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FINAL REPORT OF THE RURAL GEORGIA SENATE STUDY COMMITTEE (SR 392)

Committee Members

Senator David Lucas, Chair
District 26

Senator Dean Burke
District 11

Senator Steve Gooch
District 51

Senator Ed Harbison
District 15

Senator Jack Hill
District 4

Senator Greg Kirk
District 13

Senator Freddie Powell-Sims
District 12

Prepared by the Senate Research Office, 2017

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STUDY COMMITTEE FOCUS, CREATION, & DUTIES

The Senate Study Committee on Rural Georgia (Committee) was created with the adoption of Senate Resolution 392 during the 2017 Legislative Session. The following individuals were appointed by the President of Senate to serve as members of this Committee:

- Senator David Lucas of the 26th – Chair
- Senator Dean Burke of the 11th
- Senator Steve Gooch of the 51st
- Senator Ed Harbison of the 15th
- Senator Jack Hill of the 4th
- Senator Greg Kirk of the 13th
- Senator Freddie Powell-Sims of the 12th

The State of Georgia is comprised of 159 counties—109 of those counties have populations of less than 35,000. Georgia's rural areas are faced with challenges distinct from other areas of this state, which can include deficiency in access to health care, poor infrastructure, limited transit options, diminished quality of educational opportunities, scarcity of employment possibilities, lack of broadband and other technological advances, and overall lack of economic growth. With the adoption of SR 392, the Committee was tasked with conducting a thorough and systematic study of the existing issues in Georgia's rural areas. Throughout the course of this study, the Committee aimed to examine and identify policies and ideas to enhance service delivery to individuals and businesses in rural areas.

MEETINGS HELD

This section provides a brief summary of topics covered at each meeting, including the names and affiliations of individuals who were asked to provide testimony to the Committee. Although testimony has been condensed to ensure the report could be timely submitted, copies of all presentations and materials submitted to the Committee are kept on file in the Senate Research Office.

Meeting 1 – July 7, 2017; Macon, Georgia

The following individuals provided testimony to the Committee at Meeting 1 in Macon, Georgia at the Middle Georgia Regional Commission: Julie Windom, Stratus Healthcare; Dr. Ninfa Saunders, CEO of Navicent Health; Dr. Fred Gaton, Family Practice Physician, Crawford Family Medicine and North Macon family Healthcare; Dr. Jean Sumner, Dean, Mercer University School of Medicine; and Laura Mathis, Executive Director, Middle Georgia Regional Commission.

Meeting 2 – August 8-9, 2017; Dahlonega, Georgia

The following individuals provided testimony to the Committee at Meeting 2 in Dahlonega, Georgia: Jimmy Lewis, CEO of Hometown Health; Lynne Anderson; Stephens County Hospital; Commissioner Stan Wise, Stephens County Hospital; Dr. Jean Sumner, Dean, Mercer University School of Medicine; Greg Fender, Georgia Municipal Association; J. Berkshire, Windstream; Todd Edwards, ACCG; Ellijay Telephone Company; David Zunker, Dahlonega – Lumpkin Chamber of Commerce; Morgan Law, Georgia Chamber of Commerce; Dr. Steve Morse, College of Business, Western Carolina University; Lisa Love, Georgia Department of Economic Development; Reggie Taylor, U.S. Department of Agriculture; Beth Oleson, Georgia Agritourism Association; and Caroline, Lewallen, Jaemor Farms.

Meeting 3 – October 3, 2017; Bainbridge, Georgia

The following individuals provided testimony to the Committee at Meeting 3 in Bainbridge, Georgia: Dr. Stuart Rayfield, Interim President, Bainbridge College; Jimmy Lewis, CEO of Hometown Health; Adrienne Harrison and Rick McCaskill, Bainbridge-Decatur County Chamber/Development Authority; Julie Ellen Windom, Director of Policy and Advocacy, Stratus Healthcare; Dr. Doug Patterson, Associate Dean, Medical College of Georgia, Southwest Campus; Eric McCrae, Associate Director, Carl Vinson Institute of Government, University of Georgia; Lee Beckmann, Manager of Government Affairs, Georgia Ports Authority; Windstream; Kevin Curtin, Associate Vice President of Legislative Affairs, AT&T; Dr. Kay Brooks, Aspire Behavioral Health and Developmental Disabilities; and Monty Veazy, President, Georgia Alliance of Community Hospitals.

