



# Georgia “Non-Profit” Hospital Report

As IHPA [reported this year](#), wealthy, non-profit hospitals around the country use 78% of a federal program designed to help low-income patients in underserved areas. This report includes a closer look at some of the hospital systems in Georgia that are benefiting from the 340B federal drug pricing program and how they are spending their revenue.

What this research shows is that Georgia hospital systems are raking in billions in revenue, handing out mega-compensation packages, and making major investments while profiting from programs meant for the poor. The evidence shows that wealthy hospitals and highly compensated administrators are taking advantage of the 340B program.

## Georgia Non-Profit Hospital Revenue Is Booming

Even if a hospital is called a “non-profit,” it can still get very rich. Georgia’s biggest non-profit hospitals are collecting billions in operating revenue each year.

HOSPITAL SYSTEM	ANNUAL REVENUE	YEAR REPORTED	ANNUAL INCREASE IN REVENUE	ANNUAL GROWTH RATE
<a href="#">Northside Hospital Inc.</a>	\$7,769,914,535	2024	\$928,757,746	15.3%
<a href="#">Phoebe Putney Memorial Hospital</a>	\$857,505,455	2024	\$128,880,989	20.5%
<a href="#">Wellstar Health System Inc.</a>	\$2,548,342,593	2024	\$429,267,598	20.25%
<a href="#">St. Joseph's Hospital, Inc.</a>	\$354,544,812	2023	\$31,723,641	9.8%
<a href="#">Candler Hospital, Inc.</a>	\$562,725,038	2023	\$54,890,281	10.8%

Source: [ProPublica](#), [St. Joseph's/Candler](#)

The massive amount of revenue brought in by these hospitals is often used to pay out million-dollar CEO compensation packages or to consolidate local hospitals. Below are more details about how the hospitals listed above spend their revenue.

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### Northside Hospital Inc. *\$5.9 Billion in Total Assets*

Northside Hospital is a nonprofit health care system in the Atlanta metropolitan area comprising five hospitals and employing 32,000 people. Despite its status as a “non-profit” hospital, Northside brought in an astounding \$7.7 billion in revenue in 2024. That money helped pay more than ten different employees whose salaries were over \$1 million.

### ***Expansion in Affluent Communities***

Despite benefitting from a federal program designed to help low-income patients, in 2022, the Northside Hospital System [announced](#) plans for a new 480-bed tower in Lawrenceville, Georgia, in Gwinnett County. Gwinnett County had a [median household income](#) of over \$84,000 per year in 2023, above the average median household income across the U.S. This is an example of how large hospital systems manipulate the 340B system to profit from a low-cost drug program for the poor even while they operate in high-income areas.

### ***Million Dollar Compensation for High-Level Employees***

The hospital system also reported on its most recent [990](#) that it pays ten employees more than \$1 million in annual compensation, including its President and CEO Robert Quattrocchi, who made nearly \$5 million in 2024.

### ***Intentional Flouting of Price Transparency Rules***

The Centers for Medicare and Medicaid Services (CMS) imposed a civil monetary penalty of [over \\$800,000 on Northside Hospital Atlanta](#) and [over \\$200,000 on Northside Hospital Cherokee](#) for failing to meet federal requirements regarding price transparency. The CMS notices not only noted the lack of compliance but also the intentional removal of all previously posted pricing files.

## **Phoebe Putney Memorial Hospital**

*\$880 Million in Total Assets*

Phoebe Putney is a nonprofit health care system in southwest Georgia comprising three hospitals and employing 4,500 employees. Despite numerous citations for dangerous and unsanitary conditions in recent years, this “non-profit” 340B hospital continued to reward its former and current CEOs with massive payouts. That includes a \$7 million retirement package for their CEO who oversaw a takeover of Putney’s biggest rival. All of this occurred while the system profited from a federal program for the poor.

### ***Dangerous Conditions for Patients***

While the hospital was raking in millions of profits and acquiring rival Palmyra, dangerous conditions for patients [persisted](#), according to a report from ProPublica, including “soiled beds, waiting rooms with holes in the chairs, [and] mounting sepsis issues.” Staffing shortages also resulted in overworked professionals, sometimes managing multiple critically ill patients at the same time, above medical guidelines. The report includes an account from a family that claims their family member died in the hospital due to “lapses by medical staff at Phoebe.” Meanwhile, hospital leadership hired a communications expert for millions of dollars to implement a new branding campaign.

Conditions have shown little improvement, with CMS [ranking](#) the hospital at two stars – below average – in both hospital quality and patient experience.

For example, in 2016, three incidents were [reported](#) to CMS where surgeons at the hospital performed the wrong surgeries. In one instance, the surgeon operated on a patient’s left hip instead of their right.

