



HALIFAX HEALTH

Audit & Finance Committee

Wednesday, April 26, 2017

Meeting Location

Halifax Health

France Tower, Conference Room A

4:00 p.m.

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, April 26, 2017

REVISED AGENDA

I. CALL TO ORDER

II. MINUTES

Investment Committee Minutes

portal page 4, [action requested](#)

- November 14, 2016

Audit & Finance Committee Minutes

portal page 6, [action requested](#)

- March 1, 2017

III. AUDIT COMMITTEE

Corporate Compliance, Shelly Shiflet

- Monthly Compliance Dashboard Reports

portal page 9, [information only](#)

Internal Audit, Bill Rushton

- Audit Services Discussion and Analysis
 - Proposed Internal Audit Plan
 - Summary of Audit Reports
 - Summary of Follow Up as March 31, 2017

portal page 13, [action requested](#)

portal page 17, [action requested](#)

portal page 18, [action requested](#)

IV. FINANCE COMMITTEE

Financial Report, Eric Peburn

- March 2017
- February 2017

portal page 24, [action requested](#)

portal page 49, [action requested](#)

Acquisitions, Leases and Disposals, Kent Bailey

- Capital Investment Strategy
- Capital Expenditures \$50,000 and over
 - *Pediatric Outpatient Rehabilitation Joint Venture with Brooks Rehabilitation* \$694,409
 - *Bronchoscopy Suite Construction* \$579,926
 - *Beds for IMC and CIC* \$475,506
 - *Oncology Services Expansion for the Port Orange Treatment Center* \$432,720
 - *Fairwarning - Patient Privacy Intelligence System* \$182,224
 - *NICO Brain Path and Myriad System* \$181,000
 - *LogRhythm Security Information and Event Management* \$150,038
- Disposals
 - Recommendation to Sell H.H. Holdings, Inc. Real Estate, Port Orange
- Comparison of Projected and Actual Financial Results for Significant Projects

portal page 74, [information only](#)

portal page 78, [action requested](#)

portal page 93, [action requested](#)

portal page 94, [action requested](#)

none

Old Business

- Meeting Request Tracker/Checklist

portal page 95, [information only](#)

New Business

- Length of Stay Initiative
- Deltona Update

portal page 115, [information only](#)
discussion, [information only](#)

Agenda Continued on Next Page

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

Information Only

- Discharged Based -Average Length of Stay and Case Mix Index portal page 96, [information only](#)
- Schedule of Uses of Property Taxes, March 2017 portal page 97, [information only](#)
- Investment Performance Report, March & February 2017 portal page 98, [information only](#)
- Capital Expenditures \$25,000 - \$50,000 portal page 108, [information only](#)
 - *Patient Monitors for Vital Signs* \$45,993
 - *Venous Ablation System* \$42,250
 - *Telestroke Video Conferencing System* \$40,729

V. OPEN DISCUSSION

- VI. NEXT MEETING **MONDAY, May 8, 2017, 4:00 p.m. – Investment Committee Meeting**
WEDNESDAY, June 28, 2017, 4:00 p.m. – Regular scheduled meeting

VII. EXECUTIVE SESSION

VIII. ADJOURN

Halifax Hospital Medical Center
Investment Committee Meeting
Sub Committee Audit & Finance Committee
France Tower, Conference Room A
303 N. Clyde Morris Blvd., Daytona Beach, FL 32114
Monday, November 14, 2016

Present: Ted Serbousek, Chairman & Chairman, Audit & Finance Committee
Dan Francati, Member & Secretary, Board of Commissioners
Dave Graffagnino, Member
Decker Youngman, Member
Greg Motto, Member
Mike Walsh, Advisor

Not Present: Susan Schandel, Member & Treasurer, Board of Commissioners

Also Present: Jeff Feasel, President & Chief Executive Officer
Eric Peburn, Executive Vice President & Chief Financial Officer
Kent Bailey, Director of Finance
Ben Eby, Director of Finance, Halifax Health Hospice
Leslie Wojcik, Ashford Investments
Britt Cesarone, Ponder Investment

The meeting was called to order at 4:05 p.m. by Ted Serbousek.

Manager Presentation

Discussion: Manager Presentation – Ponder Investment
Britt Cesarone from Ponder Investment was introduced and presented a portfolio update (board portal).

Action: None required.

Minutes

Discussion: Minutes from the August 8, 2016 Investment Committee meeting were reviewed.

Action: Mr. Francati moved to approve the August 8, 2016 Investment Committee minutes as presented. Mr. Youngman seconded the motion and it carried unanimously.

Quarterly Review

Discussion: Mr. Walsh, Ashford Investment Advisors, presented the investment review for the 3rd calendar quarter.

Action: None required.

Discussion: Manager Assessment – Ponder Investment
Mr. Walsh presented the results of his comparative evaluation for Ponder Investment (small value, emerging, international and large value comparisons), supporting his recommendation to remain with Ponder Investment. Brief discussion ensued.

Action: Mr. Graffagnino moved to remain with Ponder Investment Company. Mr. Francati seconded

the motion and it carried unanimously.

Old Business

Discussion: None.

New Business

Discussion: Discuss Investment Allocations

Mr. Walsh reviewed the annual investment allocation review as information only.

Action: None required.

Discussion: 2017 Quarterly Timeline

The 2017 Quarterly Timeline was presented as information only.

Action: None required.

Discussion: In other discussion, Mr. Graffagnino inquired about the limits and flexibility set on equities within the investment policies for the Halifax Health Pension Plan, Halifax Hospice and the Halifax Foundation. Discussion continued leading to the recommendation to modify the allocation strategy such that fixed income investments may represent up to 60% of the total portfolio. The current limitation on fixed income investments is 50% of the total portfolio. With this revision, the permitted ranges of fixed income and equity investments would be as follows:

- Equities – 40% to 70%
- Fixed income – 30% to 60%

Action: Mr. Graffagnino moved to approve the proposed investment policy changes as proposed and recommends this be presented to the Halifax Health Audit & Finance Committee and then approval by the Halifax Board of Commissioners. Mr. Youngman seconded the motion and it carried unanimously.

Informational Only

Discussion: Investment Performance Report, September 2016

Action: None required.

Next Meeting: Monday, February 13, 2017 4 p.m. – Regular scheduled meeting

Open Discussion

Discussion: None.

Adjournment

Ted Serbousek

Halifax Hospital Medical Center
Audit and Finance Committee Meeting
303 N. Clyde Morris Blvd., France Tower, Conference Room A
Wednesday, March 1, 2017

Present: Ted Serbousek, Chairman
Daniel Francati, Member & Vice Chairman, Board of Commissioners
Ammar Hemaidan, MD, Member & Member, Medical Staff
Greg Motto, Member
Susan Schandel, Member & Treasurer, Board of Commissioners

Not Present: Decker Youngman, Member

Also Present: Jeff Feasel, President & CEO
Eric Peburn, Executive VP/Chief Financial Officer
Kent Bailey, Director of Finance
Lisa Tyler, Corporate Controller
Bill Rushton, Director, Internal Audit
Shelly Shiflet, Chief Compliance Officer
Mark Billings, Executive VP/Chief Operating Officer
Alberto Tineo, Vice President, Operations
Tom Stafford, Vice President and Chief Information Officer
Donald Stoner, Senior Vice President & Chief Medical Officer
Mary Jo Allen, Executive Director, Halifax Health Hospice
Tony Trovato, Director of Business Operations, Halifax Health Hospice
Ben Eby, Director of Finance, Halifax Health Hospice
Bob Wade, Compliance Expert
Jill Wheelock, Associate General Counsel
Arvin Lewis, Senior VP/Chief Revenue Officer
Bob Williams, Director, Population Health, Business Development and VHN
Jacob Nagib, Director, Construction, Engineering & Design
Bill Griffin, Director, System Research and Planning
Joe Gordy, ADAMS Management

The meeting was called to order at 4:10 p.m. by Ted Serbousek. Attendance was recorded.

MINUTES

Discussion: Minutes from the February 1, 2017 Audit & Finance Committee Meeting were reviewed.

Action: Ms. Schandel moved to approve the minutes as presented and recommends approval by the Halifax Health Board of Commissioners. Mr. Francati seconded the motion and it carried unanimously.

Deltona Acute Care Hospital Architectural/Engineering Services

Discussion: Mr. Peburn stated the Certificate of Need issued for the acute care hospital in Deltona will reach its expiration in early December 2017 unless construction has begun on the acute care hospital. In order for construction to begin prior to this deadline, design related activities must commence in March 2017. He introduced Mr. Griffin and Mr. Gordy of ADAMS to present the projected timeline and budget, not to exceed \$3,350,000 for architectural design and engineering services necessary to begin construction and preserve the CON. Mr. Gordy presented a time line of the work effort to meet the CON time requirement. Discussion ensued.

Action: Mr. Francati moved to approve that architectural fees and engineering services for the Deltona Acute Care Hospital not to exceed \$3,350,000 and recommends approval by the Halifax Health Board of Commissioners. Ms. Schandel seconded the motion and it carried unanimously.

AUDIT COMMITTEE

Corporate Compliance

Discussion: Monthly Compliance Program Update Dashboard
Ms. Shiflet presented the Compliance Dashboard for the month ended January 2017, referencing no issues.

Action: None required.

Internal Audit

Discussion: Mr. Rushton requested approval to add the Meaningful Use Stage 2 – 2016 Modified project to the FY 2017 Audit Plan. The audit assesses required documentation to support the attestation requirements for the CMS Meaningful Use program.

Action: Mr. Francati moved to approve the Meaningful Use Stage 2 – 2016 Modified project for the FY 2017 Audit Plan as presented. Ms. Schandel seconded the motion which carried unanimously.

Independent Audit Engagement Letters

Discussion: Ms. Tyler presented the engagement letters for audit services for fiscal year ending 9/30/17 from RSM US LLP for approval.

Action: Mr. Francati moved to approve the engagement letters for audit services provided by RSM US LLP. Ms. Schandel seconded the motion and it carried unanimously.

FINANCE COMMITTEE

FINANCIAL REPORT

Discussion: Mr. Peburn reviewed the January 2017 Financial Report, reporting the performance compared to budget and long range targets, highlighting statistical and financial summaries. Mr. Serbousek inquired about the status of Length of Stay improvement efforts and requested a brief presentation at the next Audit & Finance Committee meeting.