Meeting 4 – October 3, 2017; Fort Gaines, Georgia

The following individuals provided testimony to the Committee at Meeting 4 in Fort Gaines, Georgia: Mayor Pro Tem, Daisy Jackson; James Snyder, Clay County Commissioner; Major Steve Whatley, City of Cuthbert, Randolph County; Kenneth Penuel, Vice Chairman, Development Authority of Clay County; Dr. Robert E. Lee, Family Dentistry; and Dr. Karen Kinsell, Clay County Medical Center.

Meeting 5 – October 4, 2017; Americus, Georgia

The following individuals provided testimony to the Committee at Meeting 5 in Americus, Georgia: Dr. Neal Weaver, President, Georgia Southwestern State University; Dr. John Watford, President, South Georgia Technical College; Paul Hall, One Sumter Economic Development Foundation; Brandi Lunneborg, CEO, Phoebe Sumter Medical Center; Cathy Buescher, Education Program Specialist, Rural Education Achievement Program Title V, Part B, Department of Education; Brad Lafevers, CEO, Southeast Railcar and Cordel Intermodal Services, Inc.; Sheri Barlow, Englewood Healthcare, Director of Operations, Georgia

Association of Community Care Providers (GACCP), Board Member; Eshonda Blue, CEO and Co-Founder of Innovative Senior Solutions; and Jessica Wright, COO and Co-Founder, Innovative Senior Solutions.

Meeting 6 – October 25, 2017; Claxton, Georgia

The following individuals provided testimony to the Committee at Meeting 6 in Claxton, Georgia at the Claxton Veterans Community Center: J. Terry Branch, Mayor, City of Claxton; Jill D. Griffin, Chair of Evans County Board of Commissioners; Lori Durden, President of Ogeechee Technical College; Dr. Marty Waters, Superintendent of Evans County School System; Amy Harrelson, Director of Sales and Marketing for Pineland Telephone; Dustin Durden, General Manager of Pineland Telephone; Gary Sanchez, Regional Director for External Affairs at AT&T; Keith Dixon, Director, Local Workforce Development Area; Lou Ann Phillips, CEO of Evans Memorial Hospital; Lisa Ryles, Director of Business Development, Evans Memorial Hospital; Lee Beckman, Manager of Government Affairs, Georgia Ports Authority; Dr. Dominick Haliby, Georgia Southern University; Michael Gay, Georgia Food Industry Association; Mel Kelly, Director of Candler County EMS; Benjy Thompson, CEO, Development Authority of Bulloch County; Jay Berkshire, President of Operations, Windstream; and The Southern Company.

Meeting 7 – November 8, 2017; Montezuma, Georgia

The following individuals provided testimony to the Committee at Meeting 7 at City Hall in Montezuma, Georgia: Mayor Larry Smith; Gerald Beckum, Macon County Chamber of Commerce and Development Authority; Bob Davis, Vice President of Verizon State Government Affairs; Dr. Jean R. Sumner, Dean of the Mercer University School of Medicine; Gary Jones, Columbus Chamber of Commerce and the Valley Partnership Development Authority; Jim Livingston, River Valley Regional Commission, Community and Economic Development; Dr. Mark Latimore, Jr., Fort Valley State University, College of Agriculture; Eric Finch, Chief of Police, Montezuma Police Department; Joe Weaver, Macon County EMS; Mickey George and Jimmy Davis, Macon County Commissioners; Regina McDuffie, County Manager, Macon County; Glenn Tidwell, Superintendent, Marion County Schools; Thomas Weaver, Manager of Cusseta-Chattahoochee County; and David McCurry, Superintendent of Cusseta-Chattahoochee County.

Meeting 8 – November 28, 2017; Sandersville, Georgia

The following individuals provided testimony to the Committee at Meeting 8 at Oconee Fall Line Technical College in Sandersville, Georgia: Dr. Lloyd Horadan, Oconee Fall Line Technical College President; Mayor James W. Andrews, City of Sandersville; Horace Daniel, Chair, Washington County Board of Commissioners; Antoine Poythress, CEO, Washington County Hospital; Jimmy Lewis, CEO, Hometown Health; Dr. Jean Sumner, Mercer University School of Medicine; Washington County Chamber of Commerce; and Denise Korenegay, MSW, Executive Program Director for Georgia Statewide AHEC Network.

Meeting 9 – December 12, 2017; Elberton, Georgia

The following individuals provided testimony to the Committee at Meeting 9 at the Elbert County Civic Center in Elberton, Georgia: Elbert County Chamber of Commerce; Dr. Jean Sumner, Dean, Mercer University School of Medicine; Tommy Lyon, Chair, Elbert County Board of Commissioners; and Jimmy Lewis, CEO of Hometown Health.