Earlier this year, a surgeon at the hospital was arrested for alleged participation in a sex trafficking operation in the state. The hospital released a [statement](#) highlighting his “exemplary professional record” and calling him a “valued member of [the] clinical team.”

### ***Anticompetitive Behavior Hurts Patients***

Phoebe Putney [acquired](#) rival Palmyra Medical Center in 2010 – massively consolidating ownership of health care facilities in the region – and later [requested](#) that the Hospital Authority issue \$115 million in fixed-rate tax-exempt bonds to refinance the transaction. The acquisition led to a [5-0 vote](#) by the Federal Trade Commission (FTC) to challenge the deal as anticompetitive. The FTC noted the acquisition would reduce competition significantly in the area and allow Phoebe Putney to raise prices, leading to substantial harm for patients. Phoebe Putney eventually settled the FTC charges and agreed to give the Commission prior notice of any future transactions in addition to not opposing any certificate of need applications in its six-county area. In light of the settlement, the Director of the FTC’s Bureau of Competition still [described](#) the acquisition as a “clear harm to competition.”

### ***CEO Compensation Remains High***

The same report also found that Wernick’s compensation never suffered despite these issues. The report found that in 2018, he was earning twice per bed what the CEO of the Mayo Clinic was making the same year. While this was the last full year, he served as CEO, the current CEO, Scott Steiner, receives over \$1.6 million in annual compensation from the system’s parent organization, according to the latest [990](#). Former CEO Joel Wernick – who led Phoebe Putney through its acquisition of Palmyra – [received](#) a \$7 million retirement package upon leaving Phoebe Putney in 2018.

## **Wellstar Health System**

*\$7 Billion in Total Assets*

Wellstar is one of the largest health care systems in Georgia, [reporting](#) over \$2.1 billion in revenue in 2024 and employing more than [30,000](#). From 2023 to 2024, Wellstar’s annual revenue increased an astounding 20% even though the system operates as “non-profit.” Despite Wellstar’s status, there are plenty of people getting rich. In 2023 alone, Wellstar paid out \$47 million in executive compensation. At the same time, its executives were making millions, Wellstar was closing down hospitals in areas with predominantly minority populations.

### ***Discrimination Against Low-Income and Minority Populations***

In 2022, Wellstar [shuttered](#) two hospitals in downtown Atlanta that served a large number of low-income and Black residents. The closures of Atlanta Medical Center – along with [15 affiliated facilities](#) – and Atlanta Medical Center South in East Point spurred lawmakers to [file complaints](#) with the Internal Revenue Service (IRS) and the Office of Civil Rights at HHS that the health care giant had discriminated against Black residents and had therefore violated its tax-exempt status.

### ***Million Dollar Compensation for High-Level Employees***

Though designated a nonprofit, Wellstar [reported](#) paying out nearly \$47 million in executive compensation in 2023 – including \$4.7 million alone to its president and CEO. The hospital system reported on its most recent [990](#) that it pays 13 employees more than \$1 million in annual compensation, including its President and CEO Candice Saunders, Chief Financial Officer Anthony Budzinksin, General Counsel Leo Reichert, and Chief Human Resources Officer David Jones. Saunders made nearly \$5 million in 2024.

### ***Investing Revenue in Hospital Consolidation and Closures***

Months after closing the two hospitals, Wellstar [announced](#) the launch of a \$100 million venture fund that it fully funded itself to invest in tech startups. Meanwhile, in 2023 Wellstar [completed its takeover](#) of Augusta University Health System and took over the rights to build a new hospital in an affluent enclave near Augusta and has agreed to spend \$395 million to build the new hospital. Wellstar [proposed building](#) a new 230-bed hospital in another high-wealth area near Acworth.

### ***Improper Billing of Medicaid and American Taxpayers***

The hospital has a history of taking advantage of federal programs. In 2010, Wellstar [agreed](#) to a \$2.7 million settlement with the state of Georgia after an investigation found that the hospital had improperly billed Medicaid for excessive reimbursements, after failing to report prior payments from Medicare.

## **St. Joseph's/Candler Health System**

*\$1.02 Billion in Total Assets*

St. Joseph's/Candler Hospitals serve Savannah, Georgia and southeast portions of the state, as well as the Lowcountry region of South Carolina, and include two anchor hospitals (St. Joseph's and Candler) and two additional hospitals (Mary Telfair Women's Hospital and The Georgia Infirmary).

### ***Watchdog Report Ranks Hospitals as the Least Safe in the State***

A report from the Leapfrog Group found both [Candler](#) Hospital and [St. Joseph's](#) rank low in patient safety – with St. Joseph's taking home the only "F" grade in the entire state this year. Leapfrog said that surgical complications were the biggest safety concern at both hospitals.

CMS also ranks [Candler](#) and [St. Joseph's](#) quite low when it comes to quality, with both having a below-average two-star rating.

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