Action: Mr. Francati moved to approve the January 2017 Financial Report and recommends approval by the Board of Commissioners. Ms. Schandel seconded the motion and it carried unanimously.

ACQUISITIONS, LEASES & DISPOSALS

Discussion: Capital Investment Strategy
Mr. Bailey presented the Capital Investment Strategy monthly update.

Action: None required.

Discussion: Capital Expenditures \$50,000 and over

- *Replacement of Air Handling Units, #1, #3, #4, and #5 and Emergency Resolution* \$1,643,356
- *Ophthalmology Microscope with Lens & Digital Recorder* \$130,000
- *HVAC Units Southeast Volusia Care Center* \$83,128
- *Minimally Invasive Valve Replacement Instrumentation & Video System* \$73,010

Action: Ms. Schandel moved to approve the capital expenditures and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

Discussion: Disposals

Action: Mr. Francati moved to approve the disposals and recommends approval by the Board of Commissioners. Ms. Schandel seconded the motion and it carried unanimously.

Discussion: Comparison of Projected and Actual Financial Results for Significant Projects
(none)

Action: None required.

OLD BUSINESS

- Discussion: Meeting Request Tracker/Checklist
- Action: The Summary Report, Timeline and List of Controls, Physician Contracts and Payments were brought to the committee as information only. No further action needed at this time.
- Discussion: Revised Meeting Calendar, 2017
- Action: An amended 2017 calendar was shared with the committee as information only, pursuant to action at the February committee meeting that the Investment Committee would hold its quarterly meetings through 2017 as scheduled and moving the monthly Audit & Finance Committee meetings so five more meetings would be held through calendar year 2017. No further action needed at this time.

NEW BUSINESS

- Discussion: Proposed Revisions to Halifax Health Care at Home Governance
Mr. Peburn presented proposed revisions to the governance of Halifax Health Care at Home (HHCAH), providing the background of the affiliation and management agreements effective on June 16, 2012 and between East Volusia Health Services, Inc. and the Council on Aging. The affiliation agreement established a 50/50 membership in DASS (d/b/a Halifax Health Care at Home). Since the effective date of the agreement, HHCAH has operated at a loss and accumulated deficit equity. The Council on Aging is no longer financially positioned to fund its percentage of the membership. As such, a resolution and specified terms were recommended to reorganize HHCAH, resulting in an increase in the ownership interest by Halifax Health and forgiveness of the prior working capital deficit owed by Council on Aging. Brief discussion ensued.
- Action: Ms. Schandel moved to approve the proposed revisions to the Halifax Health Care at Home Governance as presented and recommends approval by the Halifax Health Board of Commissioners. Mr. Francati seconded the motion and it carried unanimously.

INFORMATIONAL REPORTS

- Discussion: The Discharged Based-Average Length of Stay and Case Mix Index, Investment Performance Report for January 2017, the Capital Expenditures, \$25,000 - \$50,000, and the Operating Lease, \$50,000-\$250,000 were presented under Information Only. The Capital Expenditures \$25,000 - \$50,000 were as follows:
- *Surgical Bed for Labor and Delivery* \$41,348
 - *Defibrillators for IMC and CIC* \$33,458
 - *Glass Partition for Registration* \$25,000
 - *Corepoint Web Services License* \$25,000
- The Operating Lease, \$50,000-\$250,000 was as follows:
- *Lease of Server Hardware* \$6,883.62 (monthly)
- Action: None required.

OPEN DISCUSSION

- Discussion: None.

NEXT MEETING DATE: MONDAY, March 27, 2017 4:00 p.m. – Investment Committee meeting
WEDNESDAY, April 26, 2017 4:00 p.m. – Regular scheduled meeting

EXECUTIVE SESSION

- Discussion: None.

ADJOURNMENT

- Action: There being no further business, a motion was made and seconded to adjourn.

Ted Serbousek, Chairman



HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners
Cc: Jeff Feasel, Chief Executive Officer
From: Shelly Shiflet, Vice President and Chief Compliance Officer
Date: April 17, 2017
Re: Compliance Dashboard Report for March 2017

Enclosed is the Compliance Program Dashboard Report for March 2017.

Feel free to contact the Board's Compliance Expert, Robert Wade, Esq., or me regarding any questions on this report.

Mr. Wade can be reached at: rwade@kdlegal.com
Office: 574.485.2002

I can be reached at: shelly.shiflet@halifax.org
Office: 386.425.4970

Recommended Action: None. Information only.

Halifax Health
Corporate Compliance Program
Board Report – 3/31/2017

ON TARGET

ALERT

I. EMPLOYEE AND BOARD EDUCATION – Halifax Health’s compliance program and Corporate Integrity Agreement requires most employees to acknowledge the Code of Conduct within 30 days of hire. Employees who are considered “Covered Persons” are required to complete 1 hour of general compliance training within 30 days of hire and annually thereafter. Managers and others who are considered “Arrangements Covered Persons” must complete an additional hour of general education and 2 hours of arrangements training within 30 days of becoming an “Arrangements Covered Person,” and annually thereafter. Members of the Board are required to complete 6 hours (2 hours general, 2 hours arrangements, and 2 hours governance) of training within 30 days of becoming a member. The following is the status of education for Halifax Health’s employees:

	➤	Code of Conduct Attestation¹
	1. 4,059	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

	➤	CIA Required Training²
	1. 3,906	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

II. SANCTION CHECKS - Halifax Health’s Corporate Integrity Agreement requires all “Covered Persons” be screened for exclusions from participation in federal programs monthly. During the period:

	➤	Sanction Check for Covered Persons³
	1. 4,787	Number of Covered Persons as of the end of the period
	2. 100%	% of Covered Persons above who had no sanctions, based on monthly sanction check results (On Target at 100%)

III. COMPLIANCE COMMITTEE – Halifax Health has a Compliance Committee responsible for regulatory compliance matters, which meets monthly. Members of senior leadership across service lines as well as representatives from Hospice and the Medical Staff are represented. During the period:

	1. 13	Number of members on <i>Compliance Committee</i>
	2. 100%	% of members who attended the meeting on 3/1/2017 (On Target at 70% or Greater)
	3. 3	Number of meetings in the last quarter (On Target if 2 or more)

IV. HELP LINE [844-251-1880] or halifaxhealth.ethicspoint.com

	1. 6 / 57	Number of Help Line calls received during month/past 12 months
	2. 4 / 41	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 2/28/2017
	4. 0	Number of open Help Line calls rated as High Priority as of 3/31/2017
	5. 3	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 19	Number of issues open as of 2/28/2017
	2. 7	Of the issues in item 1, ___ remain open as of 3/31/2017
	3. 12	Number of issues from item 1 closed as of 3/31/2017
	4. 63%	Percent of open issues from item 1 closed (On Target at 25% or Greater)

VI. COMPLIANCE POLICIES – Halifax Health’s Compliance Program involves the development, implementation and monitoring of policies to ensure the organization conducts business compliant with applicable statutes, rules and regulations. During the period:

	1. 9	Number of Compliance Policies reviewed/ updated in the last month (On Target at 1)
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VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

	1. 1	Number of concerns related to billing/coding received during the month
	2. 1	Number of concerns from #1 that required a billing/ coding review
	3. 0	Number of reviews from #1 still being investigated
	4. 1	Number of reviews from #1 closed or pending Committee review
	5. 1	Number of reviews from #1 expected to require repayment/processing of claims

¹ Code of Conduct Attestation – employees and vendors who meet the definition of a *Covered Person* and new Board Members.

² CIA Required Training – employees (except for housekeeping, maintenance and foodservice employees), Medical Staff who are party to a *Focus Arrangement* and vendors who meet the definition of a *Covered Person* and new Board Members.

³ Sanction Check for Covered Persons - employees, Medical Staff and vendors who meet the definition of a *Covered Person*.



HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners
Cc: Jeff Feasel, Chief Executive Officer
From: Shelly Shiflet, Vice President and Chief Compliance Officer
Date: March 20, 2017
Re: Compliance Dashboard Report for February 2017

Enclosed is the Compliance Program Dashboard Report for February 2017.

Feel free to contact the Board's Compliance Expert, Robert Wade, Esq., or me regarding any questions on this report.

Mr. Wade can be reached at: rwade@kdlegal.com
Office: 574.485.2002

I can be reached at: shelly.shiflet@halifax.org
Office: 386.425.4970

Recommended Action: None. Information only.

Halifax Health
Corporate Compliance Program
Board Report – 2/28/2017

ON TARGET

ALERT

I. EMPLOYEE AND BOARD EDUCATION – Halifax Health’s compliance program and Corporate Integrity Agreement requires most employees to acknowledge the Code of Conduct within 30 days of hire. Employees who are considered “Covered Persons” are required to complete 1 hour of general compliance training within 30 days of hire and annually thereafter. Managers and others who are considered “Arrangements Covered Persons” must complete an additional hour of general education and 2 hours of arrangements training within 30 days of becoming an “Arrangements Covered Person,” and annually thereafter. Members of the Board are required to complete 6 hours (2 hours general, 2 hours arrangements, and 2 hours governance) of training within 30 days of becoming a member. The following is the status of education for Halifax Health’s employees:

	➤	Code of Conduct Attestation¹
	1. 4,040	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

	➤	CIA Required Training²
	1. 3,885	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

II. SANCTION CHECKS - Halifax Health’s Corporate Integrity Agreement requires all “Covered Persons” be screened for exclusions from participation in federal programs monthly. During the period:

	➤	Sanction Check for Covered Persons³
	1. 4,775	Number of Covered Persons as of the end of the period
	2. 100%	% of Covered Persons above who had no sanctions, based on monthly sanction check results (On Target at 100%)

III. COMPLIANCE COMMITTEE – Halifax Health has a Compliance Committee responsible for regulatory compliance matters, which meets monthly. Members of senior leadership across service lines as well as representatives from Hospice and the Medical Staff are represented. During the period:

	1. 13	Number of members on <i>Compliance Committee</i>
	2. 76%	% of members who attended the meeting on 2/1/2017 (On Target at 70% or Greater)
	3. 3	Number of meetings in the last quarter (On Target if 2 or more)

IV. HELP LINE [844-251-1880] or halifaxhealth.ethicspoint.com

	1. 3 / 55	Number of Help Line calls received during month/past 12 months
	2. 3 / 38	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 1/31/2017
	4. 0	Number of open Help Line calls rated as High Priority as of 2/28/2017
	5. 8	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 25	Number of issues open as of 1/31/2017
	2. 11	Of the issues in item 1, __ remain open as of 2/28/2017
	3. 14	Number of issues from item 1 closed as of 2/28/2017
	4. 56%	Percent of open issues from item 1 closed (On Target at 25% or Greater)

VI. COMPLIANCE POLICIES – Halifax Health’s Compliance Program involves the development, implementation and monitoring of policies to ensure the organization conducts business compliant with applicable statutes, rules and regulations. During the period:

	1. 1	Number of Compliance Policies reviewed/ updated in the last month (On Target at 1)
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VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

	1. 0	Number of concerns related to billing/coding received during the month
	2. 0	Number of concerns from #1 that required a billing/ coding review
	3. 0	Number of reviews from #1 still being investigated
	4. 0	Number of reviews from #1 closed or pending Committee review
	5. 0	Number of reviews from #1 expected to require repayment/processing of claims

¹ Code of Conduct Attestation – employees and vendors who meet the definition of a *Covered Person* and new Board Members.

