



2015 Annual Report

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Floyd Medical Center
Floyd Polk Medical Center
Georgia Regents University
Gwinnett Health System
Gwinnett Medical Center- Duluth
Hillandale Hospital
Lanier Park Hospital
Midtown Medical Center
Mitchell County Hospital
Navicent Health
Northeast Georgia Medical Center
Northside Hospital
Northside Hospital - Cherokee
Northside Hospital - Forsyth
Phoebe Putney Memorial Hospital
Phoebe Sumter Medical Center
Phoebe Worth Medical Center
South Georgia Medical Center
South Georgia Medical -
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South Georgia Medical Center -
Lanier Campus
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St. Mary's Good Samaritan
St. Mary's Healthcare System
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University Hospital - McDuffie
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Warm Springs Medical Center
Washington County Regional
Wayne Memorial Hospital
WellStar Health System
WellStar Douglas Hospital
WellStar Cobb Hospital
WellStar Kennestone Regional
WellStar Paulding Hospital
WellStar Windy Hill Hospital
West Georgia Health System

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LETTER FROM OUR PRESIDENT

As we speculated last year, 2015 has been the year of Certificate of Need. We had a glimmer of hope that it wouldn't be a significant battle in the short-term when the Legislature showed little interest this past session.

However, multispecialty surgery centers continue wanting to enter the market, only to provide the services that are profitable. In addition, Cancer Treatment Centers of America attempted to circumvent the entire legislative and legal process with an overturned rule by the Department of Community Health that would have allowed removal of the in-state patient percentage and the bed cap of 50.

The Affordable Care Act and Medicaid expansion have helped keep hospitals open, but not in Georgia. Our state has seen four hospitals close their doors, and many more are on the brink. This year alone, two hospitals have stopped their OB programs and more than 80 counties in Georgia lack access to OB providers altogether.

Awareness and advocating for these issues together speaks volumes to the legislature. We know better than anyone what is needed for us to continue to provide the best care when families are experiencing the best and worst in life. We are the heart beat and the backbone of our communities and determined as ever to continue serving our patients.

Sincerely,

Monty M. Veazey
President
Georgia Alliance of Community Hospitals





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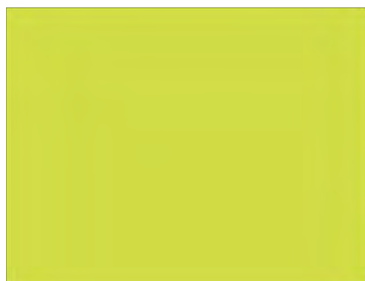


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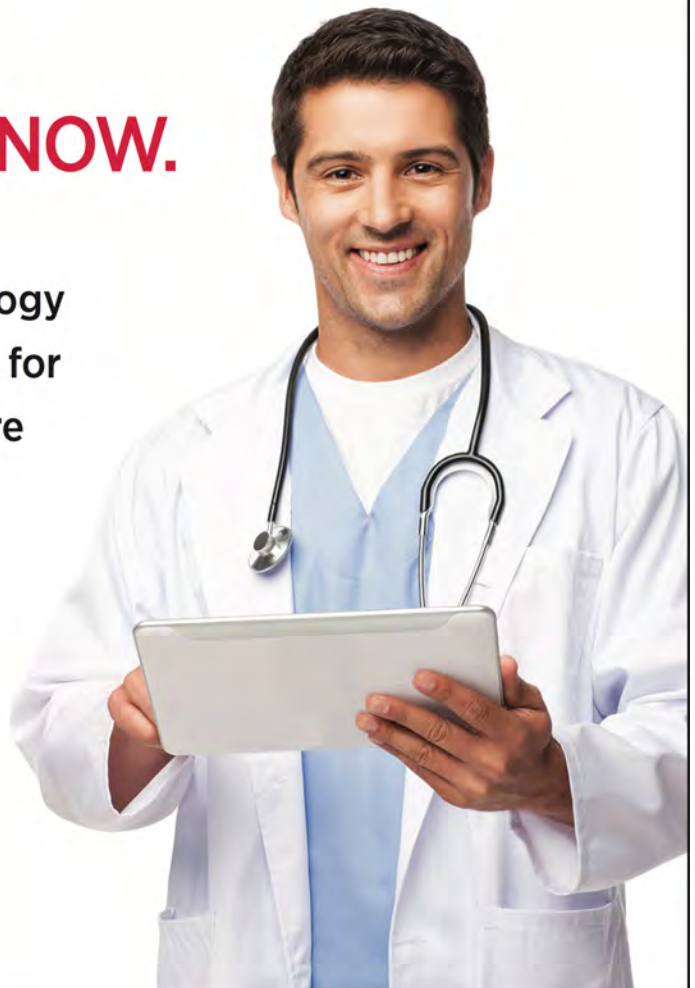


