

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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2020****Open to Public  
Inspection****A** For the 2020 calendar year, or tax year beginning

07/01, 2020, and ending

06/30, 2021

**B** Check if applicable:

|                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | Address change      |
| <input type="checkbox"/> | Name change         |
| <input type="checkbox"/> | Initial return      |
| <input type="checkbox"/> | Terminated          |
| <input type="checkbox"/> | Amended return      |
| <input type="checkbox"/> | Application pending |

**C** Name of organization

PIEDMONT ROCKDALE HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

1412 MILSTEAD AVENUE

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

CONYERS, GA 30012

**F** Name and address of principal officer:

MR. BLAKE WATTS

1412 MILSTEAD AVENUE, CONYERS, GA 30012

**D** Employer identification number

30-0999841

**E** Telephone number

(770) 918-3000

**G** Gross receipts \$ 214,837,145.**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.PIEDMONT.ORG/LOCATIONS/PIEDMONT-ROCKDALE/**H(c)** Group exemption number ▶**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 2017**M** State of legal domicile: GA**Part I Summary**

|                                    |  |   |                                  |              |                     |              |
|------------------------------------|--|---|----------------------------------|--------------|---------------------|--------------|
| <b>Activities &amp; Governance</b> | <b>1</b>   | Briefly describe the organization's mission or most significant activities: TO PROVIDE COMPASSIONATE AND SUSTAINABLE HEALTHCARE IN A PROGRESSIVE ENVIRONMENT. |                                  |              |                     |              |
|                                    | <b>2</b>   | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.                       |                                  |              |                     |              |
|                                    | <b>3</b>   | Number of voting members of the governing body (Part VI, line 1a)   | <b>3</b>                         | 12.          |                     |              |
|                                    | <b>4</b>   | Number of independent voting members of the governing body (Part VI, line 1b)   | <b>4</b>                         | 6.           |                     |              |
|                                    | <b>5</b>   | Total number of individuals employed in calendar year 2020 (Part V, line 2a)  | <b>5</b>                         | 1,290.       |                     |              |
|                                    | <b>6</b>   | Total number of volunteers (estimate if necessary)  | <b>6</b>                         | 150.         |                     |              |
|                                    | <b>7a</b>  | Total unrelated business revenue from Part VIII, column (C), line 12  | <b>7a</b>                        | 0.           |                     |              |
| <b>b</b>                           | Net unrelated business taxable income from Form 990-T, line 34 | <b>7b</b>   | 0.                               |              |                     |              |
| <b>Revenue</b>                     | <b>8</b>   | Contributions and grants (Part VIII, line 1h)   | <b>Prior Year</b>                | 13,539,467.  | <b>Current Year</b> | 5,362,393.   |
|                                    | <b>9</b>   | Program service revenue (Part VIII, line 2g)  | 159,909,272.                     | 208,484,510. |                     |              |
|                                    | <b>10</b>  | Investment income (Part VIII, column (A), lines 3, 4, and 7d)   | 36,432.                          | 137,894.     |                     |              |
|                                    | <b>11</b>  | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  | 811,261.                         | 852,348.     |                     |              |
|                                    | <b>12</b>  | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)  | 174,296,432.                     | 214,837,145. |                     |              |
|                                    | <b>13</b>  | Grants and similar amounts paid (Part IX, column (A), lines 1-3)  | 0.                               | 0.           |                     |              |
| <b>Expenses</b>                    | <b>14</b>  | Benefits paid to or for members (Part IX, column (A), line 4)   | 0.                               | 0.           |                     |              |
|                                    | <b>15</b>  | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)   | 77,953,663.                      | 94,421,018.  |                     |              |
|                                    | <b>16a</b>   | Professional fundraising fees (Part IX, column (A), line 11e)   | 0.                               | 0.           |                     |              |
|                                    | <b>b</b>   | Total fundraising expenses (Part IX, column (D), line 25) ▶   | 0.                               |              |                     |              |
|                                    | <b>17</b>  | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)  | 94,218,715.                      | 108,326,791. |                     |              |
|                                    | <b>18</b>  | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)   | 172,172,378.                     | 202,747,809. |                     |              |
| <b>Net Assets or Fund Balances</b> | <b>19</b>  | Revenue less expenses. Subtract line 18 from line 12  | 2,124,054.                       | 12,089,336.  |                     |              |
|                                    | <b>20</b>  | Total assets (Part X, line 16)  | <b>Beginning of Current Year</b> | 101,587,949. | <b>End of Year</b>  | 106,012,518. |
|                                    | <b>21</b>  | Total liabilities (Part X, line 26)   | 100,876,496.                     | 94,868,799.  |                     |              |
|                                    | <b>22</b>  | Net assets or fund balances. Subtract line 21 from line 20.   | 711,453.                         | 11,143,719.  |                     |              |

**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.

|                               |  |                         |            |   |           |
|-------------------------------|--|-------------------------|------------|---|-----------|
| <b>Sign Here</b>              | Signature of officer   | 05/10/2022              |            |   |           |
|                               | MARIE GAFFNEY  | Date                    |            |   |           |
|                               | Type or print name and title                                   | VP CORPORATE FINANCE    |            |   |           |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name                                     | Preparer's signature    | Date       | Check <input type="checkbox"/> if self-employed | PTIN      |
|                               | WHITNEY B HEBRON   |                         | 05/10/2022 |   | P01226647 |
|                               | Firm's name ▶ KPMG LLP   | Firm's EIN ▶ 13-5565207 |            |   |           |
|                               | Firm's address ▶ 303 PEACHTREE ST., STE 2000 ATLANTA, GA 30308 | Phone no. 404-222-3000  |            |   |           |

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2020)

## Cumulative e-File History 2020

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Federal

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**Tax Return**

7850SE

**Return Type**

990

**Taxpayer**

Piedmont Rockdale Hospital

**Account**

1985

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**Submitted Date** 2022-05-11 13:14:17

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**Acknowledgement Date** 2022-05-11 13:31:21

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**Status** Accepted

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**Submission ID** 56038220221315000010

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**Application for Automatic Extension of Time To File an  
Exempt Organization Return**

► **File a separate application for each return.**  
 ► **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

OMB No. 1545-0047

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

|  |  |                                      |
|--|--|--------------------------------------|
| <b>Type or print</b><br><br>File by the due date for filing your return. See instructions. | Name of exempt organization or other filer, see instructions.                            | Taxpayer identification number (TIN) |
|  | PIEDMONT ROCKDALE HOSPITAL   | 30-0999841                           |
|  | Number, street, and room or suite no. If a P.O. box, see instructions.                   |                                      |
|  | 1412 MILSTEAD AVENUE   |                                      |
|  | City, town or post office, state, and ZIP code. For a foreign address, see instructions. |                                      |
|  | CONYERS, GA 30012  |                                      |

Enter the Return Code for the return that this application is for (file a separate application for each return) . . . . . **01**

| Application Is For                       | Return Code | Application Is For                | Return Code |
|--|-------------|-----------------------------------|-------------|
| Form 990 or Form 990-EZ                  | 01          | Form 990-T (corporation)          | 07          |
| Form 990-BL                              | 02          | Form 1041-A                       | 08          |
| Form 4720 (individual)                   | 03          | Form 4720 (other than individual) | 09          |
| Form 990-PF                              | 04          | Form 5227                         | 10          |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05          | Form 6069                         | 11          |
| Form 990-T (trust other than above)      | 06          | Form 8870                         | 12          |

MARIE GAFFNEY

- The books are in the care of ► 2727 PACES FERRY RD, BLDG 2, STE 700 ATLANTA GA 30339

Telephone No. ► 470 271-6007

Fax No. ►

- If the organization does not have an office or place of business in the United States, check this box . . . . . ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . . . . . . If this is for the whole group, check this box . . . . . ► ☐ . If it is for part of the group, check this box . . . . . ► ☐ and attach a list with the names and TINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until 05/16, 2022, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☐ calendar year 20\_\_\_\_ or  
 ► ☒ tax year beginning 07/01, 2020, and ending 06/30, 2021.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

|   |           |    |    |
|---|-----------|----|----|
| <b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.                                   | <b>3a</b> | \$ | 0. |
| <b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | <b>3b</b> | \$ | 0. |
| <b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.              | <b>3c</b> | \$ | 0. |

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2020)

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

TO PROVIDE HEALTHCARE MARKED BY COMPASSION AND SUSTAINABLE EXCELLENCE  
 IN A PROGRESSIVE ENVIRONMENT, GUIDED BY PHYSICIANS, DELIVERED BY  
 EXCEPTIONAL PROFESSIONALS, AND INSPIRED BY THE 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 \$ 172,576,906. including grants of \$ 0. ) (Revenue \$ 208,492,415. )

PIEDMONT ROCKDALE HOSPITAL ("PRH") IS A 138-BED, NON-PROFIT  
 HOSPITAL LOCATED IN THE CITY OF CONYERS IN ROCKDALE COUNTY,  
 GEORGIA. OVER 250 PRIMARY CARE AND SPECIALTY PHYSICIANS COMPRISE  
 THE MEDICAL STAFF AND MEET THE PROFESSIONAL CLINICAL NEEDS OF  
 CHILDREN, ADULTS, AND SENIORS WITHIN ROCKDALE COUNTY AND THE  
 GREATER METROPOLITAN ATLANTA MARKET, REGARDLESS OF ANY  
 INDIVIDUAL'S ABILITY TO PAY FOR SERVICES. FOR THE YEAR ENDED JUNE  
 30, 2021, THE HOSPITAL HAD 9,047 IN-PATIENT ADMISSIONS WITH A  
 TOTAL OF 46,196 DAYS OF IN-PATIENT HOSPITALIZATION. ER VISITS  
 TOTALED 41,505 AND OUTPATIENT VISITS TOTALED 51,766. SURGICAL  
 SERVICES WERE PROVIDED TO 5,150 PATIENTS.

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4d** Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses ► 172,576,906.

**Part IV Checklist of Required Schedules**

|   | Yes          | No |
|---|--------------|----|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A. . . . .   | <b>1</b> X   |    |
| <b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors See instructions? . . . . .  | <b>2</b> X   |    |
| <b>3</b> 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. . . . .  | <b>3</b>     | X  |
| <b>4 Section 501(c)(3) organizations.</b> 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. . . . .  | <b>4</b>     | X  |
| <b>5</b> 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. . . . .   | <b>5</b>     |    |
| <b>6</b> 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. . . . .  | <b>6</b>     | X  |
| <b>7</b> 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. . . . .  | <b>7</b>     | X  |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III. . . . .   | <b>8</b>     | X  |
| <b>9</b> 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. . . . .            | <b>9</b>     | X  |
| <b>10</b> Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? If "Yes," complete Schedule D, Part V. . . . .   | <b>10</b>    | X  |
| <b>11</b> 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.   |              |    |
| <b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. . . . .   | <b>11a</b> X |    |
| <b>b</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. . . . .  | <b>11b</b>   | X  |
| <b>c</b> 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. . . . .  | <b>11c</b>   | X  |
| <b>d</b> 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. . . . .   | <b>11d</b> X |    |
| <b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. . . . .   | <b>11e</b> X |    |
| <b>f</b> 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. . . . .  | <b>11f</b> X |    |
| <b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII. . . . .  | <b>12a</b>   | X  |
| <b>b</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. . . . .   | <b>12b</b> X |    |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E. . . . .  | <b>13</b>    | X  |
| <b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .  | <b>14a</b>   | X  |
| <b>b</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. . . . . | <b>14b</b>   | X  |
| <b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV. . . . .   | <b>15</b>    | X  |
| <b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV. . . . .   | <b>16</b>    | X  |
| <b>17</b> 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. . . . .  | <b>17</b>    | X  |
| <b>18</b> 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. . . . .   | <b>18</b>    | X  |
| <b>19</b> 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. . . . .   | <b>19</b>    | X  |
| <b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H. . . . .   | <b>20a</b> X |    |
| <b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .   | <b>20b</b> X |    |
| <b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II. . . . .  | <b>21</b>    | X  |

**Part IV Checklist of Required Schedules** (continued)

|   | Yes | No |
|---|-----|----|
| <b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>  |     | X  |
| <b>23</b> 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? <i>If "Yes," complete Schedule J. . . . .</i>  | X   |    |
| <b>24a</b> 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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a . . . . .</i>  | X   |    |
| <b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .  |     | X  |
| <b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .   |     | X  |
| <b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .  |     | X  |
| <b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>   |     | X  |
| <b>25b</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? <i>If "Yes," complete Schedule L, Part I . . . . .</i>   |     | X  |
| <b>26</b> Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II. . . . .</i>  |     | X  |
| <b>27</b> Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III . . . . .</i> |     | X  |
| <b>28</b> 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):  |     |    |
| <b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>  |     | X  |
| <b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>   |     | X  |
| <b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>   |     | X  |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>   |     | X  |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>   |     | X  |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . . . .</i>   |     | X  |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II. . . . .</i>  |     | X  |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>   |     | X  |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1. . . . .</i>  | X   |    |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .  |     | X  |
| <b>35b</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)? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>   |     |    |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2. . . . .</i>   |     | X  |
| <b>37</b> 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? <i>If "Yes," complete Schedule R, Part VI . . . . .</i>  |     | X  |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O.  | X   |    |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

X

|  | Yes | No |
|--|-----|----|
| <b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . .   |     |    |
| <b>1b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .  |     |    |
| <b>1c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . . |     |    |

**Part V** Statements Regarding Other IRS Filings and Tax Compliance (continued)

|  | Yes         | No |
|--|-------------|----|
| <b>2a</b> 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. <b>2a</b> 1,290   |             |    |
| <b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) . . . . .    | <b>2b</b> X |    |
| <b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .  | <b>3a</b>   | X  |
| <b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O . . . . .   | <b>3b</b>   |    |
| <b>4a</b> 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)? . . | <b>4a</b>   | X  |
| <b>b</b> If "Yes," enter the name of the foreign country ►<br>See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).  |             |    |
| <b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .  | <b>5a</b>   | X  |
| <b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?  | <b>5b</b>   | X  |
| <b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . .   | <b>5c</b>   |    |
| <b>6a</b> 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? . . . . .                              | <b>6a</b>   | X  |
| <b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .   | <b>6b</b>   |    |
| <b>7 Organizations that may receive deductible contributions under section 170(c).</b>   |             |    |
| <b>a</b> 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? . . . . .   | <b>7a</b>   | X  |
| <b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .   | <b>7b</b>   |    |
| <b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .  | <b>7c</b>   | X  |
| <b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year <b>7d</b>   |             |    |
| <b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?   | <b>7e</b>   | X  |
| <b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . .  | <b>7f</b>   | X  |
| <b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?  | <b>7g</b>   |    |
| <b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? .  | <b>7h</b>   |    |
| <b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . . . .   | <b>8</b>    |    |
| <b>9 Sponsoring organizations maintaining donor advised funds.</b>   |             |    |
| <b>a</b> Did the sponsoring organization make any taxable distributions under section 4966? . . . . .  | <b>9a</b>   |    |
| <b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . . . .   | <b>9b</b>   |    |
| <b>10 Section 501(c)(7) organizations.</b> Enter:  |             |    |
| <b>a</b> Initiation fees and capital contributions included on Part VIII, line 12 . . . . . <b>10a</b>   |             |    |
| <b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . <b>10b</b>  |             |    |
| <b>11 Section 501(c)(12) organizations.</b> Enter:   |             |    |
| <b>a</b> Gross income from members or shareholders . . . . . <b>11a</b>  |             |    |
| <b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . <b>11b</b>   |             |    |
| <b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | <b>12a</b>  |    |
| <b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . <b>12b</b>  |             |    |
| <b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>   |             |    |
| <b>a</b> Is the organization licensed to issue qualified health plans in more than one state? . . . . .<br><b>Note:</b> See the instructions for additional information the organization must report on Schedule O.                                      | <b>13a</b>  |    |
| <b>b</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 . . . . . <b>13b</b>  |             |    |
| <b>c</b> Enter the amount of reserves on hand . . . . . <b>13c</b>   |             |    |
| <b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year? . . . . .  | <b>14a</b>  | X  |
| <b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O . . . . .   | <b>14b</b>  |    |
| <b>15</b> Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? . . . . .<br>If "Yes," see instructions and file Form 4720, Schedule N.             | <b>15</b>   | X  |
| <b>16</b> Is the organization an educational institution subject to the section 4968 excise tax on net investment income?<br>If "Yes," complete Form 4720, Schedule O.   | <b>16</b>   | X  |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI ☒ **X****Section A. Governing Body and Management**

|  | 1a | 12 | 1b | 6 | Yes | No |
|--|----|----|----|---|-----|----|
| <b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . .  |    | 12 |    |   |     |    |
| 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 on Schedule O.                  |    |    |    |   |     |    |
| <b>b</b> Enter the number of voting members included on line 1a, above, who are independent. . . . .   |    |    | 1b | 6 |     |    |
| <b>2</b> 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   | X  |
| <b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? . . . . |    |    |    |   | 3   | X  |
| <b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .  |    |    |    |   | 4   | X  |
| <b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . .  |    |    |    |   | 5   | X  |
| <b>6</b> Did the organization have members or stockholders? . . . . .  |    |    |    |   | 6   | X  |
| <b>7a</b> 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  | X  |
| <b>b</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  | X  |
| <b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:   |    |    |    |   |     |    |
| <b>a</b> The governing body? . . . . .   |    |    |    |   | 8a  | X  |
| <b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .   |    |    |    |   | 8b  | X  |
| <b>9</b> 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 on Schedule O. . . . .     |    |    |    |   | 9   | X  |

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

|   | Yes | No |
|---|-----|----|
| <b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . .   | 10a | X  |
| <b>b</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 |    |
| <b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . .  | 11a | X  |
| <b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.  |     |    |
| <b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .  | 12a | X  |
| <b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .  | 12b | X  |
| <b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .   | 12c | X  |
| <b>13</b> Did the organization have a written whistleblower policy? . . . . .   | 13  | X  |
| <b>14</b> Did the organization have a written document retention and destruction policy? . . . . .  | 14  | X  |
| <b>15</b> 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?  |     |    |
| <b>a</b> The organization's CEO, Executive Director, or top management official . . . . .   | 15a | X  |
| <b>b</b> Other officers or key employees of the organization . . . . .  | 15b | X  |
| If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).   |     |    |
| <b>16a</b> 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 | X  |
| <b>b</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 |    |

**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 Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 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 on Schedule O)
- 19** Describe on 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, address, and telephone number of the person who possesses the organization's books and records ►

MARIE GAFFNEY 2727 PACES FERRY RD, BLDG 2, STE 700 ATLANTA, GA 30339 470-271-6007

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII ☒ X**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, and 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.

See instructions for the order in which to list the persons above.

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

| (A)<br>Name and title                                      | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position<br>(do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>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) MR. MICHAEL MCANDER<br>TREASURER (END 7/20)            | 1.00<br>54.00  |  |                       | X       |              |                              |        | 0.   | 1,284,929.  | 72,127.   |
| (2) DR. LEIGH HAMBY<br>BOARD MEMBER                        | 1.00<br>54.00  | X  |                       |         |              |                              |        | 0.   | 1,177,022.  | 132,747.  |
| (3) MR. J. MICHAEL BURNETT<br>BOARD MEMBER                 | 1.00<br>54.00  | X  |                       |         |              |                              |        | 0.   | 1,022,934.  | 119,889.  |
| (4) MS. ELIZABETH LEDDY<br>SECRETARY                       | 1.00<br>54.00  |  |                       | X       |              |                              |        | 0.   | 843,802.  | 126,625.  |
| (5) MR. THOMAS ARNOLD<br>TREASURER (EFF 7/20)              | 1.00<br>54.00  |  |                       | X       |              |                              |        | 0.   | 827,550.  | 92,917.   |
| (6) MR. RICHARD TANZELLA<br>CEO (END 12/20) & BOARD MEMBER | 55.00<br>0.  | X  |                       | X       |              |                              |        | 630,947.   | 0.  | 96,127.   |
| (7) DR. GEOFFREY COLE<br>CMO                               | 55.00<br>0.  |  |                       |         | X            |                              |        | 505,510.   | 0.  | 27,351.   |
| (8) MR. MARVIN WYNN<br>CFO                                 | 30.00<br>25.00   |  |                       | X       |              |                              |        | 334,226.   | 0.  | 31,291.   |
| (9) MS. LEIGHA FALLIS<br>CNO                               | 40.00<br>0.  |  |                       |         |              | X                            |        | 245,411.   | 0.  | 21,494.   |
| (10) MR. BLAKE WATTS<br>CEO (EFF 6/21) & BOARD MEMBER      | 55.00<br>0.  | X  |                       | X       |              |                              |        | 225,154.   | 0.  | 30,839.   |
| (11) MS. MELANIE MCGRIF<br>EXEC. DIR - PATIENT SVCS        | 40.00<br>0.  |  |                       |         |              | X                            |        | 194,686.   | 0.  | 25,491.   |
| (12) MS. AMANDA MILLER<br>DIRECTOR - PHARMACY              | 40.00<br>0.  |  |                       |         |              | X                            |        | 186,515.   | 0.  | 17,996.   |
| (13) MR. JIGNESHKUMAR SHAH<br>MANAGER - PHARMACY           | 40.00<br>0.  |  |                       |         |              | X                            |        | 162,249.   | 0.  | 27,017.   |
| (14) MS. DENISE HUET<br>PHARMACIST                         | 40.00<br>0.  |  |                       |         |              | X                            |        | 155,095.   | 0.  | 14,103.   |

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

| (A)<br>Name and title  | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position<br>(do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |  | Individual trustee or director   | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| ( 15 ) DR. NEIL EDGERTON<br>BOARD MEMBER                                 | 1.00<br>0.   | X  |                       |         |              |                              |        | 20,250.  | 0.  | 0.  |
| ( 16 ) DR. BENETTA DUHART<br>BOARD MEMBER                                | 1.00<br>0.   | X  |                       |         |              |                              |        | 18,270.  | 640.  | 0.  |
| ( 17 ) DR. MICHAEL P. CECIL<br>BOARD MEMBER                              | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 15,750.   | 0.  |
| ( 18 ) MS. ETHEL R. BOYLE<br>BOARD MEMBER                                | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| ( 19 ) MR. VINCE EVANS<br>BOARD MEMBER                                   | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| ( 20 ) DR. FRANK PATTON<br>BOARD MEMBER                                  | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| ( 21 ) MR. AL SADLER, SR.<br>BOARD MEMBER                                | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| ( 22 ) MR. RICK SIMONS<br>BOARD MEMBER                                   | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| ( 23 ) MR. LESLIE WEST<br>BOARD MEMBER                                   | 1.00<br>0.   | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
|  |  |  |                       |         |              |                              |        |  |   |   |
|  |  |  |                       |         |              |                              |        |  |   |   |
| <b>1b Sub-total</b> . . . . .  |  |  |                       |         |              |                              |        | 2,678,313.   | 5,172,627.  | 836,014.  |
| <b>c Total from continuation sheets to Part VII, Section A</b> . . . . . |  |  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| <b>d Total (add lines 1b and 1c)</b> . . . . .                           |  |  |                       |         |              |                              |        | 2,678,313.   | 5,172,627.  | 836,014.  |

**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 **59**

- 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* . . . . .
- 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* . . . . .
- 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* . . . . .

|          | Yes | No |
|----------|-----|----|
| <b>3</b> |     | X  |
| <b>4</b> | X   |    |
| <b>5</b> |     | X  |

**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)<br>Name and business address | (B)<br>Description of services | (C)<br>Compensation |
|----------------------------------|--------------------------------|---------------------|
| ATTACHMENT 1                     |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **13**

**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

|   |  |   |              | (A)<br>Total revenue | (B)<br>Related or exempt<br>function revenue | (C)<br>Unrelated<br>business revenue | (D)<br>Revenue excluded<br>from tax under<br>sections 512-514 |
|---|--|---|--------------|----------------------|--|--------------------------------------|---|
| <b>Contributions, Gifts, Grants<br/>and Other Similar Amounts</b> | <b>1a</b>  | Federated campaigns . . . . .   | <b>1a</b>    |                      |  |                                      |   |
|   | <b>b</b>   | Membership dues . . . . .   | <b>1b</b>    |                      |  |                                      |   |
|   | <b>c</b>   | Fundraising events . . . . .  | <b>1c</b>    |                      |  |                                      |   |
|   | <b>d</b>   | Related organizations . . . . .   | <b>1d</b>    |                      |  |                                      |   |
|   | <b>e</b>   | Government grants (contributions) . .   | <b>1e</b>    | 5,350,000.           |  |                                      |   |
|   | <b>f</b>   | All other contributions, gifts, grants,<br>and similar amounts not included above .   | <b>1f</b>    | 12,393.              |  |                                      |   |
|   | <b>g</b>   | Noncash contributions included in<br>lines 1a-1f. . . . .   | <b>1g</b>    | \$                   |  |                                      |   |
|   | <b>h</b>   | <b>Total.</b> Add lines 1a-1f . . . . . ▶   |              | 5,362,393.           |  |                                      |   |
|   | <b>Program Service<br/>Revenue</b>                                 |   |              |                      | Business Code                                |                                      |   |
| <b>2a</b>   |  | PATIENT SERVICE REVENUE   | 622110       | 207,242,464.         | 207,242,464.                                 |                                      |   |
| <b>b</b>  |  | OTHER OPERATING REVENUE   | 900099       | 1,242,046.           | 1,242,046.                                   |                                      |   |
| <b>c</b>  |  |   |              |                      |  |                                      |   |
| <b>d</b>  |  |   |              |                      |  |                                      |   |
| <b>e</b>  |  |   |              |                      |  |                                      |   |
| <b>f</b>  |  | All other program service revenue . . . . .   |              |                      |  |                                      |   |
| <b>g</b>  |  | <b>Total.</b> Add lines 2a-2f . . . . . ▶   |              | 208,484,510.         |  |                                      |   |
| <b>Other Revenue</b>  | <b>3</b>   | Investment income (including dividends, interest, and<br>other similar amounts). . . . . ▶  |              | 136,894.             |  |                                      | 136,894.  |
|   | <b>4</b>   | Income from investment of tax-exempt bond proceeds . ▶  |              | 0.                   |  |                                      |   |
|   | <b>5</b>   | Royalties . . . . . ▶   |              | 0.                   |  |                                      |   |
|   |  |   | (i) Real     | (ii) Personal        |  |                                      |   |
|   | <b>6a</b>  | Gross rents . . . . .   | <b>6a</b>    | 398,810.             |  |                                      |   |
|   | <b>b</b>   | Less: rental expenses   | <b>6b</b>    |                      |  |                                      |   |
|   | <b>c</b>   | Rental income or (loss)   | <b>6c</b>    | 398,810.             |  |                                      |   |
|   | <b>d</b>   | Net rental income or (loss) . . . . . ▶   |              | 398,810.             |  |                                      | 398,810.  |
|   | <b>7a</b>  | Gross amount from<br>sales of assets<br>other than inventory  |              | (i) Securities       | (ii) Other                                   |                                      |   |
|   | <b>b</b>   | Less: cost or other basis<br>and sales expenses . .   | <b>7b</b>    |                      | 1,000.                                       |                                      |   |
|   | <b>c</b>   | Gain or (loss) . . . . .  | <b>7c</b>    |                      | 1,000.                                       |                                      |   |
|   | <b>d</b>   | Net gain or (loss) . . . . . ▶  |              | 1,000.               |  |                                      | 1,000.  |
|   | <b>8a</b>  | Gross income from fundraising<br>events (not including \$<br>of contributions reported on line<br>1c). See Part IV, line 18 . . . . . | <b>8a</b>    | 0.                   |  |                                      |   |
|   | <b>b</b>   | Less: direct expenses . . . . .   | <b>8b</b>    | 0.                   |  |                                      |   |
|   | <b>c</b>   | Net income or (loss) from fundraising events. . . . . ▶   |              | 0.                   |  |                                      |   |
|   | <b>9a</b>  | Gross income from gaming<br>activities. See Part IV, line 19 . . . . .  | <b>9a</b>    | 0.                   |  |                                      |   |
|   | <b>b</b>   | Less: direct expenses . . . . .   | <b>9b</b>    | 0.                   |  |                                      |   |
| <b>c</b>  | Net income or (loss) from gaming activities. . . . . ▶             |   | 0.           |                      |  |                                      |   |
| <b>10a</b>  | Gross sales of inventory, less<br>returns and allowances . . . . . | <b>10a</b>  | 0.           |                      |  |                                      |   |
| <b>b</b>  | Less: cost of goods sold . . . . .                                 | <b>10b</b>  | 0.           |                      |  |                                      |   |
| <b>c</b>  | Net income or (loss) from sales of inventory. . . . . ▶            |   | 0.           |                      |  |                                      |   |
| <b>Miscellaneous<br/>Revenue</b>                                  |  |   |              | Business Code        |  |                                      |   |
|   | <b>11a</b>   | CAFETERIA SALES   | 722310       | 445,633.             |  |                                      | 445,633.  |
|   | <b>b</b>   | FEE REVENUE   | 900099       | 7,905.               | 7,905.                                       |                                      |   |
|   | <b>c</b>   |   |              |                      |  |                                      |   |
|   | <b>d</b>   | All other revenue . . . . .   |              |                      |  |                                      |   |
|   | <b>e</b>   | <b>Total.</b> Add lines 11a-11d . . . . . ▶   |              | 453,538.             |  |                                      |   |
| <b>12</b>   | <b>Total revenue.</b> See instructions . . . . . ▶                 |   | 214,837,145. | 208,492,415.         |  | 982,337.                             |   |

**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 or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

|  | (A)<br>Total expenses | (B)<br>Program service<br>expenses | (C)<br>Management and<br>general expenses | (D)<br>Fundraising<br>expenses |
|--|-----------------------|------------------------------------|---|--------------------------------|
| <b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .  | 0.                    |                                    |   |                                |
| <b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .   | 0.                    |                                    |   |                                |
| <b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .  | 0.                    |                                    |   |                                |
| <b>4</b> Benefits paid to or for members . . . . .   | 0.                    |                                    |   |                                |
| <b>5</b> Compensation of current officers, directors, trustees, and key employees . . . . .  | 1,418,797.            | 340,962.                           | 1,077,835.                                |                                |
| <b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .  | 0.                    |                                    |   |                                |
| <b>7</b> Other salaries and wages . . . . .  | 77,071,046.           | 68,951,454.                        | 8,119,592.                                |                                |
| <b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .  | 0.                    |                                    |   |                                |
| <b>9</b> Other employee benefits . . . . .   | 11,360,116.           | 9,918,859.                         | 1,441,257.                                |                                |
| <b>10</b> Payroll taxes . . . . .  | 4,571,059.            | 3,925,626.                         | 645,433.                                  |                                |
| <b>11</b> Fees for services (nonemployees):  |                       |                                    |   |                                |
| <b>a</b> Management . . . . .  | 0.                    |                                    |   |                                |
| <b>b</b> Legal . . . . .   | 74,398.               |                                    | 74,398.                                   |                                |
| <b>c</b> Accounting . . . . .  | 0.                    |                                    |   |                                |
| <b>d</b> Lobbying . . . . .  | 0.                    |                                    |   |                                |
| <b>e</b> Professional fundraising services. See Part IV, line 17 . . . . .   | 0.                    |                                    |   |                                |
| <b>f</b> Investment management fees . . . . .  | 0.                    |                                    |   |                                |
| <b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .  | 14,696,978.           | 11,954,447.                        | 2,742,531.                                |                                |
| <b>12</b> Advertising and promotion . . . . .  | 350,147.              | 27,911.                            | 322,236.                                  |                                |
| <b>13</b> Office expenses . . . . .  | 9,758,368.            | 7,396,688.                         | 2,361,680.                                |                                |
| <b>14</b> Information technology . . . . .   | 3,040,944.            | 2,305,036.                         | 735,908.                                  |                                |
| <b>15</b> Royalties . . . . .  | 0.                    |                                    |   |                                |
| <b>16</b> Occupancy . . . . .  | 2,350,013.            | 2,180,902.                         | 169,111.                                  |                                |
| <b>17</b> Travel . . . . .   | 1,585.                | 990.                               | 595.                                      |                                |
| <b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .   | 0.                    |                                    |   |                                |
| <b>19</b> Conferences, conventions, and meetings . . . . .   | 0.                    |                                    |   |                                |
| <b>20</b> Interest . . . . .   | 1,850,618.            |                                    | 1,850,618.                                |                                |
| <b>21</b> Payments to affiliates . . . . .   | 6,421,771.            |                                    | 6,421,771.                                |                                |
| <b>22</b> Depreciation, depletion, and amortization . . . . .  | 5,253,947.            | 4,884,391.                         | 369,556.                                  |                                |
| <b>23</b> Insurance . . . . .  | 2,441,869.            | 1,827,271.                         | 614,598.                                  |                                |
| <b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)  |                       |                                    |   |                                |
| <b>a</b> DRUGS & MEDICAL SUPPLIES . . . . .  | 30,355,135.           | 30,355,135.                        |   |                                |
| <b>b</b> BAD DEBT EXPENSE . . . . .  | 23,294,753.           | 23,294,753.                        |   |                                |
| <b>c</b> HOSPITAL TAX . . . . .  | 694,676.              | 694,676.                           |   |                                |
| <b>d</b> ADMINISTRATIVE EXPENSES . . . . .   | 7,741,589.            | 4,517,805.                         | 3,223,784.                                |                                |
| <b>e</b> All other expenses . . . . .  |                       |                                    |   |                                |
| <b>25</b> Total functional expenses. Add lines 1 through 24e . . . . .   | 202,747,809.          | 172,576,906.                       | 30,170,903.                               |                                |
| <b>26</b> 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . . | 0.                    |                                    |   |                                |