² CIA Required Training – employees (except for housekeeping, maintenance and foodservice employees), Medical Staff who are party to a *Focus Arrangement* and vendors who meet the definition of a *Covered Person* and new Board Members.

³ Sanction Check for Covered Persons - employees, Medical Staff and vendors who meet the definition of a *Covered Person*.



Audit Services Discussion & Analysis

Halifax Health Audit & Finance Committee

Presented April 26, 2017

For the period covering January 23, 2017 through April 19, 2017

Risk Assessment Results: Top Risks

Operational

Timekeeping
Cash Handling
Purchase Services
Supply Chain
Retail Pharmacy
*Throughput
*Readmission/Post Acute Care

Revenue Cycle

Payment Denials
Bad Debt Management
Charge Capture/Billing

Technology

Network Vulnerability (Hacking)
IT Security
Quality Reporting
AP User Access
*Business Continuity
*HIM/Registration

Compliance

Physician Compensation
*Infection Control
*Accreditation

FY 2017/18 Proposed Audits

Operational Audits

Timekeeping
Cash Controls
AP System Access
Purchase Services (TBD)
Registration
Supply Chain
Retail Pharmacy

Required Audits

Administrative Payroll
External Audit Assistance

Revenue Cycle Audits (TBD)

Technology Audits

Quality Reporting
IT Penetration Testing
IT Security Testing

Physician Practice Audits

Physician Compensation (TBD)

Results: FY 17/18 Audit Projects

Audit Source	Project Name	Status	Results
Year End Audit	At the direction of RSM Internal Audit provided assistance	Completed	RSM submits results to the Audit & Finance Committee
Co-Source	Administrative Payroll Component Audit	Completed	No issues of impact
Internal Audit	Meaningful Use Stage 2 – 2016 Validation Audit	Completed	No issues of impact
Internal Audit	Pharmacy Controls Audit	Draft Report	Pending
Internal Audit	Halifax Call Network	Fieldwork	Pending

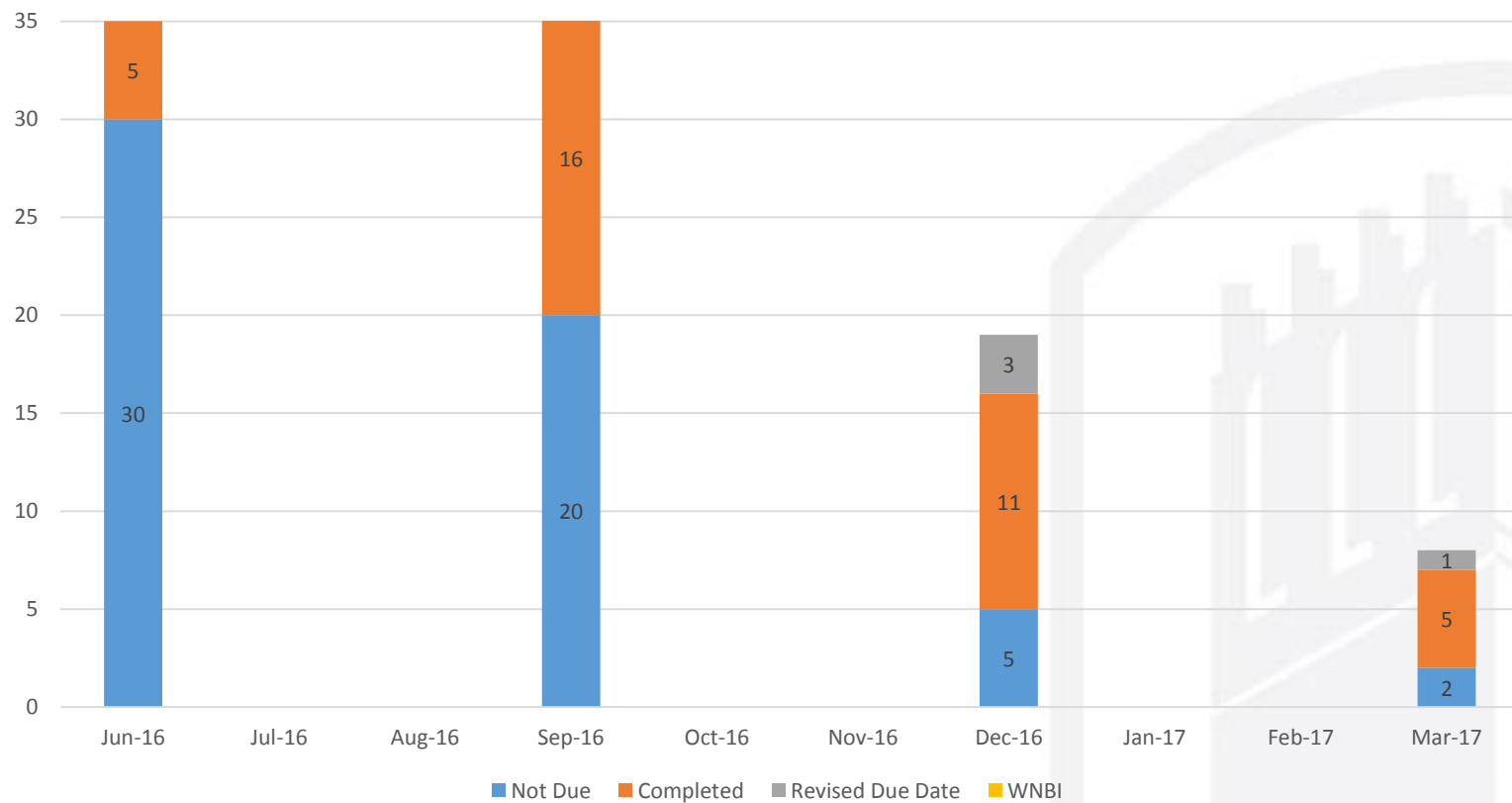
Summary of Halifax Health Audit Reports

Audit Plan		Issues by Impact Level		
Administrative Payroll Component Audit				
Objective - Test whether controls over Halifax Staffing, Inc. Administrative payroll component and business expense were functioning as intended.		High	Moderate	Low
Key Risk(s) – People, processes and technology are not aligned with required procedures and criteria to process administrative compensation and expenses.		0	0	0
Significant Issue(s)	<ul style="list-style-type: none"> Based on the audit procedures performed no issues were identified. 			
Take Away(s)	<ul style="list-style-type: none"> Internal controls are functioning as necessary to help maintain accurate administrative employee payroll and expense transactions. 			

Audit Plan		Issues by Impact Level		
Meaningful Use Stage 2 - 2016 Validation Audit				
Objective – To validate management retained the correct documentation to support MU Stage 2 attestation requirements.		High	Moderate	Low
Key Risk(s) – Hospitals that fail their MU audits are required to return their previously received incentive dollars to CMS.		0	0	0
Significant Issue(s)	<ul style="list-style-type: none"> Based on the CMS Mock Audit program no issues were identified. 			
Take Away(s)	<ul style="list-style-type: none"> Halifax Health demonstrated successful attestation by utilizing a process that included Certified Electronic Health Record Technology, an IT risk assessment and supporting data that would demonstrate MU qualification to regulatory auditors. Halifax Health has received an estimated \$10.1 million in incentive payments. 			

Audit Follow-Up

Audit Issue Follow-Up: Status of Management Action Plans
January 23, 2017



See BoardEffect for Audit Follow Up detail.

Recommended Committee Action

Internal Audit Service recommends the following for the Committee's approval:

- Summary of Halifax Health audit reports
- Audit Follow-up Summary Report as of March 31, 2017
- FY 2017/18 Proposed Audit Plan

Attachment A - Top Risk Areas

Operations	Risk Description
Retail Pharmacy	<ul style="list-style-type: none"> • Unauthorized dispensing of medications because of street demand • Low percentage of e-prescribing leads to unsafe medication use
Timekeeping	<ul style="list-style-type: none"> • Payroll & Benefits make up 49% (est) of total operating expenses • Hours and status information are not always properly entered • Pay adjustments are not authorized or are incorrect
Cash Controls	<ul style="list-style-type: none"> • Cash collected might not be secured, reconciled and deposited daily
AP-Check Printing	<ul style="list-style-type: none"> • Staff and system changes can expose check signing and printing to improper segregation of duties
Purchase Services (Zeno, Aramark, Enclara, Qualis)	<ul style="list-style-type: none"> • Purchase Services make up 16% (est) of total operating expenses • Concerns that vendors are not compliant with terms leading to overbilling
Supply Chain	<ul style="list-style-type: none"> • Possibility that the UOM with supply contracts and Meditech are not aligned
Throughput	<ul style="list-style-type: none"> • Various choke points (ED, discharge practices, PACU) have been identified by leadership and consultants
Readmissions/Post Acute Care	<ul style="list-style-type: none"> • Post patient care services lack the high quality services to prevent readmissions

Attachment A - Top Risks Areas

Revenue Cycle	Risk Description
Collections-Payment Denials	<ul style="list-style-type: none"> • Payors are increasing patient service denials and may result in lost reimbursement if unresolved
Charge Capture/Billing (Provider Base, Global Payments, Hospice)	<ul style="list-style-type: none"> • Technical billing components can be missed or duplicated • Concerns that global charges are not aligned with EMR and CMS rules • Untimely filing for hospice services has lead to write-offs
Charity/Bad Debt Management	<ul style="list-style-type: none"> • Internal Audit should assess smaller bad debt accounts for missed charity