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Large Hospital of the Year

St. Mary's Medical Center-Athens

St. Mary's Medical Center- Athens was recognized for its commitment to supporting major quality of life initiatives, as well as direct patient care through improving access to indigent populations, and for expanding critical services to the hospital's services area.

To address the state's physician shortage, St. Mary's partnered with the Georgia Regents University/University of Georgia Medical Partnership to make medical history by launching Northeast Georgia's first Internal Medicine Residency Program, filling all 10 residency positions. The hospital plans to add 20 new residencies, bringing the total number of residencies to 30 within the next two years.

In 2013, St. Mary's provided \$17.7 million in community benefits, including direct care - charity care and the unpaid cost of Medicaid - and free mammograms to uninsured women, community health education and screenings at senior centers, community events and employer health fairs, promoting good health with heart-healthy luncheons and road races. In addition, they provided programs on bicycle safety, exercise, nutrition and helmet use to approximately 2,700 students across 10 elementary schools.

St. Mary's also runs the only hospice in the area that delivers perinatal and pediatric hospice care, providing services to all who need it, regardless of their ability to pay — and it continued to expand its stroke capabilities, earning the Hospital Star Award from the Georgia Coverdell Acute Stroke Registry (GCASR) for leadership in improving stroke care in St. Mary's service area and across the state.

The Georgia Alliance of Community Hospitals is proud to recognize St. Mary's Medical Center for its contributions to the Athens community.



Small Hospital of the Year

Wayne Memorial Hospital

Wayne Memorial Hospital was recognized for its support of a number of unique health and wellness initiatives both inside and outside the organization. Wayne recently instituted a biweekly farmers' market, providing an abundance of fresh, local produce to the town and promoting the adoption of a healthy diet. The great success of this program, in turn, has encouraged others to follow their model. They also opened a well-lit, paved, 24/7-access walking/running path to employees and the public, and regularly promotes public health and safety with free blood-pressure checks and various health screenings.

When a devastating fire burned a block of its downtown community, the CEO spearheaded a community wide campaign that raised over \$10,000 to help restore downtown businesses affected by the fire. In addition, the hospital rewards young students in the community for maintaining high levels of school attendance with financial incentives. Wayne also supports scholarships given to graduating seniors with proved commitment to community volunteer service.

The Georgia Alliance of Community Hospitals is proud to honor Wayne Memorial Hospital for their deep commitment to improving the health of their community.



CEO OF THE YEAR



The Alliance honored Joe Ierardi, CEO of Wayne Memorial Hospital for expanding access in a rural community: securing an affiliation with another hospital to benefit the patients, the community and the hospital.

Joe worked to get specialists to open practices, creating access to a cardiologist, ophthalmologist, ENT surgeon and a neurosurgeon without having to drive hours to another city for this care.

He and his team worked to get an Air-Evac helicopter base moved to their campus, reducing the amount of time people in trauma are in transit during the critical “golden hour.”

