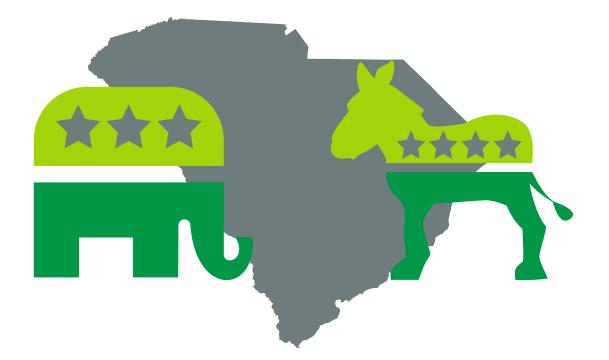


# Campaign Packet



## What is **HAPAC** and what does it do?

HAPAC is a non-profit, non-partisan political action committee that provides South Carolina's healthcare workers a connection, both at the state and federal levels, to legislators.



HAPAC makes campaign contributions provided by SCHA member facilities and their employees to support both Republican and Democratic candidates who prioritize legislation impacting hospitals, healthcare workers and patients.

In 2020, HAPAC contributed more than \$70,000 in hospital funds.

People like **YOU** can help us with our advocacy work both in South Carolina and in Washington, DC.

### **CONTRIBUTE TO HAPAC TODAY!**

www.SCHA.org/HAPAC



# FAQS ABOUT PACS

#### WHAT IS A PAC?

A PAC, or Political Action Committee, is a tax-exempt organization used to influence political elections and public policy. PACs provide direct contributions to campaigns for political office and participate in communications activities to persuade public opinion on a candidate or issue.

#### HOW DOES IT WORK?

PAC

PACs pool campaign contributions from a group of members that are used to support the shared interests of that group. Often referred to as "special interest groups," these organizations have a shared interest to advance a specific product or solution that mutually benefits its members.



#### WHERE DOES THE MONEY COME FROM?

PACs can receive funds from many different entities, including corporations, nonprofit organizations, private citizens and other PACs. Many PACs are restricted to a private class and can only solicit individuals and organizations within that class. For example, HAPAC can only solicit SCHA member facilities and some employees of SCHA member facilities.

#### WHERE DOES THE MONEY GO?

Some of the funding goes directly to candidates for local, state and federal office to use in their respective elections. PAC dollars are also used to fund campaign activities in support of the shared interests of the group, which may include public ads in support of or in opposition to a specific candidate or issue.





#### WHO MAKES THE DECISIONS?

Like most organizations, PACs are run by a leadership board that directs its fundraising and spending activities. The board is comprised of individuals and member representatives that strategically decide how to advance and protect their shared interest. The HAPAC Board consists of representation from the SCHA Board and SCHA member hospitals.

# **MEMBERSHIP & GOALS**

### **MEMBERSHIP CLUB LEVELS**

HAPAC membership levels are determined by totaling all contributions made to HAPAC during the 2021 contribution cycle. In addition, contributions made to healthcare hosted fundraisers in 2020 will be credited to the individual and to the total hospital goal for HAPAC.

### **Club Levels**

1898 Society • \$5,000 and above Champion's Club • \$2,500 – \$4,999 Ben Franklin Club • \$1,000 – \$2,499 Chairman's Circle • \$500 – \$999 Capital Club • \$350 – \$499 Palmetto Club • \$100 – \$349 Cresent Club • \$20 – \$99

### **Club Members**

Hospital executives, managers, medical staff, trustees, administrative employees, volunteers and vendors are all encouraged to participate in the fundraising campaign.

All contributions are voluntary and have no impact on job status, performance review or compensation. Political contributions are not tax deductible.

### GOALS

Each hospital has a contribution goal, which is calculated based on how many full time employees are employed at the time. Each hospital is asked to contribute \$1 per employee to HAPAC, with a minimum baseline goal of \$500.

# **2020 CONTRIBUTIONS**

The 2020 HAPAC Campaign received hospital contributions and fundraising support totaling \$65,675.

Congratulations to the following hospitals for having met or exceeded their 2020 goal!