Information Services	Risk Description
Network Vulnerability	<ul style="list-style-type: none"> • This is a high risk do to the significant increase in cyber attacks in all industries
IT Security	<ul style="list-style-type: none"> • Testing must be periodically performed to assess controls over IT assets
Meaningful Use Stage 3	<ul style="list-style-type: none"> • False attestation can result in CMS requesting the return of incentive funding
PQRS/MIPS	<ul style="list-style-type: none"> • Reporting is very technical and experiencing many changes and transitions making it difficult to comply with performance categories and how they are scored
HIM/Registration	<ul style="list-style-type: none"> • Concerns that patient information such as inpatient certification, patient's physician information and advance directives are not correct or requested
Business Continuity	<ul style="list-style-type: none"> • Revenue and patient data may not be recovered after an interruption and to support business continuity



Attachment A - Top Risks Areas

Compliance	Risk Description
Physician Compensation	<ul style="list-style-type: none">• Physician payment terms and systems are complex and there is a risk in exceeding FMV
Home Health Services	<ul style="list-style-type: none">• Recent changes with management and system operations• Poor quality results on the CMS Compare site could lead to patients choosing other agencies
Infection Control	<ul style="list-style-type: none">• Healthcare-associated infections are a leading healthcare risk resulting in extended length of stay
Accreditation	<ul style="list-style-type: none">• Vizient survey results have led to multiple corrective action plans

Attachment B – Proposed Audit Plan

#	Title	Description
1	Retail Pharmacy Audit	Assess controls around controlled substance security, record keeping, tracking and monitoring processes
2	Timekeeping Audit	Assess timekeeping and attendance procedures and converting data into disbursements
3	Cash Controls Audit	Assess cash control point duties, security and deposits
4	AP System Access Testing	Determine whether authorized personnel only have access to vendor files, checks and printing
5	Purchase Service Audit Projects – TBD	Assess contract performance in accordance with terms and business needs
6	Revenue Cycle Audit Projects – TDB	Assess controls over charge capture, billing and/or collections
7	Physician Compensation Audit Projects – TBD	Test complex contract models for over/under payments
8	Administrative Reimbursement & Expense	Analyze reimbursement and expenses for selected executives
9	External Audit Assistance – Interim	IAS assistance on Halifax Health external audit
10	External Audit Assistance – Year End	IAS assistance on Halifax Health external audit
11	Quality Reporting Validation Audit	Mock CMS audits of MU Stage 3, PQRS & MIPS reporting requirements
12	IT Penetration Testing	Testing (i.e. Ethical hacking) of controls to prevent network cyber attacks
13	IT Security	Continue assessment of Information Technology General Controls
14	Supply Chain	Concerns system item file (Meditech) not reflecting contract



Halifax Health
Summary Financial Narrative
For the six months ended March 31, 2017

The performance of Halifax Health compared to budget and long-range targets (S&P "A" rated medians) for key financial indicators is as follows.

Financial Indicator	YTD Actual FY 17	YTD Budget FY 17	YTD Actual vs. Budget	S&P "A"	YTD Actual FY 17 vs. S&P "A"
Total Margin	3.0%	2.1%	Favorable	5.8%	Unfavorable
Operating Margin	1.6%	1.1%	Favorable	3.6%	Unfavorable
EBIDA Margin	10.4%	9.6%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	9.1%	8.7%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	8.4%	8.5%	Unfavorable	N/A	N/A
Days Cash on Hand	253	262	Unfavorable	249	Favorable
Cash to Debt	95.0%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.2%	56.0%	Unfavorable	29.1%	Unfavorable
OG MADS Coverage	2.25	2.12	Favorable	4.50	Unfavorable
OG Debt to Capitalization	55.2%	55.0%	Unfavorable	29.1%	Unfavorable

* - Excludes investment income/loss of Foundation recorded as operating income.

Halifax Health Medical Center

Statistical Summary--

- Admissions for the month and fiscal year-to-date are less than budget and last year.
- Patient days for the month are greater than budget and less than last year; and for the fiscal year year-to-date are greater than budget and last year.
 - Observation patient days for the month are greater than budget and less than last year; and for the fiscal year-to-date are greater than budget and last year.
- Surgery volumes for the month are greater than budget and last year; and for the fiscal year-to-date are less than budget and last year.
- Emergency room visits for the month and fiscal year-to-date are less than budget and last year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 2.3% greater than budget.
- Total operating expenses for the fiscal year-to-date are 1.4% greater than budget.
- Income from operations fiscal year-to-date of \$2.1 million compares favorably to budget by \$947,000.
- Nonoperating gains/(losses) fiscal year-to-date of negative \$160,000, primarily consisting of net investment losses, compare unfavorably to the budgeted amount by \$1.3 million.
- The increase in net position fiscal year-to-date of \$2.0 million compares unfavorably to budget by \$398,000.

Halifax Health Hospice

Statistical Summary --

- Patient days for the month are less than budget and greater than last year; and for the fiscal year-to-date are less than budget and last year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 9.1% less than budget.
- Loss from operations fiscal year-to-date of \$992,000 compares unfavorably to budget by \$1.2 million.
- Nonoperating gains fiscal year-to-date of \$4.0 million, including investment income of \$3.6 million, is greater than the budgeted amount by \$2.5 million.
- The increase in net position fiscal year-to-date of \$3.0 million compares favorably to budget by \$1.3 million.

Other Component Units - The fiscal year-to-date financial performance is consistent with budgeted expectations.

Halifax Health
Summary Financial Indicators – Excluding Estimated Hurricane Matthew Costs
For the six months ended March 31, 2017

The performance of Halifax Health compared to budget and long-range targets (S&P “A” rated medians) for key financial indicators, including computations excluding \$1.8 million of estimated Hurricane Matthew related costs, is as follows.

Financial Indicator	YTD Actual FY 17	YTD Adjusted Actual FY 17 (2)	YTD Budget FY 17	YTD Adj. Actual vs. Budget	S&P "A"	YTD Adj. Actual FY 17 vs. S&P "A"
Total Margin	3.0%	3.6%	2.1%	Favorable	5.8%	Unfavorable
Operating Margin	1.6%	2.3%	1.1%	Favorable	3.6%	Unfavorable
EBIDA Margin	10.4%	11.0%	9.6%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	9.1%	9.8%	8.7%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin (1)	8.4%	9.1%	8.5%	Favorable	N/A	N/A
Days Cash on Hand	253	256	262	Unfavorable	249	Favorable
Cash to Debt	95.0%	95.5%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.2%	56.0%	56.0%	Neutral	29.1%	Unfavorable
OG MADS Coverage	2.25	2.42	2.12	Favorable	4.50	Unfavorable
OG Debt to Capitalization	55.2%	55.0%	55.0%	Neutral	29.1%	Unfavorable

(1) - Excludes investment income/loss of Foundation recorded as operating income.

(2) - Financial indicator computed by excluding estimated Hurricane Matthew related expenses of \$1.8 million.

Halifax Health Statistical Summary

Month Ended March 31,					Six Months Ended March 31,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>		<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
<u>Inpatient Activity</u>								
1,668	1,678	1,690	-0.7%	HHMC Adult/Ped Admissions	9,690	9,571	9,755	-1.9%
155	171	163	4.9%	HHMCPO Adult/Ped Admissions	870	880	948	-7.2%
144	132	152	-13.2%	Adult Psych Admissions	824	858	879	-2.4%
58	73	51	43.1%	Rehabilitative Admissions	328	392	308	27.3%
2,025	2,054	2,056	-0.1%	Total Adult/Ped Admissions	11,712	11,701	11,890	-1.6%
8,920	8,552	8,457	1.1%	HHMC Adult/Ped Patient Days	50,248	51,201	48,749	5.0%
681	978	784	24.7%	HHMCPO Adult/Ped Patient Days	3,168	4,928	4,560	8.1%
1,289	1,395	1,300	7.3%	Adult Psych Patient Days	8,634	8,374	8,710	-3.9%
1,004	935	866	8.0%	Rehabilitative Patient Days	5,341	5,448	5,085	7.1%
11,894	11,860	11,407	4.0%	Total Adult/Ped Patient Days	67,391	69,951	67,104	4.2%
5.3	5.1	5.0	1.8%	HHMC Average Length of Stay	5.2	5.3	5.0	7.0%
4.4	5.7	4.8	18.9%	HHMCPO Average Length of Stay	3.6	5.6	4.8	16.4%
5.3	5.2	5.0	3.4%	HHMC/ HHMCPO Average Length of Stay	5.1	5.4	5.0	7.8%
9.0	10.6	8.6	23.6%	Adult Psych Average Length of Stay	10.5	9.8	9.9	-1.5%
17.3	12.8	17.0	-24.6%	Rehabilitative Length of Stay	16.3	13.9	16.5	-15.8%
5.9	5.8	5.5	4.1%	Total Average Length of Stay	5.8	6.0	5.6	5.9%
384	383	368	4.0%	Total Average Daily Census	368	384	369	4.2%
722	719	625	15.0%	HHMC Observation Patient Day Equivalents	3,667	3,883	3,674	5.7%
134	134	103	30.10%	HHMCPO Observation Patient Day Equivalents	567	743	544	36.6%
856	853	728	17.2%	Total Observation Patient Day Equivalents	4,234	4,626	4,218	9.7%
28	28	23	21.7%	Observation Average Daily Census	23	25	23	8.7%
146	157	143	9.8%	HHMC Newborn Births	980	879	962	-8.6%
323	290	331	-12.4%	HHMC Nursery Patient Days	1,926	1,650	1,957	-15.7%
504	496	538	-7.8%	HHMC Inpatient Surgeries	2,764	2,697	2,952	-8.6%
1	9	1	800.0%	HHMCPO Inpatient Surgeries	5	26	3	766.7%
505	505	539	-6.3%	Total Inpatient Surgeries	2,769	2,723	2,955	-7.9%
<u>Inpatient Surgeries</u>								
203	213			Orthopedics	1,063	1,077		
81	73			General Surgery	504	436		
52	49			Neurosurgery	310	263		
19	30			Vascular	129	157		
19	28			Thoracic Surgery	91	144		
131	112			All Other	672	646		
505	505	539	-6.3%	Total Inpatient Surgeries	2,769	2,723	2,955	-7.9%