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

|  |  | (A)<br>Beginning of year |              | (B)<br>End of year |
|--|--|--------------------------|--------------|--------------------|
| <b>Assets</b>  | <b>1</b> Cash - non-interest-bearing . . . . .   | 108,511.                 | <b>1</b>     | 34,842.            |
|  | <b>2</b> Savings and temporary cash investments. . . . .   | 0.                       | <b>2</b>     | 0.                 |
|  | <b>3</b> Pledges and grants receivable, net . . . . .  | 0.                       | <b>3</b>     | 0.                 |
|  | <b>4</b> Accounts receivable, net. . . . .   | 23,331,811.              | <b>4</b>     | 27,579,874.        |
|  | <b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons . . . . . | 0.                       | <b>5</b>     | 0.                 |
|  | <b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B). . . . .  | 0.                       | <b>6</b>     | 0.                 |
|  | <b>7</b> Notes and loans receivable, net . . . . .   | 0.                       | <b>7</b>     | 0.                 |
|  | <b>8</b> Inventories for sale or use . . . . .   | 3,369,604.               | <b>8</b>     | 3,588,418.         |
|  | <b>9</b> Prepaid expenses and deferred charges . . . . .   | 480,906.                 | <b>9</b>     | 203,120.           |
|  | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .   | <b>10a</b> 62,376,485.   |              |                    |
|  | <b>b</b> Less: accumulated depreciation. . . . .   | <b>10b</b> 15,469,287.   |              |                    |
|  |  | 46,558,537.              | <b>10c</b>   | 46,907,198.        |
|  | <b>11</b> Investments - publicly traded securities. . . . .  | 0.                       | <b>11</b>    | 0.                 |
|  | <b>12</b> Investments - other securities. See Part IV, line 11. . . . .  | 0.                       | <b>12</b>    | 0.                 |
|  | <b>13</b> Investments - program-related. See Part IV, line 11. . . . .   | 0.                       | <b>13</b>    | 0.                 |
|  | <b>14</b> Intangible assets . . . . .  | 0.                       | <b>14</b>    | 0.                 |
| <b>15</b> Other assets. See Part IV, line 11 . . . . .                               | 27,738,580.  | <b>15</b>                | 27,699,066.  |                    |
| <b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) . . . . . | 101,587,949.   | <b>16</b>                | 106,012,518. |                    |
| <b>Liabilities</b>   | <b>17</b> Accounts payable and accrued expenses. . . . .   | 10,624,419.              | <b>17</b>    | 12,753,106.        |
|  | <b>18</b> Grants payable . . . . .   | 0.                       | <b>18</b>    | 0.                 |
|  | <b>19</b> Deferred revenue. . . . .  | 0.                       | <b>19</b>    | 0.                 |
|  | <b>20</b> Tax-exempt bond liabilities. . . . .   | 75,432,905.              | <b>20</b>    | 74,701,863.        |
|  | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D. . . . .   | 0.                       | <b>21</b>    | 0.                 |
|  | <b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons . . . . .     | 0.                       | <b>22</b>    | 0.                 |
|  | <b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .   | 0.                       | <b>23</b>    | 0.                 |
|  | <b>24</b> Unsecured notes and loans payable to unrelated third parties. . . . .  | 0.                       | <b>24</b>    | 0.                 |
|  | <b>25</b> 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 . . . . .  | 14,819,172.              | <b>25</b>    | 7,413,830.         |
|  | <b>26</b> <b>Total liabilities.</b> Add lines 17 through 25. . . . .   | 100,876,496.             | <b>26</b>    | 94,868,799.        |
| <b>Net Assets or Fund Balances</b>   | <b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>  |                          |              |                    |
|  | <b>27</b> Net assets without donor restrictions . . . . .  | 701,911.                 | <b>27</b>    | 11,152,853.        |
|  | <b>28</b> Net assets with donor restrictions. . . . .  | 9,542.                   | <b>28</b>    | -9,134.            |
|  | <b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>   |                          |              |                    |
|  | <b>29</b> Capital stock or trust principal, or current funds . . . . .   |                          | <b>29</b>    |                    |
|  | <b>30</b> Paid-in or capital surplus, or land, building, or equipment fund. . . . .  |                          | <b>30</b>    |                    |
|  | <b>31</b> Retained earnings, endowment, accumulated income, or other funds. . . . .  |                          | <b>31</b>    |                    |
|  | <b>32</b> Total net assets or fund balances . . . . .  | 711,453.                 | <b>32</b>    | 11,143,719.        |
|  | <b>33</b> Total liabilities and net assets/fund balances. . . . .  | 101,587,949.             | <b>33</b>    | 106,012,518.       |

Form **990** (2020)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☒

|           |  |           |              |
|-----------|--|-----------|--------------|
| <b>1</b>  | Total revenue (must equal Part VIII, column (A), line 12) . . . . .  | <b>1</b>  | 214,837,145. |
| <b>2</b>  | Total expenses (must equal Part IX, column (A), line 25) . . . . .   | <b>2</b>  | 202,747,809. |
| <b>3</b>  | Revenue less expenses. Subtract line 2 from line 1 . . . . .   | <b>3</b>  | 12,089,336.  |
| <b>4</b>  | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) . . . . .                      | <b>4</b>  | 711,453.     |
| <b>5</b>  | Net unrealized gains (losses) on investments . . . . .   | <b>5</b>  | 0.           |
| <b>6</b>  | Donated services and use of facilities . . . . .   | <b>6</b>  | 0.           |
| <b>7</b>  | Investment expenses . . . . .  | <b>7</b>  | 0.           |
| <b>8</b>  | Prior period adjustments . . . . .   | <b>8</b>  | 0.           |
| <b>9</b>  | Other changes in net assets or fund balances (explain on Schedule O). . . . .  | <b>9</b>  | -1,657,070.  |
| <b>10</b> | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) . . . . . | <b>10</b> | 11,143,719.  |

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII. ☐

|   | Yes | No |
|---|-----|----|
| <b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.  |     |    |
| <b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .<br>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:<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | X  |
| <b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .<br>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:<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                 | X   |    |
| <b>c</b> 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? . . . .<br>If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.  | X   |    |
| <b>3a</b> 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? . . . . .  |     | X  |
| <b>b</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 on Schedule O and describe any steps taken to undergo such audits . . .   |     |    |

Form **990** (2020)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

**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 12, 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 (Form 990 or 990-EZ).)
- 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10 ☐ 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.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations . . . . .

g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? |    | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
|                                    |          |   | Yes   | No |   |   |
| (A)                                |          |   |   |    |   |   |
| (B)                                |          |   |   |    |   |   |
| (C)                                |          |   |   |    |   |   |
| (D)                                |          |   |   |    |   |   |
| (E)                                |          |   |   |    |   |   |
| <b>Total</b>                       |          |   |   |    |   |   |

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2020

**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) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .   |          |          |          |          |          |           |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .  |          |          |          |          |          |           |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .  |          |          |          |          |          |           |
| <b>4 Total.</b> Add lines 1 through 3. . . . .  |          |          |          |          |          |           |
| <b>5</b> 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). . . . . |          |          |          |          |          |           |
| <b>6 Public support.</b> Subtract line 5 from line 4  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020  | (f) Total                |
|---|----------|----------|----------|----------|-----------|--------------------------|
| <b>7</b> Amounts from line 4. . . . .   |          |          |          |          |           |                          |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources . . . . .  |          |          |          |          |           |                          |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .   |          |          |          |          |           |                          |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . . . .   |          |          |          |          |           |                          |
| <b>11 Total support.</b> Add lines 7 through 10. . . . .  |          |          |          |          |           |                          |
| <b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .   |          |          |          |          | <b>12</b> |                          |
| <b>13 First 5 years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . |          |          |          |          |           | <input type="checkbox"/> |

**Section C. Computation of Public Support Percentage**

|   |           |   |
|---|-----------|---|
| <b>14</b> Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f)) . . . . .   | <b>14</b> | % |
| <b>15</b> Public support percentage from 2019 Schedule A, Part II, line 14 . . . . .  | <b>15</b> | % |
| <b>16a 33 1/3% support test - 2020.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization. . . . . <input type="checkbox"/>   |           |   |
| <b>b 33 1/3% support test - 2019.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization . . . . . <input type="checkbox"/>   |           |   |
| <b>17a 10%-facts-and-circumstances test - 2020.</b> 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 <b>stop here</b> . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization. . . . . <input type="checkbox"/>    |           |   |
| <b>b 10%-facts-and-circumstances test - 2019.</b> 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 <b>stop here</b> . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization. . . . . <input type="checkbox"/> |           |   |
| <b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . <input type="checkbox"/>   |           |   |

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 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) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")   |          |          |          |          |          |           |
| <b>2</b> 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 . . . . . |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5. . . . .  |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .  |          |          |          |          |          |           |
| <b>b</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 . . . . .           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b. . . . .   |          |          |          |          |          |           |
| <b>8 Public support.</b> (Subtract line 7c from line 6.) . . . . .  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►  | (a) 2016 | (b) 2017 | (c) 2018 | (d) 2019 | (e) 2020 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6. . . . .  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources . . . . .   |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .   |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b . . . . .   |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on. . . . .   |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . . . .  |          |          |          |          |          |           |
| <b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .   |          |          |          |          |          |           |
| <b>14 First 5 years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . <input type="checkbox"/> |          |          |          |          |          |           |

**Section C. Computation of Public Support Percentage**

|   |           |   |
|---|-----------|---|
| <b>15</b> Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f)) . . . . . | <b>15</b> | % |
| <b>16</b> Public support percentage from 2019 Schedule A, Part III, line 15 . . . . .                       | <b>16</b> | % |

**Section D. Computation of Investment Income Percentage**

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for <b>2020</b> (line 10c, column (f), divided by line 13, column (f)) . . . . . | <b>17</b> | % |
| <b>18</b> Investment income percentage from <b>2019</b> Schedule A, Part III, line 17 . . . . .                         | <b>18</b> | % |

**19a 33 1/3% support tests - 2020.** 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 - 2019.** 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 Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>  |     |    |
| <b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>   |     |    |
| <b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>  |     |    |
| <b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.</i>   |     |    |
| <b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.</i>  |     |    |
| <b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>   |     |    |
| <b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>  |     |    |
| <b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in <b>Part VI</b> what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>   |     |    |
| <b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in <b>Part VI</b>, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i> |     |    |
| <b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?  |     |    |
| <b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?   |     |    |
| <b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in <b>Part VI</b>.</i>  |     |    |
| <b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>   |     |    |
| <b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>   |     |    |
| <b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in <b>Part VI</b>.</i>   |     |    |
| <b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in <b>Part VI</b>.</i>  |     |    |
| <b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in <b>Part VI</b>.</i>   |     |    |
| <b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>   |     |    |
| <b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>  |     |    |

**Part IV** Supporting Organizations (continued)

|  | Yes | No |
|--|-----|----|
| <b>11</b> Has the organization accepted a gift or contribution from any of the following persons?  |     |    |
| <b>a</b> A person who directly or indirectly controls, either alone or together with persons described in lines 11b and 11c below, the governing body of a supported organization? |     |    |
| <b>b</b> A family member of a person described in line 11a above?  |     |    |
| <b>c</b> A 35% controlled entity of a person described in line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in <b>Part VI</b> .                             |     |    |
| <b>11a</b>   |     |    |
| <b>11b</b>   |     |    |
| <b>11c</b>   |     |    |

**Section B. Type I Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year. |     |    |
| <b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.   |     |    |
| <b>1</b>  |     |    |
| <b>2</b>  |     |    |

**Section C. Type II Supporting Organizations**

|  | Yes | No |
|--|-----|----|
| <b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). |     |    |
| <b>1</b>   |     |    |

**Section D. All Type III Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? |     |    |
| <b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).   |     |    |
| <b>3</b> By reason of the relationship described in line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.  |     |    |
| <b>1</b>  |     |    |
| <b>2</b>  |     |    |
| <b>3</b>  |     |    |

**Section E. Type III Functionally Integrated Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).  |     |    |
| <b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.   |     |    |
| <b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.  |     |    |
| <b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a governmental entity (see instructions).  |     |    |
| <b>2</b> Activities Test. Answer lines 2a and 2b below.   |     |    |
| <b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities. |     |    |
| <b>b</b> Did the activities described in line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.  |     |    |
| <b>3</b> Parent of Supported Organizations. Answer lines 3a and 3b below.   |     |    |
| <b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No," provide details in <b>Part VI</b> .   |     |    |
| <b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.   |     |    |
| <b>2a</b>   |     |    |
| <b>2b</b>   |     |    |
| <b>3a</b>   |     |    |
| <b>3b</b>   |     |    |

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A - Adjusted Net Income   |           | (A) Prior Year | (B) Current Year (optional) |
|---|-----------|----------------|-----------------------------|
| <b>1</b> Net short-term capital gain  | <b>1</b>  |                |                             |
| <b>2</b> Recoveries of prior-year distributions   | <b>2</b>  |                |                             |
| <b>3</b> Other gross income (see instructions)  | <b>3</b>  |                |                             |
| <b>4</b> Add lines 1 through 3.   | <b>4</b>  |                |                             |
| <b>5</b> Depreciation and depletion   | <b>5</b>  |                |                             |
| <b>6</b> Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | <b>6</b>  |                |                             |
| <b>7</b> Other expenses (see instructions)  | <b>7</b>  |                |                             |
| <b>8 Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)   | <b>8</b>  |                |                             |
| Section B - Minimum Asset Amount  |           | (A) Prior Year | (B) Current Year (optional) |
| <b>1</b> Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):  |           |                |                             |
| <b>a</b> Average monthly value of securities  | <b>1a</b> |                |                             |
| <b>b</b> Average monthly cash balances  | <b>1b</b> |                |                             |
| <b>c</b> Fair market value of other non-exempt-use assets   | <b>1c</b> |                |                             |
| <b>d Total</b> (add lines 1a, 1b, and 1c)   | <b>1d</b> |                |                             |
| <b>e Discount</b> claimed for blockage or other factors ( <i>explain in detail in Part VI</i> ):  | <b>1e</b> |                |                             |
| <b>2</b> Acquisition indebtedness applicable to non-exempt-use assets   | <b>2</b>  |                |                             |
| <b>3</b> Subtract line 2 from line 1d.  | <b>3</b>  |                |                             |
| <b>4</b> Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).   | <b>4</b>  |                |                             |
| <b>5</b> Net value of non-exempt-use assets (subtract line 4 from line 3)   | <b>5</b>  |                |                             |
| <b>6</b> Multiply line 5 by 0.035.  | <b>6</b>  |                |                             |
| <b>7</b> Recoveries of prior-year distributions   | <b>7</b>  |                |                             |
| <b>8 Minimum Asset Amount</b> (add line 7 to line 6)  | <b>8</b>  |                |                             |
| Section C - Distributable Amount  |           |                | Current Year                |
| <b>1</b> Adjusted net income for prior year (from Section A, line 8, column A)  | <b>1</b>  |                |                             |
| <b>2</b> Enter 0.85 of line 1.  | <b>2</b>  |                |                             |
| <b>3</b> Minimum asset amount for prior year (from Section B, line 8, column A)   | <b>3</b>  |                |                             |
| <b>4</b> Enter greater of line 2 or line 3.   | <b>4</b>  |                |                             |
| <b>5</b> Income tax imposed in prior year   | <b>5</b>  |                |                             |
| <b>6 Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).   | <b>6</b>  |                |                             |
| <b>7</b> <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).                                |           |                |                             |

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

| Section D - Distributions |   | Current Year |
|---------------------------|---|--------------|
| <b>1</b>                  | Amounts paid to supported organizations to accomplish exempt purposes   | <b>1</b>     |
| <b>2</b>                  | Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity               | <b>2</b>     |
| <b>3</b>                  | Administrative expenses paid to accomplish exempt purposes of supported organizations   | <b>3</b>     |
| <b>4</b>                  | Amounts paid to acquire exempt-use assets   | <b>4</b>     |
| <b>5</b>                  | Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i> )  | <b>5</b>     |
| <b>6</b>                  | Other distributions ( <i>describe in Part VI</i> ). See instructions.   | <b>6</b>     |
| <b>7</b>                  | <b>Total annual distributions.</b> Add lines 1 through 6.   | <b>7</b>     |
| <b>8</b>                  | Distributions to attentive supported organizations to which the organization is responsive ( <i>provide details in Part VI</i> ). See instructions. | <b>8</b>     |
| <b>9</b>                  | Distributable amount for 2020 from Section C, line 6  | <b>9</b>     |
| <b>10</b>                 | Line 8 amount divided by line 9 amount  | <b>10</b>    |

| Section E - Distribution Allocations (see instructions) |   | (i)<br>Excess Distributions | (ii)<br>Underdistributions<br>Pre-2020 | (iii)<br>Distributable<br>Amount for 2020 |
|---|---|-----------------------------|--|---|
| <b>1</b>  | Distributable amount for 2020 from Section C, line 6  |                             |  |   |
| <b>2</b>  | Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i> ). See instructions.   |                             |  |   |
| <b>3</b>  | Excess distributions carryover, if any, to 2020   |                             |  |   |
| <b>a</b>  | From 2015 . . . . .   |                             |  |   |
| <b>b</b>  | From 2016 . . . . .   |                             |  |   |
| <b>c</b>  | From 2017 . . . . .   |                             |  |   |
| <b>d</b>  | From 2018 . . . . .   |                             |  |   |
| <b>e</b>  | From 2019 . . . . .   |                             |  |   |
| <b>f</b>  | <b>Total</b> of lines 3a through 3e   |                             |  |   |
| <b>g</b>  | Applied to underdistributions of prior years  |                             |  |   |
| <b>h</b>  | Applied to 2020 distributable amount  |                             |  |   |
| <b>i</b>  | Carryover from 2015 not applied (see instructions)  |                             |  |   |
| <b>j</b>  | Remainder. Subtract lines 3g, 3h, and 3i from line 3f.  |                             |  |   |
| <b>4</b>  | Distributions for 2020 from Section D, line 7: \$   |                             |  |   |
| <b>a</b>  | Applied to underdistributions of prior years  |                             |  |   |
| <b>b</b>  | Applied to 2020 distributable amount  |                             |  |   |
| <b>c</b>  | Remainder. Subtract lines 4a and 4b from line 4.  |                             |  |   |
| <b>5</b>  | Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions. |                             |  |   |
| <b>6</b>  | Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.                        |                             |  |   |
| <b>7</b>  | <b>Excess distributions carryover to 2021.</b> Add lines 3j and 4c.   |                             |  |   |
| <b>8</b>  | Breakdown of line 7:  |                             |  |   |
| <b>a</b>  | Excess from 2016 . . . .  |                             |  |   |
| <b>b</b>  | Excess from 2017 . . . .  |                             |  |   |
| <b>c</b>  | Excess from 2018 . . . .  |                             |  |   |
| <b>d</b>  | Excess from 2019 . . . .  |                             |  |   |
| <b>e</b>  | Excess from 2020 . . . .  |                             |  |   |

Schedule A (Form 990 or 990-EZ) 2020

**Schedule of Contributors**

OMB No. 1545-0047

**2020**

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

**Organization type** (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **PIEDMONT ROCKDALE HOSPITAL**Employer identification number  
**30-0999841****Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution  |
|------------|-----------------------------------|----------------------------|--|
| 1          | N/A                               | \$ 5,350,000.              | Person <input checked="checked" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 2          | N/A                               | \$ 7,114.                  | Person <input checked="checked" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
|            |                                   | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                   |
|            |                                   | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                   |
|            |                                   | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                   |
|            |                                   | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                   |
|            |                                   | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                   |

Name of organization **PIEDMONT ROCKDALE HOSPITAL****Employer identification number**

30-0999841

**Part II** **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given | (c)<br>FMV (or estimate)<br>(See instructions.) | (d)<br>Date received |
|---------------------------|--|---|----------------------|
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |
|                           |  | \$  |                      |

Name of organization **PIEDMONT ROCKDALE HOSPITAL**

Employer identification number

30-0999841

**Part III** **Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

| (a) No.<br>from<br>Part I | (b) Purpose of gift                     | (c) Use of gift | (d) Description of how gift is held      |
|---------------------------|---|-----------------|--|
|                           |   |                 |  |
|                           |   |                 |  |
|                           |   |                 |  |
|                           | (e) Transfer of gift                    |                 |  |
|                           | Transferee's name, address, and ZIP + 4 |                 | Relationship of transferor to transferee |
|                           |   |                 |  |
|                           |   |                 |  |
|                           |   |                 |  |
|                           | (e) Transfer of gift                    |                 |  |
|                           | Transferee's name, address, and ZIP + 4 |                 | Relationship of transferor to transferee |
|                           |   |                 |  |
|                           |   |                 |  |
|                           |   |                 |  |
|                           | (e) Transfer of gift                    |                 |  |
|                           | Transferee's name, address, and ZIP + 4 |                 | Relationship of transferor to transferee |
|                           |   |                 |  |
|                           |   |                 |  |
|                           |   |                 |  |
|                           | (e) Transfer of gift                    |                 |  |
|                           | Transferee's name, address, and ZIP + 4 |                 | Relationship of transferor to transferee |
|                           |   |                 |  |
|                           |   |                 |  |
|                           |   |                 |  |
|                           | (e) Transfer of gift                    |                 |  |
|                           | Transferee's name, address, and ZIP + 4 |                 | Relationship of transferor to transferee |
|                           |   |                 |  |
|                           |   |                 |  |
|                           |   |                 |  |

**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

**Supplemental Financial Statements**

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

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Employer identification number

30-0999841

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

|   | (a) Donor advised funds | (b) Funds and other accounts                             |
|---|-------------------------|--|
| 1 Total number at end of year . . . . .   |                         |  |
| 2 Aggregate value of contributions to (during year)   |                         |  |
| 3 Aggregate value of 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? . . . . .  |                         | <input type="checkbox"/> Yes <input type="checkbox"/> 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? . . . . . |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |

**Part II Conservation Easements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

|   |   |
|---|---|
| <input type="checkbox"/> Preservation of land for public use (for example, recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat  | <input type="checkbox"/> Preservation of a certified historic structure     |
| <input type="checkbox"/> 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 Tax 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 7/25/06, 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, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB 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 FASB 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) Revenue included on 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 FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1. . . . . ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X. . . . . ▶ \$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2020

**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 make significant use of its collection items (check all that apply):
- a** ☐ Public exhibition **d** ☐ Loan or exchange program
- b** ☐ Scholarly research **e** ☐ Other \_\_\_\_\_
- c** ☐ Preservation for future generations
- 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" on 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    |
|--|-----------|
| <b>c</b> Beginning balance . . . . .             | <b>1c</b> |
| <b>d</b> Additions during the year . . . . .     | <b>1d</b> |
| <b>e</b> Distributions during the year . . . . . | <b>1e</b> |
| <b>f</b> Ending balance . . . . .                | <b>1f</b> |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ **Yes** ☐ **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII . . . . . ☐

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

- |   | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| <b>1a</b> Beginning of year balance . . . . .                     |                  |                |                    |                      |                     |
| <b>b</b> Contributions . . . . .                                  |                  |                |                    |                      |                     |
| <b>c</b> Net investment earnings, gains, and losses . . . . .     |                  |                |                    |                      |                     |
| <b>d</b> Grants or scholarships . . . . .                         |                  |                |                    |                      |                     |
| <b>e</b> Other expenditures for facilities and programs . . . . . |                  |                |                    |                      |                     |
| <b>f</b> Administrative expenses . . . . .                        |                  |                |                    |                      |                     |
| <b>g</b> End of year balance . . . . .                            |                  |                |                    |                      |                     |
- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ \_\_\_\_\_ %
- b** Permanent endowment ▶ \_\_\_\_\_ %
- c** Term endowment ▶ \_\_\_\_\_ %
- The percentages on 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 |
|---|---------------|----|
| <b>(i)</b> Unrelated organizations . . . . .  | <b>3a(i)</b>  |    |
| <b>(ii)</b> Related organizations . . . . .   | <b>3a(ii)</b> |    |
| <b>b</b> If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? . . . . . | <b>3b</b>     |    |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. 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 |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| <b>1a</b> Land . . . . .   |                                      | 3,958,141.                      |                              | 3,958,141.     |
| <b>b</b> Buildings . . . . .   |                                      | 35,704,841.                     | 5,385,771.                   | 30,319,070.    |
| <b>c</b> Leasehold improvements . . . . .  |                                      |                                 |                              |                |
| <b>d</b> Equipment . . . . .   |                                      | 18,572,092.                     | 9,617,363.                   | 8,954,729.     |
| <b>e</b> Other . . . . .   |                                      | 4,141,411.                      | 466,153.                     | 3,675,258.     |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) . . . . . |                                      |                                 |                              | 46,907,198.    |

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category<br>(including name of security)       | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---|----------------|--|
| (1) Financial derivatives . . . . .   |                |  |
| (2) Closely held equity interests . . . . .                                   |                |  |
| (3) Other _____   |                |  |
| (A) _____   |                |  |
| (B) _____   |                |  |
| (C) _____   |                |  |
| (D) _____   |                |  |
| (E) _____   |                |  |
| (F) _____   |                |  |
| (G) _____   |                |  |
| (H) _____   |                |  |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) . ▶ |                |  |

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment   | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---|----------------|--|
| (1) _____   |                |  |
| (2) _____   |                |  |
| (3) _____   |                |  |
| (4) _____   |                |  |
| (5) _____   |                |  |
| (6) _____   |                |  |
| (7) _____   |                |  |
| (8) _____   |                |  |
| (9) _____   |                |  |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) . ▶ |                |  |

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| Complete if the organization answered "Yes" on Form 990, Part IV, line 14a. See Form 990, Part IV, line 14c. |                |
|--|----------------|
| (a) Description  | (b) Book value |
| (1) GOODWILL   | 27,153,139.    |
| (2) UNAMORTIZED ISSUE COST   | 545,927.       |
| (3)  |                |
| (4)  |                |
| (5)  |                |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)   | 27,699,066.    |

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1.   | (a) Description of liability | (b) Book value |
|--|------------------------------|----------------|
| (1)  | Federal income taxes         |                |
| (2)  | INTERUNIT PAYABLE            | 556,275.       |
| (3)  | MEDICARE PAYABLE             | 2,475,443.     |
| (4)  | GRANT PAYABLE                | 29,116.        |
| (5)  | LEASE PAYABLE                | 1,375,602.     |
| (6)  | RECOUPMENTS PAYABLE          | 2,977,394.     |
| (7)  |                              |                |
| (8)  |                              |                |
| (9)  |                              |                |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) |                              | 7,413,830.     |

2. Liability for uncertain tax positions. 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 FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII . ☒ X

| Part XI | Reconciliation of Revenue per Audited Financial Statements With Revenue per Return. |
|---------|---|
|---------|---|

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

|          |  |           |           |  |  |
|----------|--|-----------|-----------|--|--|
| <b>1</b> | Total revenue, gains, and other support per audited financial statements . . . . .                       |           | <b>1</b>  |  |  |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part VIII, line 12:                                      |           |           |  |  |
| <b>a</b> | Net unrealized gains (losses) on investments . . . . .   | <b>2a</b> |           |  |  |
| <b>b</b> | Donated services and use of facilities . . . . .   | <b>2b</b> |           |  |  |
| <b>c</b> | Recoveries of prior year grants . . . . .  | <b>2c</b> |           |  |  |
| <b>d</b> | Other (Describe in Part XIII.) . . . . .   | <b>2d</b> |           |  |  |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b> . . . . .  |           | <b>2e</b> |  |  |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b> . . . . .   |           | <b>3</b>  |  |  |
| <b>4</b> | Amounts included on Form 990, Part VIII, line 12, but not on line 1:                                     |           |           |  |  |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                               | <b>4a</b> |           |  |  |
| <b>b</b> | Other (Describe in Part XIII.) . . . . .   | <b>4b</b> |           |  |  |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b> . . . . .  |           | <b>4c</b> |  |  |
| <b>5</b> | Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) . . . . . |           | <b>5</b>  |  |  |

| Part XII | Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. |
|----------|---|
|----------|---|

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

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

**Part XIII Supplemental Information.**

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.

SEE PAGE 5

**Part XIII** Supplemental Information *(continued)*

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SCHEDULE D, PART X, LINE 2: ASC 740 FOOTNOTE (FKA FIN 48)

PHC ACCOUNTS FOR INCOME TAXES UNDER THE PROVISIONS OF THE INCOME TAXES  
TOPIC OF THE ASC (ASC 740). UNDER THE REQUIREMENTS OF ASC 740, TAX-EXEMPT  
ORGANIZATIONS MAY BE REQUIRED TO RECORD AN OBLIGATION AS THE RESULT OF A  
TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS UNCERTAIN TAX  
EXPOSURE ITEMS. THERE WERE NO MATERIAL UNCERTAIN TAX POSITIONS AT JUNE  
30, 2021 AND 2020.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2020**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

► **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**

► **Attach to Form 990.**

► **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

|  | Yes | No |
|--|-----|----|
| <b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .  | X   |    |
| <b>1b</b> If "Yes," was it a written policy? . . . . .   | X   |    |
| <b>2</b> 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.<br><input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities |     |    |
| <b>3</b> 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.  |     |    |
| <b>a</b> 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:<br><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other 300.0000 %  | X   |    |
| <b>b</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: . . . . .<br><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %                      | X   |    |
| <b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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.   |     |    |
| <b>4</b> 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"? . . . . .  | X   |    |
| <b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?  | X   |    |
| <b>5b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .   |     | X  |
| <b>5c</b> 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 eligible for free or discounted care? . . . . .   |     |    |
| <b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .   | X   |    |
| <b>6b</b> If "Yes," did the organization make it available to the public? . . . . .  | X   |    |

**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 |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| <b>a</b> Financial Assistance at cost (from Worksheet 1) . . . .                                     |   |                               | 9,222,433.                          |                               | 9,222,433.                        | 5.14                         |
| <b>b</b> Medicaid (from Worksheet 3, column a) . . . . .   |   |                               | 8,375,744.                          | 7,311,360.                    | 1,064,384.                        | .59                          |
| <b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . .            |   |                               | 1,583,194.                          | 517,050.                      | 1,066,144.                        | .59                          |
| <b>d</b> <b>Total.</b> Financial Assistance and Means-Tested Government Programs . . .               |   |                               | 19,181,371.                         | 7,828,410.                    | 11,352,961.                       | 6.32                         |
| <b>Other Benefits</b>  |   |                               |                                     |                               |                                   |                              |
| <b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . |   |                               | 222,000.                            |                               | 222,000.                          | .12                          |
| <b>f</b> Health professions education (from Worksheet 5) . . . .                                     |   |                               | 747,840.                            |                               | 747,840.                          | .42                          |
| <b>g</b> Subsidized health services (from Worksheet 6) . . . . .                                     |   |                               | 352,500.                            |                               | 352,500.                          | .20                          |
| <b>h</b> Research (from Worksheet 7)   |   |                               |                                     |                               |                                   |                              |
| <b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .           |   |                               |                                     |                               |                                   |                              |
| <b>j</b> <b>Total.</b> Other Benefits . . . .  |   |                               | 1,322,340.                          |                               | 1,322,340.                        | .74                          |
| <b>k</b> <b>Total.</b> Add lines 7d and 7j .   |   |                               | 20,503,711.                         | 7,828,410.                    | 12,675,301.                       | 7.06                         |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule H (Form 990) 2020

**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                                      |   |                               |                                      |                               |                                    |                              |
| 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  |   |                               |                                      |                               |                                    |                              |

**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 Healthcare Financial Management Association Statement No. 15? . . . . .  | X   |    |
| 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. . . . .  |     |    |
| 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 . . . . . |     |    |
| 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 | 30,194,004. |
| 6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .   | 6 | 28,806,159. |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .   | 7 | 1,387,845.  |
| 8 Describe in Part VI the extent to which any shortfall reported on 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:<br><input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other |   |             |

**Section C. Collection Practices**

|   |    |   |  |
|---|----|---|--|
| 9a Did the organization have a written debt collection policy during the tax year? . . . . .  | 9a | X |  |
| 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 | X |  |

**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                 |   |  |  |   |

[illegible]

**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)

Name of hospital facility or letter of facility reporting group PIEDMONT ROCKDALE HOSPITAL, INC.Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

|   | Yes        | No |
|---|------------|----|
| <b>Community Health Needs Assessment</b>  |            |    |
| <b>1</b> Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? . . . . .   | <b>1</b>   | X  |
| <b>2</b> Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C . . . . .  | <b>2</b>   | X  |
| <b>3</b> 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 12 . . . . .<br>If "Yes," indicate what the CHNA report describes (check all that apply):  | <b>3</b>   | X  |
| <b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility  |            |    |
| <b>b</b> <input checked="" type="checkbox"/> Demographics of the community  |            |    |
| <b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community  |            |    |
| <b>d</b> <input checked="" type="checkbox"/> How data was obtained  |            |    |
| <b>e</b> <input checked="" type="checkbox"/> The significant health needs of the community  |            |    |
| <b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups  |            |    |
| <b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs  |            |    |
| <b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests   |            |    |
| <b>i</b> <input type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)   |            |    |
| <b>j</b> <input type="checkbox"/> Other (describe in Section C)   |            |    |
| <b>4</b> Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>  |            |    |
| <b>5</b> In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . . | <b>5</b>   | X  |
| <b>6a</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .  | <b>6a</b>  | X  |
| <b>b</b> Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C . . . . .  | <b>6b</b>  | X  |
| <b>7</b> Did the hospital facility make its CHNA report widely available to the public? . . . . .<br>If "Yes," indicate how the CHNA report was made widely available (check all that apply):   | <b>7</b>   | X  |
| <b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE PART VI</u>   |            |    |
| <b>b</b> <input type="checkbox"/> Other website (list url): _____   |            |    |
| <b>c</b> <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility  |            |    |
| <b>d</b> <input checked="" type="checkbox"/> Other (describe in Section C)  |            |    |
| <b>8</b> Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 . . . . .  | <b>8</b>   | X  |
| <b>9</b> Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u>  |            |    |
| <b>10</b> Is the hospital facility's most recently adopted implementation strategy posted on a website? . . . . .   | <b>10</b>  | X  |
| <b>a</b> If "Yes," (list url): <u>SEE PART VI</u>   |            |    |
| <b>b</b> If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? . . . . .   | <b>10b</b> |    |
| <b>11</b> Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.  |            |    |
| <b>12a</b> 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)? . . . . .  | <b>12a</b> | X  |
| <b>b</b> If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .   | <b>12b</b> |    |
| <b>c</b> If "Yes" to line 12b, 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 (FAP)**Name of hospital facility or letter of facility reporting group PIEDMONT ROCKDALE HOSPITAL, INC.