#### AIKEN REGIONAL MEDICAL CENTER

\$1,400 (149%) James O'Loughlin, CEO

#### ANMED HEALTH

\$11,250.00 (225%) Bill Manson, CEO

#### **CONWAY MEDICAL CENTER**

\$1,650.00 (129%) Bret Barr, President & CEO

#### **EDGEFIELD COUNTY HOSPITAL**

\$500 (100%) Carlos Milanes, CEO

#### LEXINGTON MEDICAL CENTER

\$4,780.00 (109%) Tod Augsburger, President and CEO

#### LIFEPOINT HEALTH

\$3,009 (100%) Terry Gunn, CEO/Market President

#### SELF REGIONAL HEALTHCARE

\$4,450 (169%) Jim Pfeiffer, President & CEO

#### SPARTANBURG MEDICAL CENTER

\$5,348 (155%) Philip Feisal

#### TIDELANDS HEALTH

\$4,620 (270%) Bruce Bailey/CEO

### **SPECIAL RECOGNITION**

**SOLVENT NETWORKS** 

\$5,000

STANFORD UNIVERSITY MEDICAL NETWORK RISK AUTHORITY LLC

\$4,500

PALMETTO HOSPITAL TRUST \$1.000

PALMETTO HEALTHCARE LIABILITY INSURANCE PROGRAM

\$1,000

### **INDIVIDUAL CONTRIBUTIONS**

#### AIKEN REGIONAL MEDICAL CENTERS

Chairman's Circle • James O'Loughlin Palmetto Club • Bridget Denzik Palmetto Club • Eugennia Jennings Palmetto Club • Matthew Merrifield Palmetto Club • Nicole Morgan Palmetto Club • Edward Romero Jr.

#### ANMED HEALTH

1898 Society • William (Bill) Manson Ben Franklin Club • John Miller Chairman's Circle • Michael Cunningham Chairman's Circle • Peggy Deane Chairman's Circle • Matt Elliott Capitol Club • James Boseman Capitol Club • Terence Roberts Palmetto Club • Stoney Abercrombie Palmetto Club • Scott Counts Palmetto Club • David Glymph Palmetto Club • John R Hunt Palmetto Club • William Kibler, Jr. Palmetto Club • Michael Kunkel, MD Palmetto Club • Joe Martin Palmetto Club • Rex Maynard Palmetto Club • Perry McFall Palmetto Club • Jerry Parrish Palmetto Club • Christian Przirembel Palmetto Club • Robert Rainey Palmetto Club • Tim Self Palmetto Club • Greg Shore Palmetto Club • Martin Stewart Palmetto Club • Charles Thornton Jr. Palmetto Club • Wanda Whitener Palmetto Club • Maril Yeske Crescent Club • Donna Beck Crescent Club • James Douglas Crescent Club • Elaine Epstein Crescent Club • Tammy Gillespie Crescent Club • Greg Kahaly Crescent Club • Hilda Lindley Crescent Club • Robert Pierce Crescent Club • George Reid Crescent Club • Juana Slade Crescent Club • Stuart Sprague

#### CONWAY MEDICAL CENTER

Chairman's Circle • Bret Barr Palmetto Club • Brian Argo Palmetto Club • Hal Holmes Palmetto Club • Kevin Lovett Palmetto Club • George Magrath Palmetto Club • Tony Lee Minshew Palmetto Club • Dianne Ray Palmetto Club • Dianne Richardson Palmetto Club • Paul Richardson Palmetto Club • Paul Richardson Palmetto Club • Matthew Securro Palmetto Club • Dennis Wade

#### EDGEFIELD COUNTY HOSPITAL

Chairman's Circle • Carlos Milanes

#### GREENWOOD REGIONAL REHABILITATION HOSPITAL

Crescent Club • Kristin Manske

#### LEXINGTON MEDICAL CENTER

Ben Franklin Club • Tod Augsburger Chairman's Circle • Jeff Brillhart Capitol Club • Terri Dooley Capitol Club • Brian Smith Palmetto Club • Marc Baur Palmetto Club • Kathryn Brucks Palmetto Club • Aneesah Deen-Carlos Palmetto Club • Kathryn Gill Palmetto Club • Michael Greeley Palmetto Club • Jay Hamm Palmetto Club • Amanda Hudson Palmetto Club • Claudine Jordan Palmetto Club • Lara Lott Moore Palmetto Club • John Moore Palmetto Club • Lara Moore Palmetto Club • Shelly Pifer Palmetto Club • Jennifer Porter Palmetto Club • Brent Powers Palmetto Club • Brad Rogers Palmetto Club • Ann Shuler Shalkham Palmetto Club • Roger Sipe Palmetto Club • Monique Tanner Palmetto Club • Melissa Taylor Palmetto Club • Dale Thompson Palmetto Club • Woody Turner Palmetto Club • Barbara Willm Crescent Club • Justin Harrigan Crescent Club • Joel Huggins Crescent Club • Ashley Joiner Crescent Club • Sara McCartha Crescent Club • Jason McKinney Crescent Club • Melissa Stutz Crescent Club • Tom Tan Crescent Club • Mary Tanner Crescent Club • Kate Zannella