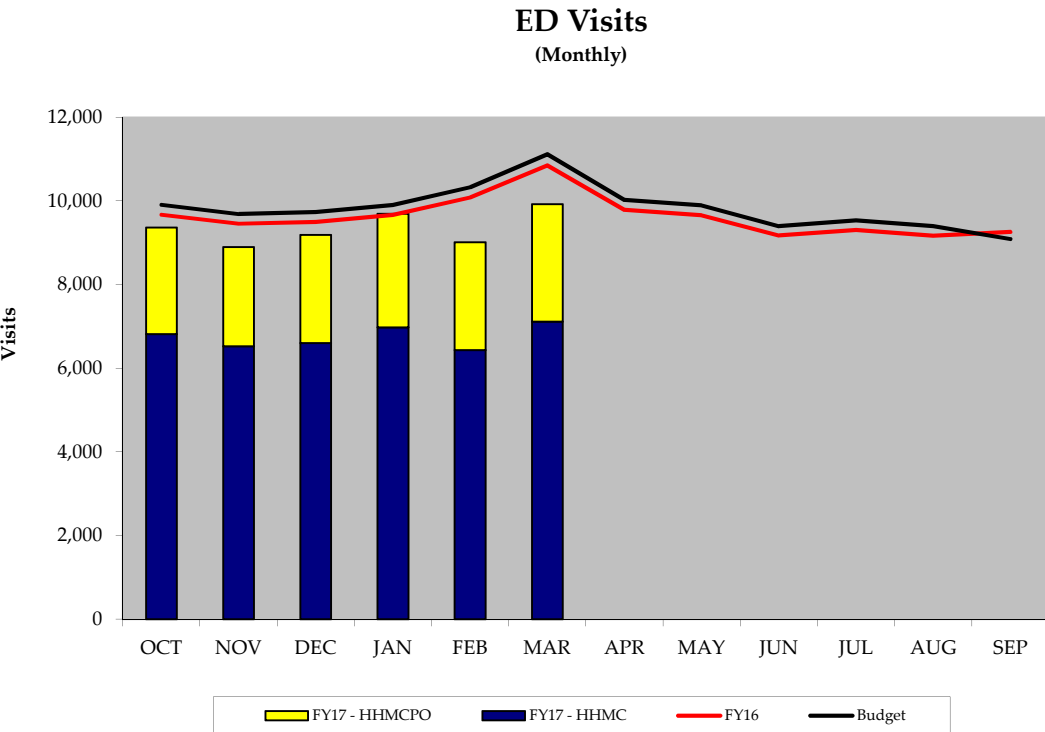
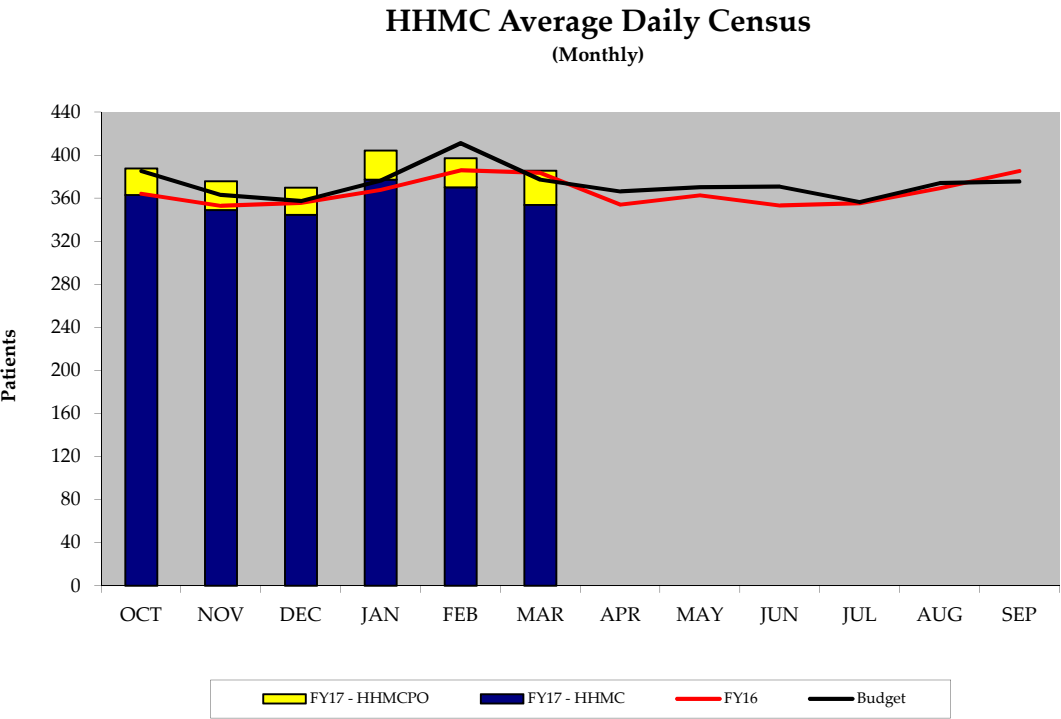
Halifax Health Statistical Summary

Month Ended March 31,					Six Months Ended March 31,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>		<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
7,621	7,119	7,756	-8.2%	HHMC ED Registrations	42,221	40,489	42,971	-5.8%
3,228	2,808	3,363	-16.5%	HHMCPO ED Registrations	17,008	15,602	17,720	-12.0%
10,849	9,927	11,119	-10.7%	Total ED	59,229	56,091	60,691	-7.6%
427	452	409	10.5%	HHMC Outpatient Surgeries	2,334	2,522	2,239	12.6%
111	3	114	-97.4%	HPC Outpatient Surgeries	578	306	592	-48.3%
0	111	0	0.0%	HHMCPO Outpatient Surgeries	2	126	2	6200.0%
359	364	358	1.7%	Twin Lakes Surgeries	2,245	2,123	2,241	-5.3%
897	930	881	5.6%	Total Outpatient Surgeries	5,159	5,077	5,074	0.1%
				<u>Outpatient Surgeries</u>				
173	188			General Surgery	1,034	1,093		
176	176			Orthopedics	1,128	993		
99	71			Gastroenterology	646	449		
98	93			Obstetrics Gynecology	443	453		
66	76			Ophthalmology	360	359		
285	326			All Other	1,548	1,730		
897	930	881	5.6%	Total Outpatient Surgeries	5,159	5,077	5,074	0.1%
				<u>Cardiology Procedures</u>				
16	23			Open Heart Cases	92	111		
103	135			Cardiac Caths	694	766		
36	23			CRM Devices	211	189		
32	31			EP Studies	164	233		
187	212	219	-3.2%	Total Cardiology Procedures	1,161	1,299	1,233	5.4%
				<u>Interventional Radiology Procedures</u>				
7	5	6	-16.7%	Vascular	47	35	40	-12.5%
152	171	173	-1.2%	Nonvascular	1,222	942	1,113	-15.4%
159	176	179	-1.7%	Total Interventional Radiology Procedures	1,269	977	1,153	-15.3%
239	207	231	-10.4%	GI Lab Procedures	1,197	1,193	1,156	3.2%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
17,046	16,273	17,050	-4.6%	Volusia/ Flagler	100,062	91,978	100,100	-8.1%
227.0	1,139	831	37.1%	Orange/ Osceola	1,057.0	5,472	4,256	28.6%
17,273	17,412	17,881	-2.6%	HH Hospice Patient Days	101,119	97,450	104,356	-6.6%
				<u>Average Daily Census</u>				
550	525	550	-4.6%	Volusia/ Flagler	547	505	550	-8.1%
7	37	27	37.1%	Orange/ Osceola	6	30	23	28.6%
557	562	577	-2.6%	HH Hospice Average Daily Census	553	535	573	-6.6%

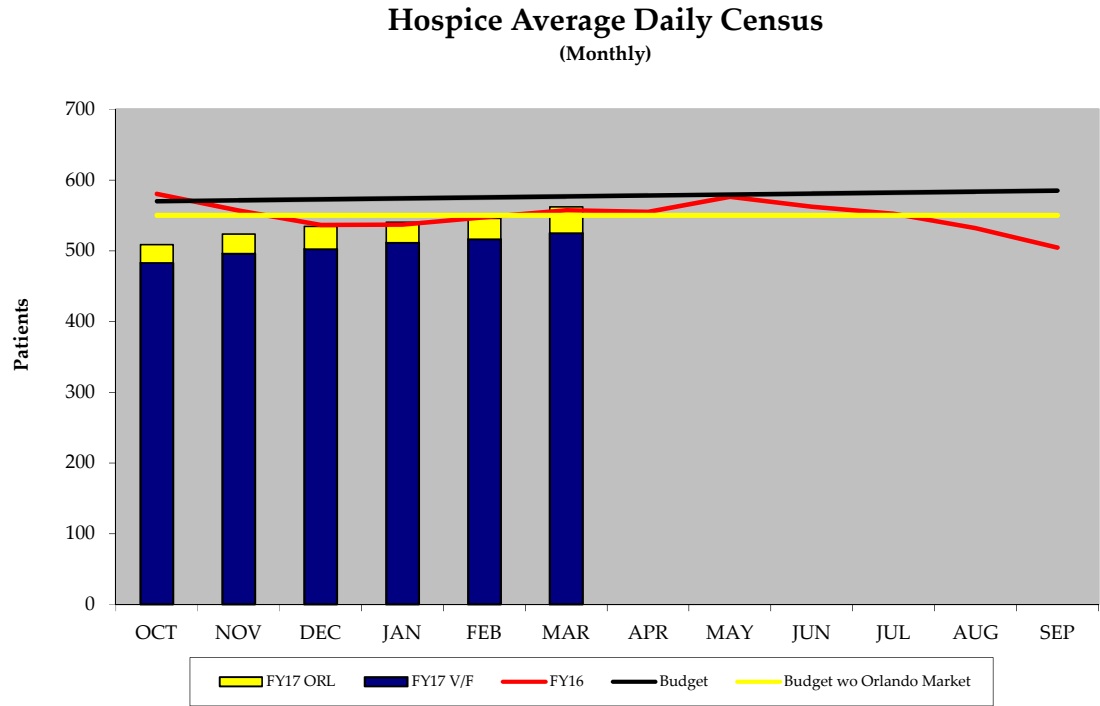
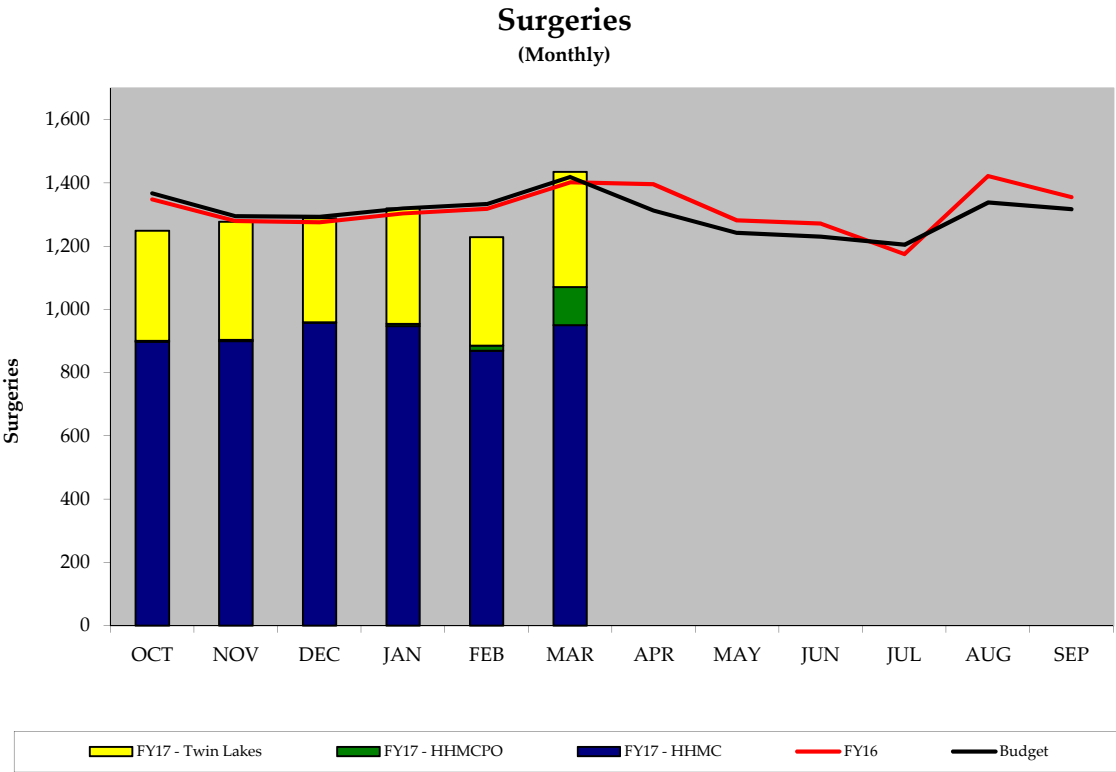
Halifax Health Statistical Summary

