Health and the Attorney General before closure is an option.
  - This financial analysis will:
    - Include an overview of the hospital's patient population
    - Be made publicly available on the Office of Health Strategy and Coordination Website (OHSC)



**Ranked #6**  
in rural hospital  
closures in the  
country since 2005



**100,000**  
patients affected  
by hospital  
closure in Atlanta



**26.3%**  
of adults do not  
have a primary  
health care provider

# INCREASING HOSPITAL FINANCIAL ASSISTANCE PROGRAMS



## THE ISSUE

For too many Georgians, accessing healthcare services is accompanied by unaffordable medical bills and burdensome medical debt. In fact, **1 in 5** Georgians have a medical bill in collections. While many hospitals have financial assistance programs, they offer limited funding and may not ensure patients are made aware of the programs.

# 79.2%

of Georgians believe that hospitals should be required to increase their financial assistance spending to help low and middle-income patients avoid medical debt.

Source: University of Georgia Poll Commissioned by Georgia Watch in April 2023

## THE OPPORTUNITY

In order to increase the financial assistance offered to low to middle-income Georgians, we propose the following:

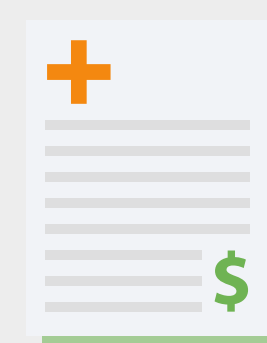
- Require that a hospital with a certificate of need (CON) provide indigent or charity care that is at least 5% of its adjusted gross revenue
  - Monetary penalties for failing to meet this percentage will go into the Indigent Care Trust Fund (ICTF)
- Add a definition for “uncompensated indigent or charity care” to the statutes regulating hospitals and related institutions which reads:
  - "The dollar amount of ‘net uncompensated indigent or charity care after direct and indirect (all) compensation’ as defined by, and calculated in accordance with, the department’s Hospital Financial Survey and related instructions."



**13.7%**  
of Georgians are uninsured  
(3rd in the U.S.)



**25%**  
of Georgians in rural areas could be uninsured by 2026



**\$120 million**  
in medical debt affecting over 100,000 Georgians

# INCREASED HOSPITAL ACCOUNTABILITY IN GEORGIA



## THE ISSUE

Hospitals and hospital authorities in Georgia are required to provide limited public insight into the underlying financial health of their health system. Lack of transparency contributes to the problem of closures with limited notice.

# 12

Hospitals have closed in Georgia since 2013, often with little advanced notice.

## THE OPPORTUNITY

To increase transparency of information available to Georgians from hospitals and hospital authorities we propose implementation of the following accountability measures :

### Increased Hospital and Hospital Authority Accountability

- Withholding grants or funds from a hospital authority that fails to comply with certain reporting requirements
- Applying the community benefit reporting requirement to any corporation that operates, leases or otherwise contracts with a hospital authority
- Require a hospital authority to file annual reports, budgets, audits, and community benefit reports with the Office of Health Strategy and Coordination (OHSC)

### Improved Hospital Authority Governance

- Each hospital CEO or CFO must report to the Hospital Authority board at least quarterly on the financial health of the hospital
- No current employee of a hospital operated by a hospital authority or of a nonprofit organization that leases assets from a hospital authority may serve as a member of the hospital authority board
- Each hospital authority board contain at least one lower-income community resident with a household income at or below 200% of the federal poverty level