#### MCLEOD HEALTH

Ben Franklin Club • Robert Colones Ben Franklin Club • Donna Isgett Palmetto Club • Fulton Ervin Palmetto Club • Rachel Gainey Palmetto Club • Dale Locklair Palmetto Club • Deboran Locklair Palmetto Club • Scott Montgomery Palmetto Club • Monica Vehige

#### MCLEOD HEALTH CLARENDON

Palmetto Club • Catherine Rabon, MD

#### MCLEOD HEALTH DARLINGTON

Palmetto Club • Virginia Hardee

#### MCLEOD HEALTH DILLON

Palmetto Club • Joan Ervin

#### MUSC MEDICAL CENTER

Ben Franklin Club • Patrick Cawley

#### **PROVIDENCE HEALTH**

Ben Franklin Club • LifePoint Health

#### SELF REGIONAL HEALTHCARE

Chairman's Circle • Tim Evans Chairman's Circle • Matthew Logan Chairman's Circle • James Pfeiffer Chairman's Circle • Craig White Capitol Club • William Isenhower, MD Capitol Club • George Manos Palmetto Club • Ken Coffey Palmetto Club • Mike Dixon Palmetto Club • James Epperson Palmetto Club • Will Gordon Palmetto Club • Andy Hartung, DHA Palmetto Club • Linda Russell Palmetto Club • Sara Sears Palmetto Club • Sharon Walb Palmetto Club • Mark Williams Crescent Club • Kendra Keeney

#### SC HOSPITAL ASSOCIATION

Ben Franklin Club • John Schipman Ames Ben Franklin Club • Krista Hinson Ben Franklin Club • J Thornton Kirby Ben Franklin Club • Allan Stalvey Chairman's Circle • Barney Osborne Capitol Club • Elizabeth Harmon Capitol Club • Susan Bichel Capitol Club • Rozalynn Goodwin Capitol Club • Lara Hewitt Palmetto Club • Morgan Bowne Palmetto Club • Neill Cameron Palmetto Club • Joy Fleming Palmetto Club • Carmen Goulet Palmetto Club • Melanie Matney Palmetto Club • Tammy Pope Palmetto Club • Karen Reeves Palmetto Club • Karen Reynolds Palmetto Club • David Spink Crescent Club • Nicholas Touchstone

#### SPARTANBURG REGIONAL HEALTHCARE SYSTEM

1898 Society • Friends Spartanburg Regional

#### TIDELANDS HEALTH

Ben Franklin Club • Bruce Bailey Ben Franklin Club • Tom Moran Palmetto Club • Judith Ingle Palmetto Club • Robert Jones Palmetto Club • Carl Lindquist Palmetto Club • Carl Lindquist Palmetto Club • Julian A Reynolds Jr. Palmetto Club • Julian A Reynolds Jr. Palmetto Club • Daniel Scheffing Palmetto Club • Jenny Shealy Palmetto Club • Jenny Shealy Palmetto Club • Daniel Stacy Palmetto Club • Zeb Thomas Palmetto Club • Pauline Watford Palmetto Club • Robert Whitehead Crescent Club • Wanda Prevatte

### **GENERAL HOSPITAL CAMPAIGN RULES**





- Contributions must be voluntary without the use of force, threats, or fees.
- Special Notices must be included. Solicitees must be informed of.
  - HAPAC's purpose
  - Their right to refuse solicitation without reprisal
  - Suggested amount is only a suggestion
  - More or less (or nothing at all) can be given
  - Amount given or not given will not benefit or disadvantage the solicitee
  - Contributions are political donations and may not be deducted as charitable contributions on federal taxes
  - Federal law requires contributions shared with AHAPAC over \$200 to be reported to the FEC
- The soliciting hospital must sign and return the FEC Prior Authorization Requirement (AHAPAC Prior Authorization Form) to HAPAC prior to solicitations.
- Hospital solicitations are limited to a restricted class. The restricted class is:
  - The corporation's full time executive and administrative personnel (employees paid on a salary basis and who have policymaking, managerial, professional, or supervisory responsibilities)
  - Stockholders
  - Families of the above two groups
- Solicitation of the general public is prohibited.
- The hospital may only participate in only one federal PAC solicitation per calendar year.