Month Ended March 31,				Six Months Ended March 31,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>	<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>							
<u>Primary Care Visits</u>							
281	383	687	-44.3%	Ormond Beach	1,551	1,862	4,030 -53.8%
1,157	1,124	1,154	-2.6%	Daytona Beach	6,472	6,096	6,455 -5.6%
654	758	1,118	-32.2%	Port Orange	1,681	4,207	5,515 -23.7%
690	300	901	-66.7%	Deltona	3,044	1,812	3,976 -54.4%
647	591	1,448	-59.2%	Ormond Beach (Women's/OB)	2,589	2,923	5,794 -49.6%
3,429	3,156	5,308	-40.5%	Primary Care Visits	15,337	16,900	25,770 -34.4%
<u>Children's Medical Center Visits</u>							
735	1,002	1,155	-13.2%	Ormond Beach	4,248	5,622	6,677 -15.8%
481	31	494	-93.7%	Palm Coast	2,497	324	2,562 -87.4%
517	522	547	-4.6%	Port Orange	2,810	3,026	2,975 1.7%
1,733	1,555	2,196	-29.2%	Children's Medical Center Visits	9,555	8,972	12,214 -26.5%
<u>Community Clinic Visits</u>							
468	526	443	18.7%	Keech Street	2,390	2,496	2,264 10.2%
393	294	393	-25.2%	Adult Community Clinic	2,341	1,494	2,341 -36.2%
861	820	836	-1.9%	Community Clinic Visits	4,731	3,990	4,605 -13.4%

Halifax Health
Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



Halifax Health
Condensed Statement of Net Position
(\$ in thousands)

	March 31,		
	2017	2016	Change
<u>Assets</u>			
Cash and cash equivalents	\$44,188	\$52,802	(\$8,614)
Investments	265,332	256,264	9,068
Board designated assets	44,841	44,801	40
Accounts receivable	66,548	60,590	5,958
Restricted assets whose use is limited	13,670	21,623	(7,953)
Other assets	48,559	39,442	9,117
Deferred outflow - swap	29,980	38,517	(8,537)
Deferred outflow - loss on bond refunding	16,917	17,841	(924)
Deferred outflow - pension	27,833	32,296	(4,463)
Property, plant and equipment	353,603	362,574	(8,971)
Total Assets	<u>\$911,471</u>	<u>\$926,750</u>	<u>(\$15,279)</u>
<u>Liabilities and Net position</u>			
Accounts payable	\$31,386	\$29,436	\$1,950
Other liabilities	83,278	86,317	(3,039)
Net pension liability	103,087	130,724	(27,637)
Long-term debt	353,221	355,547	(2,326)
Premium on LTD, net	19,597	20,267	(670)
Long-term value of swap	29,980	38,517	(8,537)
Net position	<u>290,922</u>	<u>265,942</u>	<u>24,980</u>
Total Liabilities and Net position	<u>\$911,471</u>	<u>\$926,750</u>	<u>(\$15,279)</u>

Halifax Health
Statement of Cash Flows
(\$ in thousands)

Month ended March 31, 2017	Month ended March 31, 2016	Variance		Six Months ended March 31, 2017	Six Months ended March 31, 2016	Variance
			Cash flows from operating activities:			
\$43,951	\$44,005	(\$54)	Receipts from third party payors and patients	\$241,194	\$248,391	(\$7,197)
(21,304)	(20,298)	(1,006)	Payments to employees	(158,532)	(147,299)	(11,233)
(14,779)	(18,844)	4,065	Payments to suppliers	(90,536)	(95,423)	4,887
286	342	(56)	Receipt of ad valorem taxes	10,086	11,877	(1,791)
(5,360)	-	(5,360)	Receipt (payment) of State UPL funds, net	(5,360)	612	(5,972)
2,558	5,077	(2,519)	Other receipts	16,748	18,259	(1,511)
(3,678)	(4,428)	750	Other payments	(21,207)	(22,514)	1,307
1,674	5,854	(4,180)	Net cash provided by (used in) operating activities	(7,607)	13,903	(21,510)
			Cash flows from noncapital financing activities:			
246	64	182	Proceeds from donations received	463	395	68
(8)	-	(8)	Nonoperating gain (loss)	(8)	(5)	(3)
238	64	174	Net cash provided by noncapital financing activities	455	390	65
			Cash flows from capital and related financing activities:			
(2,105)	(1,936)	(169)	Acquisition of capital assets	(9,100)	(12,073)	2,973
(195)	(190)	(5)	Payment of long-term debt	(1,170)	(1,140)	(30)
-	175,424	(175,424)	Proceeds from issuance of long-term debt	-	175,424	(175,424)
-	(15,118)	15,118	Transfers to trustee held funds	5,474	(15,118)	20,592
-	(168,728)	168,728	Payment for defeasance of bonds	-	(168,728)	168,728
(350)	(312)	(38)	Payment of interest on long-term debt	(8,443)	(8,789)	346
-	(1,774)	1,774	Payment of bond issue costs	-	(1,774)	1,774
(2,650)	(12,634)	9,984	Net cash used in capital financing activities	(13,239)	(32,198)	18,959
			Cash flows from investing activities:			
637	893	(256)	Realized investment income (loss)	3,470	4,793	(1,323)
(740)	(1,033)	293	Purchases of investments/limited use assets	(7,018)	(15,005)	7,987
7,005	20,441	(13,436)	Sales/Maturities of investments/limited use assets	9,554	25,166	(15,612)
6,902	20,301	(13,399)	Net cash provided by (used in) investing activities	6,006	14,954	(8,948)
6,164	13,585	(7,421)	Net increase (decrease) in cash and cash equivalents	(14,385)	(2,951)	(11,434)
38,024	39,217	(1,193)	Cash and cash equivalents at beginning of period	58,573	55,753	2,820
<u>\$44,188</u>	<u>\$52,802</u>	<u>(\$8,614)</u>	Cash and cash equivalents at end of period	<u>\$44,188</u>	<u>\$52,802</u>	<u>(\$8,614)</u>

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2017	Actual Month Ended March 31, 2016	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Actual Six Months Ended March 31, 2016	Favorable (Unfavorable) Variance
			Operating revenues:			
\$55,840	\$56,005	(\$165)	Net patient service revenue, before provision for bad debts	\$299,145	\$305,037	(\$5,892)
(9,935)	(10,565)	630	Provision for bad debts	(47,215)	(57,700)	10,485
45,905	45,440	465	Net patient service revenue	251,930	247,337	4,593
938	1,104	(166)	Ad valorem taxes	5,626	6,626	(1,000)
2,311	3,520	(1,209)	Other revenue	13,787	14,879	(1,092)
49,154	50,064	(910)	Total operating revenues	271,343	268,842	2,501
			Operating expenses:			
24,020	22,869	(1,151)	Salaries and benefits	138,995	129,182	(9,813)
6,629	7,099	470	Purchased services	37,091	40,639	3,548
9,046	8,303	(743)	Supplies	49,329	46,281	(3,048)
1,948	2,037	89	Depreciation and amortization	11,840	12,198	358
1,409	3,238	1,829	Interest	8,450	10,576	2,126
626	639	13	Ad valorem tax related expenses	3,732	3,790	58
743	766	23	Leases and rentals	4,405	4,586	181
2,099	2,737	638	Other	13,099	14,113	1,014
46,520	47,688	1,168	Total operating expenses	266,941	261,365	(5,576)
2,634	2,376	258	Excess of operating revenues over expenses	4,402	7,477	(3,075)
			Nonoperating revenues, expenses, and gains/(losses):			
637	893	(256)	Realized investment income/(losses)	3,471	4,794	(1,323)
(288)	4,225	(4,513)	Unrealized investment income/(losses)	(86)	1,107	(1,193)
246	63	183	Donation revenue	464	393	71
(8)	-	(8)	Nonoperating gains/(losses), net	(7)	(6)	(1)
587	5,181	(4,594)	Total nonoperating revenues, expenses, and gains/(losses)	3,842	6,288	(2,446)
\$3,221	\$7,557	(\$4,336)	Increase in net position	\$8,244	\$13,765	(\$5,521)