The Alliance is proud to recognize Joe as the 2015 CEO of the Year for his dedication and excellence.

LEGISLATOR OF THE YEAR

Representative Rick Jasperse was recognized for his stance on important issues to the Alliance and his continuous history of looking beyond words and empty promises and being a champion and doer.

Representative Jasperse has served in the legislature since 2010, serving most recently as a vice chairman of the House Health and Human Services committee.

When the House through Resolution 805 created a special study committee that would review the bed cap and state patient limitations at Cancer Treatment Centers of America, he worked to replace the seat initially dedicated to be filled by a representative of CTCA, with an unbiased voice to the committee. Keeping integrity in the process.

The Alliance was proud to honor Representative Rick Jasperse as the 2015 Legislator of the Year.



2015 Annual Conference Highlights



Mergers and Acquisitions, Bank of America

A panel of hospital CEOs and financial advisors discussed the environment that is leading to hospital consolidation. Mergers, it was stated, used to be financially driven, but now, hospitals and hospital systems are looking at these opportunities through the lens of strengthening competitive advantage. They are driven by adding expertise, expanding into new geographies and offering strategic moves in the marketplace. The panel noted one of the biggest challenges hospitals face when going through consolidation is inexperience: most hospital CEOs and boards will go through a merger or acquisition once in their career. It is rare that the groups involved on either side of the table have experience to draw upon throughout the process. It was advised that leadership at hospitals – both staff and board members – approach engaging stakeholders as if this were part of a political campaign, focusing on bringing people along and explaining the what and the why throughout the development, execution and implementation of the consolidation.

Physician Compensation, Sullivan & Cotter

Sullivan & Cotter has been researching physician compensation since 1992, providing a unique lens into how models have changed over time. Historically, the majority of compensation models have been closely aligned with production: the more services provided, the more the physician is paid. Compensation based on the quality of care rather than quantity of services, however, is starting to emerge. These models are evolving and the trends in payment structures are in a period of transition. The metrics and formulas to determine how to quantify and compensate based on quality have not solidified. Several key questions are crucial in developing performance-based compensation models: What constitutes quality care? And, how much is patient satisfaction worth? These are questions that have to be answered – with all parties having input in determining what will be measured and how – before quality based compensation models have wide adoption and success.



2015 Annual Conference Highlights

The State of Rural Hospital in America: Current Challenges, Future Opportunities, Dr. Mark Holmes, Director, NC Rural Health Research Program, University of North Carolina at Chapel Hill

Dr. Holmes provided a look at hospital closures across the country as the rates have been increasing nationally year over year. Georgia has been impacted more than any other state, except Texas, by the number of hospitals that have closed their doors in the past few years. In examining the conditions that led to the closures studied, Dr. Holmes shared that they fall into three categories: market factors, such as declining populations; hospital factors, such as lower daily census and lack of physicians; and financial factors, such as bad debt and declining revenue. Based on the identified causes of closures, the North Carolina Rural Health Research and Policy Analysis Center developed a financial distress model for critical access hospitals. With this model, financial performance; government reimbursement; hospital characteristics; and market characteristics are evaluated to identify critical access hospitals that show the most risk of potential closure. Under this model, Georgia data from 2002 reveal 7.8% of hospitals fell into a high risk category. By 2013, this number had increased to 19.7%. One of the most significant trends as hospitals in critical access markets are struggling to survive is the closure of services, primarily of emergency and obstetrical care.



The Cook Political Report, Charlie Cook

As editor and publisher of *The Cook Political Report*, Charlie Cook is one of the nation's most respected experts on American politics and elections. He provided his perspective of the tenor of Americans as the 2016 presidential election takes center stage. He asserted a change in voters - Democrats becoming more liberal and Republicans becoming more conservative – perpetuates as bifurcated media habits feed a polarizing view of politics. He noted two key forces at play in national politics: the desire for change (which favors Republican candidates) and changing demographics (which tends to favor Democratic candidates).







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