- Individuals may contribute a maximum of \$5,000 per calendar year to individual PACs.
- Not-for-profit hospitals cannot make corporate contributions to HAPAC; individual for-profit hospitals can contribute to HAPAC, but these funds cannot be shared with the American Hospital Association
- HAPAC may not accept more than \$100 in cash from any one known individual (or \$50 cash from an anonymous donor).
- With the Special Notices given above, solicitations may be made only to the restricted class and may be made:
  - Orally, but, especially for non-for-profit hospitals, it is not advised to do this during hospital-sponsored meetings – off hours by personal email would be better due to 501(c) (3) status
  - By mail to the home addresses of the restricted class
  - By publications
- If someone outside of the restricted class is solicited or makes a contribution:
  - The material must say that contributions will be screened and contributions outside of the restricted class will be returned
  - The exposed non-restricted class must be incidental or de minimis as compared to the entire circulation

## SOLICITATION GUIDELINES FOR 501(C)(3) HOSPITALS

### PERKINS COIE LLP

POLITICAL LAW GROUP

#### Questions and Answers about Trade Association PAC Activity

Trade associations like the American Hospital Association have to follow particular rules in establishing and soliciting for their PACs. But those rules are not complicated, and there are not many of them. Once mastered, they are relatively simple to follow.

The basic legal framework for AHA or other association PAC activity is as follows. AHA may solicit its members and the members of its affiliated state associations for contributions to the PAC. Affiliated state associations may assist AHA with the solicitation of these members and the collection and transmittal to AHA of contributions made.

This document will summarize the federal rules governing these activities, and discuss some other issues that have arisen in connection with federal PAC political activity.

#### 1. Who Can Be Solicited?

- (a) AHA (or state associations or members soliciting on behalf of AHA) may solicit certain individuals for contributions to their PACs.
  - AHA may solicit its own management;
  - AHA may solicit its members -- whether they are corporate or individual members, but:
    - -- If it solicits corporate members, it must request permission from the corporation to solicit the corporation's executive and administrative personnel.
    - -- "Executive and administrative personnel," means those salaried, management employees with policy-making or managerial responsibilities.

 AHA may solicit the members of its affiliated state associations, even if some of those members are not also members of AHA. (The same prior approval rules would apply to any corporate members of a state association.)

**EXAMPLE:** AHA wishes to solicit the management of a hospital that is a member of a state association, but is not a member of AHA. It may do so if the hospital has given the necessary prior approval to AHA for its PAC to solicit.

**EXAMPLE:** AHA wishes to solicit the management of a member hospital that has given permission for the solicitation. In conducting the solicitation, AHA (or state associations or members soliciting on behalf of AHA) may solicit hospital Vice-Presidents and others in a managerial capacity, but not secretaries or members of the clerical staff.

**EXAMPLE:** The solicitation of hospital trustees has raised questions for AHA and its affiliated state associations and members in the past. A recent change in the by-laws of AHA clarified the membership status of individual trustees, who may now be solicited for AHA's PAC.

**EXAMPLE:** A representative of a state association seeking to solicit on behalf of the AHA PAC at an annual meeting must be careful in addressing an audience consisting of both those who have approved an AHA PAC solicitation and those who have not. The existence of the PAC and its function may be noted along with basic statistical information -- how many contributors, what candidates supported, etc. Any promotion or endorsement of its purposes and its function or any encouragement to participate, however, will be considered a "solicitation" directed to non-solicitable persons under the federal law. This prohibition does not apply where the audience is requested to support AHA's nonfederal program, or the nonfederal program of a state association PAC, where the funds solicited are intended for use in state and local, not federal, elections.

(b) AHA (or state associations or members soliciting on behalf of AHA) may solicit the management personnel of hospitals exempt from tax under 501(c)(3) of the Internal Revenue Code (provided permission is received as discussed below, and the other mentioned limitations are observed).