|   | Yes         | No |
|---|-------------|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that:   |             |    |
| <b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:  | <b>13</b> X |    |
| a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>300.0000</u> % and FPG family income limit for eligibility for discounted care of <u>300.0000</u> %  |             |    |
| b <input type="checkbox"/> Income level other than FPG (describe in Section C)  |             |    |
| c <input type="checkbox"/> Asset level  |             |    |
| d <input type="checkbox"/> Medical indigency  |             |    |
| e <input checked="" type="checkbox"/> Insurance status  |             |    |
| f <input type="checkbox"/> Underinsurance status  |             |    |
| g <input type="checkbox"/> Residency  |             |    |
| h <input type="checkbox"/> Other (describe in Section C)  |             |    |
| <b>14</b> Explained the basis for calculating amounts charged to patients? . . . . .  | <b>14</b> X |    |
| <b>15</b> Explained the method for applying for financial assistance? . . . . .   | <b>15</b> X |    |
| If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):   |             |    |
| a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application  |             |    |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application  |             |    |
| c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process  |             |    |
| d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications  |             |    |
| e <input type="checkbox"/> Other (describe in Section C)  |             |    |
| <b>16</b> Was widely publicized within the community served by the hospital facility? . . . . .   | <b>16</b> X |    |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply):  |             |    |
| a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART VI</u>  |             |    |
| b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART VI</u>   |             |    |
| c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART VI</u>  |             |    |
| d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)  |             |    |
| e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)   |             |    |
| f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)  |             |    |
| g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention |             |    |
| h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP   |             |    |
| i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations   |             |    |
| j <input type="checkbox"/> Other (describe in Section C)  |             |    |

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**Part V Facility Information** (continued)**Billing and Collections****Name of hospital facility or letter of facility reporting group** PIEDMONT ROCKDALE HOSPITAL, INC.

|   | Yes | No |
|---|-----|----|
| <b>17</b> 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 all of the actions the hospital facility or other authorized party may take upon nonpayment? . . . . .   | X   |    |
| <b>18</b> 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 individual's eligibility under the facility's FAP:  |     |    |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)   |     |    |
| <b>b</b> <input type="checkbox"/> Selling an individual's debt to another party   |     |    |
| <b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP  |     |    |
| <b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process  |     |    |
| <b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)   |     |    |
| <b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted  |     |    |
| <b>19</b> Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . .<br>If "Yes," check all actions in which the hospital facility or a third party engaged: |     | X  |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)   |     |    |
| <b>b</b> <input type="checkbox"/> Selling an individual's debt to another party   |     |    |
| <b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP  |     |    |
| <b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process  |     |    |
| <b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)   |     |    |
| <b>20</b> Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):   |     |    |
| <b>a</b> <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)  |     |    |
| <b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)  |     |    |
| <b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)   |     |    |
| <b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)  |     |    |
| <b>e</b> <input type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>f</b> <input type="checkbox"/> None of these efforts were made   |     |    |

**Policy Relating to Emergency Medical Care**

|   | Yes | No |
|---|-----|----|
| <b>21</b> Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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? . . . . . | X   |    |
| If "No," indicate why:  |     |    |
| <b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions   |     |    |
| <b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing   |     |    |
| <b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)   |     |    |
| <b>d</b> <input type="checkbox"/> Other (describe in Section C)   |     |    |

Schedule H (Form 990) 2020

**Part V Facility Information** *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group PIEDMONT ROCKDALE HOSPITAL, INC.

|           |   | Yes       | No |
|-----------|---|-----------|----|
| <b>22</b> | 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.  |           |    |
| <b>a</b>  | <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period   |           |    |
| <b>b</b>  | <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period  |           |    |
| <b>c</b>  | <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period                       |           |    |
| <b>d</b>  | <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method   |           |    |
| <b>23</b> | During the tax year, did the hospital facility charge any FAP-eligible individual 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? . . . . .<br>If "Yes," explain in Section C. | <b>23</b> | X  |
| <b>24</b> | During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .<br>If "Yes," explain in Section C.   | <b>24</b> | X  |

Schedule H (Form 990) 2020

**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

SCHEDULE H, PART V, LINE 5: COMMUNITY REPRESENTATION

AS A PART OF OUR PROCESS, WE INTERVIEWED 31 KEY STAKEHOLDERS AND POLICY MAKERS THAT REPRESENT PUBLIC HEALTH, LOW-INCOME POPULATIONS, UNINSURED AND UNINSURED PERSONS, MINORITIES, CHRONIC CONDITIONS, OLDER ADULTS, AND LAWMAKERS. FURTHER, IN DECEMBER 2018 AND DECEMBER 2019, 16 KEY STAKEHOLDERS WITHIN THE PIEDMONT ROCKDALE COMMUNITY PROVIDED THEIR THOUGHTS ON COMMUNITY HEALTH, COMMUNITY ASSETS AND THE ROLE OF THE HOSPITAL IN ADDRESSING UNMET COMMUNITY HEALTH NEEDS VIA A WEB SURVEY. BELOW ARE THE RESULTS OF THAT SURVEY. THESE INTERVIEWS WERE CONDUCTED FOR PEOPLE REPRESENTING THE ENTIRE REGION, INCLUDING NEWTON COUNTY. SPECIFICALLY, WE INTERVIEWED REPRESENTATIVES OF LOCAL AND REGIONAL PUBLIC HEALTH ENTITIES, MINORITY POPULATIONS, FAITH-BASED COMMUNITIES, LOCAL BUSINESS OWNERS, THE PHILANTHROPIC COMMUNITY, MENTAL HEALTH AGENCIES, ELECTED OFFICIALS AND INDIVIDUALS REPRESENTING OUR MOST VULNERABLE PATIENTS. THE PIEDMONT HEALTHCARE BOARD OF DIRECTORS AND LEADERSHIP FROM ALL 11 HOSPITALS WERE ACTIVELY INFORMED AND ENGAGED THROUGHOUT THIS PROCESS.

SCHEDULE H, PART V, LINE 7A: COMMUNITY HEALTH NEEDS ASSESSMENT WEBSITE

[HTTPS://WWW.PIEDMONT.ORG/MEDIA/FILE/PRH-FY19-CHNA-STRATEGY.PDF](https://www.piedmont.org/media/file/prh-fy19-chna-strategy.pdf)

SCHEDULE H, PART V, LINE 7D: PUBLIC AVAILABILITY OF CHNA

IN ADDITION TO MAKING ITS CHNA REPORTS AVAILABLE ON ITS WEBSITE AND BY REQUEST, PIEDMONT HOSPITAL SENT COPIES TO EACH PARTICIPANT IN THE CHNA PROCESS, DISTRIBUTED THE ASSESSMENTS TO COMMUNITY CENTERS AND OTHER

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

LOCATIONS THAT PRIMARILY SERVE AN UNINSURED POPULATION, SENT COPIES TO  
LEGISLATIVE AND ELECTED OFFICIALS, AND WIDELY DISTRIBUTED THE ASSESSMENTS  
TO OTHER PIEDMONT HEALTHCARE HOSPITALS.

SCHEDULE H, PART V, LINE 10A: IMPLEMENTATION STRATEGY

THE BOARD OF DIRECTORS FOR PIEDMONT ROCKDALE HOSPITAL, INC. UNANIMOUSLY  
APPROVED ITS IMPLEMENTATION STRATEGY FOR THE THREE YEAR PERIOD BEGINNING  
WITH FY20 ON OCTOBER 17, 2019, WITHIN THE GRACE PERIOD FOLLOWING THE  
APPROVAL OF THE NEW COMMUNITY HEALTH NEEDS ASSESSMENT. THE FOLLOWING LINK  
IS FOR THE IMPLEMENTATION STRATEGY EFFECTIVE THROUGH JUNE 30, 2022. THE  
IMPLEMENTATION IS CONTAINED FOLLOWING THE COMMUNITY HEALTH NEEDS  
ASSESSMENT IN THE LINK BELOW.

[HTTPS://WWW.PIEDMONT.ORG/MEDIA/FILE/PRH-FY19-CHNA-STRATEGY.PDF](https://www.piedmont.org/media/file/prh-fy19-chna-strategy.pdf)

SCHEDULE H, PART V, LINE 11: ADDRESSING COMMUNITY HEALTH NEEDS

WHEN PIEDMONT HEALTHCARE, INC. FIRST ACQUIRED THE ASSETS OF PIEDMONT  
ROCKDALE HOSPITAL, INC., THE HOSPITAL HAD A GRACE PERIOD FOR PIEDMONT  
HEALTHCARE TO PREPARE AND APPROVE A COMMUNITY HEALTH NEEDS ASSESSMENT FOR  
PIEDMONT ROCKDALE HOSPITAL. THE INITIAL CHNA FOR PIEDMONT ROCKDALE  
HOSPITAL WAS UNANIMOUSLY APPROVED BY ITS BOARD OF DIRECTORS ON APRIL 18,  
2019.

BASED ON THE CHNA, PIEDMONT ROCKDALE HOSPITAL WILL FOCUS ON:

(1) TO MAINTAIN AND, WHEN POSSIBLE, INCREASE ACCESS TO NECESSARY AND

**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

AFFORDABLE CARE FOR LOW TO NO INCOME PATIENTS;

(2) REDUCE PREVENTABLE READMISSIONS AND EMERGENCY DEPARTMENT

RE-ENCOUNTERS;

(3) INCREASE ACCESS TO AND AWARENESS OF BREAST AND LUNG CANCER-RELATED

PROGRAMMING; AND

(4) REDUCE PREVENTABLE INSTANCES OF HEART DISEASE, HYPERTENSION, AND

STROKE.

SCHEDULE H, PART V, LINE 16: FINANCIAL ASSISTANCE WEBSITES

FINANCIAL ASSISTANCE POLICY -

[HTTPS://WWW.PIEDMONT.ORG/MEDIA/FILE/FINANCIAL-ASSISTANCE-POLICY.PDF](https://www.piedmont.org/media/file/financial-assistance-policy.pdf)

FINANCIAL ASSISTANCE APPLICATION -

[HTTPS://WWW.PIEDMONT.ORG/MEDIA/FILE/FINANCIAL-ASSISTANCE-APPLICATION.PDF](https://www.piedmont.org/media/file/financial-assistance-application.pdf)

FINANCIAL ASSISTANCE PLAIN LANGUAGE SUMMARY -

[HTTPS://WWW.PIEDMONT.ORG/MEDIA/FILE/FINANCIAL-ASSISTANCE-PLAIN-LANGUAGE-SUMMARY-ENGLISH.PDF](https://www.piedmont.org/media/file/financial-assistance-plain-language-summary-english.pdf)

MMARY-ENGLISH.PDF

**Part V Facility Information** *(continued)***Section D. 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? \_\_\_\_\_

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
| <b>1</b>         |                             |
|                  |                             |
| <b>2</b>         |                             |
|                  |                             |
| <b>3</b>         |                             |
|                  |                             |
| <b>4</b>         |                             |
|                  |                             |
| <b>5</b>         |                             |
|                  |                             |
| <b>6</b>         |                             |
|                  |                             |
| <b>7</b>         |                             |
|                  |                             |
| <b>8</b>         |                             |
|                  |                             |
| <b>9</b>         |                             |
|                  |                             |
| <b>10</b>        |                             |
|                  |                             |

Schedule H (Form 990) 2020

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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.

SCHEDULE H, PART VI, LINE 1: REQUIRED DISCLOSURES

PUBLIC AVAILABILITY OF COMMUNITY BENEFIT REPORT

SCHEDULE H, PART I, LINE 6A

WE REGULARLY REPORT TO THE COMMUNITY OUR COMMUNITY BENEFIT ACTIVITIES IN SEVERAL WAYS. EACH YEAR, WE PREPARE A SYSTEMWIDE COMMUNITY BENEFIT REPORT THAT IS AVAILABLE TO THE PUBLIC THROUGH PUBLICATION ON OUR WEBSITE. WE ALSO MAKE AVAILABLE COPIES OF OUR IRS FORM 990 SCHEDULE H ON OUR WEBSITE AND AVAILABLE TO ANYONE UPON REQUEST. WE ALSO PROVIDE INFORMATION ON COMMUNITY BENEFIT PROGRAMMING TO LOCAL, STATE, AND FEDERAL LAWMAKERS THROUGH OUR GOVERNMENT AFFAIRS OFFICE.

PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7(F)

THE DENOMINATOR USED FOR THE CALCULATION OF COLUMN (F), PERCENT OF TOTAL EXPENSE, WAS THE AMOUNT OF TOTAL FUNCTIONAL EXPENSES ON FORM 990, PART IX, LINE 25, COLUMN (A) OF \$202,747,809, LESS BAD DEBT EXPENSE OF \$23,294,753 FROM FORM 990, PART IX, LINE 24(B).

**Part VI Supplemental Information**

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

## FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST

SCHEDULE H, PART I, LINE 7

A RATIO OF PATIENT CARE COST TO CHARGES, CONSISTENT WITH WORKSHEET 2, WAS USED TO REPORT THE AMOUNTS IN PART I, LINES 7A-7D. FOR AMOUNTS ON LINES 7E-7K, ACTUAL EXPENSES FOR EACH COMMUNITY BENEFIT ACTIVITY ARE TRACED AND REPORTED USING THE ORGANIZATION'S COST ACCOUNTING SYSTEM.

## BAD DEBT EXPENSE CALCULATION AND FOOTNOTE

SCHEDULE H, PART III, LINES 2-4

THE PROVISION FOR BAD DEBTS IS BASED UPON LEADERSHIP'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE AND OTHER COLLECTION INDICATORS. PERIODICALLY, LEADERSHIP ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THE REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES.

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
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- 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.

THE AMOUNT REPORTED ON PART III, LINE 3, WAS DETERMINED BY TAKING THE AVERAGE ACCEPTANCE RATE FOR ALL CHARITY CARE APPLICATIONS RECEIVED DURING THE YEAR MULTIPLIED BY THE NUMBER OF DENIALS THAT WERE ATTRIBUTABLE TO INSUFFICIENT INFORMATION. THAT TOTAL WAS THEN ADJUSTED DOWNWARD FOR THE ORGANIZATION'S USE OF PRESUMPTIVE ELIGIBILITY WHEN DETERMINING ITS COMMUNITY BENEFITS.

BAD DEBT EXPENSE FOOTNOTE FROM CONSOLIDATED, AUDITED FINANCIAL STATEMENTS:

THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS. PERIODICALLY, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBT TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES.

**Part VI Supplemental Information**

Provide the following information.

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- 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.

PRH PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES. AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE ARE NOT REPORTED AS REVENUE.

MEDICARE SHORTFALLS AS COMMUNITY BENEFIT

SCHEDULE H, PART III, LINE 8

THE AMOUNT REPORTED ON PART III, LINE 6, WAS CALCULATED IN ACCORDANCE WITH SCHEDULE H INSTRUCTIONS BY UTILIZING OUR ALLOWABLE MEDICARE COST AS REPORTED IN THE MEDICARE COST REPORT, WHICH IS BASED ON A COST TO CHARGE RATIO. HOWEVER, THE ALLOWABLE COSTS IN THE MEDICARE COST REPORT DO NOT REFLECT THE ACTUAL COST OF PROVIDING CARE TO PATIENTS SINCE THE MEDICARE COST REPORT EXCLUDES MANY DIRECT PATIENT CARE COSTS THAT ARE ESSENTIAL TO PROVIDE QUALITY HEALTHCARE FOR MEDICARE PATIENTS. FOR EXAMPLE, CERTAIN COVERAGE FEES TO PHYSICIANS, COST OF MEDICARE C AND D, AND OTHER SIMILAR DIRECT PATIENT CARE EXPENSES ARE SPECIFICALLY EXCLUDED FROM ALLOWABLE COST IN THE MEDICARE COST REPORT.

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

WE BELIEVE OUR MEDICARE SHORTFALL REPORTED ON PART III, LINE 7 OF SCHEDULE H, SHOULD BE CONSIDERED A COMMUNITY BENEFIT AS THE IRS COMMUNITY BENEFIT STANDARD INCLUDES THE PROVISION OF CARE TO ELDERLY AND MEDICARE PATIENTS. IRS REVENUE RULING 69-545 PROVIDES, IN PART, THAT HOSPITALS SERVING PATIENTS WITH GOVERNMENTAL HEALTH INSURANCE, SUCH AS MEDICARE, IS AN INDICATION WE OPERATE TO PROMOTE HEALTH IN THE COMMUNITY. OUR POLICY IS TO TREAT MEDICARE PATIENTS, REGARDLESS OF THE EXTENT TO WHICH MEDICARE ACTUALLY PAYS FOR THE TREATMENT. FOR MANY SERVICES, MEDICARE'S REIMBURSEMENT IS LESS THAN THE COST OF THE CARE PROVIDED, RESULTING IN SHORTFALLS THAT ARE TO BE ABSORBED BY US IN HONOR OF OUR COMMITMENT TO TREAT ELDERLY PATIENTS. MANY OF THESE PATIENTS LIVE ON A LOW, FIXED INCOME, AND WOULD QUALIFY FOR FINANCIAL ASSISTANCE OR OTHER MEANS-TESTED PROGRAMS, ABSENT FROM THEIR ENROLLMENT IN MEDICARE.

COLLECTION PRACTICES

SCHEDULE H, PART III, LINE 9(B)

INITIAL SCREENINGS OF ALL INPATIENT, EMERGENCY, AND SURGERY ENCOUNTERS, AS WELL AS MOST OUTPATIENT VISITS, ARE CONDUCTED BY FINANCIAL COUNSELORS

**Part VI** Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

IN ORDER TO IDENTIFY ANY AVAILABLE INSURANCE OR OTHER COVERAGE FOR EACH PATIENT. COUNSELORS CONTACT PATIENTS AND THEIR FAMILIES DIRECTLY, EITHER IN PERSON OR BY LETTER, TO ASSIST THE FAMILY IN IDENTIFYING ANY PROGRAMS FOR WHICH THE PATIENT/SERVICE MAY QUALIFY (INCLUDING MEDICAID, STATE CHILDREN'S HEALTH INSURANCE PROGRAM ("CHIP"), PRIVATE OR GOVERNMENT INSURANCE COVERAGE, AND CHARITY ASSISTANCE). IF THE FAMILY CANNOT BE TIMELY LOCATED OR IS UNCOOPERATIVE, RELATED ACCOUNTS ARE TRANSFERRED TO AN INTERNAL COLLECTION DEPARTMENT FOR FURTHER ATTEMPTS TO OBTAIN PAYMENT OR, IF THE PATIENT MAY QUALIFY FOR ASSISTANCE, TO SECURE A FINANCIAL ASSISTANCE APPLICATION. THE ORGANIZATION'S DEBT COLLECTION POLICY AND PROCEDURES PROHIBIT ANY COLLECTION EFFORTS FOR THE PORTION OF A PATIENT ACCOUNT BALANCE THAT QUALIFIES FOR FINANCIAL ASSISTANCE UNDER THE ORGANIZATION'S CHARITY CARE POLICY.

SCHEDULE H, PART VI, LINE 2: NEEDS ASSESSMENT

AS A DESIGNATED 501(C)(3) NONPROFIT HOSPITAL, WE ARE REQUIRED BY THE INTERNAL REVENUE SYSTEM TO PROVIDE TO CONDUCT A TRIENNIAL COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), IN ACCORDANCE WITH REGULATIONS PUT FORTH

**Part VI Supplemental Information**

Provide the following information.

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

BY THE IRS FOLLOWING THE 2010 PATIENT PROTECTION AND AFFORDABLE CARE ACT (ACA). THROUGH THIS ASSESSMENT, WE HOPE TO BETTER UNDERSTAND LOCAL HEALTH CHALLENGES, IDENTIFY HEALTH TRENDS IN OUR COMMUNITY, DETERMINE GAPS IN THE CURRENT HEALTH DELIVERY SYSTEM AND CRAFT A PLAN TO ADDRESS THOSE GAPS AND THE IDENTIFIED HEALTH NEEDS. IN FY19, WE CONDUCTED OUR THIRD TRIENNIAL COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA). FY21 MARKED YEAR TWO OF THE SUBSEQUENT IMPLEMENTATION STRATEGY.

OUR CHNA WAS LED BY THE PIEDMONT HEALTHCARE COMMUNITY BENEFITS TEAM, WITH SIGNIFICANT INPUT AND DIRECTION FROM HOSPITAL LEADERSHIP, INCLUDING THE DIRECTOR OF COMMUNITY RELATIONS AND OUR HOSPITAL BOARD OF DIRECTORS, WHICH FORMED A SUBCOMMITTEE TO HELP DETERMINE FINAL PRIORITIES.

PROCESS

THE CHNA STARTED FIRST WITH A DEFINITION OF OUR COMMUNITY, OF WHICH WE DETERMINED WAS OUR HOME COUNTY, DUE TO THE IMPACT OF OUR TAX-EXEMPT STATUS. PROPERTY TAXES MAKE UP THE LARGEST SEGMENT OF A HOSPITAL'S TAX EXEMPTION WHICH IMPACTS COUNTY REVENUES. BECAUSE OF THIS, WE AIM TO

**Part VI** Supplemental Information

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- 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.

ENSURE THAT WE ARE PROVIDING AMPLE BENEFIT TO OUR COUNTY AND ITS RESIDENTS. ADDITIONALLY, WE TAKE INTO CONSIDERATION PATIENT ORIGIN, AND ESPECIALLY THAT OF OUR LOWER-INCOME PATIENTS, SUCH AS THOSE WHO QUALIFY FOR FINANCIAL ASSISTANCE OR RECEIVE INSURANCE COVERAGE THROUGH MEDICAID. OUR SECONDARY COMMUNITIES ARE CONSIDERED THE AREAS IN WHICH WE HAVE THE HIGHEST CONCENTRATION OF PATIENTS FITTING THAT CRITERION, INCLUDING ONES FROM NEARBY COMMUNITIES.

ONCE WE ESTABLISHED OUR PRIMARY AND SECONDARY COMMUNITY, WE THEN CONDUCTED AN ANALYSIS OF AVAILABLE PUBLIC HEALTH DATA. THIS INCLUDED RESOURCES FROM: US CENSUS, US HEALTH AND HUMAN SERVICES' COMMUNITY HEALTH STATUS INDICATORS, US DEPARTMENT OF AGRICULTURE, ECONOMIC RESEARCH SERVICE, NATIONAL CENTER FOR EDUCATION STATISTICS, KAISER FAMILY FOUNDATION'S STATE HEALTH FACTS, AMERICAN HEART ASSOCIATION, COUNTY HEALTH RANKINGS AND GEORGIA ONLINE ANALYTICAL STATISTICAL INFORMATION SYSTEM (OASIS). ALL FIGURES WITHIN THE CHNA WERE FOR 2017, UNLESS OTHERWISE NOTED. HEALTH INDICATORS ARE ESTIMATES PROVIDED BY COUNTY HEALTH RANKINGS AND HOSPITAL DATA WERE INTERNALLY SOURCED.

**Part VI Supplemental Information**

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- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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AN INTERNAL SURVEY WAS ALSO CONDUCTED THROUGHOUT THE HEALTHCARE SYSTEM FOR BOTH CLINICAL AND NON-CLINICAL EMPLOYEES. INFORMATION WAS GATHERED ON KNOWLEDGE AND UNDERSTANDING OF COMMUNITY BENEFIT AND CURRENT PROGRAMS, AS WELL AS SUGGESTIONS FOR HOW WE CAN BETTER SERVE OUR PATIENTS AND COMMUNITIES. NEARLY 900 EMPLOYEES SPANNING THE SYSTEM RESPONDED. ADDITIONALLY, WE CONDUCTED A COMMUNITY-BASED SURVEY IN WHICH LOCAL STAKEHOLDERS WERE ASKED THEIR THOUGHTS ON UNMET COMMUNITY HEALTH NEEDS AND OUR ROLE IN ADDRESSING THOSE NEEDS. THESE STAKEHOLDERS INCLUDED LOCAL LEADERS, NONPROFIT REPRESENTATIVES, ELECTED OFFICIALS AND THOSE WITH A UNIQUE KNOWLEDGE OF THE CHALLENGES VULNERABLE POPULATIONS FACE.

WE ALSO EVALUATED PREVIOUS COMMUNITY BENEFIT, HOSPITAL AND COMMUNITY INTERVENTIONS IDENTIFIED IN OUR LAST CHNA IMPLEMENTATION STRATEGIES THROUGH THREE LENSES: IMPACT, OUTCOMES AND SUSTAINABILITY. INTERVENTIONS AND PROGRAMMING CONSIDERED TO HAVE A HIGH SCORE ON ALL THREE WERE INCLUDED IN THIS CHNA AND OUR SUBSEQUENT STRATEGY. THIS INCLUDED OUR COMMUNITY BENEFIT GRANTS PROGRAM, OUR CHARITABLE CLINIC-HOSPITAL

**Part VI Supplemental Information**

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PARTNERSHIPS AND OUR HEART- AND STROKE-FOCUSED COMMUNITY PROGRAMMING.

FINALLY, WE CONDUCTED DIRECT INTERVIEWS WITH 31 STATE AND REGIONAL STAKEHOLDERS AND POLICYMAKERS, WITH EACH REPRESENTING A SPECIFIC GROUP THAT TENDS TO BE ADVERSELY IMPACTED BY ISSUES OF HEALTH EQUITY. THESE GROUPS INCLUDED BUT ARE NOT LIMITED TO GEORGIANS FOR A HEALTHY FUTURE, GEORGIA WATCH, CONSIDERHEALTH, THE COMMUNITY FOUNDATION FOR GREATER ATLANTA, THE GEORGIA CHARITABLE CARE NETWORK, THE MEDICAL ASSOCIATION OF GEORGIA AND HEALTHY MOTHERS, HEALTHY BABIES. ADDITIONALLY, WE SOUGHT AND RECEIVED FEEDBACK ON OUR CHNA FROM PUBLIC HEALTH.

OUR PRIORITIES

A KEY COMPONENT OF THE CHNA IS TO IDENTIFY THE TOP HEALTH PRIORITIES WE'LL ADDRESS OVER FISCAL YEARS 2020, 2021 AND 2022. THESE PRIORITIES WILL GUIDE OUR COMMUNITY BENEFIT WORK. THEY ARE, IN NO ORDER:

. INCREASE ACCESS TO APPROPRIATE AND AFFORDABLE HEALTH AND MENTAL CARE FOR ALL COMMUNITY MEMBERS, AND ESPECIALLY THOSE WHO ARE UNINSURED

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AND THOSE WITH LOW INCOMES

. DECREASE DEATHS FROM CANCER AND INCREASE ACCESS TO CANCER

PROGRAMMING FOR THOSE WITH LIVING THE DISEASE, WITH A FOCUS ON LUNG AND  
BREAST CANCER

. PROMOTE HEALTHY WEIGHTS AND BEHAVIORS AS TO DECREASE PREVENTABLE  
INSTANCES OF HEART DISEASE AND DIABETES

. REDUCE OPIOID AND RELATED SUBSTANCE ABUSE AND OVERDOSE DEATHS

WITH EACH PRIORITY, WE WORK TO ACHIEVE GREATER HEALTH EQUITY BY REDUCING  
THE IMPACT OF POVERTY AND OTHER SOCIOECONOMIC INDICATORS. THIS MEANS THAT  
HEALTH EQUITY IS BUILT INTO EACH PRIORITY, AND THAT IS DEMONSTRATED  
THROUGH OUR IMPLEMENTATION STRATEGIES.

SEVERAL KEY COMMUNITY HEALTH NEEDS EMERGED DURING THE ASSESSMENT PROCESS.  
THE CHOSEN PRIORITIES WERE RECOMMENDED BY THE COMMUNITY BENEFIT  
DEPARTMENT WITH SIGN-OFF FROM HOSPITAL AND BOARD LEADERSHIP. THE  
FOLLOWING CRITERIA WERE USED TO ESTABLISH THE PRIORITIES:

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. THE NUMBER OF PERSONS AFFECTED;

. THE SERIOUSNESS OF THE ISSUE;

. WHETHER THE HEALTH NEED PARTICULARLY AFFECTED PERSONS LIVING IN  
POVERTY OR REFLECTED HEALTH DISPARITIES; AND,

. AVAILABILITY OF COMMUNITY AND/OR HOSPITAL RESOURCES TO ADDRESS THE  
NEED.

THE PRIORITIES WE CHOSE REFLECTED A COLLECTIVE AGREEMENT ON WHAT HOSPITAL  
LEADERSHIP, STAFF AND THE COMMUNITY FELT WAS MOST IMPORTANT AND WITHIN  
OUR ABILITY TO POSITIVELY IMPACT THE ISSUE. WHILE THE PRIORITIES REFLECT  
CLINICAL ACCESS AND CERTAIN CONDITIONS, ALL PRIORITIES ARE VIEWED THROUGH  
THE LENS OF HEALTH DISPARITIES, WITH PARTICULAR ATTENTION PAID TO  
IMPROVING OUTCOMES FOR THOSE MOST VULNERABLE DUE TO INCOME AND RACE.

THE CHNA WAS UNANIMOUSLY APPROVED BY OUR BOARD OF DIRECTORS ON APRIL 18,  
2019.

OUR IMPLEMENTATION STRATEGY WAS DEVELOPED IN PARTNERSHIP WITH HOSPITAL

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LEADERSHIP AND COMMUNITY STAKEHOLDERS TO ADDRESS THE IDENTIFIED PRIORITIES IN OUR FY19 COMMUNITY HEALTH NEEDS ASSESSMENT. THE IMPLEMENTATION STRATEGY WAS DESIGNED TO BE EXECUTED OVER A THREE-YEAR PERIOD AND INCLUDED SPECIFIC METRICS BY WHICH WE WOULD BE ABLE TO EVALUATE OUR WORK AND ITS IMPACT. THE IMPLEMENTATION STRATEGY WAS DEVELOPED BY UTILIZING COMMUNITY FEEDBACK FROM THE ASSESSMENT IN PARTNERSHIP WITH THE SYSTEM COMMUNITY BENEFITS DEPARTMENT, OUR LEADERSHIP, AND OUR BOARD OF DIRECTORS. AS MENTIONED ABOVE, WE INCLUDED PROVEN AND SUCCESSFUL INTERVENTIONS AND PROGRAMMING, INVESTING FURTHER IN WORK WE FELT WAS SUCCESSFUL IN ADDRESSING UNMET HEALTH NEEDS.

THE CHNA IMPLEMENTATION STRATEGY WAS UNANIMOUSLY APPROVED OCTOBER 17, 2019.

SCHEDULE H, PART VI, LINE 3: PATIENT EDUCATION OF ASSISTANCE ELIGIBILITY  
WE UNDERSTAND THAT NOT EVERYONE CAN PAY THEIR HOSPITAL BILL DUE TO THEIR INSURANCE STATUS OR A LIMITED INCOME, AND BECAUSE OF THIS, WE OFFER FINANCIAL ASSISTANCE TO QUALIFYING PATIENTS. NOTIFICATION ABOUT FINANCIAL

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ASSISTANCE INCLUDES, BUT IS NOT LIMITED TO, A DEDICATED CONTACT NUMBER, NOTICES IN PATIENT BILLS, WITHIN THE CONDITIONS OF ADMISSION FORM, AND POSTED NOTICES IN KEY AREAS OF THE HOSPITAL. THESE LOCATIONS ARE THE EMERGENCY ROOM, AT ADMITTING AND REGISTRATION DEPARTMENTS, OUR BUSINESS OFFICE, AND PATIENT FINANCIAL SERVICES OFFICE THAT ARE LOCATED ON SITE.

WE ALSO PUBLISH AND WIDELY PUBLICIZE A PLAIN LANGUAGE SUMMARY OF THIS FINANCIAL ASSISTANCE CARE POLICY ON OUR WEBSITE, AS WELL AS THE FULL POLICY. REFERRAL OF PATIENTS FOR FINANCIAL ASSISTANCE MAY BE MADE BY ANY STAFF OR MEDICAL STAFF MEMBER AT THE HOSPITAL, INCLUDING PHYSICIANS, NURSES, FINANCIAL COUNSELORS, SOCIAL WORKERS, CASE MANAGERS, CHAPLAINS, AND RELIGIOUS SPONSORS. A REQUEST FOR FINANCIAL ASSISTANCE MAY BE MADE BY THE PATIENT OR A FAMILY MEMBER, CLOSE FRIEND, OR ASSOCIATE OF THE PATIENT, SUBJECT TO APPLICABLE PRIVACY LAWS.

ADDITIONALLY, WE PROVIDE COPIES OF OUR FINANCIAL ASSISTANCE POLICY TO OUR PARTNER CLINICS AND OTHERS WHO WORK CLOSELY WITH LOW-INCOME POPULATIONS. WE HELP OUR PARTNERS UNDERSTAND THE POLICY AND HOW IT RELATES TO THEIR

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POPULATIONS AND RECEIVE FEEDBACK IN WAYS OUR FINANCIAL ASSISTANCE

PROGRAMMING COULD BE IMPROVED.

FINALLY, PIEDMONT HEALTHCARE ANNUALLY PUBLISHES A DIRECTORY OF SERVICES AND PROGRAMS FOR LOW-INCOME COMMUNITY MEMBERS, AND WITHIN THIS RESOURCE GUIDE ARE EXTENSIVE DIRECTIONS AND ADVICE ON HOW TO APPLY FOR OUR PATIENT FINANCIAL ASSISTANCE PROGRAM. ALSO, IN THIS GUIDE IS INFORMATION ON HOW TO APPLY FOR CERTAIN GOVERNMENT ASSISTANCE PROGRAMS, RESOURCES TO HELP PREPARE AND FILE TAX RETURNS, AS WELL AS DETAILED RESOURCES FOR LOCAL SLIDING SCALE AND FREE MENTAL, DENTAL AND HEALTH RESOURCES. THIS GUIDE IS WIDELY DISTRIBUTED TO THE COMMUNITY VIA HARDCOPY, IS AVAILABLE WITHIN OUR HOSPITALS AND IS DIGITALLY AVAILABLE ONLINE. THIS GUIDE IS AVAILABLE IN BOTH ENGLISH AND SPANISH.

SCHEDULE H, PART VI, LINE 4: COMMUNITY INFORMATION

WE ARE IN ROCKDALE COUNTY, WHERE AN AVERAGE 89,717 PEOPLE LIVED IN THE 129.81 SQUARE MILE AREA EACH YEAR BETWEEN 2015 AND 2019. THE POPULATION DENSITY FOR THIS AREA, ESTIMATED AT 691.13 PERSONS PER SQUARE MILE, IS

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GREATER THAN THE NATIONAL AVERAGE POPULATION DENSITY OF 94 PEOPLE PER  
SQUARE MILE. ROCKDALE COUNTY IS 85 PERCENT URBAN AND 15 PERCENT IS RURAL.

