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Georgia Rural Hospital Tax Credit

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GEORGIA RURAL HOSPITAL TAX CREDIT

Hospital Executives' Perspectives, Community Awareness and Program Impact

BACKGROUND

Eight rural hospitals have closed in Georgia within the last decade, and more are financially distressed. In 2016, Georgia legislation created a state income tax credit for individuals and corporations that donate to qualifying non-profit rural hospitals of their choice. This law, the first of its kind in the US, was intended to provide struggling hospitals with financial support to improve viability. Using a mixed-methods approach, this study assessed the perspective of hospital executives concerning the program, examined community awareness of the program, and evaluated how hospitals used the money to enhance access to care for rural populations.



Font size represents percentage of total donations in 2018.

APPROACH

CEOs of all 58 qualifying rural hospitals were invited to complete a telephone interview. The interviews were recorded, transcribed, and analyzed thematically. Data on public awareness about the tax credit program and their willingness to donate were obtained from a self-administered online survey conducted as part of a community health needs assessment study in one rural community with an eligible hospital. Data on program expenditure were obtained from the Georgia Department of Community Health, the state agency overseeing the program.

KEY FINDINGS AND RECOMMENDATIONS

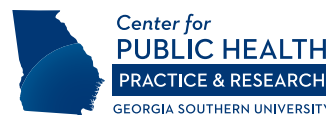
Twenty-one executives (36.2%) completed a telephone interview. Overall sentiment for the program was positive. Executives described the program as a valuable lifeline to rural hospitals in the state but remained cautiously optimistic about its permanence. They recommended both legislative and operational changes to the program.

The recommended changes included raising the annual program cap; making changes to the financial need ranking process; extending the window for completing donations; and revisiting the definition of 'rural' for eligibility purposes.

Most small hospitals used donations to supplement operational budgets; large hospitals invested in capital projects.

While the majority of respondents to the community survey (72.3% of 224) had heard about the program, only 45% were willing to donate. Male, educated, and affluent community members, and adults 65 years and older were more willing to donate.

Additional educational efforts are needed to cultivate both individual and corporate donors.



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