Non-profit hospitals may permit AHA solicitation of the executive and management personnel, and these personnel may contribute. The hospital may want to make clear it is not taking a position one way or another on whether eligible executives should contribute and that it is merely affording opportunities for individual employees to participate, if they choose, in the political process. To this end, the 501(c)(3) hospital should not allow the use corporate resources, such as inside mail or conference rooms, to conduct any solicitation or education efforts, unless there is an existing policy of the hospital to allow private or outside use of the facilities for other non-hospital sponsored activities. Any 501(c)(3) employees assisting with the solicitation must do so in their individual capacity (not on behalf of the hospital) on their own time, using their own resources. Meetings to conduct solicitations or provide information on the PAC should not be part of any hospital sponsored meeting (such as a staff meeting), and mailed solicitations are properly directed to executives and management personnel at their home addresses. The hospitals may provide home mailing lists.

**EXAMPLE:** A 501(c)(3) hospital CEO considers calling a special meeting to make possible a solicitation on behalf of AHA PAC. She should not, nor should she authorize a regular meeting to be devoted in part to this purpose.

**EXAMPLE:** Please see the AHA's memorandum on non-profit hospital political activity for a more detailed discussion of these issues.

(c) AHA PAC may not solicit the PACs established by state associations or hospitals.

PAC to PAC solicitations are prohibited.

(d) AHA (or state associations soliciting on behalf of AHA) may solicit the management and administrative personnel of affiliated state hospital associations.

Because the AHA and its state associations are considered "affiliated" under the federal campaign finance law, the AHA may solicit the executives of the state associations for contributions to the AHA PAC.

(e) AHA (or state associations or members soliciting on behalf of AHA) may solicit the management and administrative personnel of a hospital system, as long as the system itself (as opposed to the system's individual hospitals) is a member of AHA or an affiliated state association in its own right.

As a member of AHA, a hospital system is treated for solicitation purposes like any incorporated member of AHA or its affiliated state associations. Of course, permission to solicit would have to be received before any solicitation could take place. If the system's hospitals are also members of AHA or an affiliated state association, they may be solicited on the same basis.

#### 2. How Can They Be Solicited?

(a) When soliciting hospitals, AHA must direct the request for permission to solicit to the representative of the hospital with whom the AHA normally deals. This description may fit a number of individuals: it may be any individual within the management structure of the hospital who has the authority to work with AHA on these PAC matters. It does not have to be the President of the hospital, but someone with the delegated authority to bind the hospital with a decision on the permission to solicit.

**Note:** While the law is not altogether clear on this point, a system CEO should not grant permission for a member hospital that is solicitable by AHA. Rather, a responsible management representative of that hospital must grant permission.

(b) The request for permission by AHA must request in clear terms the opportunity to solicit the executives of a solicitable entity for contributions for <u>particular years</u> -- that is, the current or immediately following year, or future years.

If AHA does request permission to solicit for several years, that request must be clearly identify each of the years for which solicitation permission is sought and provide that the approving corporate representative approve with a separate signature for each such year.

The request must also state that the corporation may not approve solicitations by more than one trade association in the same calendar year.

**EXAMPLE:** An AHA member has given permission for AHA to solicit its members for AHA PAC for a particular year. The Federation of America Health Systems (or another trade association) may not also receive permission to solicit the management of that hospital for that same year.

**EXAMPLE:** A CEO has granted permission for AHA PAC solicitations for a 5-year period. If the CEO leaves during that period, the permission still stands, and AHA (or its state associations or members soliciting on its behalf) may continue to solicit the hospital management for AHA PAC.

3. When Can They Be Solicited?

(a) The solicitation may begin immediately following approval in writing by the representative of the hospital whose permission was sought. There is no specific requirement that AHA must have received a copy of the approval before the solicitation begins (though AHA must maintain the properly executed written approval in its records). But -- and this is the basic requirement -- the approval must have been issued by the hospital representative before any oral or written solicitations of company executives have been conducted on behalf of AHA.

<u>Please note</u>: the term "solicitation" is broadly construed under federal law and includes any favorable mention of a political committee and the opportunities it affords for political participation. So a solicitation may be indirect -- and still be a "solicitation" which should not take place until the permission to solicit has been obtained from the corporate member. As noted above, a basic report on PAC activities is acceptable, but any promotion of the PAC and the opportunities it affords for effective political participation would constitute a solicitation. While AHA PAC may accept unsolicited contributions, merely telling someone of that right is, itself, a solicitation.