THE MEDIAN AGE OF PEOPLE LIVING WITHIN ROCKDALE COUNTY WAS 38.

TWENTY-FIVE PERCENT OF THE POPULATION WERE 18 OR YOUNGER, 61 PERCENT WERE  
OVER THE AGE OF 65, AND 61 PERCENT WERE BETWEEN AGES 18-64. IN ROCKDALE  
COUNTY, 10 PERCENT OF THE POPULATION OVER 18 IDENTIFY AS A VETERAN AND 11  
PERCENT OF THOSE IDENTIFIED AS HAVE A DISABILITY.

ABOUT 6 PERCENT OF THE POPULATION HAD LIMITED ENGLISH PROFICIENCY, WHICH  
REFERENCES THE POPULATIONS AGED 5 AND OLDER WHO SPEAK A LANGUAGE OTHER  
THAN ENGLISH AT HOME AND SPEAK ENGLISH LESS THAN "VERY WELL." MOST OF  
THOSE HOUSEHOLDS SPOKE SPANISH. ABOUT 10 PERCENT OF THE POPULATION WERE  
BORN OUTSIDE OF THE UNITED STATES AND ARE CONSIDERED FOREIGN BORN WHILE 4  
PERCENT DO NOT HOLD US CITIZEN STATUS. THIS DATA POINT DOES NOT INCLUDE  
INDIVIDUALS WHO MAY HOLD GREEN CARD PERMISSIONS.

THREE PERCENT OF ADULTS WERE UNEMPLOYED IN 2021. BETWEEN 2015 AND 2019,

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THE MEDIAN INCOME WAS \$60,189 AND THE PER CAPITA INCOME WAS \$28,319.

THIRTEEN PERCENT OF ROCKDALE COUNTY LIVED IN POVERTY BETWEEN 2015 AND 2019. DURING THAT SAME PERIOD, 21 PERCENT OF CHILDREN IN ROCKDALE COUNTY LIVED IN POVERTY, A FIGURE THAT HAS STEADILY INCREASED OVER THE LAST TEN YEARS. IT IS SIGNIFICANTLY HIGHER THAN THE STATE AVERAGE OF 18.5 PERCENT. NEARLY 70 PERCENT OF PUBLIC-SCHOOL CHILDREN WERE ELIGIBLE FOR THE FREE OR REDUCED PRICED LUNCH PROGRAM DURING THE 2018-2019 SCHOOL YEAR, WHICH IS HIGHER THAN THE 2014-15 STATE AVERAGE OF 62 PERCENT.

TWENTY-TWO PERCENT OF THE POPULATION HAS, AT A MINIMUM, ATTENDED SOME COLLEGE, AND 36 PERCENT OBTAINED AN ASSOCIATE DEGREE OR HIGHER.

THIRTY-TWO PERCENT OF THE POPULATION GRADUATED HIGH SCHOOL ONLY AND 11 PERCENT DID NOT GRADUATE HIGH SCHOOL. THE ROCKDALE COUNTY GRADUATION RATE (ACGR) DURING 2015-2019 WAS 83 PERCENT. BETWEEN 2015 AND 2019, THERE WERE ABOUT 10 PERCENT OF YOUNG PEOPLE NOT ENROLLED IN SCHOOL AND WERE ALSO UNEMPLOYED.

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IN ROCKDALE COUNTY, BETWEEN 2015 AND 2019, THERE WERE 31,076 HOUSEHOLDS, AND ABOUT A THIRD OF THOSE WERE OCCUPIED BY RENTERS. OF ALL HOUSEHOLDS IN IN ROCKDALE COUNTY, 48 PERCENT WERE MARRIED FAMILY HOUSEHOLDS. THE PERCENT OF ALL HOUSEHOLDS WITH CHILDREN IN ROCKDALE COUNTY WAS 38 PERCENT AND MARRIED FAMILY HOUSEHOLDS WITH CHILDREN WAS 21 PERCENT. DURING 2016, THE EVICTION FILING RATE WAS 22 PERCENT AND THE EVICTION RATE WAS 7 PERCENT.

NEARLY A THIRD OF HOUSEHOLDS HAD HOUSING COSTS THAT EXCEEDED MORE THAN 30 PERCENT OF TOTAL HOUSEHOLD INCOME BETWEEN 2015 AND 2019, INDICATING A COST BURDENED HOUSEHOLD THAT'S MORE LIKELY TO FACE OVERALL FINANCIAL DIFFICULTY. RENTERS ARE MOST LIKELY TO BE COST BURDENED, WITH NEARLY HALF FACING SUBSTANTIAL DIFFICULTY.

IN ROCKDALE COUNTY, 14 PERCENT OF COUNTY RESIDENTS WERE UNINSURED BETWEEN 2015 AND 2019, AND MINORITIES WERE TWICE AS LIKELY AS THEIR WHITE COUNTERPARTS TO BE UNINSURED. ROUGHLY 18 PERCENT OF THE POPULATION RECEIVED SNAP BENEFITS.

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FOR EVERY 1,000 TEEN GIRLS AGED 15 TO 18 IN ROCKDALE COUNTY, ROUGHLY 19  
 GAVE BIRTH TO A CHILD ON AVERAGE EACH YEAR BETWEEN 2013 AND 2019.  
 CHILDREN BORN TO TEENS ARE STATISTICALLY MUCH MORE LIKELY TO EXPERIENCE  
 ADVERSE HEALTH AND SOCIOECONOMIC ISSUES AS THEY GROW OLDER.  
 APPROXIMATELY, 10 PERCENT OF ALL LIVE BIRTHS WERE CONSIDERED LOW BIRTH  
 WEIGHT BIRTHS.

IN 2019, THERE WERE NINE RECREATION AND FITNESS FACILITIES PER 100,000  
 PEOPLE. THERE WERE 104 FAST FOOD RESTAURANTS IN ROCKDALE COUNTY IN 2019  
 AND 27 PERCENT OF CENSUS TRACTS (FOUR TRACTS) IN ROCKDALE COUNTY WERE  
 CONSIDERED A FOOD DESERT. A FOOD DESERT IS AN AREA WHERE IT IS DIFFICULT  
 TO BUY AFFORDABLE AND/OR GOOD-QUALITY FRESH FOOD. AS OF 2019, THERE WERE  
 ABOUT 21 GROCERY STORE ESTABLISHMENTS PER 100,000 PEOPLE IN ROCKDALE  
 COUNTY AND 10 RETAILERS PER 10,000 PEOPLE THAT WERE SNAP-AUTHORIZED FOOD  
 STORES.

VARIOUS HEALTH BEHAVIOR INDICATORS SHOWED THAT 14 PERCENT OF ADULTS

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REPORTED EXCESSIVE DRINKING OF ALCOHOL AND 14 PERCENT BINGE DRINKING IN THE LAST 30 DAYS. IN 2018, ABOUT 18 PERCENT OF ADULTS WERE CURRENT SMOKERS. THERE WERE NEARLY 23 PERCENT OF ADULTS WHO REPORTED NOT HAVING ENOUGH TIME FOR LEISURE ACTIVITIES.

IN ROCKDALE COUNTY, THE CANCER INCIDENCE RATE WAS AT 474 INCIDENCES PER 100,000 PEOPLE, ON AVERAGE EACH YEAR, BETWEEN 2014 AND 2018. PROSTATE CANCER HAD THE HIGHEST INCIDENCE RATE DURING THIS PERIOD AT 151 INCIDENCES PER 100,000 PEOPLE AND 74 NEW CASES ANNUALLY, ON AVERAGE. NEXT, BREAST CANCER HAD INCIDENCE RATE AT 136 INCIDENCES PER 100,000 PEOPLE AND 77 NEW CASES ANNUALLY, ON AVERAGE. LUNG AND BRONCHUS CANCER HAD AN INCIDENCE RATE OF 52 INCIDENCES PER 100,000 PEOPLE AND 51 NEW CASES ANNUALLY, ON AVERAGE. COLON AND RECTUM CANCER HAD AN INCIDENCE OF 43 INCIDENCES PER 100,000 PEOPLE AND 41 NEW CASES ANNUALLY, ON AVERAGE. LASTLY, MELANOMA OF THE SKIN HAD AN INCIDENCE OF 21 INCIDENCES PER 100,000 PEOPLE AND 22 NEW CASES ANNUALLY, ON AVERAGE.

IN ROCKDALE COUNTY, CANCER WAS THE NUMBER ONE CAUSE OF BOTH AGE-ADJUSTED

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- 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.

AND PREMATURE DEATH BETWEEN 2015 AND 2019. AGE-ADJUSTED ALLOWS COMMUNITIES WITH DIFFERENT AGE STRUCTURES TO BE COMPARED. PREMATURE DEATH IS WHEN DEATH HAPPENS BEFORE THE AVERAGE AGE FOR A GIVEN COMMUNITY. BETWEEN 2017 AND 2019, THERE WERE 1,213 PREMATURE DEATHS AND 21,141 YEARS OF POTENTIAL LIFE LOST. ADDITIONALLY, 32 PERCENT OF ADULTS HAD A BMI HIGHER THAN 39. INDICATING OBESITY.

IN 2021, ROCKDALE COUNTY REPORTED 11,856 COVID-19 AND 250 COVID-19 RELATED DEATHS. IN ROCKDALE COUNTY, ABOUT 24 PERCENT OF ADULTS WERE FULLY VACCINATED AND 15 PERCENT OF ADULTS WERE HESITANT ABOUT RECEIVING THE VACCINE. THE COVID-19 VACCINE COVERAGE INDEX (CVAC) RANKS STATES AND COUNTIES ON BARRIERS TO COVERAGE THROUGH 28 INDICATORS ACROSS 5 THEMES: HISTORIC UNDER VACCINATION, SOCIODEMOGRAPHIC BARRIERS, RESOURCE-CONSTRAINED HEALTH SYSTEM, HEALTHCARE ACCESSIBILITY BARRIERS, AND IRREGULAR CARE-SEEKING BEHAVIORS. THE CVAC CAN HELP CONTEXTUALIZE PROGRESS TO WIDESPREAD COVID-19 VACCINE COVERAGE, IDENTIFYING UNDERLYING COMMUNITY-LEVEL FACTORS THAT COULD BE DRIVING SUBOPTIMAL ROLLOUT TO INFORM PRECISION SOLUTIONS. ROCKDALE COUNTY HAD A VACCINE COVERAGE INDEX

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

OF 0.50 AS REPORTED BY THE CDC, 2021.

SOURCES FOR ALL STATISTICS IN THIS SECTION: U.S. CENSUS 2017 ACS  
 DEMOGRAPHIC AND HOUSING ESTIMATE, UNIVERSITY OF WISCONSIN POPULATION  
 HEALTH INSTITUTE, COUNTY HEALTH RANKINGS, 2018, WITH INDICATORS RANGING  
 FROM 2012 TO 2019, AND THE GEORGIA ONLINE ANALYTICAL STATISTICAL  
 INFORMATION SYSTEM.

SCHEDULE H, PART VI, LINE 5: PROMOTION OF COMMUNITY HEALTH  
 IN FY21, WE ACTIVELY PROMOTED THE HEALTH OF OUR COMMUNITY THROUGH OUR  
 CLINIC-HOSPITAL PARTNERSHIP, COMMUNITY-BASED HEALTH SCREENINGS,  
 EDUCATIONAL ACTIVITIES, COMMUNITY-BUILDING ACTIVITIES, THE OPERATION OF A  
 24-HOUR EMERGENCY DEPARTMENT AVAILABLE TO THE ENTIRE COMMUNITY, AN  
 EMERGENCY ROOM OPEN TO ALL MEMBERS OF THE COMMUNITY WITHOUT REGARD TO  
 ABILITY TO PAY, A GOVERNANCE BOARD COMPOSED OF COMMUNITY MEMBERS, USE OF  
 SURPLUS REVENUE FOR FACILITIES IMPROVEMENT, PATIENT CARE, AND MEDICAL  
 TRAINING, EDUCATION, AND RESEARCH, THE PROVISION OF INPATIENT HOSPITAL  
 CARE FOR ALL PERSONS IN THE COMMUNITY ABLE TO PAY, INCLUDING THOSE

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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COVERED BY MEDICARE AND MEDICAID, AND AN OPEN MEDICAL STAFF WITH  
PRIVILEGES AVAILABLE TO ALL QUALIFYING PHYSICIANS.

IT'S IMPORTANT TO NOTE THAT COVID-19 SIGNIFICANTLY IMPACTED OUR PROACTIVE  
COMMUNITY BENEFIT PROGRAMS, AS WE CANCELED ALL IN-PERSON EVENTS AND  
CLASSES AS OF EARLY MARCH 2020. WE CREATED PROGRAMMING RESPONSIVE TO THE  
PANDEMIC, INCLUDING OUR MIGRATION TO ONLINE PLATFORMS FOR VITAL  
COMMUNITY-BASED PROGRAMMING.

IN FY21, WE WORKED TO ENSURE PATIENTS AT NOT-FOR-PROFIT CHARITABLE CLINIC  
MERCY HEART HAVE ACCESS TO THE CARE NEEDED TO GET - AND STAY - HEALTHY.  
MANY STAFF MEMBERS VOLUNTEER TIME AT THE CLINIC. ADDITIONALLY, WE DONATED  
FUNDS MONEY TO ORGANIZATIONS SUPPORTING MERCY HEART AND PROVIDED  
REFERRALS TO THE CLINIC.

WE CREATED A PATIENT AND FAMILY ADVISORY COUNCIL TO PROVIDE MEANINGFUL  
INPUT ON CRITICAL AREAS OF CARE. DESPITE CHALLENGES FACED BY COVID-19, WE  
MET QUARTERLY BY WEBEX AND CREATED WAYS TO ENHANCE COMMUNICATION WITH

**Part VI Supplemental Information**

Provide the following information.

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PATIENTS, FAMILY MEMBERS, AND THE CARE TEAM WHEN NEEDING TO LIMIT OR RESTRICT VISITORS. WE PURCHASED IPADS FOR THE PATIENT EXPERIENCE TEAM TO HELP ALLOW THE PARTIES TO COMMUNICATE VIA FACETIME. SADLY, THE COUNCIL HAS LOST SEVERAL MEMBERS TO COVID-19.

WE MADE REDUCING OPIOID AND RELATED SUBSTANCE ABUSE AND OVERDOSE DEATHS A PRIORITY BY PROVIDING MEANINGFUL LEADERSHIP IN THE COMMUNITY BY PARTNERING WITH OTHERS IN COMBATING OPIOID ABUSE. WE PROMOTED NATIONAL TAKE-BACK DAY THROUGH MEDIA ADVERTISEMENT OF DRUG DISPOSAL LOCATIONS IN THE COMMUNITY AND ENCOURAGED PATIENTS AT DISCHARGE TO PROPERLY DISPOSE OF MEDICATIONS. WE WORKED WITH LOCAL LAW ENFORCEMENT AND PHARMACIES TO MAINTAIN THE DISPOSAL BINS. WE PHARMACY HOSTED AN EDUCATION SESSION ON THE IMPORTANCE OF LOCKING MEDICATION SAFELY AWAY FROM CHILDREN.

WE CREATED A FREE MAMMOGRAM VOUCHER PROGRAM (MVP) TO UNDERSERVED AND UNDERINSURED WOMEN. WE REGULARLY OFFER DONATIONS TO THE KIM ATKINS FOUNDATION, AND IN RETURN, THE FOUNDATION HAS PROVIDED WIGS, HATS, AND SCARVES FOR CANCER PATIENTS FREE OF COST.

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
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WE REDUCED CULTURAL BARRIERS TO CANCER PREVENTION AND EDUCATION FOR THE HISPANIC/LATINO COMMUNITY. CURRENTLY, WE HAVE TWO SPANISH-SPEAKING PROVIDERS. THESE PROVIDERS HAVE HELD NUMEROUS TOWN HALL EVENTS FOR THE LATINO COMMUNITY, FOCUSING ON THE IMPORTANCE OF THE COVID-19 VACCINE AND GENERAL HEALTH AND WELLBEING. ONE PROVIDER HAS RECEIVED AN AWARD FROM A LOCAL LATINX ORGANIZATION FOR THEIR WORK WITH THESE POPULATIONS.

WE MADE PROMOTING HEALTHY WEIGHT AND BEHAVIORS TO DECREASE PREVENTABLE INSTANCES OF HEART DISEASE AND DIABETES A PRIORITY BY BUILDING AND ENGAGING COMMUNITY-BASED PARTNERSHIPS TO IDENTIFY AND ELIMINATE POTENTIAL BARRIERS TO HEALTHY WEIGHTS AND BEHAVIORS. WE ENCOURAGED AND PROMOTED EVENTS IN THE COMMUNITY FOR PHYSICAL ACTIVITY AND BEING OUTSIDE AND SOCIAL IN A FUN WAY BY BEING A STAKEHOLDER IN THE LIVE WELL ROCKDALE EFFORT. EVENTS INCLUDE LITTLE LEAGUE SPORTS, 5K MARATHONS, AND LOCAL FARMERS' MARKETS. WE HAVE ALSO PARTNERED WITH LOCAL RESTAURANTS TO HIGHLIGHT HEALTHIER CHOICES AT RESTAURANTS.

**Part VI Supplemental Information**

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WE WORKED TO REDUCE BARRIERS TO HEART DISEASE PREVENTION AND EDUCATION FOR THE HISPANIC/LATINO COMMUNITY. OUR SPANISH-SPEAKING PROVIDERS HAVE PARTICIPATED IN VIRTUAL LUNCH & LEARN WITH THE COMMUNITY AND TOWN HALLS TO DISCUSS HEALTH TOPICS.

WE DEVELOPED A NEW PRESCRIPTION PROGRAM FOR LOW-INCOME PATIENTS. WE PROVIDE VOUCHERS FOR HEALTHY FOODS AT A LOCAL FARMER'S MARKET OR FOOD BANK. LOCAL FOOD PANTRIES HAVE INCREASED THEIR RESPONSE AND FOCUS ON HEALTHY EATING, AND OUR PROVIDERS HAVE VOLUNTEERED TIME TO HELP PACK BAGS AND DELIVER THEM TO FAMILIES IN THE COMMUNITY.

WE PROVIDED STAFF AND OTHER RESOURCES TO ADMINISTER COVID-19 VACCINES TO THE COMMUNITY AND FIRST RESPONDERS AND ADVISED COMMUNITY GROUPS TO RETURN TO WORK AND HOLD COMMUNITY MEETINGS SAFELY. OUR PROVIDERS HAVE GIVEN INFORMATION AND ADVICE TO LOCAL SCHOOL SYSTEMS ON SAFELY RETURNING TO THE CLASSROOM AND VACCINES FOR KIDS. WE DONATED HAND SANITIZER TO GROUPS HOLDING IN-PERSON EVENTS AND ENCOURAGING COVID SAFETY PRECAUTIONS.

**Part VI Supplemental Information**

Provide the following information.

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WE HOSTED MONTHLY LUNCH & LEARNS WITH THE COMMUNITY, AND MORE THAN 60 PARTICIPANTS ATTENDED. WE PROVIDED FLU VACCINE CLINICS TO BUSINESSES AND HOSTED VIRTUAL DIABETES AND HEALTHY EATING LUNCH & LEARNS WITH OUR DIABETES EDUCATOR.

SCHEDULE H, PART VI, LINE 6: AFFILIATED HEALTH CARE SYSTEM

WE ARE PART OF PIEDMONT HEALTHCARE, A REGIONAL NOT-FOR-PROFIT ORGANIZATION, AND THE PARENT COMPANY OF 16 HOSPITALS, THE PIEDMONT PHYSICIANS GROUP, THE PIEDMONT HEART INSTITUTE, THE PIEDMONT CLINIC, AND THE PIEDMONT HEALTHCARE FOUNDATION. OUR COMMUNITY RELATIONS TEAM WORKS DIRECTLY WITH THE COMMUNITY. OUR SYSTEM COMMUNITY BENEFIT DEPARTMENT OVERSEES THE COMMUNITY BENEFIT ACTIVITIES ON BEHALF OF ALL HOSPITALS THROUGHOUT THE SYSTEM, AND THIS INCLUDES CONDUCTING THE TRIENNIAL CHNA AND SUBSEQUENT IMPLEMENTATION STRATEGY, ENSURING THE FINANCIAL ASSISTANCE POLICY IS COMMUNICATED TO THE COMMUNITY, MAINTAINING THE COMMUNITY BENEFIT WEBPAGE, AUTHORIZING THE COMMUNITY BENEFIT ANNUAL REPORT, PREPARING BOARD MATERIALS, DEVELOPING AND EXECUTING THE COMMUNITY BENEFIT GRANTS PROGRAM AND COMPILING ALL COMMUNITY BENEFIT FIGURES. EACH HOSPITAL AND

**Part VI** Supplemental Information

Provide the following information.

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CERTAIN DEPARTMENTS OF PIEDMONT HEALTHCARE EXECUTE COMMUNITY BENEFIT PROGRAMMING, SUCH AS OUR REVENUE DEPARTMENT, WHICH OVERSEES THE FINANCIAL ASSISTANCE PROGRAM.

SCHEDULE H, PART VI, LINE 7: STATE OF FILING OF COMMUNITY BENEFIT REPORT  
WE ARE NOT REQUIRED TO FILE A COMMUNITY BENEFIT REPORT, HOWEVER, WE ARE REQUIRED TO FILE WITH THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH INFORMATION ON OUR INDIGENT AND CHARITY CARE, AS WELL AS OUR MEDICAID AND MEDICARE SHORTFALLS.

**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" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

**b** If any of the boxes on 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

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

**3** Indicate which, if any, of the following the 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.

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on 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? . . . . .
- b** Participate in or receive payment from a supplemental nonqualified retirement plan? . . . . .
- c** Participate in or receive payment from an equity-based compensation arrangement? . . . . .
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on 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? . . . . .
- b** Any related organization? . . . . .
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III. . . . .

**8** Were any amounts reported on Form 990, Part VII, paid or accrued 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 . . . . .

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? . . . . .

Yes No

|           |   |   |
|-----------|---|---|
|           |   |   |
| <b>1b</b> | X |   |
| <b>2</b>  | X |   |
|           |   |   |
| <b>4a</b> |   | X |
| <b>4b</b> | X |   |
| <b>4c</b> |   | X |
|           |   |   |
| <b>5a</b> |   | X |
| <b>5b</b> |   | X |
|           |   |   |
| <b>6a</b> |   | X |
| <b>6b</b> |   | X |
|           |   |   |
| <b>7</b>  |   | X |
|           |   |   |
| <b>8</b>  |   | X |
| <b>9</b>  |   |   |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2020

**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 on 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 aren't 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 in column (B) reported as deferred on prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
|  |      | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |  |                         |                                 |   |
| 1 MR. J. MICHAEL BURNETT<br>BOARD MEMBER                 | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (ii) | 508,307.   | 374,282.                            | 140,345.                            | 99,024.  | 20,865.                 | 1,142,823.                      | 81,924.   |
| 2 DR. LEIGH HAMBY<br>BOARD MEMBER                        | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (ii) | 594,907.   | 418,830.                            | 163,285.                            | 112,971.                                       | 19,776.                 | 1,309,769.                      | 92,157.   |
| 3 MR. RICHARD TANZELLA<br>CEO (END 12/20) & BOARD MEMBER | (i)  | 386,797.   | 208,002.                            | 36,148.                             | 82,704.  | 13,423.                 | 727,074.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 4 MR. BLAKE WATTS<br>CEO (EFF 6/21) & BOARD MEMBER       | (i)  | 184,906.   | 39,816.                             | 432.                                | 11,742.  | 19,097.                 | 255,993.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 5 MR. MARVIN WYNN<br>CFO                                 | (i)  | 229,720.   | 89,477.                             | 15,029.                             | 17,100.  | 14,191.                 | 365,517.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 6 DR. GEOFFREY COLE<br>CMO                               | (i)  | 352,427.   | 123,398.                            | 29,685.                             | 17,100.  | 10,251.                 | 532,861.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 7 MS. LEIGHA FALLIS<br>CNO                               | (i)  | 178,880.   | 65,288.                             | 1,243.                              | 10,370.  | 11,124.                 | 266,905.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 8 MS. AMANDA MILLER<br>DIRECTOR - PHARMACY               | (i)  | 163,138.   | 22,866.                             | 511.                                | 11,389.  | 6,607.                  | 204,511.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 9 MS. MELANIE MCGRIF<br>EXEC. DIR - PATIENT SVCS         | (i)  | 158,785.   | 34,325.                             | 1,576.                              | 0.   | 25,491.                 | 220,177.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 10 MR. JIGNESHKUMAR SHAH<br>MANAGER - PHARMACY           | (i)  | 151,455.   | 10,794.                             | 0.                                  | 10,237.  | 16,780.                 | 189,266.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 11 MS. DENISE HUET<br>PHARMACIST                         | (i)  | 118,492.   | 450.                                | 36,153.                             | 7,571.   | 6,532.                  | 169,198.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 12 MR. MICHAEL MCANDER<br>TREASURER (END 7/20)           | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (ii) | 357,162.   | 0.                                  | 927,767.                            | 66,931.  | 5,196.                  | 1,357,056.                      | 498,228.  |
| 13 MR. THOMAS ARNOLD<br>TREASURER (EFF 7/20)             | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (ii) | 424,857.   | 245,916.                            | 156,777.                            | 79,670.  | 13,247.                 | 920,467.                        | 62,570.   |
| 14 MS. ELIZABETH LEDDY<br>SECRETARY                      | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (ii) | 459,494.   | 335,067.                            | 49,241.                             | 109,035.                                       | 17,590.                 | 970,427.                        | 0.  |
| 15   | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
| 16   | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |

Schedule J (Form 990) 2020

**Part III Supplemental Information**

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.

SCHEDULE J, PART I, LINE 1A: DISCRETIONARY SPENDING

RICHARD TANZELLA, DR. LEIGH HAMBY, ELIZABETH LEDDY, THOMAS ARNOLD AND J.

MICHAEL BURNETT RECEIVED A DISCRETIONARY SPENDING ACCOUNT TOTALING

\$12,000, A FIXED AMOUNT DETERMINED BY THEIR JOB LEVEL. MICHAEL MCANDER

RECEIVED A DISCRETIONARY SPENDING AMOUNT TOTALING \$7,385. THIS SPENDING

ACCOUNT WAS INCLUDED IN THEIR TAXABLE WAGES.

SCHEDULE J, PART I, LINE 3: COMPENSATION OF THE CEO/EXECUTIVE DIRECTOR

THE COMPENSATION FOR THE PRESIDENT/CEO OF PIEDMONT ROCKDALE HOSPITAL IS

SET BY THE ENTITY'S PARENT, PIEDMONT HEALTHCARE, INC. PLEASE SEE THE

SCHEDULE O NARRATIVE FOR FORM 990, PART VI, SECTION B, LINE 15A & 15B FOR

ADDITIONAL INFORMATION.

SCHEDULE J, PART I, LINE 4B: SUPPLEMENTAL COMPENSATION INFORMATION

J. MICHAEL BURNETT RECEIVED A PAYMENT OF \$81,924 FROM HIS SUPPLEMENTAL

EXECUTIVE RETIREMENT PLAN.

DR. LEIGH HAMBY RECEIVED A PAYMENT OF \$92,157 FROM HIS SUPPLEMENTAL

EXECUTIVE RETIREMENT PLAN.

**Part III Supplemental Information**

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.

MICHAEL MCANDER RECEIVED A PAYMENT OF \$498,228 FROM HIS SUPPLEMENTAL  
EXECUTIVE RETIREMENT PLAN.

THOMAS ARNOLD RECEIVED A PAYMENT OF \$62,570 FROM HIS SUPPLEMENTAL  
EXECUTIVE RETIREMENT PLAN.

THE FOLLOWING EMPLOYEES PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED  
RETIREMENT PLAN, BUT DID NOT RECEIVE CURRENT YEAR PAYMENTS:

ELIZABETH LEDDY

RICHARD TANZELLA

SCHEDULE J, PART I, LINE 7: NON-FIXED PAYMENTS

CERTAIN EMPLOYEES PARTICIPATED IN AN "ANNUAL INCENTIVE PLAN" UNDER WHICH  
THEY RECEIVED NON-FIXED BONUS PAYMENTS BASED ON JOB LEVEL AND SEVERAL  
DIFFERENT PERFORMANCE METRICS.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

ROCKDALE 2019A SERIES

**Supplemental Information on Tax-Exempt Bonds**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

**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) Pooled financing |    |
|---|----------------|-------------|-----------------|-----------------|----------------------------|--------------|----|-------------------------|----|----------------------|----|
|   |                |             |                 |                 |                            | Yes          | No | Yes                     | No | Yes                  | No |
| <b>A</b> DEVELOPMENT AUTHORITY OF ROCKDALE COUNTY | 52-1338356     | 773008BN6   | 11/07/2019      | 64,565,000.     | NEW ASSET PURCHASE         |              | X  |                         | X  |                      | X  |
| <b>B</b>  |                |             |                 |                 |                            |              |    |                         |    |                      |    |
| <b>C</b>  |                |             |                 |                 |                            |              |    |                         |    |                      |    |
| <b>D</b>  |                |             |                 |                 |                            |              |    |                         |    |                      |    |

**Part II Proceeds**

|  | A           |    | B   |    | C   |    | D   |    |
|--|-------------|----|-----|----|-----|----|-----|----|
| <b>1</b> Amount of bonds retired . . . . .   |             |    |     |    |     |    |     |    |
| <b>2</b> Amount of bonds legally defeased . . . . .  |             |    |     |    |     |    |     |    |
| <b>3</b> Total proceeds of issue . . . . .   | 75,851,774. |    |     |    |     |    |     |    |
| <b>4</b> Gross proceeds in reserve funds . . . . .   |             |    |     |    |     |    |     |    |
| <b>5</b> Capitalized interest from proceeds . . . . .  |             |    |     |    |     |    |     |    |
| <b>6</b> Proceeds in refunding escrows . . . . .   |             |    |     |    |     |    |     |    |
| <b>7</b> Issuance costs from proceeds . . . . .  |             |    |     |    |     |    |     |    |
| <b>8</b> Credit enhancement from proceeds . . . . .  |             |    |     |    |     |    |     |    |
| <b>9</b> Working capital expenditures from proceeds . . . . .  |             |    |     |    |     |    |     |    |
| <b>10</b> Capital expenditures from proceeds . . . . .   |             |    |     |    |     |    |     |    |
| <b>11</b> Other spent proceeds . . . . .   | 75,851,774. |    |     |    |     |    |     |    |
| <b>12</b> Other unspent proceeds . . . . .   |             |    |     |    |     |    |     |    |
| <b>13</b> Year of substantial completion . . . . .   | 2019        |    |     |    |     |    |     |    |
|  | Yes         | No | Yes | No | Yes | No | Yes | No |
| <b>14</b> Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? . . . . . |             | X  |     |    |     |    |     |    |
| <b>15</b> Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? . . . . .   |             | X  |     |    |     |    |     |    |
| <b>16</b> Has the final allocation of proceeds been made? . . . . .  | X           |    |     |    |     |    |     |    |
| <b>17</b> Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .                           | X           |    |     |    |     |    |     |    |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2020

**Part III Private Business Use**

ROCKDALE 2019A SERIES

|   | A        |    | B   |    | C   |    | D   |    |
|---|----------|----|-----|----|-----|----|-----|----|
|   | Yes      | No | Yes | No | Yes | No | Yes | No |
| <b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . .   |          | X  |     |    |     |    |     |    |
| <b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? . . . . .  |          | X  |     |    |     |    |     |    |
| <b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .  |          | X  |     |    |     |    |     |    |
| <b>b</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? . . . . .   |          |    |     |    |     |    |     |    |
| <b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .   |          | X  |     |    |     |    |     |    |
| <b>d</b> 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? . . . . .   |          |    |     |    |     |    |     |    |
| <b>4</b> 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 . . . . . ▶  | 1.0000 % |    |     |    |     |    |     |    |
| <b>5</b> 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 . . . . . ▶ |          |    |     |    |     |    |     |    |
| <b>6</b> Total of lines 4 and 5 . . . . .   | 1.0000 % |    |     |    |     |    |     |    |
| <b>7</b> Does the bond issue meet the private security or payment test? . . . . .   |          | X  |     |    |     |    |     |    |
| <b>8a</b> 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  |     |    |     |    |     |    |
| <b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .  |          |    |     |    |     |    |     |    |
| <b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .  |          |    |     |    |     |    |     |    |
| <b>9</b> 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        |    |     |    |     |    |     |    |

**Part IV Arbitrage**

|   | A   |    | B   |    | C   |    | D   |    |
|---|-----|----|-----|----|-----|----|-----|----|
|   | Yes | No | Yes | No | Yes | No | Yes | No |
| <b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . . |     | X  |     |    |     |    |     |    |
| <b>2</b> If "No" to line 1, did the following apply?  |     |    |     |    |     |    |     |    |
| <b>a</b> Rebate not due yet? . . . . .  | X   |    |     |    |     |    |     |    |
| <b>b</b> Exception to rebate? . . . . .   |     | X  |     |    |     |    |     |    |
| <b>c</b> No rebate due? . . . . .   |     | X  |     |    |     |    |     |    |
| If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .                                 |     |    |     |    |     |    |     |    |
| <b>3</b> Is the bond issue a variable rate issue? . . . . .   |     | X  |     |    |     |    |     |    |

Schedule K (Form 990) 2020

**Part IV Arbitrage** (continued)

|  | A   |    | B   |    | C   |    | D   |    |
|--|-----|----|-----|----|-----|----|-----|----|
|  | Yes | No | Yes | No | Yes | No | Yes | No |
| <b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? . . . . . |     | X  |     |    |     |    |     |    |
| <b>b</b> Name of provider . . . . .  |     |    |     |    |     |    |     |    |
| <b>c</b> Term of hedge. . . . .  |     |    |     |    |     |    |     |    |
| <b>d</b> Was the hedge superintegrated? . . . . .  |     |    |     |    |     |    |     |    |
| <b>e</b> Was the hedge terminated? . . . . .   |     |    |     |    |     |    |     |    |
| <b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? . . . . .  |     | X  |     |    |     |    |     |    |
| <b>b</b> Name of provider . . . . .  |     |    |     |    |     |    |     |    |
| <b>c</b> Term of GIC . . . . .   |     |    |     |    |     |    |     |    |
| <b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? . . . . .                     |     |    |     |    |     |    |     |    |
| <b>6</b> Were any gross proceeds invested beyond an available temporary period? . . . . .  |     | X  |     |    |     |    |     |    |
| <b>7</b> Has the organization established written procedures to monitor the requirements of section 148? . . . . .                 | X   |    |     |    |     |    |     |    |

**Part V Procedures To Undertake Corrective Action**

|   | A   |    | B   |    | C   |    | D   |    |
|---|-----|----|-----|----|-----|----|-----|----|
|   | Yes | No | Yes | No | Yes | No | Yes | No |
| 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 isn't available under applicable regulations? . . . . . | X   |    |     |    |     |    |     |    |

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K. See instructions.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

**Supplemental Information to Form 990 or 990-EZ**

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

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Employer identification number

30-0999841

FORM 990, PART V, LINE 1A: NUMBER OF FORMS 1099 FILED  
ALL CALENDAR YEAR 2020 FORMS 1099 WERE FILED ON BEHALF OF PIEDMONT  
ROCKDALE HOSPITAL BY ITS SOLE MEMBER, PIEDMONT HEALTHCARE, INC. (EIN  
58-1503902), PURSUANT TO AN AGREEMENT WITH THE IRS TO FILE ALL FORMS 1099  
FOR THE PIEDMONT HEALTHCARE SYSTEM ON A COMBINED BASIS.