Meeting 10 – January 8, 2018; Atlanta, Georgia.

The Committee met for a final time, at the Capitol in Atlanta, Georgia, to discuss findings, recommendations, and adopt a final report. Senator Lucas was joined by Senators Burke, Sims, and Hill.

COMMITTEE FINDINGS

Broadband

Rural areas are in need of reliable and cost-effective high speed broadband services. Improving internet access or establishing it in areas where it is it currently unavailable will allow rural communities to confront challenges and prosper in areas such as education, healthcare delivery, and economic development. Through this study, the Committee gained a better understanding broadband issues in rural Georgia including cost of service, access to service, regulatory barriers affecting reliability and speed of service, as well as policy approaches in other states.

Economic Development

Economic development is the building block for every community and was a predominant theme throughout this study. Ideas, strategies, opportunities and best practices for economic development and stabilization in rural areas were shared at each public hearing, enabling the Committee to compile the following findings:

- Local school systems in rural areas are doing well in the classroom to provide resources to students, keeping up with the technology available in metro areas. However, there is a lack of continuity in and out of the classroom due to broadband issues when students do not have internet access at home.
- There are challenges facing local agencies in rural areas when it comes to recruiting, training, and retaining law enforcement. Testimony illustrated several obstacles facing local governments, the most predominant being the current state of compensation for law enforcement.
- Georgia's tradition of agricultural tourism is alive and well in many rural areas. Still, there is significant room for growth when it comes to promoting rural Georgia and educating local county commissions and chambers of commerce on the benefits of expanding agritourism operations for economic development. Challenges in rural areas include sales tax, zoning, labor, and marketing.
- Agriculture contributes approximately $75 billion annually to Georgia's economy and Georgia is proud to be the leading state in the nation when it comes to the production of peanuts, broilers, pecans, blueberries, and spring onions. Therefore, enhancing local distribution and processing of agricultural products would be a worthwhile endeavor for many rural communities.
- Efforts to increase incentives for movie production and filming in rural areas should also be pursued.
- Encouraging and facilitating the formation of economic development partnerships would enable rural communities to work regionally to develop attractive packages of incentives to further economic development.
- **USDA Economic Impact Initiative Grants**:
    - This program provides funding to assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression.
    - An essential community facility is one that provides an essential service to the local community, is needed for the orderly development of the community, serves a primarily rural area, and does not include private, commercial or business undertakings.
    - Testimony indicated a need for more resources and assistance in writing grant applications for economic development as well as health care.

Healthcare

- Georgia's rural hospitals face the ongoing struggle of remaining open in communities where access to health care is already extremely limited. The closure of such facilities has been a topic

of concern for quite some time—between 2010 and 2014, five hospitals in rural Georgia closed. As the Committee heard numerous times over the course of this study, hospitals are an endangered species in Georgia where 20 percent of the population lives in rural areas and 80 percent live in urban areas. Only 10 of the 50 hospitals in Georgia's rural and small communities are financially viable at this time. Several different factors have forced these hospitals into this situation.

- Political uncertainty about the future of healthcare policy in Washington.
- A high percentage (15%) of patients of rural hospitals pay nothing for treatment.
- State-funded Medicaid only reimburses hospitals for 85% of the cost of treatment.
- Private companies such as CVS are expanding "minute clinic" type services in rural areas which compete with already struggling hospitals.

The Committee heard testimony in support of the Rural Hospital Stabilization Pilot Program and the Rural Hospital Tax Credit Program.

Rural Hospital Stabilization Pilot Program

The Rural Hospital Stabilization Pilot Program builds out communities with nursing homes, home health, rural health clinics, and a regional hospital with smaller critical access hospitals, ambulances equipped with WiFi and telemedicine, school clinics equipped with telemedicine, Federally Qualified Health Centers (FQHCs), public health departments, and local physicians. The goal is to use existing and new technology to ensure that patients receive treatment in the most appropriate setting and consequently relieving the cost pressures on small rural hospitals' emergency departments.[1]

2016 Pilot Sites & Funding

The pilot program was appropriated $3 million in State General Funds for Fiscal Year 2016 and the original four hubs for the pilot program include: (1) Union General in Blairesville; (2) Crisp Regional in Cordele; (3) Appling HealthCare System in Baxley; and (4) Emanuel Regional Medical Center in Swainsboro.

Each of the four hubs was granted $750,000—and submitted a $100,000 local match requirement from the hospital and local government—to develop a sustainability plan for their hospital and community that could in turn be shared with all rural hospitals to enhance the sustainability of rural health care in Georgia.

