

3. Uncompensated Services

The Authority was compensated for services at amounts less than its established rates. Charges for uncompensated services for 2023 and 2022 were approximately \$161,562,000 and \$135,929,000, respectively.

Uncompensated care includes charity and indigent care services of approximately \$8,257,000 and \$4,939,000 in 2023 and 2022, respectively. The cost of charity and indigent care services provided during 2023 and 2022 was approximately \$2,769,000 and \$1,847,000, respectively computed by applying a total cost factor to the charges foregone.

The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Gross patient charges	\$ 224,728,357	\$ 198,125,297
Uncompensated services:		
Charity and indigent care	8,257,479	4,938,784
Medicare	47,220,212	23,828,713
Medicaid	18,189,394	12,970,758
Other allowances	73,714,242	82,395,874
Bad debts	<u>14,180,646</u>	<u>11,795,119</u>
Total uncompensated services	<u>161,561,973</u>	<u>135,929,248</u>
Net patient service revenue	<u>\$ 63,166,384</u>	<u>\$ 62,196,049</u>

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EFFINGHAM COUNTY HOSPITAL AUTHORITY  
(A Component Unit of Effingham County, Georgia)

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2023 and 2022

3. Uncompensated Services, Continued

The Authority accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Authority. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's ability to pay, the Authority utilizes the generally recognized Federal Poverty Guidelines, but also includes certain cases where incurred charges are significant when compared to the patient's income. These charges are not included in net patient service revenues. The costs and expenses incurred in providing these services are included in the Authority's excess revenues (expenses) in the statements of revenues, expenses, and changes in net position.