FORM 990, PART VI, SECTION A, LINE 6: ORGANIZATION'S SOLE MEMBER  
PIEDMONT HEALTHCARE, INC., (EIN 58-1503902) IS THE SOLE MEMBER OF  
PIEDMONT ROCKDALE HOSPITAL ("PRH").

FORM 990, PART VI, SECTION A, LINE 7A: ELECTION OF GOVERNING BODY  
THE BOARD OF PIEDMONT HEALTHCARE, PIEDMONT ROCKDALE HOSPITAL'S SOLE  
MEMBER, APPOINTS THE MEMBERS OF THE BOARD OF DIRECTORS OF PIEDMONT  
ROCKDALE HOSPITAL.

FORM 990, PART VI, SEC A, LINE 7B: DECISIONS OF GOVERNING BODY  
PIEDMONT ROCKDALE HOSPITAL'S BOARD POLICIES AND DECISIONS MUST BE FILED,  
IMMEDIATELY AFTER ADOPTION, WITH THE SECRETARY OF THE PIEDMONT HEALTHCARE  
BOARD OF DIRECTORS. SUCH POLICIES AND DECISIONS OF THE PIEDMONT ROCKDALE  
HOSPITAL BOARD OF DIRECTORS ARE NOT SUBJECT TO THE APPROVAL OF OR  
RATIFICATION BY THE PIEDMONT HEALTHCARE BOARD, BUT SHOULD THE NEED ARISE,  
THEY MAY BE RESCINDED BY THE PIEDMONT HEALTHCARE BOARD THROUGH A MAJORITY  
VOTE OF ITS DIRECTORS.

|  |  |
|--|--|
| Name of the organization<br>PIEDMONT ROCKDALE HOSPITAL | Employer identification number<br>30-0999841 |
|--|--|

FORM 990, PART VI, SECTION B, LINE 11B: 990 REVIEW PROCESS

INFORMATION NEEDED TO PREPARE PIEDMONT ROCKDALE HOSPITAL'S FORM 990 IS COMPILED BY INDIVIDUALS IN THE ORGANIZATION'S FINANCE DEPARTMENT. THE INFORMATION IS REVIEWED BY PRH'S CONTROLLER AND VP/CFO. THE 990 IS THEN PREPARED INTERNALLY BY PIEDMONT HEALTHCARE, INC.'S TAX DEPARTMENT AND SUBMITTED TO AN EXTERNAL TAX PREPARER FOR REVIEW. PRIOR TO FILING, COPIES OF FORM 990 ARE PROVIDED TO THE BOARD OF DIRECTORS OF PIEDMONT HEALTHCARE, INC., THE ORGANIZATION'S SOLE MEMBER, FOR BOARD REVIEW.

FORM 990, PART VI, SECTION B, LINE 12C: CONFLICT OF INTEREST

COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY IS MONITORED AND ENFORCED BY ORGANIZATION MANAGEMENT IN COORDINATION WITH PIEDMONT HEALTHCARE'S CHIEF COMPLIANCE OFFICER. ALL SENIOR LEADERS, BOARD MEMBERS, PHYSICIAN EMPLOYEES, NURSE PRACTITIONERS/PHYSICIAN ASSISTANTS AND EMPLOYEES AND NON-EMPLOYEES ENGAGED IN RESEARCH ARE REQUIRED TO ANNUALLY DISCLOSE ALL MATTERS WHICH COULD POTENTIALLY CONSTITUTE A CONFLICT OF INTEREST. MATTERS DISCLOSED UNDER THE POLICY MUST BE REVIEWED IN WRITING BY THE PIEDMONT HEALTHCARE CONFLICT OF INTEREST COMMITTEE IN ORDER TO DETERMINE WHETHER A CONFLICT EXISTS AND, IF SO, WHETHER TO ELIMINATE OR MANAGE THE CONFLICT. ALL BOARD MEMBERS AND EMPLOYEES OF PIEDMONT MOUNTAINSIDE HOSPITAL ARE PROVIDED TRAINING ON CONFLICT OF INTEREST ISSUES, INCLUDING REPORTING REQUIREMENTS, AT NEW EMPLOYEE ORIENTATION AND AT LEAST ANNUALLY THEREAFTER. NONCOMPLIANCE WITH THE CONFLICT OF INTEREST POLICY MUST BE REPORTED TO PIEDMONT HEALTHCARE'S CHIEF COMPLIANCE OFFICER FOR INVESTIGATION, AND REMEDIAL STEPS MUST BE TAKEN AS APPROPRIATE UNDER THE PIEDMONT HEALTHCARE DISCIPLINARY POLICIES.

|  |  |
|--|--|
| Name of the organization<br>PIEDMONT ROCKDALE HOSPITAL | Employer identification number<br>30-0999841 |
|--|--|

FORM 990, PART VI, SEC B, LINE 15A, 15B: EXECUTIVE COMPENSATION

COMPENSATION FOR EXECUTIVES OF PIEDMONT ROCKDALE HOSPITAL IS SET BY THE BOARD OF DIRECTORS OF PIEDMONT HEALTHCARE, INC. THE PIEDMONT HEALTHCARE, INC., BOARD OF DIRECTOR'S EXECUTIVE PERFORMANCE AND COMPENSATION COMMITTEE ("THE COMMITTEE") IS COMPOSED OF AT LEAST THREE MEMBERS OF THE PHC BOARD OF DIRECTORS, SERVING TERMS OF THREE YEARS, AND THE MAJORITY OF WHICH ARE COMMUNITY DIRECTORS WHO GENERALLY DO NOT HAVE CONFLICTS OF INTEREST RELATED TO FULFILLMENT OF THE DUTIES AS OUTLINED BELOW. THE COMMITTEE OVERSEES EXECUTIVE PERFORMANCE AND COMPENSATION ON BEHALF OF THE PHC BOARD, SUBJECT TO THE ULTIMATE AUTHORITY AND OVERSIGHT OF THE BOARD. THE COMMITTEE ALSO FORMULATES POLICIES AND MAKES DECISIONS IN ORDER TO ENSURE A HIGH LEVEL OF EXECUTIVE PERFORMANCE.

THE COMMITTEE IS AUTHORIZED TO ACT ON BEHALF OF THE PHC BOARD AS SET OUT IN ITS CHARTER, AND THE COMMITTEE IS ALSO CHARGED WITH PROVIDING RECOMMENDATIONS AND PERIODIC REPORTS TO THE PHC BOARD REGARDING EXECUTIVE PERFORMANCE AND COMPENSATION. ALL DECISIONS AND COMPARABILITY DATA ARE DOCUMENTED IN THE COMMITTEE MEETING MINUTES.

#### FUNCTIONS OF THE COMMITTEE

- ASSESS AND IMPLEMENT POLICIES REGARDING PERFORMANCE, COMPENSATION AND BENEFITS OF THE PRESIDENT/CEO AND OTHER EXECUTIVES AS DETERMINED BY THE COMMITTEE
- SELECT AN EXECUTIVE COMPENSATION CONSULTANT WHO REPORTS TO THE COMMITTEE
- ANNUALLY REVIEW THE PRESIDENT/CEO SUCCESSION PLAN

|  |  |
|--|--|
| Name of the organization<br>PIEDMONT ROCKDALE HOSPITAL | Employer identification number<br>30-0999841 |
|--|--|

- FORMULATE AND IMPLEMENT ANNUAL PERFORMANCE OBJECTIVES FOR THE PRESIDENT/CEO, AND REVIEW AND APPROVE ANNUALLY RECOMMENDATIONS FROM THE PRESIDENT/CEO RELATING TO COMPENSATION, PERFORMANCE OBJECTIVES, AND SUCCESSION PLANS FOR EVP EXECUTIVES
- ANNUALLY ASSESS PRESIDENT/CEO PERFORMANCE; IF NECESSARY, IMPLEMENT ACTION PLAN WITH PRESIDENT/CEO INPUT TO IMPROVE HIS/HER PERFORMANCE; ADJUST COMPENSATION AS APPROPRIATE; THE COMMITTEE CHAIR SHALL CONSULT WITH THE PHC GOVERNANCE COMMITTEE CHAIR AND THE PHC BOARD CHAIR AND SHALL COORDINATE THE ANNUAL PERFORMANCE REVIEW OF THE PHC PRESIDENT/CEO, UNLESS THE PHC BOARD CHAIR HAS A REAL OR PERCEIVED CONFLICT OF INTEREST, IN WHICH CASE THE COMMITTEE CHAIR SHALL DETERMINE THE PROPER REVIEW PROCESS
- REVIEW AND APPROVE LONG-TERM AND SHORT-TERM GOALS TO BE USED IN CONNECTION WITH EVP COMPENSATION PROGRAMS AS RECOMMENDED BY THE PRESIDENT/CEO AND VALIDATED BY THE COMPENSATION CONSULTANT
- PERIODICALLY REVIEW COMPENSATION, IF ANY, FOR THE PHC BOARD CHAIR AND ALL BOARD CHAIRS OF THE PHC SUBSIDIARIES
- ESTABLISH OTHER POLICIES AND PROCEDURES, AND PERFORM OTHER TASKS, RELATED TO EXECUTIVE PERFORMANCE AND COMPENSATION, INCLUDING BUT NOT LIMITED TO, APPROVAL OF EXECUTIVE EMPLOYMENT CONTRACTS AND BENEFITS
- PERIODICALLY REPORT SIGNIFICANT DECISIONS AND ANY ADDITIONAL REQUESTED INFORMATION TO THE PHC BOARD.

FORM 990, PART VI, SECTION C, LINE 19: DISCLOSURE OF DOCUMENTS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST. THESE DOCUMENTS SHOULD BE

|  |  |
|--|--|
| Name of the organization<br>PIEDMONT ROCKDALE HOSPITAL | Employer identification number<br>30-0999841 |
|--|--|

REQUESTED FROM PIEDMONT HEALTHCARE, INC.'S LEGAL COUNSEL.

FORM 990, PART XI, LINE 9: RECONCILIATION OF NET ASSETS

CHANGES TO NET ASSETS REPORTED ON PART XI, LINE 9 ARE COMPRISED OF:

CHANGE IN TEMP (\$18,675)

INTERCOMPANY TRANSFERS \$4,494,297

UNALLOCATED EXPENSES (\$6,140,373)

GRANT REVENUE \$1,024

CHANGE IN UNRESTRICTED \$6,659

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TOTAL (\$1,657,068)

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

| <u>NAME AND ADDRESS</u>  | <u>DESCRIPTION OF SERVICES</u> | <u>COMPENSATION</u> |
|--|--------------------------------|---------------------|
| WALKER LAKE PHYSICIAN SERVICES PC<br>1412 MILSTEAD AVE<br>CONYERS, GA 30012    | HOSPITALIST SERVICES           | 4,011,081.          |
| MEDICAL SOLUTIONS LLC<br>1010 NORTH 102ND STREET, SUITE 300<br>OMAHA, NE 68114 | STAFFING SERVICES              | 2,894,040.          |
| GREYSTONE OB/GYN<br>3240 AVALON BLVD<br>CONYERS, GA 30013                      | OB/GYN SERVICES                | 1,098,000.          |
| TOTAL RENAL CARE INC<br>601 HAWAII ST<br>EL SEGUNDO, CA 90245                  | DIALYSIS                       | 877,827.            |
| INSIGHT HEALTH CORPORATION<br>26250 ENTERPRISE COURT<br>LAKE FOREST, CA 92360  | DIAGNOSTIC IMAGING             | 440,896.            |

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

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

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (1)   |                         |  |                     |                           |                                  |
| (2)   |                         |  |                     |                           |                                  |
| (3)   |                         |  |                     |                           |                                  |
| (4)   |                         |  |                     |                           |                                  |
| (5)   |                         |  |                     |                           |                                  |
| (6)   |                         |  |                     |                           |                                  |

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

| (a)<br>Name, address, and EIN of related organization  | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|--|-------------------------|--|----------------------------|---|----------------------------------|--|----|
|  |                         |  |                            |   |                                  | Yes  | No |
| (1) <b>PIEDMONT HEALTHCARE, INC.</b> 58-1503902<br>1800 HOWELL MILL ROAD, SUITE 8 ATLANTA, GA 30318    | MANAGEMENT              | GA   | 501(C)(3)                  | 12C, III-FI   | N/A                              |  | X  |
| (2) <b>PIEDMONT HOSPITAL, INC.</b> 58-0566213<br>1968 PEACHTREE ROAD, NW ATLANTA, GA 30309             | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (3) <b>FAYETTE COMMUNITY HOSPITAL, INC.</b> 58-2322328<br>1255 HIGHWAY 54 WEST FAYETTEVILLE, GA 30214  | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (4) <b>PIEDMONT MOUNTAINSIDE HOSPITAL, INC.</b> 35-2228583<br>1266 HIGHWAY 515 SOUTH JASPER, GA 30143  | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (5) <b>PIEDMONT HENRY HOSPITAL, INC.</b> 58-2200195<br>1133 EAGLE'S LANDING PKWY STOCKBRIDGE, GA 30281 | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (6) <b>PIEDMONT HEART INSTITUTE, INC.</b> 26-3553500<br>95 COLLIER ROAD NW STE 2045 ATLANTA, GA 30309  | HEALTHCARE              | GA   | 501(C)(3)                  | 10  | PHC                              |  | X  |
| (7) <b>PIEDMONT NEWNAN HOSPITAL, INC.</b> 20-5077249<br>745 POPLAR ROAD NEWNAN, GA 30265               | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |

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Schedule R (Form 990) 2020

**SCHEDULE R  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020****Open to Public  
Inspection**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

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

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (1)   |                         |  |                     |                           |                                  |
| (2)   |                         |  |                     |                           |                                  |
| (3)   |                         |  |                     |                           |                                  |
| (4)   |                         |  |                     |                           |                                  |
| (5)   |                         |  |                     |                           |                                  |
| (6)   |                         |  |                     |                           |                                  |

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

| (a)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|---|-------------------------|--|----------------------------|---|----------------------------------|--|----|
|   |                         |  |                            |   |                                  | Yes  | No |
| (1) <b>PIEDMONT NEWTON HOSPITAL, INC.</b> 58-2155150<br>5126 HOSPITAL DRIVE, NE COVINGTON, GA 30014           | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (2) <b>PIEDMONT HEALTHCARE FOUNDATION, INC.</b> 58-1272768<br>2001 PEACHTREE ROAD NE, SUITE ATLANTA, GA 30309 | FUNDRAISING             | GA   | 501(C)(3)                  | 12B, II   | PHC                              |  | X  |
| (3) <b>PIEDMONT ATHENS REGIONAL FOUNDATION, INC</b> 58-1978389<br>1199 PRINCE AVENUE ATHENS, GA 30606         | FUNDRAISING             | GA   | 501(C)(3)                  | 12B, II   | ARMC                             |  | X  |
| (4) <b>PIEDMONT ATHENS REGIONAL HEALTH RESOURCE</b> 58-1930580<br>1199 PRINCE AVENUE ATHENS, GA 30606         | DEVELOPMENT             | GA   | 501(C)(3)                  | 12B, II   | ARMC                             |  | X  |
| (5) <b>PIEDMONT ATHENS REGIONAL MEDICAL CENTER</b> 58-2179986<br>1199 PRINCE AVENUE ATHENS, GA 30606          | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (6) <b>ATHENS REGIONAL PHYSICIAN SERVICES, INC.</b> 58-2332921<br>1199 PRINCE AVENUE ATHENS, GA 30606         | HEALTHCARE              | GA   | 501(C)(3)                  | 12B, II   | ARMC                             |  | X  |
| (7) <b>ATHENS REGIONAL SPECIALTY SERVICES, INC.</b> 27-1975001<br>1199 PRINCE AVENUE ATHENS, GA 30606         | HEALTHCARE              | GA   | 501(C)(3)                  | 3   | ARMC                             |  | X  |

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Schedule R (Form 990) 2020

**SCHEDULE R  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020****Open to Public  
Inspection**

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

Employer identification number

30-0999841

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

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (1)   |                         |  |                     |                           |                                  |
| (2)   |                         |  |                     |                           |                                  |
| (3)   |                         |  |                     |                           |                                  |
| (4)   |                         |  |                     |                           |                                  |
| (5)   |                         |  |                     |                           |                                  |
| (6)   |                         |  |                     |                           |                                  |

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

| (a)<br>Name, address, and EIN of related organization                                       | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|---|-------------------------|--|----------------------------|---|----------------------------------|--|----|
|   |                         |  |                            |   |                                  | Yes  | No |
| (1) REGIONAL FIRSTCARE, INC. 58-2362733<br>1199 PRINCE AVENUE ATHENS, GA 30606              | URGENT CARE             | GA   | 501(C)(3)                  | 12B, II   | ARMC                             |  | X  |
| (2) COLUMBUS AMBULATORY HEALTHCARE SERVICES 58-1719867<br>707 CENTER ST COLUMBUS, GA 31901  | AMBULATORY              | GA   | 501(C)(3)                  | 3   | CRHS                             |  | X  |
| (3) COLUMBUS REGIONAL HEALTHCARE SYSTEM, INC 58-1719994<br>707 CENTER ST COLUMBUS, GA 31901 | HEALTHCARE              | GA   | 501(C)(3)                  | 12B, II   | PHC                              |  | X  |
| (4) COLUMBUS REGIONAL MEDICAL FOUNDATION INC 58-1501642<br>707 CENTER ST COLUMBUS, GA 31901 | FUNDRAISING             | GA   | 501(C)(3)                  | 7   | CRHS                             |  | X  |
| (5) THE MEDICAL CENTER, INC. 58-1685139<br>710 CENTER ST COLUMBUS, GA 31901                 | HOSPITAL                | GA   | 501(C)(3)                  | 3   | CRHS                             |  | X  |
| (6) HUGHSTON HOSPITAL, INC. 33-1216751<br>707 CENTER ST COLUMBUS, GA 31901                  | HOSPITAL                | GA   | 501(C)(3)                  | 3   | CRHS                             |  | X  |
| (7) PIEDMONT WALTON HOSPITAL, INC. 82-4194264<br>2151 WEST SPRING ST MONROE, GA 30655       | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |

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Schedule R (Form 990) 2020

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

PIEDMONT ROCKDALE HOSPITAL

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Employer identification number

30-0999841

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

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (1)   |                         |  |                     |                           |                                  |
| (2)   |                         |  |                     |                           |                                  |
| (3)   |                         |  |                     |                           |                                  |
| (4)   |                         |  |                     |                           |                                  |
| (5)   |                         |  |                     |                           |                                  |
| (6)   |                         |  |                     |                           |                                  |

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

| (a)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|---|-------------------------|--|----------------------------|---|----------------------------------|--|----|
|   |                         |  |                            |   |                                  | Yes  | No |
| (1) <b>PIEDMONT CARTERSVILLE HOSPITAL, INC.</b> 87-0963633<br>960 JOE FRANK HARRIS PKWY SE CARTERSVILLE, GA 30120 | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (2) <b>PIEDMONT EASTSIDE HOSPITAL, INC.</b> 87-0982886<br>1700 MEDICAL WAY SNELLVILLE, GA 30078                   | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (3) <b>PIEDMONT MACON HOSPITAL, INC.</b> 87-1006981<br>350 HOSPITAL DR MACON, GA 31217                            | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (4) <b>PIEDMONT MACON NORTH HOSPITAL, INC.</b> 87-1031034<br>400 CHARTER BLVD MACON, GA 31210                     | HOSPITAL                | GA   | 501(C)(3)                  | 3   | PHC                              |  | X  |
| (5) <b>COLUMBUS REGIONAL SENIOR LIVING, INC.</b> 58-2628502<br>707 CENTER ST COLUMBUS, GA 31901                   | HEALTHCARE              | GA   | 501(C)(3)                  | 12C, III-FI   | PHC                              |  | X  |
| (6)   |                         |  |                            |   |                                  |  |    |
| (7)   |                         |  |                            |   |                                  |  |    |

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Schedule R (Form 990) 2020

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

| (a)<br>Name, address, and EIN of<br>related organization          | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant<br>income (related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512 - 514) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V - UBI<br>amount in box 20<br>of Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|---|-------------------------|--|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
|   |                         |  |                                     |   |                                 |  | Yes                                     | No |   | Yes                                       | No |                                |
| (1) PTREE ORTHO SURG 58-2562721<br>2001 PTREE RD ATL GA 30309     | ORTHOPAEDIC             | GA   | N/A                                 | N/A   | 0.                              | 0.                                     |   | X  | 0.  |   | X  |                                |
| (2) DIG HLTH GA ENDO 58-2406657<br>95 CLR RD ATL GA 30309         | HEALTHCARE              | GA   | N/A                                 | N/A   | 0.                              | 0.                                     |   | X  | 0.  |   | X  |                                |
| (3) PIED URG CARE WELL. 84-1916875<br>3350 RVWD PKWY ATL GA 30339 | URGENT CARE             | GA   | N/A                                 | N/A   | 0.                              | 0.                                     |   | X  | 0.  |   | X  |                                |
| (4) GA HEALTH COLLAB. 46-1500639<br>2727 PCSS FRY RD ATL GA 30339 | HEALTHCARE              | GA   | N/A                                 | N/A   | 0.                              | 0.                                     |   | X  | 0.  |   | X  |                                |
| (5)   |                         |  |                                     |   |                                 |  |   |    |   |   |    |                                |
| (6)   |                         |  |                                     |   |                                 |  |   |    |   |   |    |                                |
| (7)   |                         |  |                                     |   |                                 |  |   |    |   |   |    |                                |

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on 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)<br>Name, address, and EIN of related organization  | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp, or trust) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year assets | (h)<br>Percentage<br>ownership | (i)<br>Section<br>512(b)(13)<br>controlled<br>entity? |    |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|---------------------------------------|--------------------------------|---|----|
|  |                         |  |                                     |   |                                 |                                       |                                | Yes   | No |
| (1) PIEDMONT MEDICAL CARE CORPORATION 58-2092768<br>2727 PACES FERRY RD, STE 1-1100 ATLANTA, GA 30339    | HEALTHCARE              | GA   | PHC                                 | C CORP  | 0.                              | 0.                                    |                                |   | X  |
| (2) THE PIEDMONT CLINIC, INC 58-2005358<br>2727 PACES FERRY RD, STE 1-1100 ATLANTA, GA 30339             | HEALTHCARE              | GA   | PHC                                 | C CORP  | 0.                              | 0.                                    |                                |   | X  |
| (3) PIEDMONT HEART INSTITUTE PHYSICIANS, INC 26-0593850<br>95 COLLIER ROAD NW STE 2045 ATLANTA, GA 30309 | HEALTHCARE              | GA   | PHC                                 | C CORP  | 0.                              | 0.                                    |                                |   | X  |
| (4) AMSTER MCRAE INSURANCE COMPANY 98-0427603<br>P.O. BOX 1159 GRAND CAYMAN, CJ KY1-1102                 | RELATED INSUR           | CJ   | PHC                                 | C CORP  | 0.                              | 0.                                    |                                |   | X  |
| (5) PIEDMONT WELLSTAR HEALTHPLANS, INC 46-1922499<br>2859 PACES FERRY RD, STE 600 ATLANTA, GA 30339      | HEALTH INSUR.           | GA   | PHC                                 | C CORP  | 0.                              | 0.                                    |                                |   | X  |
| (6) COLUMBUS HEALTHCARE RESOURCES 58-1717754<br>PO BOX 790 COLUMBUS, GA 31902                            | HEALTHCARE              | GA   | CRHS                                | C CORP  | 0.                              | 0.                                    |                                |   | X  |
| (7) COLUMBUS HEALTH SERVICES, INC. 58-1640939<br>P.O. 790 COLUMBUS, GA 31902                             | HEALTHCARE              | GA   | CRHS                                | C CORP  | 0.                              | 0.                                    |                                |   | X  |

**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on 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 |
|---|-----------|-----|----|
| <b>1</b> During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?                          |           |     |    |
| <b>a</b> Receipt of <b>(i)</b> interest, <b>(ii)</b> annuities, <b>(iii)</b> royalties, or <b>(iv)</b> rent from a controlled entity . . . . .  | <b>1a</b> |     | X  |
| <b>b</b> Gift, grant, or capital contribution to related organization(s) . . . . .  | <b>1b</b> |     | X  |
| <b>c</b> Gift, grant, or capital contribution from related organization(s) . . . . .  | <b>1c</b> |     | X  |
| <b>d</b> Loans or loan guarantees to or for related organization(s) . . . . .   | <b>1d</b> |     | X  |
| <b>e</b> Loans or loan guarantees by related organization(s) . . . . .  | <b>1e</b> |     | X  |
| <b>f</b> Dividends from related organization(s) . . . . .   | <b>1f</b> |     | X  |
| <b>g</b> Sale of assets to related organization(s) . . . . .  | <b>1g</b> |     | X  |
| <b>h</b> Purchase of assets from related organization(s) . . . . .  | <b>1h</b> |     | X  |
| <b>i</b> Exchange of assets with related organization(s) . . . . .  | <b>1i</b> |     | X  |
| <b>j</b> Lease of facilities, equipment, or other assets to related organization(s) . . . . .   | <b>1j</b> |     | X  |
| <b>k</b> Lease of facilities, equipment, or other assets from related organization(s) . . . . .   | <b>1k</b> |     | X  |
| <b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) . . . . .   | <b>1l</b> |     | X  |
| <b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) . . . . .  | <b>1m</b> |     | X  |
| <b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .  | <b>1n</b> |     | X  |
| <b>o</b> Sharing of paid employees with related organization(s) . . . . .   | <b>1o</b> |     | X  |
| <b>p</b> Reimbursement paid to related organization(s) for expenses . . . . .   | <b>1p</b> | X   |    |
| <b>q</b> Reimbursement paid by related organization(s) for expenses . . . . .   | <b>1q</b> | X   |    |
| <b>r</b> Other transfer of cash or property to related organization(s) . . . . .  | <b>1r</b> |     | X  |
| <b>s</b> Other transfer of cash or property from related organization(s) . . . . .  | <b>1s</b> |     | X  |
| <b>2</b> 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)<br>Name of related organization | (b)<br>Transaction<br>type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining<br>amount involved |
|-------------------------------------|----------------------------------|------------------------|---|
| (1)                                 |                                  |                        |   |
| (2)                                 |                                  |                        |   |
| (3)                                 |                                  |                        |   |
| (4)                                 |                                  |                        |   |
| (5)                                 |                                  |                        |   |
| (6)                                 |                                  |                        |   |

**Part VI** **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on 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)<br>Name, address, and EIN of entity | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign<br>country) | (d)<br>Predominant<br>income (related,<br>unrelated, excluded<br>from tax under<br>sections 512 - 514) | (e)<br>Are all partners<br>section<br>501(c)(3)<br>organizations? |    | (f)<br>Share of<br>total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V - UBI<br>amount in box 20<br>of Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|---|-------------------------|--|--|---|----|---------------------------------|--|---|----|---|---|----|--------------------------------|
|   |                         |  |  | Yes   | No |                                 |  | Yes                                     | No |   | Yes                                       | No |                                |
| (1)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (2)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (3)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (4)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (5)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (6)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (7)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (8)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (9)                                     |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (10)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (11)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (12)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (13)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (14)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (15)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |
| (16)                                    |                         |  |  |   |    |                                 |  |   |    |   |   |    |                                |

Schedule R (Form 990) 2020

**Part VII** **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

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**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

Consolidated Financial Statements

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

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KPMG LLP  
Suite 2000  
303 Peachtree Street, N.E.  
Atlanta, GA 30308-3210

## Independent Auditors' Report

The Board of Directors  
Piedmont Healthcare, Inc. and Affiliates:

We have audited the accompanying consolidated financial statements of Piedmont Healthcare, Inc. and Affiliates, which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Piedmont Healthcare, Inc. and Affiliates as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

**KPMG LLP**

Atlanta, Georgia  
November 17, 2021

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2021 and 2020

(In thousands)

| <b>Assets</b>                                      | <b>2021</b>  | <b>2020</b> |
|--|--------------|-------------|
| Current assets:                                    |              |             |
| Cash and cash equivalents                          | \$ 1,153,674 | 1,104,753   |
| Patient accounts receivable, net                   | 600,333      | 506,985     |
| Bond proceeds receivable                           | —            | 12,915      |
| Current portion of self-insurance investments      | 32,631       | 27,763      |
| Other current assets                               | 198,548      | 173,091     |
| Total current assets                               | 1,985,186    | 1,825,507   |
| Investments and assets limited as to use           | 1,495,101    | 1,161,963   |
| Property and equipment, net                        | 2,144,971    | 2,079,636   |
| Operating lease right-of-use assets                | 233,871      | —           |
| Self-insurance investments, net of current portion | 69,358       | 49,599      |
| Beneficial interest in perpetual trust             | 10,340       | 8,110       |
| Other assets                                       | 365,792      | 298,624     |
| Total assets                                       | \$ 6,304,619 | 5,423,439   |
| <b>Liabilities and Net Assets</b>                  |              |             |
| Current liabilities:                               |              |             |
| Current portion of bonds payable                   | \$ 16,380    | 15,120      |
| Accounts payable and accrued expenses              | 744,812      | 868,868     |
| Estimated third-party payor settlements            | 119,929      | 91,865      |
| Current portion of self-insurance reserves         | 53,612       | 47,482      |
| Total current liabilities                          | 934,733      | 1,023,335   |
| Bonds payable, net of current portion              | 1,406,405    | 1,433,130   |
| Medical office building financing obligation       | 43,034       | 42,848      |
| Notes payable to banks                             | —            | 25,504      |
| Operating lease liabilities                        | 205,013      | —           |
| Self-insurance reserves, net of current portion    | 91,322       | 87,363      |
| Accrued pension cost and other benefits            | 61,723       | 128,146     |
| Other long-term liabilities                        | 204,815      | 172,543     |
| Total liabilities                                  | 2,947,045    | 2,912,869   |
| Net assets:  |              |             |
| Without donor restrictions                         | 3,274,733    | 2,441,022   |
| With donor restrictions                            | 82,841       | 69,548      |
| Total net assets                                   | 3,357,574    | 2,510,570   |
| Total liabilities and net assets                   | \$ 6,304,619 | 5,423,439   |

See accompanying notes to consolidated financial statements.

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

Consolidated Statements of Operations

Years ended June 30, 2021 and 2020

(In thousands)

|   | <u>2021</u>       | <u>2020</u>      |
|---|-------------------|------------------|
| Revenue, gains and other support:   |                   |                  |
| Net patient service revenue   | \$ 4,407,948      | 3,644,255        |
| Other revenue   | 156,524           | 290,767          |
| Total revenue, gains and other support  | <u>4,564,472</u>  | <u>3,935,022</u> |
| Expenses:   |                   |                  |
| Salaries and benefits   | 2,197,568         | 2,039,414        |
| Supplies and other  | 1,692,875         | 1,508,231        |
| Depreciation and amortization   | 193,676           | 157,566          |
| Interest  | 46,555            | 32,830           |
| Total expenses  | <u>4,130,674</u>  | <u>3,738,041</u> |
| Operating income before loss on extinguishment of debt, acquisition/integration costs and gain on exchange of joint venture | 433,798           | 196,981          |
| Loss on extinguishment of debt  | —                 | (1,026)          |
| Acquisition/integration costs   | (9,892)           | (10,309)         |
| Gain on exchange of joint venture   | —                 | 13,803           |
| Operating income  | <u>423,906</u>    | <u>199,449</u>   |
| Nonoperating gains (losses):  |                   |                  |
| Investment income, net  | 336,632           | 39,831           |
| Other components of pension gains (losses)  | 1,650             | (17,027)         |
| Gain from equity investments, net   | 10,456            | 5,680            |
| Change in fair value of interest rate swaps   | 8,720             | (9,805)          |
| Total nonoperating gains, net   | <u>357,458</u>    | <u>18,679</u>    |
| Excess of revenue, gains and other support over expenses and losses   | 781,364           | 218,128          |
| Net assets released from restrictions used for purchase of property and equipment   | 5,369             | 28,414           |
| Pension adjustments   | 43,530            | (12,448)         |
| Other   | 3,448             | 3,759            |
| Change in net assets without donor restrictions   | \$ <u>833,711</u> | <u>237,853</u>   |

See accompanying notes to consolidated financial statements.

