

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

Hospital can't pay its taxes?

As soon as the non-profit Reading Health System purchased Pottstown Memorial Medical Center last fall, it filed for tax-exempt status with the Montgomery County Board of Assessments.

Previously, the for-profit PMMC had been Pottstown's top taxpayer, paying almost \$1.6 million annually in borough, school district, and county taxes.

Losing that revenue is an enormous hit to Pottstonians who already pay among the highest real estate taxes in Pennsylvania.

Reading Health is proud of its record of providing free medical care to the indigent, which we hope it will continue.

According to its most recent available IRS filing: "In addition to its primary role as a provider of direct care, Reading Health System addresses issues outside that realm that impact health and wellness. In fact, a key part of our mission means the reinvestment of our resources into these efforts which are collectively known as community benefit.

"We are proud to report that in our

last fiscal year, we committed more than \$170 million to this cause.

"Our caregivers and support staff participate in health education, free screenings, and immunizations.

"They ... address specific community needs through an array of other educational service and outreach activities."

That's wonderful. And now that Reading Health System has doubled its size with the purchase of five southeastern Pennsylvania hospitals for \$418 million and rechristened itself Tower Health, it should be able to invest millions more in "community benefit."

Unlike the wealthy Wyomissing Area School District, where Reading Hospital is located, the Pottstown School District serves a student population that is two-thirds low-income and two-thirds minority.

As the chart (below) demonstrates, Reading Health System is not particularly frugal when it comes to paying its top executives.

Perhaps Tower Health can further its "community benefit" by paying the same sum in taxes its predecessor did.



Commentary by Tom Hylton

Reading Hospital officers, directors 2015-2016 IRS filing			
Name	Title	IRS 1099 compensation	Other compensation
Clint Matthews	President	\$2,165,662	\$378,784
Robert Brigham MD	Board Member	\$1,034,871	\$60,768
Kristen Sandel MD	Board Member	\$432,239	\$35,747
Adam Sigal MD	Board Member	\$384,450	\$42,042
Therese Sucher	COO	\$1,114,872	\$236,247
Greg Sorenson MD	CMO	\$516,256	\$174,986
Dan Ahern	Senior VP	\$471,303	\$133,835
Gary F. Conner	CFO	\$308,822	\$127,122
Kathleen Wetzal	Secretary	\$228,791	\$102,511
Mary Agnew	VP/Chief Nurse	\$368,764	\$99,207
Carl Seidl	Vice President	\$309,390	\$178,103
Mark McNash	Vice President	\$297,267	\$69,902
Jacob D. McNight	Vice President	\$388,816	\$133,923
David A. Schlappy	Vice President	\$372,854	\$59,045
Michael T. Brown MD	Physician	\$368,967	\$21,990
Russell H. Shower	Vice President	\$367,571	\$48,084
Drew S. Lerman	Vice President	\$331,201	\$53,028
Richard W. Jones	Former CFO	\$514,844	\$20,990



Tower Health — which was created last fall — is too new to file with the IRS. The most recent available filing covers Reading Health System's 2015-2016 fiscal year, before it purchased Pottstown and four other hospitals Sept.29.

The chart at left is taken from Reading Health System's Form 990 filing with the IRS.