2017 Pilot Sites & Funding

The pilot program received $3 million in General Appropriations for FY 2017 and the Rural Hospital Stabilization Committee has already named the 2017 Rural Hospital Stabilization Pilot sites to be: (1) Habersham Medical Center in Demorest; (2) Upson Regional Medical Center in Thomaston; and (3) Miller County Hospital in Colquitt, GA.

Rural Hospital Tax Credit Program

In 2016, the Georgia General Assembly passed SB 258 that allows individuals and businesses to make donations to Georgia's financially-stressed rural hospitals in exchange for tax credits. In 2017, the Georgia General Assembly passed SB 180, increasing the tax credits available to donors. In each of the next three years (2017, 2018, 2019) $60 million will be available in tax credits to donations to rural hospitals, for a total of $180 million. Individuals and businesses can receive up to 90 percent of their donations returned as a tax credit. Hospitals eligible for the tax credits are selected and prioritized by the Department of

[1] https://dch.georgia.gov/rural-hospital-stabilization-committee

Community Health according to financial need, and each hospital can receive up to $4 million in donations per year.[2]

The Calendar Year 2018 list of hospitals eligible for the Rural Hospital Tax Credit along with the updated Ranking of Financial Need (both attached) were posted to the DCH website December 1, 2017.[3]

The Committee discussed increasing the cap in donations for pass through entities and increasing the credits to make it more attractive to taxpayers.

Telemedicine

In addition, testimony reinforced that telemedicine continues to be a great opportunity to expand access to health care in the state. The Partnership for TeleHealth (GPT), the nonprofit that manages Georgia's telemedicine system, is considered one of the most robust, comprehensive networks in the nation. This statewide collaboration among policymakers, health care providers and patients has led to a tremendous rate of success. The Committee heard overwhelming testimony supporting expanding telemedicine in Georgia through health transportation innovations and telepharmacy. In Hancock County, organizations banded together to create a service that equipped ambulances with telehealth bags, allowing patients to connect with a physician to better determine whether emergency services are needed.

The Committee recommends continuing initiatives to incentivize further investment in the telehealth structure and advanced technologies. Establishing a sophisticated telemedicine network would aid in bringing specialized care to underserved areas of Georgia, ultimately saving time and money for patients, providers, and public health staff such as EMS. Additionally, increasing reimbursement on both ends of the telehealth consultation in rural areas would increase the pool of specialists as well as the availability of specialty services. This will further advance networks of hospitals, health systems, and providers in delivering cost-effective care in rural areas.

The committee also discussed briefly discussed the concept of a research organization that would be tasked with developing best practices and improved solutions to increasing access to care and managing rural health facilities. In doing so, it will be essential to involve and engage formal research institutions in developing scientific strategies and innovative approaches to ensure appropriate targets and benchmarks are in place to evaluate the success of the program. Utilizing the findings of the Rural Hospital Stabilization Pilot Program would help in setting measurable goals and benchmarks for improving the delivery of healthcare services in rural areas.

[2] https://ruralhealthcare180.org/

[3] https://dch.georgia.gov/rural-hospital-tax-credit

COMMITTEE RECOMMENDATIONS

Potential solutions to aid rural communities in crisis include:

- Currently private donations to rural hospitals are offered a state tax credit of up to 70% of the donation amount through the Rural Hospital Tax Credit Program. The Committee supports efforts to increase the cap in donations to 100% to make it more attractive to taxpayers and encourage more donations in the future. In addition, a 1% state-wide sales tax with revenues benefiting rural hospitals would significantly help struggling hospitals.
- Increasing the percentage of costs paid by Medicaid from 85% to 100% or even 90-95% would also substantially increase the amount of revenue flowing to rural hospitals.
- Offering state-funded revolving, low-interest loans to rural hospitals.
- Expanding access to telehealth in order to increase the quality of specialized care for rural hospitals. The Committee recommends continuing initiatives to incentivize further investment in the telehealth structure and advanced technologies by establishing a sophisticated telehealth network and increasing reimbursement for consultation. This will increase the availability of specialty services in rural areas where specialized medicine is difficult to obtain
- The USDA offers grants and federal loans for rural hospitals, but many of these hospitals are not sufficiently staffed with employees capable of applying for such funds. Offering state assistance in both grant-writing and navigating the federal bureaucracy would be a significant service to these hospitals.

Respectfully Submitted,

FINAL REPORT OF THE SENATE STUDY COMMITTEE ON RURAL GEORGIA

Honorable David Lucas, Chair
Senator, District 26