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2021 and 2020

(In thousands)

|   | <u>2021</u>         | <u>2020</u>      |
|---|---------------------|------------------|
| Net assets without donor restrictions:  |                     |                  |
| Excess of revenue, gains and other support over expenses and losses               | \$ 781,364          | 218,127          |
| Net assets released from restrictions used for purchase of property and equipment | 5,369               | 28,414           |
| Pension adjustments   | 43,530              | (12,448)         |
| Other   | 3,448               | 3,759            |
| Change in net assets without donor restrictions                                   | <u>833,711</u>      | <u>237,852</u>   |
| Net assets with donor restrictions:   |                     |                  |
| Contributions   | 22,752              | 44,650           |
| Change in beneficial interest in perpetual trust                                  | 2,230               | 28               |
| Net assets released from restrictions used for purchase of property and equipment | (5,369)             | (28,414)         |
| Net assets released from restrictions used for operations                         | (6,331)             | (3,425)          |
| Other   | 11                  | (4,083)          |
| Change in net assets with donor restrictions                                      | <u>13,293</u>       | <u>8,756</u>     |
| Change in net assets  | <u>847,004</u>      | <u>246,608</u>   |
| Net assets at beginning of year   | <u>2,510,570</u>    | <u>2,263,962</u> |
| Net assets at end of year   | <u>\$ 3,357,574</u> | <u>2,510,570</u> |

See accompanying notes to consolidated financial statements.

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

Consolidated Statements of Cash Flows

Years ended June 30, 2021 and 2020

(In thousands)

|   | <u>2021</u>         | <u>2020</u>         |
|---|---------------------|---------------------|
| Cash flows from operating activities:   |                     |                     |
| Change in net assets  | \$ 847,004          | 246,608             |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                     |
| Depreciation and amortization   | 193,676             | 157,566             |
| Gain on exchange of joint venture   | —                   | (13,803)            |
| Impairment loss on hospital building  | —                   | 3,050               |
| Investment income, net  | (330,424)           | (38,747)            |
| Change in beneficial interest in perpetual trust  | (2,230)             | (28)                |
| Amortization of bond premium and debt issuance costs  | (10,791)            | (5,179)             |
| Loss on extinguishment of debt  | —                   | 1,026               |
| Pension adjustments   | (43,530)            | 12,448              |
| Change in fair value of interest rate swaps   | (8,720)             | 9,805               |
| Contributions donor restricted for long-term investment                                     | (22,752)            | (26,897)            |
| (Increase) decrease in:   |                     |                     |
| Patient accounts receivable   | (93,348)            | (2,639)             |
| Other current assets  | 372                 | (5,350)             |
| Bond proceeds receivable  | (12,915)            | (12,915)            |
| Other assets  | (68,775)            | (56,787)            |
| (Decrease) increase in:   |                     |                     |
| Accounts payable and accrued expenses   | (184,088)           | 415,000             |
| Estimated third-party payor settlements   | 28,064              | 24,540              |
| Self-insurance reserves   | 10,090              | 1,509               |
| Accrued pension cost  | (22,892)            | (2,973)             |
| Other long-term liabilities   | 40,991              | 20,738              |
| Net cash provided by operating activities   | <u>319,732</u>      | <u>726,972</u>      |
| Cash flows from investing activities:   |                     |                     |
| Purchases of investments and assets limited as to use                                       | (318,192)           | (283,495)           |
| Proceeds from sale of investments and assets limited as to use                              | 304,757             | 261,664             |
| Capital expenditures  | <u>(250,594)</u>    | <u>(325,966)</u>    |
| Net cash used in investing activities   | <u>(264,029)</u>    | <u>(347,797)</u>    |
| Cash flows from financing activities:   |                     |                     |
| Contributions donor restricted for long-term investment                                     | 22,752              | 26,897              |
| Repayments on note payable to a bank  | (2,065)             | (308,249)           |
| Proceeds from issuance of bonds payable   | —                   | 740,897             |
| Repayments of indebtedness  | (15,120)            | (13,130)            |
| Bond redemptions  | <u>—</u>            | <u>(135,895)</u>    |
| Net cash provided by financing activities   | <u>5,567</u>        | <u>310,520</u>      |
| Net increase in cash and cash equivalents   | 61,270              | 689,695             |
| Cash and cash equivalents at beginning of year  | <u>1,128,154</u>    | <u>438,459</u>      |
| Cash and cash equivalents at end of year  | \$ <u>1,189,424</u> | \$ <u>1,128,154</u> |
| Supplemental disclosures of cash flow information:  |                     |                     |
| Cash paid during the year for:  |                     |                     |
| Interest  | \$ 53,030           | 39,191              |
| Income taxes (net of refunds)   | 1,476               | 1,072               |
| Supplemental disclosures of noncash investing and financing activities:                     |                     |                     |
| Capital expenditures included in accounts payable and accrued expenses – investing activity | \$ 33,064           | 24,884              |
| Reconciliation of cash and cash equivalents:  |                     |                     |
| Cash and cash equivalents   | \$ 1,153,674        | 1,104,753           |
| Cash funds in investments and assets limited as to use                                      | <u>35,750</u>       | <u>23,401</u>       |
|   | \$ <u>1,189,424</u> | \$ <u>1,128,154</u> |

See accompanying notes to consolidated financial statements.

## **PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

### **Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

#### **(1) Organization and General**

The Board of Directors of Piedmont Healthcare, Inc. and Affiliates (collectively, PHC) appoints the governing boards of:

- Piedmont Atlanta Hospital, Inc. (Atlanta). Atlanta, located in Atlanta, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of the Atlanta metropolitan area.
- Piedmont Fayette Hospital, Inc. (Fayette). Fayette, located in Fayetteville, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Fayette County.
- Piedmont Mountainside Hospital, Inc. (Mountainside). Mountainside, located in Jasper, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Pickens County and Gilmer County.
- Piedmont Newnan Hospital, Inc. (Newnan). Newnan, located in Newnan, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Coweta County.
- Piedmont Henry Hospital (Henry). Henry, located in McDonough, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Henry County.
- Piedmont Newton Hospital (Newton). Newton, located in Covington, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Newton County.
- Piedmont Athens Regional Hospital (Athens). Athens, located in Athens, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services for residents of northeast Georgia and provides a home care nursing service to patients residing in the five Georgia counties of Clarke, Oconee, Madison, Barrow, and Jackson.
- Piedmont Rockdale Hospital (Rockdale). Rockdale, located in Conyers, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Rockdale County.
- Piedmont Columbus Regional Midtown Hospital (Midtown). Midtown, located in Columbus, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Muscogee County.
- Piedmont Columbus Regional Northside Hospital (Northside). Northside, located in Columbus, Georgia, is a not-for-profit acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Muscogee County.
- Piedmont Walton Hospital (Walton). Walton, located in Monroe, Georgia, is an acute care hospital providing inpatient, outpatient, and emergency care services primarily for residents of Walton County.
- Piedmont Medical Care Corporation (PMCC). PMCC is a taxable, not-for-profit entity whose purpose is to develop a network of primary care, hospital-based and certain specialty physicians for the benefit of the PHC affiliates.

## **PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

- Piedmont Heart Institute Physicians, Inc. (PHIP). PHIP is a taxable, not-for-profit entity whose purpose is to provide an integrated cardiovascular healthcare delivery program for the benefit of the PHC affiliates.
- Athens Regional Physician Services, Inc. (ARPS). ARPS is a not-for-profit corporation whose purpose is acquiring and operating primary care physician practices.
- Athens Regional Specialty Services Inc. (ARSS). ARSS is not-for-profit corporation whose purpose is acquiring and operating specialty physician practices.
- Regional FirstCare, Inc. (RFC). RFC is a not-for-profit corporation whose purpose is acquiring and operating urgent care centers and developing workers' compensation/occupational medicine programs.
- Columbus Regional Medical Group (CRMG). CRMG is a taxable, not-for-profit entity whose purpose is to develop a network of primary care, hospital-based and certain specialty physicians for the benefit of the PHC affiliates.
- Athens Regional Health Resources, Inc. (ARHS). ARHS is a not-for-profit corporation whose purpose is to provide outpatient medical care and health services outside the Athens-Clarke County, Georgia area.
- Columbus Regional Health System (CRHS). CRHS is a nonprofit integrated healthcare delivery organization providing a wide range of healthcare services to areas of southwest Georgia and southeast Alabama through the operation of two acute care hospitals, physician practices, retail pharmacies, and joint ventures providing diagnostic imaging, a provider hospital organization (PHO), and a rehabilitation hospital.
- Columbus Regional Health Resources, Inc. (CRHR). CRHR is a for-profit corporation, which exists primarily to hold leases on or own and manage real estate utilized in connection with CRHS operations.
- Piedmont Heart Institute, Inc. (PHI). PHI is a not-for-profit entity whose purpose is to provide cardiovascular research services for the benefit of the PHC affiliates.
- Amster-McRae Insurance Company (AMIC). AMIC was incorporated on December 10, 2003, under the laws of the Cayman Islands. AMIC insures the hospital professional liability and commercial general liability risks of PHC and certain PHC affiliates.
- Piedmont Clinic, Inc. (The Clinic). The Clinic is a physician-hospital organization whose purpose is to negotiate contracts with various managed care payors for the PHC affiliates.
- My Health Alliance, LLC (MHA). MHA is a collaborative effort between Columbus Regional Health System and physicians pursuing clinical integration.
- My Health Network, LLC (MHN). MHN is a PHO made up of employed and other community physicians providing credentialing services and access to payor contracts.
- Piedmont Healthcare Foundation, Inc. (PHF). The Foundation's primary purpose is assisting PHC in fund-raising and related management, making grants, and soliciting gifts.
- Athens Regional Foundation, Inc. (ARF). ARF is a not-for-profit corporation whose purpose is assisting Athens, ARPS, ARSS and RFC in fund raising and related management, making grants, and soliciting gifts.

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

- Columbus Regional Medical Foundation, Inc. (CRMF). CRMF provides fund-raising services, soliciting tax-exempt contributions to support and enhance the operations of certain PHC entities.

Hereafter the “Columbus Entities” refers to Midtown, Northside, CRMG, CRHS, CRHR, MHA, MHN, and CRMF collectively.

## **(2) Significant Accounting and Reporting Policies**

A summary of the significant accounting and reporting policies applied by PHC in the preparation of its consolidated financial statements is presented below:

### **(a) Basis of Presentation and Principles of Consolidation**

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include the accounts of PHC, Atlanta, Fayette, Mountainside, Newnan, Henry, Newton, Athens, Rockdale, Midtown, Northside, Walton, PMCC, PHIP, ARPS, ARSS, RFC, CRMG, ARHS, CRHS, CRHR, PHI, AMIC, The Clinic, MHA, MHN, PHF, ARF and CRMF. All significant intercompany transactions and accounts have been eliminated in consolidation.

### **(b) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the determination of the collectability of receivables, net realizable patient service revenue, fair value of investments and assets limited as to use and interest rate swaps, reserves for general and professional liability, workers' compensation and health insurance claims, third-party payor settlements, and the actuarially determined liability related to PHC's defined-benefit pension plans.

### **(c) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, deposits with banks, and investments in highly liquid debt instruments with maturities of three months or less when purchased, excluding amounts limited as to use. PHC invests cash not required for immediate operating needs principally with major financial institutions with strong credit ratings. By policy, the amount of credit exposure to any one institution is limited, and such investments are generally not collateralized.

### **(d) Investments and Investment Income**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including unrealized and realized gains and losses on investments, interest, and dividends) is included in the excess of revenue, gains and other support over expenses and losses unless the income or loss is restricted by donor or law. PHC accounts for investment transactions on a settlement-date basis. All of PHC's investment portfolio is classified as trading, with unrealized gains

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

and losses included in excess of revenue, gains and other support over expenses and losses. Fair values are based on quoted market prices if available, or estimated using quoted market prices for similar securities. PHC invests in alternative investments, which provide PHC with a proportionate share of the fair value of the fund returns. PHC accounts for its ownership interests in the alternative investments based upon the net asset value, which is a practical expedient estimate of fair value. Accordingly, PHC's share of the alternative investments' income or loss, both realized and unrealized, is recognized as investment income. Alternative investments held by the noncontributory defined-benefit plans are accounted for at estimated fair value. The cost of substantially all securities sold is based on the average-cost method.

PHC classifies investments with maturities of less than one year from the balance sheet date as short term and investments with maturities of greater than one year from the balance sheet date as long term.

#### **(e) *Assets Limited as to Use***

These assets are limited as to use by donor restrictions, debt instruments or designations by PHC's governing board for plant replacement, expansion of certain facilities, purchase of equipment, and payment of certain future debt service requirements.

#### **(f) *Other Current Assets***

Other current assets consists primarily of inventory, prepaid assets and non-patient receivables as of June 30, 2021 and 2020. Inventory is stated at the lower of average cost or net realizable value. Inventory consists primarily of pharmaceuticals and medical supplies.

#### **(g) *Property and Equipment***

Property and equipment acquisitions are recorded at cost, with the exception of donated items, which are recorded at fair value at the date of donation. Expenditures for renewals and improvements are charged to the property accounts. For properties sold or retired, the cost and related accumulated depreciation are removed from the property accounts. Any resulting gains or losses are included in the accompanying consolidated statements of operations. Replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are charged to operations. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The ranges of estimated useful lives are 10–25 years for land improvements, 15–40 years for buildings and fixtures, and 3–20 years for equipment.

Property and equipment under finance leases (2021) and capital leases (2020) is stated at the lower of the present value of minimum lease payments at the beginning of the lease term or fair value at inception of the lease. All property and equipment under capital leases is amortized using the straight-line method over the shorter of the asset life or term of the lease.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as support in net assets without donor restrictions and are excluded from excess of revenue, gains and other support over expenses and losses, 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 donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained,

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

#### **(h) Leases**

PHC is a lessee in several noncancelable (1) operating leases, primarily for medical equipment, office space and warehousing and (2) finance leases, for real estate and IT equipment.

PHC accounts for leases in accordance with Topic 842, *Leases*, (see notes 2(z) and 14(c)). PHC determines if an arrangement is or contains a lease at contract inception, PHC recognizes a right of use ("ROU") asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is measured at amortized cost using the effective-interest method.

Key estimates and judgments include how PHC determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) the lease term and (3) the lease payments.

- Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, PHC cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, PHC generally uses its incremental borrowing rate as the discount rate for the lease. PHC's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because PHC does not generally borrow on a collateralized basis, it uses the interest rate it pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of the lease payments, the lease term and the effect of that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease.
- The lease term for all of PHC's leases includes the noncancelable period of the lease plus any additional periods covered by either a PHC option to extend (or not to terminate) the lease that PHC is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.
- Lease payments included in the measurement of the lease liability comprise of the following:
  - Fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties PHC would owe if the lease term assumes PHC's exercise of a termination option);
  - Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
  - Amounts expected to be payable under a PHC-provided residual value guarantee; and
  - The exercise price of an option to purchase the underlying asset if PHC is reasonably certain to exercise the option.

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made on or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to PHC or PHC is reasonably certain to exercise an option to purchase the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

Variable lease payments associated with PHC's leases are recognized when the event, activity or circumstance in the lease agreement in which those payments are assessed occurs. Variable lease payments are presented as operating expense in PHC's consolidated statements of operations in the same line item as expense arising from fixed lease payments (operating leases) or amortization of the ROU asset (finance leases).

ROU assets for operating and finance leases are periodically reduced by impairment losses. PHC uses the long-lived assets impairment guidance in ASC Subtopic 360-10, *Property, Plant and Equipment – Overall*, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. See note 14(c).

PHC monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Operating lease ROU assets are presented separately on the accompanying 2021 consolidated balance sheet. The current portion of operating lease liabilities is included in accounts payable and accrued expenses and the long-term portion is presented separately as operating lease liabilities on the accompanying 2021 consolidated balance sheet. Finance lease ROU assets are included in property and equipment, net. The current portion of finance lease liabilities is included in accounts payable and accrued expenses, and the long-term portion is included in other long-term liabilities on the accompanying 2021 consolidated balance sheet.

PHC has elected not to recognize ROU assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less. PHC has elected not to apply the short-term lease recognition and measurement exemption for other classes of leased assets. PHC recognizes the lease payments associated with its short-term equipment leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other PHC leases.

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PHC's leases generally include non-lease maintenance services (i.e. equipment maintenance or common area maintenance). PHC allocates the consideration in the contract to the lease and non-lease maintenance component based on each component's relative standalone price. PHC determines stand-alone prices for the lease components based on the prices for which other lessors lease similar assets on a stand-alone basis. PHC determines stand-alone prices for the non-lease components (i.e. maintenance services) based on the prices that several suppliers charge for maintenance services for similar assets on a stand-alone basis. If observable standalone prices are not readily available, PHC estimates the stand-alone prices maximizing the use of observable information. For leases of certain equipment, PHC has elected the practical expedient to account for the lease and nonlease components as a single lease component. Therefore, for those leases, the lease payments used to measure the lease liability will include all fixed consideration included in the contract.

#### **(i) Software and Software Development Costs**

Software and software development costs include costs incurred by PHC to develop software for internal use in medical records maintenance, physician order entry, and clinical documentation.

Costs of software developed for internal use are accounted for in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 350-40, *Internal-Use Software*. In accordance with ASC 350-40, internal and external costs incurred to develop internal-use computer software during the application development stage are capitalized. Application development stage costs generally include software configuration, coding, installation of hardware, and testing. Costs of significant upgrades and enhancements that result in additional functionality are also capitalized.

All other costs incurred in connection with an internal software project, including maintenance, minor upgrades, enhancements, and training, are expensed as incurred. Capitalized software costs are amortized on a straight-line basis over the estimated useful lives of the related software applications (3–12 years).

#### **(j) Long-Lived Assets**

PHC periodically reviews long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized to the extent that the carrying amount of an asset exceeds its fair value. Assets to be disposed of are separately presented in the consolidated balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held-for-sale are presented separately in the appropriate asset and liability sections of the consolidated balance sheet. In the period in which the disposal group is sold or classified as held-for-sale, the results of its operations are classified as discontinued operations in the consolidated statements of operations. Management believes that the long-lived assets in the accompanying consolidated balance sheets are appropriately valued at June 30, 2021 and 2020 and no related impairment losses were recognized during the years then ended.

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

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#### **(k) Other Assets**

Other assets include goodwill of \$101,965,000 at both June 30, 2021 and 2020. In accordance with ASC 350, *Intangibles – Goodwill and Other*, PHC evaluates its goodwill annually for potential impairment. No impairment losses on goodwill were recognized for the years ended June 30, 2021 or 2020.

Also included in other assets at June 30, 2021 and 2020 are investments in joint ventures of \$133,436,000 and \$74,465,000, respectively and assets relating to deferred compensation plans totaling \$109,949,000 and \$79,081,000, respectively.

#### **(l) Beneficial Interest in Perpetual Trust**

PHC is the beneficiary of six separate endowments held in trust by a local bank, with fair values at June 30, 2021 and 2020 aggregating \$10,340,000 and \$8,110,000, respectively. The beneficial interest at June 30, 2021 and 2020 has been recorded at fair value and the change in value for the years then ended has been recorded as a change in net assets with donor restrictions.

#### **(m) Vacation Policy**

PHC accrues employee vacation pay as earned by the employee.

#### **(n) Advertising Costs**

Advertising costs are expensed as incurred and approximated \$7,424,000 and \$13,034,000 for the years ended June 30, 2021 and 2020, respectively, and are included in supplies and other expenses in the accompanying consolidated statements of operations.

#### **(o) Estimated Malpractice Costs**

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported and are included in self-insurance reserves on the accompanying consolidated balance sheets.

#### **(p) Net Assets with Donor Restrictions**

Net assets with donor restrictions include those whose use by PHC is restricted by the donor to a specific time period or purpose, and those that have been restricted by donors to be maintained in perpetuity. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

#### **(q) Net Patient Service Revenue and Patient Accounts Receivable**

PHC has agreements with third-party payors that provide for payments to PHC at amounts different from their 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, and includes estimated retroactive revenue adjustments under reimbursement agreements with third-party payors due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the

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related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

Net patient service revenue is summarized below (in thousands):

|  | <b>Year ended June 30</b> |                  |
|--|---------------------------|------------------|
|  | <b>2021</b>               | <b>2020</b>      |
| Patient service charges  | \$ 19,888,089             | 16,792,421       |
| Less contractual adjustments, implicit price concessions, and other deductions | 15,480,141                | 13,148,166       |
| Net patient service revenue  | <u>\$ 4,407,948</u>       | <u>3,644,255</u> |

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by PHC. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. PHC believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in PHC hospitals receiving inpatient, outpatient or emergency services. PHC measures the performance obligation from admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to PHC's patients and customers in a retail setting (e.g., pharmaceuticals) as a component of other revenue in the accompanying consolidated statements of operations and PHC does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, PHC has elected to apply the optional exemption provided in FASB ASC paragraph 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to previously are primarily related to inpatient care services being rendered at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

PHC determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with PHC's policy, and implicit price concessions provided to patients. PHC determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience.

Consistent with its not-for-profit status, PHC provides care to patients regardless of their ability to pay. Therefore, PHC has determined it has provided implicit price concessions to uninsured patients and

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patients with otherwise uninsured balances (e.g., co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts PHC expects to collect based on its collection history with those patients considering business and economic conditions, trends in healthcare coverage, and other collection indicators. Periodically, management assesses the adequacy of the allowance for implicit price concessions based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the provision for implicit price concessions to establish an appropriate allowance.

PHC has determined that the nature, amount, and uncertainty of revenue and cash flows are affected by the following factors: payors and service lines. The following tables provide details of these factors.

Patient service revenue, net of contractual adjustments, implicit price concessions, and other discounts recognized from major payor sources are as follows (in thousands):

|                             |    | <b>Year ended June 30</b> |                  |
|-----------------------------|----|---------------------------|------------------|
|                             |    | <b>2021</b>               | <b>2020</b>      |
| Medicare                    | \$ | 1,620,180                 | 1,354,493        |
| Medicaid                    |    | 272,022                   | 197,866          |
| Other third-party payors    |    | 2,349,612                 | 1,983,943        |
| Self-pay patients           |    | 166,134                   | 107,953          |
| Net patient service revenue | \$ | <u>4,407,948</u>          | <u>3,644,255</u> |

The composition of patient care service revenue, net based on PHC's lines of business for the years ended June 30, 2021 and 2020 are as follows (in thousands):

|                                     |    | <b>2021</b>      | <b>2020</b>      |
|-------------------------------------|----|------------------|------------------|
| Service lines:                      |    |                  |                  |
| Hospital – inpatient                | \$ | 2,221,911        | 1,821,115        |
| Hospital – outpatient and emergency |    | 1,552,981        | 1,284,195        |
| Physician services                  |    | 633,056          | 538,945          |
| Net patient service revenue         | \$ | <u>4,407,948</u> | <u>3,644,255</u> |

PHC records a provision for implicit price concessions in the period services are provided related to self-pay patients. For receivables associated with patients who have third-party coverage, PHC analyzes contractually due amounts and provides an allowance and a provision for implicit and explicit price concessions, if necessary. Accounts receivable are written off after collection efforts have been undertaken in accordance with PHC's policies.

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**(r) Charity Care**

PHC provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Amounts determined to qualify as charity care are not reported as patient service revenue.

**(s) COVID-19 Pandemic**

Additional funding for the Public Health and Social Services Emergency Fund ("Relief Fund") was among the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") which was signed into law on March 27, 2020. PHC received approximately \$68,862,000 and \$171,739,000 in stimulus payments through the Relief Fund in both general and targeted distributions during the years ended June 30, 2021 and 2020 respectively. Approximately \$68,862,000 and \$158,780,000 of the payments qualified as reimbursement for lost revenues and incremental expenses and were recognized as other operating revenue in the accompanying consolidated statements of operations for the years ended June 30, 2021 and 2020, respectively. The recognition of amounts received is conditioned upon the provision of care for individuals with possible or actual cases of COVID-19 after January 31, 2020, and certification that the payment will be used to prevent, prepare for and respond to coronavirus. Amounts are recognized as other operating revenue only to the extent that the underlying conditions are substantially met. Amounts not recognized as other operating revenue totaling \$12,959,000, are reflected in accounts payable and accrued expenses in the accompanying consolidated balance sheets, and such unrecognized amounts may be recognized as other operating revenue in future periods if the underlying conditions for recognition are met.

PHC received Medicare accelerated payments of approximately \$355,628,000 during the year ended June 30, 2020. These advances must be repaid and, as such, they are reflected in accounts payable and accrued expenses in the accompanying 2020 consolidated balance sheet. These advances were fully repaid during the year ended June 30, 2021.

The CARES Act also allows for the delay in the payment of required federal tax deposits for certain payroll taxes, including the employer's portion of Social Security employment taxes incurred between March 27, 2020 and December 31, 2020. Amounts will be considered timely paid if 50% of the deferred amount is repaid by December 31, 2021 and the remainder by December 31, 2022. As of June 30, 2021 and 2020, PHC had deferred payment of \$63,197,000 and \$22,559,000, respectively, of employer taxes. As of June 30, 2021, \$31,599,000 of the deferred amount was included in accounts payable and accrued expenses and the remaining \$31,598,000 was included in other long-term liabilities in the accompanying 2021 consolidated balance sheet. As of June 30, 2020, the entire deferred amount of \$22,559,000 was included in other long-term liabilities in the accompanying 2020 consolidated balance sheet.

**(t) Excess of Revenue, Gains and Other Support over Expenses and Losses**

The consolidated statements of operations include excess of revenue, gains and other support over expenses and losses. Changes in net assets without donor restrictions, which are excluded from excess of revenue, gains and other support over expenses and losses, consistent with industry practice, include pension adjustments and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction, are to be used for the purposes of acquiring such assets).

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#### **(u) Pledges Receivable and Donor-Restricted Gifts**

Unconditional promises to give cash and other assets to PHC are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are recorded at fair value at the date the donor conditions are substantially met. Gifts are reported as donor-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, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

In February 2016, PHC was awarded a conditional grant by The Marcus Foundation, Inc. totaling \$75,000,000 to support a portion of the construction of the Marcus Heart and Vascular Center. The grant is conditional upon incurring qualified expenditures toward and completion of the donor-stipulated construction project, as well as complying with certain post-construction conditions expiring through December 31, 2022. As of June 30, 2021, PHC had not recognized any contribution revenue related to the grant. Through June 30, 2021 and 2020, PHC has received approximately \$75,000,000 and \$49,575,000, respectively, under the grant, which is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also requires disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

PHC has historically and to-date received a limited amount of donor-restricted endowment funds. The Board has interpreted Georgia's State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Income from PHC's donor-restricted endowment funds is generally restricted to specific donor-directed purposes, and is therefore accounted for within net assets with donor restrictions until expended in accordance with the donor's stipulations. PHC oversees individual donor-restricted endowment funds to ensure that the fair value of the original gift is preserved.

PHC invests donor-restricted endowment funds within the framework of PHC's overall investment management program.

Cash receipts from the sale of donated financial assets are classified consistently with cash donations received in the consolidated statements of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without the entity imposing any limitations for sale and were converted nearly immediately into cash.

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#### **(v) Interest Expense**

PHC incurred interest expense totaling approximately \$46,555,000 and \$32,830,000 for the years ended June 30, 2021 and 2020, respectively. During 2021 and 2020, approximately \$7,049,000 and \$19,125,000, respectively, of interest was capitalized and included in property and equipment in the accompanying consolidated balance sheets.

#### **(w) Income Taxes**

Piedmont Healthcare, Inc., Atlanta, Fayette, Mountainside, Newnan, Henry, Newton, Athens, Rockdale, Midtown, Northside, Walton, ARPS, ARSS, RFC, CRMG, ARHS, CRHR, MHA, MHN, PHI, PHF, ARF, CRMF and CRHS are organizations exempt from federal income tax pursuant to U.S. Internal Revenue Code (IRC) Section 501(a), as organizations described in Section 501(c)(3) of the IRC of 1986, as amended, and state income tax. AMIC is exempt from federal and local income tax pursuant to the laws of the Government of the Cayman Islands. There is currently no taxation imposed on income or capital gains by the Government of the Cayman Islands. If any form of tax legislation were to be enacted, AMIC has been granted an exemption until the year 2024. PMCC, PHIP, and CRHR are taxable, not-for-profit entities that operated in a net loss position for financial reporting and tax purposes during the years ended June 30, 2021 and 2020. The Clinic is a taxable, not-for-profit entity that used all of its NOL carryforwards on its tax return for the year ended June 30, 2020. It continues to generate net gains for the year ended June 30, 2021. Taxable income and related tax expense related to the Clinic totaled \$4,300,00 and \$1,075,000, respectively, for the year ended June 30, 2021.

At June 30, 2021 and 2020, Atlanta (as it relates to unrelated business income), PMCC, the Clinic, and PHIP had net operating loss (NOL) carryforwards totaling approximately \$1,090,387,000 and \$969,163,000, respectively, which expire at various dates between 2021 and 2035. PMCC, The Clinic, and PHIP had deferred income tax assets totaling approximately \$279,040,000 and \$239,339,000 at June 30, 2021 and 2020, respectively. The deferred income tax assets, which consist primarily of net operating loss carryforwards and differences relating to allowance for implicit price concessions, were offset by a full valuation allowance.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the Tax Act) was signed into law. The legislation significantly revises the U.S. corporate income tax system by, among other things, lowering the corporate income tax rate from 35% to 21%, for tax years beginning after December 31, 2017. The Tax Act did not give rise to any material impact to PHC's consolidated balance sheet or consolidated statement of operation.

As a result of the Tax Act, there was a change related to NOLs. Previously, NOLs incurred before December 31, 2017 could be carried forward 20 years. Under the Tax Act, for tax years beginning after December 31, 2017, NOLs may offset 80% of taxable income incurred with an unlimited carryforward period.

PHC accounts for income taxes under the provisions of ASC 740, *Income Taxes* (ASC 740). Under the requirements of ASC 740, tax-exempt organizations may be required to record an obligation as the result of a tax position they have historically taken on various uncertain tax exposure items. There were no material uncertain tax positions at June 30, 2021 or 2020.

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#### **(x) Defined-Benefit Pension Plans**

PHC accounts for its defined-benefit pension plans in accordance with ASC 715, *Compensation – Retirement Benefits* (ASC 715). ASC 715 requires an entity to recognize in its balance sheet an asset for a defined-benefit postretirement plan's overfunded status or a liability for a plan's underfunded status; measure a defined-benefit postretirement plan's assets and obligations that determine its funded status at the end of the employer's fiscal year; and recognize changes in the funded status of a defined-benefit postretirement plan as a separate line item or items within changes in net assets without donor restrictions, apart from expenses, in the year in which the changes occur. Certain PHC employees participate in PHC's trustee noncontributory defined-benefit pension plans (the Plans). The Plans' benefits are based on a combination of years of service and the employee's compensation. PHC's funding policy is to contribute annually to the Plans an amount sufficient to meet the minimum funding standards of Employee Retirement Income Security Act (ERISA) or an amount sufficient to maintain the Plans on a sound actuarial basis, as certified by an enrolled actuary. Plan assets consist primarily of common stocks, alternative investments, fixed-income investments, and cash equivalents.

#### **(y) Subsequent Events**

PHC evaluated events and transactions occurring subsequent to June 30, 2021 through November 17, 2021, the date the consolidated financial statements were available to be issued. During this period, there were no additional subsequent events that required recognition in the accompanying consolidated financial statements or disclosure in the related notes other than as disclosed in notes 8(b) and 19.

#### **(z) Recent Accounting Pronouncements**

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Liabilities* (ASU 2016-01). ASU 2016-01 addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The ASU is effective for not-for-profit entities for fiscal years beginning after December 15, 2018, with early adoption restricted to certain provisions and within certain time periods. Under the ASU, not-for-profit and private entities are no longer required to disclose fair value information concerning financial instruments measured at amortized cost such as long-term debt. This provision of ASU 2016-01 may be early adopted for financial statements which have not yet been issued or made available for issuance. PHC early adopted this provision of ASU 2016-01 in a previous period. PHC adopted the other provisions of ASU 2016-01 during fiscal year 2020, which did not have a material impact on the consolidated financial statements.

In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* (ASU No. 2020-05), which allows privately held and not for profit entities a one year deferral of ASC 606 and ASC 842 effective dates. PHC adopted ASC 606 for the year ended June 30, 2019. However, PHC elected to defer adoption of ASC 842 until the year ending June 30, 2021.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which supersedes FASB ASC Topic 840, *Leases*, and makes other conforming amendments to U.S. GAAP. ASU No. 2016-02 requires, among other changes to the lease accounting guidance, lessees to recognize most leases on the balance sheet via a right-of-use asset and lease liability, and additional qualitative

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and quantitative disclosures. ASU No. 2016-02 is effective for annual periods in fiscal years beginning after December 15, 2019, permits early adoption, and mandates a modified retrospective transition method. PHC adopted the provisions of ASU No. 2016-02 effective July 1, 2020 and, as a result, added approximately \$299,197,000 of right-of-use assets and corresponding lease liabilities to the 2021 consolidated balance sheet. The adoption did not have a material impact on the 2021 consolidated statement of operations of PHC. Lease-related disclosures, including disclosures about noncash investing and financing activities, have significantly expanded as a result of PHC's implementation of ASU No. 2016-02. See note 14(c).

Additionally, in July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. ASU No. 2018-11 allows companies to adopt ASC 842 without revising comparative period reporting or disclosures and provides an optional practical expedient to lessors to not separate lease and nonlease components of a contract if certain criteria are met. This ASU is effective for PHC at the same time as it adopts ASU No. 2016-02. PHC has elected to adopt the package of transition practical expedients and, therefore, has not reassessed (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases, or (3) the accounting for initial direct costs that were previously capitalized. PHC did not elect the practical expedient to use hindsight for leases existing at the adoption date.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which eliminates Step 2 from the impairment test and changes the requirement to perform an annual impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the fair value up to the amount of goodwill allocated to the reporting unit. The ASU also eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. The amendments are effective for goodwill impairment tests in fiscal years beginning after December 15, 2020. The adoption of ASU 2017-04 did not have a material impact on the accompanying consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU intends to improve the effectiveness of disclosures in the notes to financial statements by modifying disclosure requirements for fair value measurements. The ASU is effective for PHC for annual reporting periods beginning after December 15, 2019, with early adoption permitted. The adoption of ASU 2018-13 did not have a material impact on the accompanying consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*, which modifies the disclosure requirements for employers that sponsor defined-benefit pension plans. Disclosure requirements removed from Subtopic 715-20 include: the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year and the amount and timing of plan assets expected to be returned to the employer. ASU No. 2018-14 also requires disclosure of the weighted average interest crediting rates for cash balance plans and other plans with promised interest crediting rates, and an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period. ASU No. 2018-14 is effective for PHC for annual periods beginning

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after December 15, 2019 and will be applied prospectively. Early adoption is permitted. The adoption of ASU 2018-14 did not have a material impact on the accompanying consolidated financial statements.