(b) Once permission is granted, and if the hospital granting permission does not seek to limit the number of solicitations, AHA (or state associations or members soliciting on behalf of AHA) may solicit management as many times as it wishes in the year.

(c) AHA (or state associations or members soliciting on behalf of AHA) must state clearly in any solicitation the political purpose for which the contributions are solicited, and must state also that all contributions are voluntary and will in no way affect the status, terms or conditions of the executive's employment. If guidelines for contributions are suggested, such as the amount generally expected from executives at certain salary levels, the solicitation must state that the guidelines are only suggestions, and that executives may contribute more, less or not at all, without fear of reprisal or other disadvantage. The solicitation must also inform the contributor that contributions are not deductible for federal income tax purposes.

#### 4. How State Associations and Hospitals Help with Fundraising?

(a) Hospitals approving a solicitation may distribute AHA solicitations to its management and encourage their participation in meetings or by written communications. **But note: all** encouragement to contribute must be accompanied by the assurances required also of AHA -- that the decision to contribute is voluntary, and that the decision to contribute or not to contribute will have no effect on employment

position. [Note: 501(c)(3) hospitals should consult the memorandum on nonprofit hospital political activity.]

(b) The state associations and/or their PACs also may and do play a role in the process as "collecting agents" -- a term used in the federal law to describe affiliates of a trade association that act as agents in "collecting" contributions and forwarding them to the national association. When the associations solicit contributions for their own PAC activity, or bill members for dues, they may also solicit from those hospitals that have approved AHA solicitations and transmit the contributions they receive to the AHA.

(c) In assisting AHA with fundraising, the state associations and/or their PACs must meet certain legal requirements. These are:

• to transmit the contributions to the AHA in a timely manner;

Federal law requires that a contribution received should be forwarded to AHA within 30 days if the amount is \$50 or less, and within 10 days if the amount is more than \$50.

- to report to the AHA in detail the identity of the contributors whose contributions are included in any amount transferred to AHA;
- to maintain records of contribution deposits and transmittals for three years;
- to follow certain procedures for the collection of the contributions prior to transmittal to AHA. Prior to transmittal to AHA, state associations may deposit the money collected for AHA's PAC in a special transmittal account, in the state association's account, or in a nonfederal political account. In each case, the state association must maintain separate records of the contributions collected for and transmitted to AHA's PAC.

The moneys collected may be transmitted to AHA by contributors checks or in a lump sum (in a single check) but the check must be accompanied by a letter or statement detailing the contributors whose moneys make up the amount of the transfer. The detail should include the name and address of each contributor where contribution exceeds \$50 and the date of receipt of the contribution. For any contribution exceeding \$200, the detail should include the occupation of the contributor and name of his or her employer. (d) Because they are considered affiliated with AHA, a state association may use payroll deduction for contributions by its own executive and administrative personnel to AHA PAC. A hospital or hospital system soliciting on behalf of AHA, however, may **not** use payroll deduction for contributions to AHA's PAC.

#### 5. How is State Association PAC Activity Related to AHA PAC?

AHA's operation of its PAC does not affect the ability of a state association to operate its own PAC. But the state association and AHA federal PACs are affiliated - which means that contributions made <u>to</u> one, count also as contributions to the other; and contributions made <u>by</u> one count also as contributions made by the other.

For this reason, a state association with its own federal PAC must keep the AHA informed about the contributions it makes separately to federal candidates, so that the contribution limits shared by the AHA and state association PACs are not exceeded for any candidate by their respective activities.

State law governs a state association's nonfederal PAC.

### 6. Can a State Association (or Hospital) Use its Internet Website on Behalf of AHA's PAC?

The Federal Election Commission has taken the position that information on an Internet website is the equivalent of "public political advertising." As a result, any information about AHA PAC or federal candidates that is placed on a website is considered communications beyond those whom AHA may solicit. Because of the restrictions on soliciting for AHA PAC, a state association or hospital must be careful in using its site on behalf of AHA PAC. Nonetheless, some information can be made available.

**EXAMPLE:** A member hospital wants to provide information about AHA PAC on its website. It may place basic information about the PAC (names of candidates supported, how many contributors, how many Capital Club members, etc.) on that portion of its site open to anyone. As with other general communications, such as at an annual meeting, the information on the general website should not encourage people to contribute to the PAC or otherwise exhort them to participate.