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2017	Static Budget Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Static Budget Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$55,840	\$50,639	\$5,201	Net patient service revenue, before provision for bad debts	\$299,145	\$285,596	\$13,549
(9,935)	(6,370)	(3,565)	Provision for bad debts	(47,215)	(37,062)	(10,153)
45,905	44,269	1,636	Net patient service revenue	251,930	248,534	3,396
938	938	-	Ad valorem taxes	5,626	5,626	-
2,311	2,314	(3)	Other revenue	13,787	13,356	431
49,154	47,521	1,633	Total operating revenues	271,343	267,516	3,827
			Operating expenses:			
24,020	24,437	417	Salaries and benefits	138,995	140,693	1,698
6,629	5,803	(826)	Purchased services	37,091	34,804	(2,287)
9,046	8,478	(568)	Supplies	49,329	47,415	(1,914)
1,948	1,954	6	Depreciation and amortization	11,840	11,852	12
1,409	1,410	1	Interest	8,450	8,466	16
626	628	2	Ad valorem tax related expenses	3,732	3,748	16
743	704	(39)	Leases and rentals	4,405	4,210	(195)
2,099	2,245	146	Other	13,099	13,457	358
46,520	45,659	(861)	Total operating expenses	266,941	264,645	(2,296)
2,634	1,862	772	Excess of operating revenues over expenses	4,402	2,871	1,531
			Nonoperating revenues, expenses, and gains/(losses):			
637	385	252	Realized investment income/(losses)	3,471	2,313	1,158
(288)	-	(288)	Unrealized investment income/(losses)	(86)	-	(86)
246	60	186	Donation revenue	464	358	106
(8)	-	(8)	Nonoperating gains/(losses), net	(7)	-	(7)
587	445	142	Total nonoperating revenues, expenses, and gains/(losses)	3,842	2,671	1,171
\$3,221	\$2,307	\$914	Increase in net position	\$8,244	\$5,542	\$2,702

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2017	Static Budget Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Static Budget Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$51,905	\$46,879	\$5,026	Net patient service revenue, before provision for bad debts	\$279,106	\$263,603	\$15,503
(9,801)	(6,271)	(3,530)	Provision for bad debts	(46,636)	(36,467)	(10,169)
42,104	40,608	1,496	Net patient service revenue	232,470	227,136	5,334
938	938	-	Ad valorem taxes	5,626	5,626	-
1,518	1,598	(80)	Other revenue	8,108	9,059	(951)
44,560	43,144	1,416	Total operating revenues	246,204	241,821	4,383
			Operating expenses:			
21,871	22,270	399	Salaries and benefits	126,518	127,921	1,403
5,367	4,715	(652)	Purchased services	31,148	28,343	(2,805)
8,787	8,242	(545)	Supplies	47,975	46,032	(1,943)
1,811	1,817	6	Depreciation and amortization	11,017	11,029	12
1,399	1,400	1	Interest	8,384	8,400	16
626	628	2	Ad valorem tax related expenses	3,732	3,748	16
563	537	(26)	Leases and rentals	3,385	3,222	(163)
1,938	1,994	56	Other	11,933	11,961	28
42,362	41,603	(759)	Total operating expenses	244,092	240,656	(3,436)
2,198	1,541	657	Excess of operating revenues over expenses	2,112	1,165	947
			Nonoperating revenues, expenses, and gains/(losses):			
443	197	246	Realized investment income/(losses)	1,542	1,185	357
(164)	-	(164)	Unrealized investment income/(losses)	(1,728)	-	(1,728)
5	-	5	Donation revenue	33	-	33
276	197	79	Total nonoperating revenues, expenses, and gains/(losses)	(160)	1,185	(1,345)
\$2,474	\$1,738	\$736	Increase in net position	\$1,952	\$2,350	(\$398)

Halifax Health Medical Center
Net Patient Service Revenue
(\$ in thousands)

Actual Month Ended March 31, 2016		Actual Month Ended March 31, 2017		Static Budget Month Ended March 31, 2017			Actual Six Months Ended March 31, 2016		Actual Six Months Ended March 31, 2017		Static Budget Six Months Ended March 31, 2017	
\$152,972	100.00%	\$163,514	100.00%	\$158,179	100.00%	Gross charges	\$840,205	100.00%	\$906,228	100.00%	\$882,706	100.00%
(5,478)	-3.58%	(4,082)	-2.50%	(9,227)	-5.83%	Charity	(36,819)	-4.38%	(43,502)	-4.80%	(51,463)	-5.83%
(95,228)	-62.25%	(107,527)	-65.76%	(102,073)	-64.53%	Contractual adjustments	(520,261)	-61.92%	(583,620)	-64.40%	(567,640)	-64.31%
52,266	34.17%	51,905	31.74%	46,879	29.64%	Gross charges, before provision for bad debts	283,125	33.70%	279,106	30.80%	263,603	29.86%
(10,517)	-6.88%	(9,801)	-5.99%	(6,271)	-3.96%	Provision for bad debts	(57,153)	-6.80%	(46,636)	-5.15%	(36,467)	-4.13%
\$41,749	27.29%	\$42,104	25.75%	\$40,608	25.67%	Net patient service revenue	\$225,972	26.89%	\$232,470	25.65%	\$227,136	25.73%

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2017	Static Budget Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Static Budget Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,935	\$3,760	\$175	Net patient service revenue, before provision for bad debts	\$20,039	\$21,993	(\$1,954)
(134)	(99)	(35)	Provision for bad debts	(579)	(595)	16
3,801	3,661	140	Net patient service revenue	19,460	21,398	(1,938)
169	199	(30)	Other revenue	1,026	1,195	(169)
3,970	3,860	110	Total operating revenues	20,486	22,593	(2,107)
			Operating expenses:			
2,075	2,092	17	Salaries and benefits	12,042	12,325	283
1,221	1,049	(172)	Purchased services	5,729	6,230	501
259	235	(24)	Supplies	1,352	1,378	26
70	70	-	Depreciation and amortization	423	423	-
175	162	(13)	Leases and rentals	989	957	(32)
128	181	53	Other	943	1,073	130
3,928	3,789	(139)	Total operating expenses	21,478	22,386	908
42	71	(29)	Excess (deficiency) of operating revenues over expenses	(992)	207	(1,199)
			Nonoperating revenues, expenses, and gains/(losses):			
194	188	6	Realized investment income/(losses)	1,929	1,128	801
(124)	-	(124)	Unrealized investment income/(losses)	1,642	-	1,642
241	60	181	Donation revenue	431	358	73
-	-	-	Nonoperating gains/(losses), net	-	-	-
311	248	63	Total nonoperating revenues, expenses, and gains/(losses)	4,002	1,486	2,516
\$353	\$319	\$34	Increase in net position	\$3,010	\$1,693	\$1,317

Volusia Health Network / Halifax Management Systems
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2017	Static Budget Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Static Budget Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
328	341	(13)	Other revenue	1,999	2,047	(48)
328	341	(13)	Total operating revenues	1,999	2,047	(48)
			Operating expenses:			
64	65	1	Salaries and benefits	371	384	13
39	35	(4)	Purchased services	205	209	4
-	1	1	Supplies	2	5	3
67	67	-	Depreciation and amortization	400	400	-
10	10	-	Interest	66	66	-
5	5	-	Leases and rentals	31	31	-
1	3	2	Other	7	20	13
186	186	-	Total operating expenses	1,082	1,115	33
142	155	(13)	Excess of operating revenues over expenses	917	932	(15)
			Nonoperating revenues, expenses, and gains/(losses):			
-	-	-	Realized investment income/(losses)	-	-	-
-	-	-	Unrealized investment income/(losses)	-	-	-
-	-	-	Donation revenue	-	-	-
-	-	-	Nonoperating gains/(losses), net	-	-	-
-	-	-	Total nonoperating revenues, expenses, and gains/(losses)	-	-	-
\$142	\$155	(\$13)	Increase in net position	\$917	\$932	(\$15)