In May 2019, the FASB issued ASU No. 2019-06, *Intangibles – Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958) Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities* (ASU No. 2019-06), which provides not-for-profit entities an open-ended effective date and unconditional one-time election to adopt the private company alternatives from Topic 350 and Topic 805. Topic 350 provides that an entity should amortize goodwill on a straight-line basis over 10 years, or less, if applicable. An accounting policy election is required to test goodwill for impairment at the entity or reporting unit level and requires testing for impairment when a triggering event occurs. Topic 805 requires customer related intangible assets that are not capable of being sold or licensed independently from the other assets of a business and all noncompetition agreements be amortized consistent with the period of goodwill amortization. The ASU requires election of Topic 350 if Topic 805 is elected. Topic 350 may be adopted without adoption of Topic 805. As of June 30, 2021 PHC has not elected to adopt ASU No. 2019-06.

### (3) Joint Venture and Acquired Leases

Effective February 1, 2020, PHC exchanged its previous ownership in a joint venture for 20% interest in another joint venture. In connection with this exchange, PHC recorded a gain of \$13,803,000 in the accompanying 2020 consolidated statement of operations.

In connection with its acquisition of certain entities, PHC acquired certain leases with applicable hospital authorities covering hospital buildings and certain related other assets and liabilities. At the termination of these leases, the assets and liabilities revert back to the applicable authorities. The leases are as follows:

| Hospital              | Lessor                                       | Year<br>of termination |
|-----------------------|--|------------------------|
| Henry                 | Hospital Authority of Henry County           | 2052                   |
| Newton                | Newton County Hospital Authority             | 2055                   |
| Athens                | Hospital Authority of Clarke County, Georgia | 2056                   |
| Midtown and Northside | The Medical Center Hospital Authority        | 2058                   |

Through these lease agreements, PHC assumed responsibility of payment of the lessee hospital's outstanding revenue certificates further discussed in Note 8.

### (4) Net Patient Service Revenue

PHC has agreements with third-party payors that provide for payments to PHC at amounts different from its established rates. A summary of payment arrangements with major third-party payors is as follows:

#### (a) Medicare and Medicaid

PHC renders care to patients covered by the Medicare and Medicaid programs. Inpatient acute care 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,

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

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diagnostic, and other factors. CRHS is also reimbursed for certain retrospectively determined items at a tentative rate, with final settlement determined after submission of annual cost reports by CRHS and audits by the Medicare fiscal intermediaries. Medicare reimburses for outpatient services based on a prospective outpatient payment system similar to the inpatient system.

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment reimbursement methodology. Outpatient services are reimbursed under a cost-based methodology. PHC is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by PHC and audits thereof by the Medicaid fiscal intermediary.

Services rendered under these programs are recorded at established rates and reduced to the estimated amount due from the third-party payors through recording of contractual adjustments and other discounts. Because PHC cannot pursue collections for the contractual or discount amounts, they are not reported as revenue.

Net patient service revenue from the Medicare and Medicaid programs accounted for approximately 37% and 6%, respectively, of PHC's net patient service revenue for the year ended June 30, 2021. Net patient service revenue from the Medicare and Medicaid programs accounted for approximately 37% and 5%, respectively, of PHC's net patient service revenue for the year ended June 30, 2020. 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. Net patient service revenue is reported at the estimated net realizable amounts from the Medicare and Medicaid programs for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations.

Final settlement has been reached for all Medicare and Medicaid cost reports prior to fiscal year 2015. PHC has recorded amounts due to Medicare and Medicaid of \$119,129,000 and \$91,865,000 at June 30, 2021 and 2020, respectively, as an estimate of final third-party payor settlements for open cost report years. Management recorded a favorable change in estimate to net patient service revenue in the accompanying consolidated statements of operations related to third-party settlements of \$19,084,000 for the year ended June 30, 2021 and an unfavorable change of \$3,659,000 for the year ended June 30, 2020. The amounts due to Medicare and Medicaid represent management's best estimates of final settlements.

#### **(b) *Managed Care and Other Payors***

PHC has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations (HMOs), and preferred provider organizations. The bases for payments to PHC under these agreements include prospectively determined rates per discharge, discounts from established charges, and daily rates.

#### **(c) *Self-Pay***

PHC applied implicit price concessions to patient apportioned charges, valued at established charges, totaling \$305,723,000 and \$265,764,000 for the years ended June 30, 2021 and 2020, respectively. In an effort to improve amounts collected from uninsured patients that do not apply and/or qualify for charity assistance, PHC offers discounted prices to the uninsured of 70% of gross charges. PHC

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

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provided discounts to uninsured patients of \$360,427,000 and \$274,437,000 (recorded as deductions from net patient service revenue) for the years ended June 30, 2021 and 2020, respectively.

**(d) Georgia Provider Payment Agreement Act**

Effective July 1, 2010, the State of Georgia imposed a fee on not-for-profit hospitals based on net revenue levels as defined by the State of Georgia. Included in supplies and other expenses in the accompanying consolidated statements of operations for the years ended June 30, 2021 and 2020 is approximately \$41,076,000 and \$38,978,000, respectively, relating to this fee.

**(5) Charity Care and Community Benefits**

PHC provides care to patients who meet certain criteria under its charity care policy without charge or at amounts significantly less than its established rates. Amounts determined to qualify as charity care are not reported as revenue or patient accounts receivable in the accompanying consolidated financial statements.

PHC maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services furnished under its charity care policy. The cost of providing this charity care was estimated to be approximately \$158,404,000 and \$196,299,000 for years ended June 30, 2021 and 2020, respectively. PHC estimates the direct and indirect costs of providing charity care by applying a cost to gross charges ratio to the gross uncompensated charges associated with providing charity care to patients.

PHC offers many other wellness and educational services to the community at low and, in some cases, no cost. PHC also partners with five charitable clinics to provide supportive services for low-income patients, including the provision of free laboratory and diagnostic services to clinic patients at no charge. PHC operates 24-hour emergency rooms that provide care to all patients, regardless of ability to pay. The costs for these services are included in operating expenses in the accompanying consolidated statements of operations.

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**(6) Investments**

**(a) Investments and Assets Limited as to Use**

The composition of investments and assets limited as to use is set forth in the following table (in thousands):

|  | <b>June 30</b>      |                  |
|--|---------------------|------------------|
|  | <b>2021</b>         | <b>2020</b>      |
| Investments internally designated for capital acquisition: |                     |                  |
| Cash and cash equivalents                                  | \$ 35,081           | 22,260           |
| Corporate obligations                                      | 27                  | 29               |
| Fixed-income securities                                    | 341,254             | 303,907          |
| Corporate stocks   | 130,764             | 89,424           |
| Mutual funds   | 690,066             | 518,248          |
| Alternative investments                                    | 265,139             | 190,022          |
|  | <u>1,462,331</u>    | <u>1,123,890</u> |
| Assets limited as to use:                                  |                     |                  |
| Cash and cash equivalents                                  | 669                 | 1,141            |
| Corporate obligations                                      | 1                   | 1                |
| Fixed-income securities                                    | 7,905               | 9,903            |
| Corporate stocks   | 1,226               | 3,741            |
| Mutual funds   | 16,500              | 17,955           |
| Alternative investments                                    | 6,469               | 5,332            |
|  | <u>32,770</u>       | <u>38,073</u>    |
| Totals   | \$ <u>1,495,101</u> | <u>1,161,963</u> |

**(b) Alternative Investments**

Alternative investments included in investments and assets limited as to use at June 30, 2021 and 2020 consist of the following (in thousands):

|                                  | <b>2021</b>       | <b>2020</b>    |
|----------------------------------|-------------------|----------------|
| Clarion Lion Properties ING Fund | \$ 23,005         | 20,977         |
| IFP Global Equity, L.P.          | 63,536            | 49,664         |
| Canyon Balanced Fund             | 27,881            | 21,098         |
| Magnitude International Fund     | 20,000            | —              |
| PHC Fund, Ltd.                   | 137,186           | 103,615        |
|                                  | <u>\$ 271,608</u> | <u>195,354</u> |

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Notes to Consolidated Financial Statements

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Redemption frequency and redemption notice periods for alternative investments held at June 30, 2021 are as follows:

|                                  | <b>Redemption<br/>frequency</b> | <b>Redemption<br/>notice period</b> |
|----------------------------------|---------------------------------|-------------------------------------|
| Clarion Lion Properties ING Fund | Quarterly                       | 90 Days                             |
| IFP Global Equity L.P.           | Semi-Monthly                    | 15 Days                             |
| Canyon Balanced Fund             | Quarterly                       | 90 Days                             |
| Magnitude International Fund     | Quarterly                       | 65 Days                             |
| PHC Fund, Ltd.                   | Monthly                         | 90 Days                             |

**(7) Property and Equipment**

A summary of property and equipment, net is as follows (in thousands):

|                               | <b>June 30</b>      |                  |
|-------------------------------|---------------------|------------------|
|                               | <b>2021</b>         | <b>2020</b>      |
| Land and land improvements    | \$ 118,908          | 120,953          |
| Buildings and fixtures        | 2,051,026           | 1,608,102        |
| Equipment                     | 1,387,681           | 1,261,990        |
|                               | <u>3,557,615</u>    | <u>2,991,045</u> |
| Less accumulated depreciation | 1,712,584           | 1,517,370        |
|                               | <u>1,845,031</u>    | <u>1,473,675</u> |
| Construction in progress      | 299,940             | 605,961          |
| Property and equipment, net   | <u>\$ 2,144,971</u> | <u>2,079,636</u> |

Construction in progress at June 30, 2021 relates primarily to ongoing construction at Fayette expected to be completed during the fiscal year ending June 30, 2022.

Depreciation and amortization expense for the years ended June 30, 2021 and 2020 totaled approximately \$193,676,000 and \$157,566,000, respectively. Amortization of capitalized software costs of approximately \$17,886,000 and \$18,891,000 is included in depreciation and amortization expense in the accompanying consolidated statements of operations for the years ended June 30, 2021 and 2020, respectively.

# **PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

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Capitalized software and software development costs included in property and equipment were as follows (in thousands):

|  |    | <b>June 30</b> |               |
|--|----|----------------|---------------|
|  |    | <b>2021</b>    | <b>2020</b>   |
| Capitalized software and software development costs      | \$ | 155,499        | 149,361       |
| Less accumulated amortization                            |    | 111,522        | 93,636        |
| Capitalized software and software development costs, net | \$ | <u>43,977</u>  | <u>55,725</u> |

Based on the amortizable capitalized software and software development costs that have been placed into service at June 30, 2021, the estimated amortization expense for the succeeding five fiscal years and thereafter is as follows (in thousands):

|                      |    |               |
|----------------------|----|---------------|
| Year ending June 30: |    |               |
| 2022                 | \$ | 16,417        |
| 2023                 |    | 11,644        |
| 2024                 |    | 5,579         |
| 2025                 |    | 3,664         |
| 2026                 |    | 2,893         |
| Thereafter           |    | <u>3,780</u>  |
|                      | \$ | <u>43,977</u> |

At June 30, 2021 and 2020, PHC's remaining commitment for software and construction contracts approximated \$178,129,000 and \$166,369,000, respectively, primarily relating to ongoing construction at Athens expected to be completed during the fiscal year ending June 30, 2022.

During fiscal year 2012, PHC completed construction of a new Piedmont Newnan hospital. In May 2012, the operations of Newnan were transferred to the new hospital. At that time, the replaced hospital building and certain assets that were not transferred to the new hospital were written down to fair value less estimated cost to sell. The building and related assets of \$3,050,000 were classified as held-for-sale and were included in other current assets in the accompanying consolidated balance sheet as of June 30, 2019. During the year ended June 30, 2020, PHC determined that the building could not be sold and, as such, wrote off the remaining balance of \$3,050,000 which is included in supplies and other expenses in the accompanying 2020 consolidated statement of operations.

In August 2006, Fayette entered into a ground lease with Piedmont Fayette Medical Office Building, LLC (PFB), whereby Fayette is leasing real property to PFB. In accordance with ASC 842, *Leases*, Fayette is considered the owner of the Medical Office Building (Fayette MOB) during the construction period and thereafter due to Fayette's continuing involvement in the Fayette MOB. Accordingly, the value of the building and the construction notes paid by the developer are included in the accompanying consolidated balance sheets. At June 30, 2021 and 2020, the net book value of the Fayette MOB included in buildings

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and fixtures totaled approximately \$12,605,000 and \$13,059,000, respectively, and the related Medical Office Building financing obligation approximated \$12,560,000 and \$13,019,000, respectively.

In August 2005, Atlanta entered into a ground lease with Piedmont Physicians Plaza, L.P. (PPP), whereby Atlanta is leasing real property to PPP. In accordance with ASC 842, Atlanta is considered the owner of the Medical Office Building (Piedmont MOB) during the construction period and thereafter due to Atlanta's continuing involvement in the Piedmont MOB. Accordingly, the cost of the building and the related financing obligation are included in PHC's consolidated balance sheets. At June 30, 2021 and 2020, the net book value of the Piedmont MOB included in buildings and fixtures totaled approximately \$11,735,000 and \$12,800,000, respectively, and the related Medical Office Building financing obligation approximated \$30,015,000 and \$29,829,000, respectively.

**(8) Long-Term Debt**

**(a) Bonds Payable**

Bonds payable consists of the following (in thousands):

|   | <b>June 30</b> |             |
|---|----------------|-------------|
|   | <b>2021</b>    | <b>2020</b> |
| Series 2006, fixed interest rate of 4.50%, interest payments due semiannually, payable through 2024   | \$ 2,040       | 2,625       |
| Series 2007, fixed interest rate of 2.47%, interest payments due semiannually, payable through 2024   | 4,665          | 5,870       |
| Series 2014A, fixed interest rates ranging from 3.00% to 5.00%, interest payments due semiannually, payable through 2044                            | 83,880         | 85,145      |
| Series 2014B, variable interest rates (0.48% and 0.54% at June 30, 2021 and 2020, respectively) interest payments due monthly, payable through 2034 | 75,975         | 78,815      |
| Series 2016A, fixed interest rates ranging from 3.00% to 5.00%, interest payments due semiannually, payable through 2046                            | 391,470        | 400,480     |

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|   | <b>June 30</b>             |                         |
|---|----------------------------|-------------------------|
|   | <b>2021</b>                | <b>2020</b>             |
| Series 2017, fixed interest rate of 4.88%, interest payments due semiannually, payable through 2022                                       | \$ 104,280                 | 104,280                 |
| Series 2019A and Series 2019B, fixed interest rates ranging from 3.00% to 5.00%, interest payments due semiannually, payable through 2054 | 649,415                    | 649,415                 |
| Unamortized original issue premium, net   | 120,356                    | 131,873                 |
| Unamortized debt issuance costs   | (9,296)                    | (10,253)                |
|   | <u>1,422,785</u>           | <u>1,448,250</u>        |
| Less current maturities   | <u>(16,380)</u>            | <u>(15,120)</u>         |
|   | <u><u>\$ 1,406,405</u></u> | <u><u>1,433,130</u></u> |

On October 17, 2019, the Medical Center Authority, the Coweta County Development Authority, the Hospital Authority of Fayette County, the Development Authority of Fulton County, the Development Authority of Rockdale County, and the Development Authority of Walton County, Georgia issued \$152,940,000, \$85,670,000, \$31,380,000, \$283,775,000, \$64,565,000, and \$31,085,000, respectively (\$649,415,000 collectively), in Revenue Bonds Series 2019A & B (the Series 2019 Bonds) on behalf of PHC. The proceeds of the Series 2019 Bonds were used to redeem previously outstanding Series 2009A bonds, Series 2010 bonds, the 2018 Bridge Loan described in note 8(b), and to fund certain construction projects. The Series 2019 Bonds have been issued on a tax-exempt basis and are secured under a master trust indenture with all members of the PHC Obligated Group (Piedmont Healthcare, Inc. and all of its affiliates exclusive of AMIC and CRMF), which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings.

Included in bond proceeds receivable on the accompanying 2020 consolidated balance sheet is \$12,195,000 of bond proceeds from the Series 2019 Bonds, which was held by a trustee.

In February 2017, the Medical Center Authority issued The Medical Center Hospital Authority Revenue Anticipation Certificates Series 2017 (the 2017 Bonds), in the amount of \$104,280,000. The 2017 Bonds are secured by the net revenues of the Columbus Obligated Group (comprised of The Medical Center, Doctors Hospital, Northside Hospital, Columbus Regional Medical Group, Columbus Regional Health Resources, CRHS Long Term and Home Care, Columbus Regional Senior Living, Inc. and Columbus Regional Health System) as well as certain security interests in portions of real and personal property owned or leased by such members of the Columbus Obligated Group. The proceeds of the 2017 Bonds were loaned to the Columbus Obligated Group under a loan agreement and were used to refund all outstanding principal with respect to certain revenue notes that were previously issued by the Authority and then loaned to the Columbus Obligated Group for the purpose of advance refunding of the then existing 2008 Bonds and to pay all or a portion of the costs of issuance of the 2017 Bonds. The 2017 Bonds consist of term certificates maturing August 1, 2022 bearing interest at 4.88% paid semi-annually on August 1 and February 1.

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On October 27, 2016, the Development Authority of Fulton County, the Hospital Authority of Fayette County, and the Hospital Authority of Clarke County, Georgia issued \$197,555,000, \$47,580,000, and \$178,225,000, respectively (\$423,360,000 collectively), in Revenue Bonds Series 2016A (the Series 2016 Bonds) on behalf of PHC. The proceeds of the Series 2016 Bonds were used to redeem previously outstanding Series 2009A and Athens Series 2007 and 2012 Revenue Bonds and for certain construction projects. The Series 2016 Bonds have been issued on a tax-exempt basis and are secured under a master trust indenture with all members of the PHC Obligated Group (Piedmont Healthcare, Inc. and all of its affiliates exclusive of AMIC, ARPS, ARSS, RHC, ARHS, ARF, HPS and the Columbus Entities), which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings.

On November 19, 2014, the Development Authority of Fulton County, the Hospital Authority of Fayette County, and the Hospital Authority of Henry County issued \$87,730,000, \$42,060,000, and \$53,420,000, respectively (\$183,210,000 collectively), in Revenue Bonds Series 2014A and 2014B (the Series 2014 Bonds) on behalf of PHC. The proceeds of the Series 2014 Bonds were used to redeem previously outstanding Series 2004 and Series 2009B Revenue Bonds and for certain construction projects. The Series 2014 Bonds have been issued on a tax-exempt basis and are secured under a master trust indenture with all members of the PHC Obligated Group, which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings.

On October 27, 2010, the Coweta County Development Authority issued \$100,000,000 in Revenue Bonds Series 2010 (the Series 2010 Bonds) on behalf of PHC. The proceeds of the Series 2010 Bonds were used to construct a replacement hospital for Newnan. The Series 2010 Bonds have been issued on a tax-exempt basis and are secured under a master trust indenture with all members of the PHC Obligated Group, which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings. These bonds were redeemed in connection with the issuance of the Series 2019 Bonds.

On November 24, 2009, the Development Authority of Fulton County and the Hospital Authority of Fayette County issued \$304,345,000 and \$79,540,000, respectively (\$383,885,000 collectively), in Revenue Bonds Series 2009A, 2009B, and 2009C (the Series 2009 Bonds) on behalf of PHC. The proceeds of the Series 2009 Bonds were used primarily to redeem previously outstanding Series 2007, Series 2005, Series 2001, and Series 1999 Revenue Bonds and fully repay a line of credit totaling approximately \$65,000,000. The Series 2009 Bonds have been issued on a tax-exempt basis and are secured under a master trust indenture with all members of the PHC Obligated Group, which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings. The Series 2009A Bonds were partially repaid (\$172,245,000) with proceeds from the Series 2016 Bonds and were fully repaid with proceeds from the Series 2019 Bonds. The Series 2009B Bonds were repaid in full (\$94,735,000) with proceeds from the Series 2014.

In May 2007, the Newton County Hospital Authority issued \$17,225,000 Revenue Refunding Certificates, Series 2007 (the Series 2007 Bonds). The certificates were issued for the purpose of

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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advance refunding Newton's Series 1999 bonds and paying costs of issuance of the 2007 bonds. The Series 2007 Bonds have been issued on a tax-exempt basis and are secured by a pledge of and lien on the gross revenues derived by Newton and payments made by Newton County, Georgia to Newton pursuant to a contract between Newton and Newton County. Under the terms of the 2007 Bonds, Newton is required to maintain certain deposits with a trustee for payment of bond principal and interest. Such deposits are included in investments and assets limited as to use on the accompanying June 30, 2021 and 2020 consolidated balance sheets. At the acquisition date, the stated value of the Series 2007 Bonds approximated \$11,985,000; however, they were recorded at their fair value upon acquisition. At June 30, 2021 and 2020, the stated value of the Series 2007 Bonds approximated \$4,490,000 and \$5,695,000, respectively, and the carrying value approximated \$4,737,000 and \$5,870,000, respectively.

In April 2006, the Newton County Hospital Authority issued \$8,930,000 Revenue Certificates, Series 2006 (the Series 2006 Bonds). The certificates were issued for the purpose of financing certain capital additions and improvements to Newton's facilities and paying costs of issuance of the Series 2006 Bonds. The Series 2006 bonds have been issued on a tax-exempt basis and are secured by a pledge of and lien on the gross revenues derived by Newton and payments made by Newton County, Georgia to Newton pursuant to a contract between Newton and Newton County. Under the terms of the Series 2006 Bonds, Newton is required to maintain certain deposits with a trustee for payment of bond principal and interest. Such deposits are included in investments and assets limited as to use on the accompanying June 30, 2021 and 2020 consolidated balance sheets. The Series 2006 Bonds were recorded at their fair value upon acquisition. At June 30, 2021 and 2020, the stated value of the Series 2006 Bonds approximated \$2,040,000 and \$2,594,000, respectively, and the carrying value approximated \$2,000,000 and \$2,625,000, respectively.

Scheduled principal repayments on the Series 2019, Series 2017, Series 2016, Series 2014, Series 2007 and Series 2006 Bonds are as follows (in thousands):

| Year ending June 30: |    |                         |
|----------------------|----|-------------------------|
| 2022                 | \$ | 16,380                  |
| 2023                 |    | 122,175                 |
| 2024                 |    | 18,650                  |
| 2025                 |    | 49,835                  |
| 2026                 |    | 19,170                  |
| Thereafter           |    | <u>1,085,515</u>        |
|                      | \$ | <u><u>1,311,725</u></u> |

In September 2019, PHC's Master Trust Indenture was modified to add the Columbus Entities (excluding CRMF), Walton, Rockdale, ARPS, ARSS, RHS, ARHS and HPS to the PHC Obligated Group. In connection with this modification, the previously existing Columbus Obligated Group was dissolved.

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

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#### **(b) Notes Payable to Banks**

Effective June 27, 2018, PHC entered into two note payable agreements with two banks totaling \$307,600,000 (collectively, the 2018 Bridge Loan). The proceeds of the 2018 Bridge Loan were used to fully repay the previously existing Columbus 2010 Bonds, to fully repay a loan payable obtained through the affiliation with Columbus, to fully repay a bridge loan obtained for the purchase of Rockdale and finance the purchase of Walton. Each note was for \$153,800,000, and bore an interest rate of LIBOR plus 0.20% (2.64% as of June 30, 2019) payable monthly and was due and payable July 1, 2020. As of June 30, 2019, there was \$307,600,000 outstanding under these two note agreements. The notes were extinguished in November 2019, through proceeds of the 2019 Series Bonds and there is no balance outstanding as of June 30, 2020 or 2021.

Effective February 1, 2012, PHC entered into a note payable with a bank. The proceeds of the note totaling approximately \$44,819,000 were used to fully repay Henry's previously existing Series 1999 Bonds during fiscal year 2013. As of June 30, 2021 and 2020, \$25,504,000 and \$27,569,000 was outstanding under the note. Effective June 29, 2016, the note was refinanced and certain terms were amended. Previous to June 29, 2016, the note bore interest at a rate of 1.8% per annum, payable monthly. Effective June 29, 2016, the note bears interest at a rate of the London InterBank Offered Rate (LIBOR) floating rate plus 0.65% (0.754% and 0.828% as of June 30, 2021 and 2020, respectively) and the remaining principal balance of the note was due on July 1, 2021 and is included in accounts payable and accrued expenses in the accompanying 2021 consolidated balance sheet. The note was fully repaid on July 1, 2021.

#### **(c) Lines of Credit**

PHC opened a line of credit with a financial institution for \$300,000,000 on April 1, 2020. The line has an interest rate of LIBOR plus 0.85% and a maturity date of March 31, 2021. Effective April 1, 2021, the line of credit was extended until March 31, 2022. There were no outstanding borrowings on the line of credit at June 30, 2021 or 2020.

PHC opened a line of credit for \$200,000,000 with a financial institution on April 1, 2020. The line had an interest rate of LIBOR plus 1.75% and a maturity date of March 31, 2021. There were no outstanding borrowings on the line of credit at June 30, 2020. PHC terminated this line of credit in July 2020.

PHC opened a line of credit for \$250,000,000 with a financial institution on April 23, 2020. The line has an interest rate of LIBOR plus 1.55% and a maturity date of April 21, 2021. There were no outstanding borrowings on the line of credit at June 30, 2020. PHC terminated this line of credit in July 2020.

CRHS had a previously existing line of credit with a financial institution with a maximum borrowing capacity of \$10,000,000. The line was amended most recently in 2018 to extend maturity to August 31, 2019. The line bore interest at LIBOR plus 2.50%. There were no outstanding borrowings on the line of credit at June 30, 2019. The line matured on August 31, 2019 and was not extended.

#### **(d) Interest Rate Swap Agreements**

PHC has five interest rate swap agreements that are not accounted for as cash flow hedges. These interest rate swaps are primarily utilized to economically hedge PHC's exposure to variable interest rates under its debt obligations. The change in value of the interest rate swaps is reported as a

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

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component of nonoperating gains (losses) in the period it occurs. At June 30, 2021 and 2020, the aggregate notional amount of PHC's interest rate swaps was approximately \$99,270,000 and \$101,670,000, respectively.

These interest rate swap agreements expose PHC to credit losses in the event of nonperformance by the counterparty to the financial instruments. The counterparty is a creditworthy financial institution and PHC management believes the counterparty will be able to fully satisfy its obligations under the contracts.

PHC's interest rate swaps are reported at estimated fair value in the accompanying consolidated balance sheets, as follows (in thousands):

|                             | <b>June 30</b> |             |
|-----------------------------|----------------|-------------|
|                             | <b>2021</b>    | <b>2020</b> |
| Other long-term liabilities | \$ 24,853      | 33,573      |

The effects of PHC's interest rate swaps on the accompanying consolidated statements of operations are as follows (in thousands):

|   | <b>Year ended June 30</b> |                 |
|---|---------------------------|-----------------|
|   | <b>2021</b>               | <b>2020</b>     |
| Gain (Loss) recognized in nonoperating income     | \$ 8,720                  | (9,805)         |
| Expense recognized in supplies and other expenses | (3,381)                   | (2,418)         |
|   | <u>\$ 5,339</u>           | <u>(12,223)</u> |

PHC's long-term debt agreements subject PHC to certain debt covenants typical of such obligations.

**(9) Medical Office Buildings**

As discussed in note 7, PHC is considered the owner of the Fayette MOB and the Piedmont MOB for financial reporting purposes. In accordance with ASC 842, *Leases*, PHC has reflected the operations of the Piedmont and Fayette MOBs in its consolidated financial statements, which resulted in other revenue of approximately \$6,599,000, interest expense of approximately \$5,277,000, and supplies and other expenses of approximately \$2,938,000 for the year ended June 30, 2021, and other revenue of approximately \$6,778,000, interest expense of approximately \$5,336,000, and supplies and other expenses of approximately \$2,734,000 for the year ended June 30, 2020.

**(10) Net Assets with Donor Restrictions**

Spendable net assets with donor restrictions available primarily for capital purchases, education, and geriatric services were approximately \$53,991,000 and \$45,672,000 at June 30, 2021 and 2020, respectively.

**PIEDMONT HEALTHCARE, INC. AND AFFILIATES**

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Net assets with donor restrictions in perpetuity are summarized as follows, whose investment income is to be used according to the purpose description below (in thousands):

|  | <b>June 30</b>   |               |
|--|------------------|---------------|
|  | <b>2021</b>      | <b>2020</b>   |
| Support of education                   | \$ 1,065         | 1,065         |
| Beneficial interest in perpetual trust | 10,340           | 8,110         |
| Support of specific services           | 17,444           | 14,701        |
|  | <u>\$ 28,849</u> | <u>23,876</u> |

**(11) Employee Benefits**

**(a) *Piedmont Healthcare, Inc. Retirement Plan***

Prior to December 31, 2019, PHC had a trustee, noncontributory defined-benefit pension plan (the PHC Plan) covering certain PHC employees. The PHC Plan's benefits were based on a combination of years of service and the employee's compensation. PHC's funding policy was to contribute annually to the PHC Plan an amount sufficient to meet the minimum funding standards of ERISA or an amount sufficient to maintain the Plan on a sound actuarial basis, as certified by an enrolled actuary. PHC Plan assets consisted primarily of common stocks, alternative investments and cash equivalents.

In fiscal year 2008, PHC's Board of Directors approved the freezing of the PHC Plan for participation purposes, so that employees hired or rehired on and after July 1, 2008 were not eligible to participate in the PHC Plan. Then-current participants had the option under the "Choice" program to continue to accrue benefits in the PHC Plan or to participate in the new Piedmont 401(k) plan, which began on January 1, 2009. Approximately 64% of active participants elected to continue to accrue benefits in the defined-benefit pension plan.

On September 20, 2012, the PHC Plan was amended to reflect a freeze as of December 31, 2014. Therefore, no further benefit accruals were provided after that date for additional credited service or earnings. In addition, all existing participants became fully vested as of December 31, 2014.

Effective December 31, 2019, the PHC Plan was merged into the Columbus Regional Healthcare System, Inc. Pension Plan (the CRHS Pension Plan) to form the Piedmont Healthcare, Inc. Consolidated Retirement Plan (the Consolidated Plan). At that time, all of the assets of the PHC Plan were transferred into the Consolidated Plan. All of the activity of the PHC Plan from July 1, 2019 through the transfer of assets at December 31, 2019 is included in the 2020 activity of the Consolidated Plan in note 11(c).

**(b) *Columbus Regional Healthcare System, Inc. Pension Plan***

On July 1, 1986, CRHS established the CRHS Pension Plan, a noncontributory defined-benefit pension plan covering certain employees of CRHS and its affiliated companies that were employed prior to July 1, 2003. The plan provides benefits to the retired, terminated and active employees and their beneficiaries based on earnings and years of credited service. The funding policy is to contribute

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annually such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to the plan's members and to keep the plan actuarially sound.

Effective June 30, 2013, the plan was amended to freeze future service benefits.

**(c) *Piedmont Healthcare, Inc. Consolidated Retirement Plan***

As noted in (a) above, effective December 31, 2019 the PHC Plan was merged into the CRHS Pension Plan to form the Consolidated Plan. All activity for the year ended June 30, 2020 included in this note contains the activity of the PHC Plan and the CRHS Pension Plan prior to the plan merger and of the Consolidated Plan from January 1, 2020 to June 30, 2020.

The changes in the PHC's projected benefit obligation, the fair value of plan assets and the funded status of the plan as of and for the years ended June 30, 2021 and 2020 are as follows (in thousands):

|  | <u>2021</u>        | <u>2020</u>      |
|--|--------------------|------------------|
| Change in benefit obligations:                     |                    |                  |
| Benefit obligations, beginning of period           | \$ 587,659         | 186,880          |
| Addition of PHC Plan through merger                | —                  | 420,989          |
| Interest cost                                      | 13,385             | 19,358           |
| Benefits paid                                      | (20,304)           | (24,772)         |
| Actuarial loss (gain)                              | 3,836              | 58,461           |
| Settlements  | —                  | (73,257)         |
| Benefit obligations, end of period                 | <u>584,576</u>     | <u>587,659</u>   |
| Change in plan assets:                             |                    |                  |
| Fair value of plan assets, beginning of period     | 463,072            | 152,111          |
| Actual return on plan assets                       | 60,085             | 47,514           |
| Assets transferred in from PHC Plan through merger | —                  | 341,476          |
| Contributions of plan sponsor                      | 20,000             | 20,000           |
| Settlements  | —                  | (73,257)         |
| Benefits paid                                      | <u>(20,304)</u>    | <u>(24,772)</u>  |
| Fair value of plan assets, end of period           | <u>522,853</u>     | <u>463,072</u>   |
| Funded status of the plan, end of period           | \$ <u>(61,723)</u> | <u>(124,587)</u> |

PHC recognizes the funded status of the Pension Plan as a liability and the gains or losses and prior service costs or credits not yet recognized as pension expense as changes in net assets without donor

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restrictions. Amounts reported in the accompanying consolidated balance sheets related to the Pension Plan consist of the following as of June 30, 2021 and 2020 (in thousands):

|  | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Noncurrent liabilities   | \$ (61,723) | (124,587)   |
| Unrecognized net actuarial loss in net assets without donor restrictions | 113,555     | 152,560     |

The net periodic pension cost of the Consolidated Plan and other amounts recognized in net assets without donor restrictions consist of the following for the years ended June 30, 2021 and 2020 (in thousands):

|   | <u>2021</u>        | <u>2020</u>   |
|---|--------------------|---------------|
| Net periodic pension benefit:                           |                    |               |
| Interest cost on benefit obligation                     | \$ 13,385          | 19,358        |
| Expected return on plan assets                          | (20,633)           | (24,157)      |
| Amortization of net actuarial loss                      | 3,390              | 3,043         |
| Preliminary net periodic benefit income                 | (3,858)            | (1,756)       |
| Settlement/curtailment expense                          | —                  | 19,010        |
| Net periodic pension expense (benefit)                  | \$ <u>(3,858)</u>  | <u>17,254</u> |
| Other changes in net assets without donor restrictions: |                    |               |
| Current net actuarial (gain) loss                       | \$ (35,615)        | 16,094        |
| Amortization of net actuarial loss                      | (3,390)            | (3,043)       |
| Other changes in net assets without donor restrictions  | \$ <u>(39,005)</u> | <u>13,051</u> |

There is no estimated net loss that will be amortized from net assets without donor restrictions into net periodic pension cost over the next fiscal year.

The actuarial assumptions used in the accounting for the net periodic cost for the Pension Plan were as follows:

|   | <u>Year ended June 30</u> |             |
|---|---------------------------|-------------|
|   | <u>2021</u>               | <u>2020</u> |
| Discount rate (PHC/CRHS)                                    | 2.95 %                    | 3.70%/3.66% |
| Rate of increase in future compensation levels              | N/A                       | N/A         |
| Expected long-term rate of return on plan assets (PHC/CRHS) | 4.50 %                    | 4.85%/5.05% |

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The actuarial assumptions used to determine the year-end benefit obligations for the Consolidated Plan were as follows:

|  | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Discount rate                                  | 2.95 %      | 2.95 %      |
| Rate of increase in future compensation levels | N/A         | N/A         |

PHC uses fair value as the market-related value of assets in calculating the expected return on the Consolidated Plan assets component of net periodic pension expense for the years ended June 30, 2021 and 2020.

The determination of the expected long-term rate of return on plan assets is based on assumptions that are developed by the Consolidated Plan investment consultant for each investment category as to the rate of return, risk, yield and correlation with other categories that serve as components of the long-term strategy. The expected long-term rate of return reflects assumptions as to continued execution of the current strategic asset allocation and the plan's investment policy.

The mortality table used for the year ended June 30, 2021 was the Pri-2012 amounts-weighted mortality study, projected generationally from 2012 using improvement scale MP-2020.

The mortality table used for the year ended June 30, 2020 was the Pri-2012 mortality table for healthy and disabled participants, projected generationally from 2012 using improvement scale MP-2019.

The investment strategy of the Consolidated Plan is to achieve a mix of approximately 95% of investments for long-term growth and 5% for near-term benefit payments. The target allocation for plan assets is 70% equity securities, 25% corporate bonds and government agencies and 5% for all other types of investments. The fair value of plan assets of the Consolidated Plan at June 30, 2021 is as follows (in thousands):

|  | <u>Level 1</u>   | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>          |
|--|------------------|----------------|----------------|-----------------------|
| Cash and cash equivalents                            | \$ 21,751        | —              | —              | 21,751                |
| Corporate bonds                                      | —                | 202,020        | —              | 202,020               |
| Government obligations                               | 7,861            | —              | —              | 7,861                 |
| Fixed-income securities                              | —                | 100,187        | —              | 100,187               |
| Mutual funds   | —                | 124,524        | —              | 124,524               |
| Total assets at fair value                           | \$ <u>29,612</u> | <u>426,731</u> | <u>—</u>       | 456,343               |
| Investments measured at NAV as a practical expedient |                  |                |                | <u>66,510</u>         |
|  |                  |                | \$             | <u><u>522,853</u></u> |

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The fair value of plan assets of the Consolidated Plan at June 30, 2020 is as follows (in thousands):

|  | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
|--|-------------------|----------------|----------------|-----------------------|
| Cash and cash equivalents                            | \$ 31,214         | —              | —              | 31,214                |
| Corporate bonds                                      | 196,950           | —              | —              | 196,950               |
| Fixed-income securities                              | 51,158            | —              | —              | 51,158                |
| Mutual funds   | 6,595             | —              | —              | 6,595                 |
| Corporate stocks                                     | 118,460           | —              | —              | 118,460               |
| Total assets at fair value                           | \$ <u>404,377</u> | <u>—</u>       | <u>—</u>       | 404,377               |
| Investments measured at NAV as a practical expedient |                   |                |                | <u>58,695</u>         |
|  |                   |                | \$             | <u><u>463,072</u></u> |

The fair values of the securities included in Level 1 and Level 2 are based on the pricing inputs described in note 16. The fair value of the remaining alternative investments was determined based on the use of net asset value per share as a practical expedient in accordance with ASC Topic 820, *Fair Value Measurement*.

PHC expects to contribute approximately \$20,000,000 to the Consolidated Plan during fiscal year 2022.

Estimated future benefit payments are expected to be paid by the Consolidated Plan as follows for years ending June 30 (in thousands):

|           |           |
|-----------|-----------|
| 2022      | \$ 24,288 |
| 2023      | 26,076    |
| 2024      | 27,519    |
| 2025      | 28,779    |
| 2026      | 29,757    |
| 2027–2031 | 157,219   |

**(d) The Medical Center Hospital Authority Pension Plan**

The Medical Center Hospital Authority (TMC Authority) sponsored The Medical Center Hospital Authority Pension Plan (the TMC Authority Pension Plan), a frozen noncontributory, defined-benefit pension plan covering substantially all former employees of the TMC Authority. As a result of the corporate reorganization, PHC was obligated to pay pension benefits to eligible participants in the frozen plan. Effective November 30, 2020, the TMC Authority Pension Plan was terminated. In connection with the termination, PHC recorded a loss of \$2,273,000 which is included in other

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components of pension gains (losses) on the accompanying 2021 consolidated statement of operations.

The following table presents a reconciliation of the beginning and ending balances of the TMC Authority Pension Plan's benefit obligation and the fair value of plan assets and the funded status of the plan as of and for the year ended June 30, 2020 (in thousands):

|  | <u><b>2020</b></u>       |
|--|--------------------------|
| Change in benefit obligations:                 |                          |
| Benefit obligations, beginning of period       | \$ 27,633                |
| Interest cost                                  | 798                      |
| Plan amendment                                 | (325)                    |
| Benefits paid                                  | (1,803)                  |
| Actuarial loss                                 | <u>1,486</u>             |
| Benefit obligations, end of period             | <u>27,789</u>            |
| Change in plan assets:                         |                          |
| Fair value of plan assets, beginning of period | 23,244                   |
| Actual return on plan assets                   | 2,789                    |
| Contributions of plan sponsor                  | —                        |
| Benefits paid                                  | <u>(1,803)</u>           |
| Fair value of plan assets, end of period       | <u>24,230</u>            |
| Funded status of the plan, end of period       | \$ <u><u>(3,559)</u></u> |

PHC recognized the funded status of the TMC Authority Pension Plan as an asset or liability and the gains or losses and prior service costs or credits not yet recognized as pension expense as a change in net assets without donor restrictions. Amounts reported in the accompanying consolidated balance sheet related to the TMC Authority Pension Plan consist of the following as of June 30, 2020 (in thousands):

|  | <u><b>2020</b></u> |
|--|--------------------|
| Noncurrent liabilities   | \$ (3,559)         |
| Prior service credit   | (325)              |
| Unrecognized net actuarial loss in net assets without donor restrictions | 992                |

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Net periodic pension cost of the TMC Authority Pension Plan and other amounts recognized in net assets without donor restriction consist of the following for the year ended June 30, 2020 (in thousands):

|   | <u><b>2020</b></u>     |
|---|------------------------|
| Net periodic pension benefit:   |                        |
| Interest cost on benefit obligation   | \$ 798                 |
| Expected return on plan assets  | (1,025)                |
| Amortization of net actuarial loss  | <u>—</u>               |
| Net periodic pension benefit  | <u>(227)</u>           |
| Other changes in net assets without donor restrictions:                             |                        |
| Current net actuarial (gain) loss   | (279)                  |
| Prior service credit  | (325)                  |
| Amortization of net actuarial loss  | <u>—</u>               |
| Other changes in net assets without donor restrictions                              | <u>(604)</u>           |
| Total net periodic pension cost and change in net assets without donor restrictions | \$ <u><u>(831)</u></u> |

There is no estimated net loss that will be amortized from net assets without donor restrictions into net periodic pension cost over the next fiscal year.

The actuarial assumptions used in the accounting for the net periodic cost for the TMC Authority Pension Plan were as follows:

|  | <u><b>Year ended<br/>June 30<br/>2020</b></u> |
|--|---|
| Discount rate                                    | 3.43 %  |
| Rate of increase in future compensation levels   | 2.50  |
| Expected long-term rate of return on Plan assets | 2.85  |

The actuarial assumptions used to determine the year-end benefit obligations for the TMC Authority Pension Plan were as follows:

|  | <u><b>2020</b></u> |
|--|--------------------|
| Discount rate                                  | 2.64 %             |
| Rate of increase in future compensation levels | N/A                |

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

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PHC used fair value as the market-related value of assets in calculating the expected return on PHC Plan assets component of net periodic pension expense for the year ended June 30, 2020.

The determination of the expected long-term rate of return on plan assets was based on assumptions that was developed by the TMC Authority Pension Plan investment consultant for each investment category as to the rate of return, risk, yield and correlation with other categories that serve as components of the long-term strategy. The expected long-term rate of return reflects assumptions as to continued execution of the current strategic asset allocation and the plan's investment policy.

The investment strategy of the TMC Authority Pension Plan was to achieve a mix of approximately 95% of investments for long-term growth and 5% for near-term benefit payments. The target allocation for plan assets was 60% equity securities, 35% corporate bonds and government agencies and 5% for all other types of investments.

The mortality tables used for the year ended June 30, 2020 were the Pri-2012 mortality table for employee and healthy annuitant (adjusted back to 2006) with generational projection using scale MP-2019.

The fair value of plan assets at June 30, 2020, is as follows (in thousands):

|                           | <u>Level 1</u>   | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>  |
|---------------------------|------------------|----------------|----------------|---------------|
| Cash and cash equivalents | \$ 102           | —              | —              | 102           |
| Equity mutual funds       | 24,128           | —              | —              | 24,128        |
|                           | <u>\$ 24,230</u> | <u>—</u>       | <u>—</u>       | <u>24,230</u> |

#### (e) **Deferred Compensation Plans**

PHC also offers two nonqualified deferred compensation plans, which are available to certain highly compensated PMCC and PHIP employees. These plans permit such employees to defer the receipt and taxation of all or a portion of their salary until future years. The deferred compensation is available for distribution to employees upon the election by the employee, provided the distribution election with respect to the deferred amounts has been made for a minimum of one year prior to the date of distribution.

All deferrals are held as part of PHC's general assets and are subject to the claims of PHC's general creditors. Employees' rights to the payment of benefits under these plans are equal to those of general and unsecured creditors of the PHC. PHC has no liability for losses under the deferred compensation plans.

The amounts recorded for the deferred compensation plans are approximately \$104,208,000 and \$73,340,000 at June 30, 2021 and 2020, respectively, and are recorded within other long-term liabilities and other assets in the accompanying consolidated balance sheets.

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CRHS implemented a 457(b) plan for certain highly compensated senior employees and physicians. The plan is funded solely by employee contributions. The assets of the plan are the legal assets of CRHS until they are distributed to participants and therefore, the plan assets and corresponding liability are reported in the accompanying consolidated balance sheets. Plan assets, at fair value, at both June 30, 2021 and 2020 totaled approximately \$5,741,000, and are reflected in other assets with an offsetting liability in other long term liabilities on the accompanying consolidated balance sheets.

#### **(f) 401(k) Plans**

PHC offers, as the sponsor, a deferred tax annuity plan (the 401(k) Plan) pursuant to Section 401(k) of the IRC of 1986, covering substantially all employees of PHC. PHC contributes 100% of pretax contributions up to the first 3% of eligible pay and 50% of pretax contributions up to the next 2% into the 401(k) Plan and may make an additional discretionary contribution. PHC recognized as salaries and benefits expense approximately \$67,687,000 and \$62,309,000 for the years ended June 30, 2021 and 2020, respectively, related to the 401(k) Plan. No discretionary contributions were made during the years ended June 30, 2021 or 2020.

#### **(12) Continuing Care Retirement Community Management Agreement**

On August 4, 2004, CRHS entered into a series of agreements with respect to TMC Authority's construction and funding of a continuing care retirement community (CCRC), which is not owned by CRHS. These agreements include a ground lease, a completion and support funding agreement, an indemnity agreement, an environmental compliance and indemnification agreement and a supplemental subordination agreement.

Under the terms of the ground lease, CRHS leases certain real estate to the TMC Authority through 2044. The TMC Authority issued tax-exempt bonds totaling \$74,660,000 to construct a CCRC on the leased land. Upon termination of the lease agreement, the land and all improvements thereon will revert, or transfer, to CRHS.

CRHS issued an environmental compliance and indemnification agreement, which indemnifies certain third parties with respect to any environmental-related losses, which may be associated with the land. CRHS has assigned all of its rights in the leased property to specified third parties with respect to the TMC Authority's bond issue.

During the CCRC's construction phase, CRHS provided funds to the TMC Authority for the CCRC's construction amounting to approximately \$3,100,000. This funding was initially recorded as a debt, subordinate to the Series 2004 Bonds. On April 1, 2007, the TMC Authority entered into an amended and restated loan agreement in conjunction with the issuance of the Series 2007 Bonds, which includes a provision whereby the TMC Authority will be released from its liability under the loan agreement upon termination of the ground lease. As such, at that time, the funding was recognized as a capital contribution to the TMC Authority.

The TMC Authority entered into a management agreement with Columbus Regional Senior Living, a controlled affiliate of CRHS, which subsequently entered into a submanagement agreement with a third-party to manage the operations of the CCRC and to perform the duties and obligations thereof pursuant to the management agreement. The CCRC management activity is immaterial to PHC as a whole.

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PHC has agreed to indemnify the TMC Authority and specified third parties with respect to certain losses of the TMC Authority, including ad valorem real estate property taxes. As discussed in note 14(d), the TMC Authority is involved in a property tax dispute related to the CCRC, which exposes PHC to risk of loss.

#### (13) Concentrations of Credit Risk

PHC grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors was as follows:

|                          | June 30 |       |
|--------------------------|---------|-------|
|                          | 2021    | 2020  |
| Medicare                 | 26 %    | 25 %  |
| Medicaid                 | 18      | 19    |
| Other third-party payors | 44      | 42    |
| Patients                 | 12      | 14    |
|                          | 100 %   | 100 % |

PHC recognizes that revenue and receivables from government agencies and third-party payors are significant to its operations. PHC does not believe that there are significant credit risks associated with these sources of revenue.

As of June 30, 2021 and 2020, PHC had approximately \$1,172,200,000 and \$1,088,283,000, respectively, in funds deposited with various financial institutions in excess of Federal Deposit Insurance Corporation limits.

#### (14) Commitments and Contingencies

##### (a) General and Professional Liability Insurance

PHC has a self-insurance program for general and professional liability coverage through AMIC. AMIC insures PHC with professional liability risks of PHC affiliates, namely Atlanta, Mountainside, Fayette, Newnan, Henry, Newton, Athens, Rockdale, Walton, Midtown, Northside and Piedmont Medical Care Corporation on a claims-made basis for the hospital professional. The insurance policies between PHC and AMIC are \$5,000,000 per occurrence and \$20,000,000 aggregate annual limit for coverage effective May 1, 2003 through April 30, 2005, and \$5,000,000 per occurrence and \$19,000,000 aggregate annual limit for coverage effective May 1, 2005 through April 30, 2014 returning to \$5,000,000 per occurrence and \$20,000,000 aggregate annual limit for coverage effective May 1, 2014 through April 30, 2016 and \$5,000,000 per occurrence and \$21,000,000 annual aggregate as of May 1, 2016 and \$5,000,000 per occurrence and \$25,000,000 annual aggregate as of May 1, 2017 and at \$5,000,000 with the annual aggregate at \$31,000,000 per occurrence as of May 1, 2018 and \$7,000,000 per occurrence with an annual aggregate of \$42,000,000 as of May 1, 2019. Beginning May 1, 2021, the per occurrence limit moved to \$10,000,000 with an aggregate limit of \$65,000,000. AMIC provides commercial general liability coverage on an occurrence basis to the above facilities as well as PHIP, ARPS, ARSS, RFC, and CRMG. The per occurrence general liability limit provided by AMIC was reduced from \$5,000,000 to \$2,000,000 on May 1, 2011 and remains at that level. AMIC is

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consolidated by PHC. PHC records the reported and estimated incurred-but-not-reported liability based on an actuarial study at June 30, 2021 and 2020, which totaled approximately \$119,670,000 and \$111,196,000 respectively, and is recorded as self-insurance reserves in the accompanying consolidated balance sheets. Commercial insurance has been obtained on a claims-made (professional liability) and on an-occurrence (general liability) basis to provide for excess coverage.

The general and professional self-insurance reserves included in the accompanying consolidated balance sheets include estimates of the ultimate costs for claims incurred but not reported through June 30, 2021 and 2020, applicable to the general and professional liability self-insurance plans for PHC. PHC has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims.

#### **(b) Other Self-Insurance Programs**

PHC self-insures a portion of its workers' compensation liability exposure up to \$450,000 per claim at June 30, 2021 and 2020. Reserves for the self-insurance program are established to provide for estimated claims losses and applicable legal expenses for any claims incurred, both reported and unreported, through June 30, 2021 and 2020, and are recorded in the accompanying consolidated financial statements. PHC recorded the reported and estimated incurred-but-not-reported liability for its claims at June 30, 2021 and 2020, which totaled approximately \$8,933,000 and \$8,614,000, respectively. Commercial insurance has been obtained on an-occurrence basis to provide for excess coverage.

The workers' compensation self-insurance reserves included in the accompanying consolidated balance sheets include estimates of the ultimate costs for claims incurred but not reported through June 30, 2021 and 2020. PHC has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses have been discounted at 2% at June 30, 2021 and 2020.

PHC is self-insured for employee health benefits for its subsidiaries with reinsurance for high dollar claims. At June 30, 2021 and 2020, PHC recorded \$16,331,000 and \$15,035,000, respectively, as an estimated liability for health benefit claims within the current portion of self-insurance reserves line item in the accompanying consolidated balance sheets.

The employee health benefits self-insurance reserves in the accompanying consolidated balance sheets include estimates of the ultimate costs for claims incurred but not reported through June 30, 2021 and 2020, applicable to the employee health benefits self-insurance plans. PHC has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued employee health benefits losses have not been discounted due to the short-term nature of the payout of these liabilities.

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In the opinion of management, adequate provision has been made for losses that may occur from the asserted and unasserted claims for all self-insurance programs.

**(c) Leases**

PHC is obligated under finance leases covering certain machinery and IT equipment that expire at various dates during the next six years.

PHC also has several noncancellable operating leases, primarily for medical and office equipment, warehouses, and office space that expire over the next five years. These leases generally contain renewal options for periods ranging from two to five years. Because PHC is not reasonably certain to exercise these renewal options, the options are generally not considered in determining the lease term, and associated potential option payments are excluded from lease payments. PHC's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for many of PHC's leases, variable payments. For PHC's medical equipment leases, variable payments include those for personal property tax. For office space leases that include variable payments, those include payments for PHC's proportionate share of the building's property taxes, insurance, and common area maintenance.

The components of lease cost for the year ended June 30, 2021 were as follows (in thousands):

|                                     |           |
|-------------------------------------|-----------|
| Operating lease cost                | \$ 61,571 |
| Finance lease cost:                 |           |
| Amortization of right of use assets | 490       |
| Interest on lease liabilities       | 141       |
| Total finance lease cost            | 631       |
| Variable lease cost                 | 136       |
| Short-term lease cost               | 1,399     |
| Total lease cost                    | \$ 63,737 |

Supplemental cash flow information and weighted average remaining lease term and discount rate related to leases for the year ended June 30, 2021 is as follows (in thousands):

|   | <u>2021</u> |
|---|-------------|
| Other information:  |             |
| Operating cash flows from operating leases                      | \$ 63,058   |
| Right-of-use assets obtained in exchange for lease obligations: |             |
| Operating leases  | 79,323      |
| Weighted average remaining lease term – operating lease         | 7.7 years   |
| Weighted average discount rate – operating leases               | 2.2 %       |

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Amounts reported in the consolidated balance sheet as of June 30, 2021 were as follows (in thousands):

|  |    |                |
|--|----|----------------|
| Operating leases:  |    |                |
| Operating lease ROU assets                               | \$ | 233,871        |
| Operating lease liabilities                              |    | 205,010        |
| Accounts payable and accrued expenses                    |    | 51,787         |
| Total operating lease liabilities                        | \$ | <u>256,797</u> |
| Finance leases:  |    |                |
| Machinery and equipment                                  | \$ | 17,004         |
| Accumulated amortization                                 |    | <u>(4,907)</u> |
| Property, plant, and equipment, net                      | \$ | <u>12,097</u>  |
| Current installments of obligations under finance leases | \$ | 3,302          |
| Long-term portion of obligations under finance leases    |    | <u>10,390</u>  |
| Total finance lease liabilities                          | \$ | <u>13,692</u>  |

Maturities of lease liabilities under noncancellable leases as of June 30, 2021 are as follows (in thousands):

|                                   | <b>Operating<br/>leases</b> | <b>Finance<br/>leases</b> |
|-----------------------------------|-----------------------------|---------------------------|
| 2022                              | \$ 59,743                   | 3,605                     |
| 2023                              | 53,958                      | 2,852                     |
| 2024                              | 48,346                      | 2,191                     |
| 2025                              | 41,163                      | 1,673                     |
| 2026                              | 26,861                      | 1,284                     |
| Thereafter                        | <u>95,381</u>               | <u>4,468</u>              |
| Total undiscounted lease payments | 325,452                     | 16,073                    |
| Less imputed interest             | <u>(68,655)</u>             | <u>(2,381)</u>            |
| Total lease liabilities           | \$ <u>256,797</u>           | <u>13,692</u>             |

(i) *ASC Topic 840 disclosures for the year ended June 30, 2020*

PHC leases various equipment and facilities under operating leases expiring at various dates through fiscal year 2099. Total rent expense for the year ended June 30, 2020 for all operating

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leases was approximately \$76,240,000 and is included in supplies and other expenses on the accompanying 2020 consolidated statement of operations.

The following is a schedule by year of future minimum lease payments under operating leases that have initial or remaining lease terms in excess of one year (in thousands):

| Year ending June 30: |    |                |
|----------------------|----|----------------|
| 2021                 | \$ | 60,177         |
| 2022                 |    | 51,969         |
| 2023                 |    | 45,578         |
| 2024                 |    | 39,929         |
| 2025                 |    | 32,720         |
| Thereafter           |    | 91,654         |
|                      | \$ | <u>322,027</u> |

#### **(d) *Litigation and Other Commitment and Contingencies***

PHC is involved in litigation arising in the ordinary course of business. Liabilities for loss contingencies arising in the ordinary course of business are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. After consultation with legal counsel, management estimates that these matters will be resolved without a material adverse effect on PHC's future financial position or results of operations.

On December 15, 2016, the United States Attorney's Office for the Northern District of Georgia issued a Civil Investigative Demand in connection with an investigation of PHC under the civil False Claims Act. On June 9, 2020, PHC resolved the issues under investigation, without any admission of liability, through a settlement agreement with the Office of Inspector General of the U.S. Department of Health and Human Services and the State of Georgia (the Settlement Agreement). On June 18, 2020, PHC paid the settlement amount per the Settlement Agreement. The execution of the Settlement Agreement and the related settlement payment did not have a material adverse effect on PHC's financial position or results of operations.

In September 2015, CRHS entered into a settlement agreement with the United States and the State of Georgia to resolve certain allegations of improper coding and billing practices and physician compensation payments. The settlement agreement included a total fixed payment of \$26,000,000 as well as a contingent amount, which is capped at \$9,000,000. As of June 30, 2020, management estimated a remaining settlement loss of \$5,427,000 which is considered current at June 30, 2020 and is included in accounts payable and accrued expenses on the accompanying June 30, 2020 consolidated balance sheet. During the year ended June 30, 2021, PHC paid \$4,170,000 which included the final installment amount due from the settlement. As such, PHC does not have any remaining liabilities relating to the settlement agreement.

Contemporaneously with the settlement agreement, CRHS entered into a Corporate Integrity Agreement (CIA) with the Office of Inspector General to promote compliance with the statutes,

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regulations and written directives of Medicare, Medicaid and all other Federal health care programs. The CIA, which commenced in September 2015, was for duration of five years and required CRHS to provide certain information and maintain certain requirements at CRHS each year. The CIA terminated in September 2020 with no further requirements.

The TMC Authority is involved in a property tax dispute over certain real estate it owns and leases. The Columbus Consolidated Government holds that the property in question is subject to ad valorem real estate property tax and is pursuing collection of billed property taxes for the years 2005 through 2021 related to the CCRC discussed in note 12. PHC has indemnified the TMC Authority for such property taxes; therefore, PHC could have exposure to loss related to the dispute. After an initial Superior Court of Muscogee County decision in favor of the TMC Authority and following subsequent appeals, the case had been remanded to Superior Court. Counsel for the TMC Authority intend to pursue the remanded case and seek to obtain judgment of the Superior Court that the TMC Authority's interest is exempt from property tax as a public property. The Superior Court granted summary judgment in favor of the TMC Authority in October 2020, holding that the property is exempt from ad valorem property tax. In November 2020, the Columbus Consolidated Government appealed that decision. The ultimate outcome of this matter is unknown at this time; however, given the prior judgments and management's evaluation of the facts, including consultation with external counsel, there is not a probable settlement amount that can be determined at this time.

### **(15) Functional Expenses**

PHC provides general healthcare services to residents within its geographic location. Expenses related to providing these services on a functional basis for the years ended June 30 are as follows (in thousands):

|                               | 2021                |                | 2020             |                |
|-------------------------------|---------------------|----------------|------------------|----------------|
|                               | Healthcare          | Admin          | Healthcare       | Admin          |
| Salaries and benefits         | \$ 1,977,239        | 220,329        | 1,797,114        | 242,300        |
| Supplies and other expenses   | 1,523,190           | 169,685        | 1,287,116        | 221,115        |
| Interest                      | 41,887              | 4,668          | 30,047           | 2,783          |
| Depreciation and amortization | 174,258             | 19,418         | 139,827          | 17,739         |
|                               | <u>\$ 3,716,574</u> | <u>414,100</u> | <u>3,254,104</u> | <u>483,937</u> |

The consolidated financial statements report certain categories of expenses that are attributable to more than one function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, wages and benefits, supplies and other expenses and depreciation and amortization which include allocations on the basis of estimates of time and effort.

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#### **(16) Fair Value of Financial Instruments**

PHC applies ASC 820, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of the PHC's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market investments, fixed income and equity instruments, and interest rate swap agreements. The three levels of the fair value hierarchy defined by ASC 820 and a description of the valuation methodologies used for instruments measured at fair value are as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that PHC has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in nonactive markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value of financial assets and financial liabilities

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measured at fair value on a recurring basis was determined using the following inputs at June 30, 2021 (in thousands):

| <b>Assets</b>   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| Cash and cash equivalents   | \$ 1,153,674   | —              | —              | 1,153,674    |
| Investments and assets limited as to use:   |                |                |                |              |
| Cash and short-term investments   | 35,750         | —              | —              | 35,750       |
| Corporate obligations   | —              | 22,451         | —              | 22,451       |
| Government obligations  | 25,241         | 5,904          | —              | 31,145       |
| Fixed-income securities   | 295,591        | —              | —              | 295,591      |
| Corporate stocks  | 131,990        | —              | —              | 131,990      |
| Mutual funds  | 706,566        | —              | —              | 706,566      |
| Total investments and assets limited as to use at fair value                      | 1,195,138      | 28,355         | —              | 1,223,493    |
| Self-insurance investments:   |                |                |                |              |
| Corporate obligations   | —              | 15,333         | —              | 15,333       |
| Fixed-income securities   | 31,187         | —              | —              | 31,187       |
| Mortgage-backed securities  | —              | 11,139         | —              | 11,139       |
| Foreign securities  | —              | 1,063          | —              | 1,063        |
| Equity securities   | 43,267         | —              | —              | 43,267       |
| Total self-insurance investments  | 74,454         | 27,535         | —              | 101,989      |
| Beneficial interest in perpetual trust  | —              | —              | 10,340         | 10,340       |
| Total assets at fair value  | \$ 2,423,266   | 55,890         | 10,340         | 2,489,496    |
| Investments and assets limited as to use measured at NAV as a practical expedient |                |                |                | 271,608      |
|   |                |                |                | \$ 2,761,104 |
| <b>Liabilities</b>  |                |                |                |              |
| Interest rate swaps   | \$ —           | 24,853         | —              | 24,853       |

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The fair value of financial assets and financial liabilities measured at fair value on a recurring basis was determined using the following inputs at June 30, 2020 (in thousands):

| <b>Assets</b>   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| Cash and cash equivalents   | \$ 1,104,753   | —              | —              | 1,104,753    |
| Investments and assets limited as to use:   |                |                |                |              |
| Cash and short-term investments   | 23,401         | —              | —              | 23,401       |
| Corporate obligations   | —              | 30             | —              | 30           |
| Fixed-income securities   | 313,810        | —              | —              | 313,810      |
| Corporate stocks  | 93,165         | —              | —              | 93,165       |
| Mutual funds  | 536,202        | —              | —              | 536,202      |
| Total investments and assets limited as to use at fair value                      | 966,578        | 30             | —              | 966,608      |
| Self-insurance investments:   |                |                |                |              |
| Corporate obligations   | —              | 14,605         | —              | 14,605       |
| Fixed-income securities   | 16,787         | —              | —              | 16,787       |
| Mortgage-backed securities  | —              | 17,406         | —              | 17,406       |
| Equity securities   | 28,564         | —              | —              | 28,564       |
| Total self-insurance investments  | 45,351         | 32,011         | —              | 77,362       |
| Beneficial interest in perpetual trust  | —              | —              | 8,110          | 8,110        |
| Total assets at fair value  | \$ 2,116,682   | 32,041         | 8,110          | 2,156,833    |
| Investments and assets limited as to use measured at NAV as a practical expedient |                |                |                | 195,355      |
|   |                |                |                | \$ 2,352,188 |
| <b>Liabilities</b>  |                |                |                |              |
| Interest rate swaps   | \$ —           | 33,573         | —              | 33,573       |

Investments and assets limited as to use at June 30, 2021 and 2020 were in domestic investments unless otherwise noted.

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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The fair values of the securities included in Level 1 were determined through unadjusted quoted market prices. The fair value of Level 2 financial assets and liabilities were determined as follows:

*Corporate obligations, government obligations, foreign securities and mortgage-backed securities* – These Level 2 investments were determined through evaluated bid prices provided by third-party pricing services where quoted market values are not available. There is no significant subjectivity in the fair value estimate due to changes in the unobservable inputs.

*Beneficial interest in perpetual trust* – The fair values of these related financial assets were determined from the fair value of the underlying assets contributed to the trusts. Based on the nature of the underlying assets, there is no significant subjectivity in the fair value estimate due to changes in the unobservable inputs.

*Interest rate swaps* – The fair values of these financial liabilities interest rate swaps were determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved. The analysis reflects contractual terms of the interest rate swaps and uses observable market-based inputs, such as discount rates interpolated based on relevant swap curves. In addition, credit valuation adjustments are included to reflect nonperformance risk. PHC pays fixed rates ranging from 3.17% to 4.84% and receives cash flows based on 67.00% of one month LIBOR.

Change in beneficial interest in perpetual trust is included within net assets with donor restrictions in the accompanying consolidated statements of changes in net assets.

The carrying values of patient accounts receivable, pledges receivable, and accounts payable and accrued expenses are reasonable estimates of their fair values due to the short-term nature of these financial instruments.

#### **(17) Graduate Medical Education**

Athens continues in its development of Accreditation Council for Graduate Medical Education (ACGME) residency programs, and has successfully recruited and employed program directors for the Internal Medicine and Transitional Year residency programs. The Internal Medicine residency program received ACGME accreditation approval on March 19, 2015 for a three-year training program. The Transitional Year residency program received ACGME accreditation approval on December 11, 2017, for a one-year training period. Athens has been approved to fill 45 internal medicine residency positions, or 15 per training year, and 10 transitional year residency positions per year. The Internal Medicine program currently has 50 internal medicine residents and will complete interviews of over 3,500 residency candidates to fill its 20 positions for the 2021 match. The Transitional Year currently has 10 residents and will complete interviews of over 600 candidates for the 2021 match. For the years ended June 30, 2021 and 2020, Athens received \$3,223,000 and \$2,886,000, respectively, for the Internal Medicine and Transitional Years residency programs.

## PIEDMONT HEALTHCARE, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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#### **(18) Availability of Resources and Liquidity**

PHC has \$1,754,007,000 and \$1,611,738,000 of financial assets at June 30, 2021 and 2020, respectively, available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$1,153,674,000 and \$1,104,753,000, and patient accounts receivable, net of \$600,333,000 and \$506,985,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Patient accounts receivable is expected to be collected within one year. PHC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 45 days of normal operating expenses, which are, on average, approximately \$486,540,000 and \$438,448,000 at June 30, 2021 and 2020, respectively. PHC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, PHC invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and short-term treasury instruments.

#### **(19) Subsequent Events**

Effective July 30, 2021, PHC entered into a note payable agreement (the "2021 Note Payable") with a bank in the amount of \$986,711,997. The proceeds of the 2021 Note Payable were used to purchase four hospitals and other related entities located in Cartersville, Snellville and Macon, Georgia effective August 1, 2021. On September 9, 2021, PHC issued taxable bonds in the amount of \$1,000,000,000 (the "Series 2021 Bonds"). PHC used \$987,289,704 of the proceeds of the Series 2021 Bonds to repay in full the 2021 Note Payable. The remaining proceeds were maintained as operating cash. The Series 2021 Bonds are payable through January 1, 2052 and bear interest at rates ranging from 2.04% to 2.86%.

On October 20, 2021, the Society of Actuaries (SOA) released Mortality Improvement Scale MP-2021, the annual update to the RPEC\_2014 model and its corresponding mortality improvement scales. This new version of the model includes historical U.S. population mortality experience through 2019. Scale MP-2021 reflects a change to the assumption for the long-term rate of mortality improvement. Due to a lack of concrete data and the uncertainty regarding how COVID-19 will change public health after 2022, RPEC has not made any changes to its projection models or scales to attempt to reflect COVID-19. The Scale MP-2021 mortality improvement rates are slightly lower than the corresponding Scale MP-2020 rates. The difference between PHC's 2021 pension obligations calculated using Scale MP-2021 versus Scale MP-2020 was determined to be immaterial and is not reflected in the accompanying consolidated financial statements.