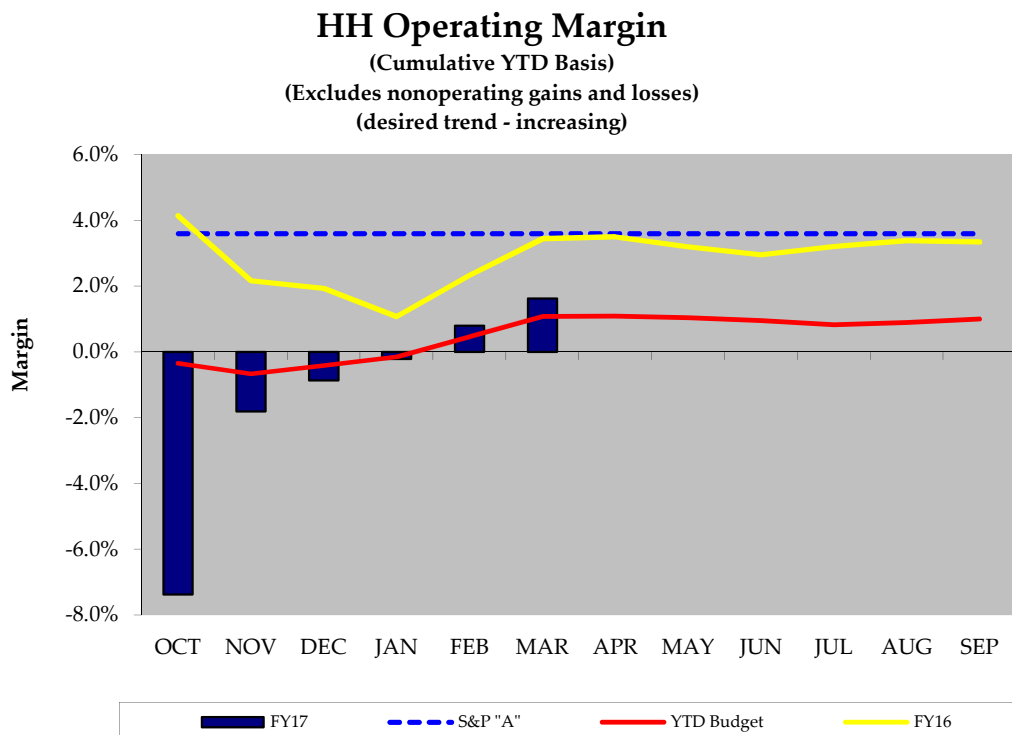
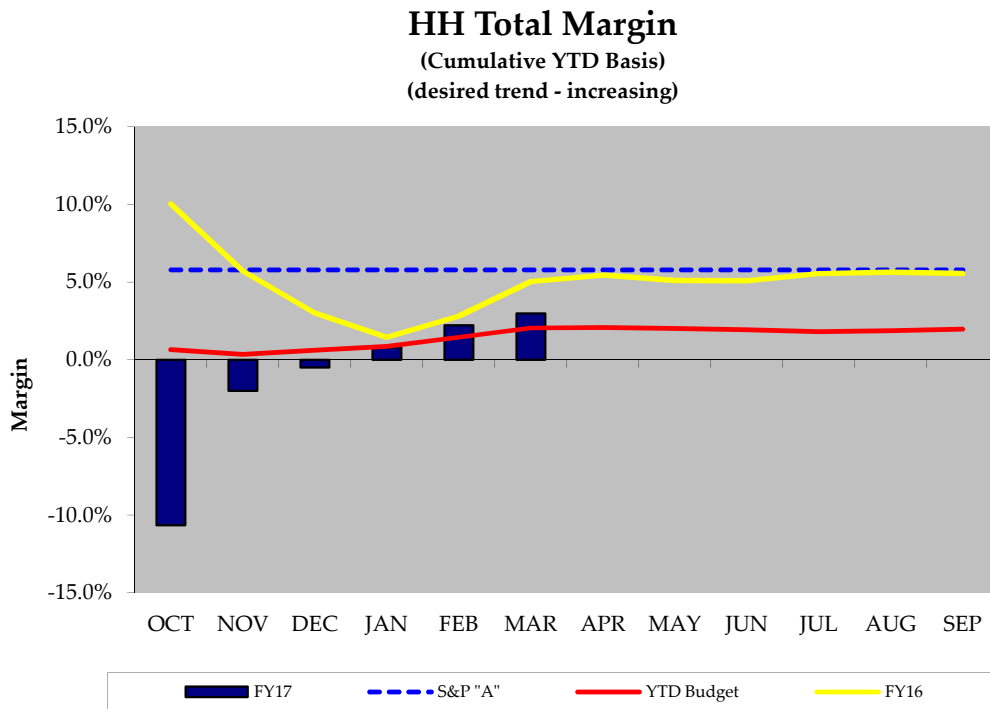
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2017	Static Budget Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Static Budget Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
100	105	(5)	Realized investment income/(losses)	966	630	336
(93)	-	(93)	Unrealized investment income/(losses)	1,043	-	1,043
289	71	218	Donation revenue	645	425	220
-	-	-	Other revenue	-	-	-
296	176	120	Total operating revenues	2,654	1,055	1,599
			Operating expenses:			
10	10	-	Salaries and benefits	64	63	(1)
2	4	2	Purchased services	9	22	13
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
32	67	35	Other	216	403	187
44	81	37	Total operating expenses	289	488	199
\$252	\$95	\$157	Increase in net position	\$2,365	\$567	\$1,798

Halifax Health Medical Center (Obligated Group)
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

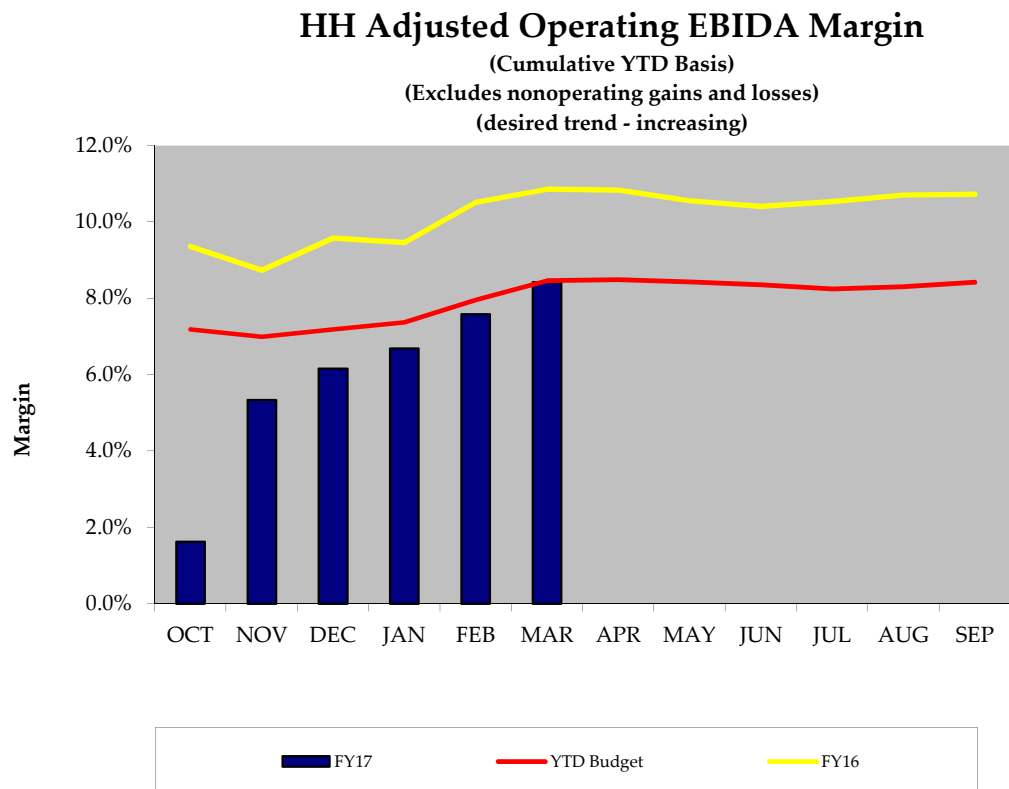
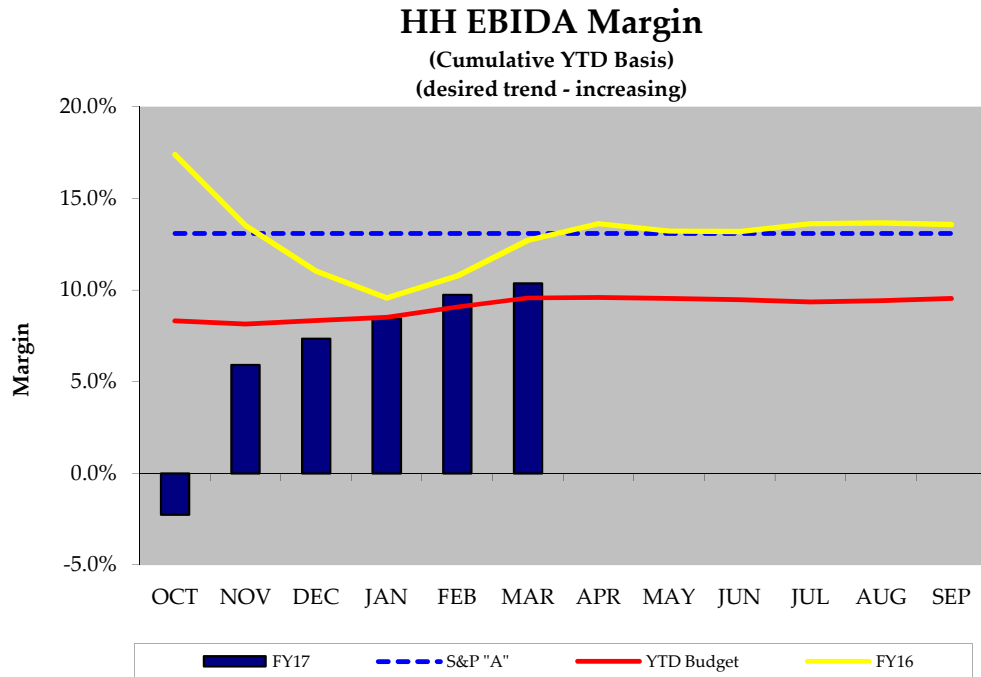
Actual Month Ended March 31, 2017	Static Budget Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2017	Static Budget Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$51,905	\$46,879	\$5,026	Net patient service revenue, before provision for bad debts	\$279,106	\$263,603	\$15,503
(9,801)	(6,271)	(3,530)	Provision for bad debts	(46,636)	(36,467)	(10,169)
42,104	40,608	1,496	Net patient service revenue	232,470	227,136	5,334
938	938	-	Ad valorem taxes	5,626	5,626	-
1,518	1,598	(80)	Other revenue	8,108	9,059	(951)
44,560	43,144	1,416	Total operating revenues	246,204	241,821	4,383
			Operating expenses:			
21,871	22,270	399	Salaries and benefits	126,518	127,921	1,403
5,367	4,715	(652)	Purchased services	31,148	28,343	(2,805)
8,787	8,242	(545)	Supplies	47,975	46,032	(1,943)
1,811	1,817	6	Depreciation and amortization	11,017	11,029	12
1,399	1,400	1	Interest	8,384	8,400	16
626	628	2	Ad valorem tax related expenses	3,732	3,748	16
563	537	(26)	Leases and rentals	3,385	3,222	(163)
1,938	1,994	56	Other	11,933	11,961	28
42,362	41,603	(759)	Total operating expenses	244,092	240,656	(3,436)
2,198	1,541	657	Excess of operating revenues over expenses	2,112	1,165	947
			Nonoperating revenues, expenses, and gains/(losses):			
443	197	246	Realized investment income/(losses)	1,542	1,185	357
(164)	-	(164)	Unrealized investment income/(losses)	(1,728)	-	(1,728)
5	-	5	Donation revenue	33	-	33
(8)	-	(8)	Nonoperating gains/(losses), net	(7)	-	(7)
276	197	79	Total nonoperating revenues, expenses, and gains/(losses)	(160)	1,185	(1,345)
2,474	1,738	736	Increase in net position before other changes in net position	1,952	2,350	(398)
747	569	178	Income from affiliates	6,292	3,192	3,100
\$3,221	\$2,307	\$914	Increase in net position	\$8,244	\$5,542	\$2,702

Halifax Health Financial Summary - Graphic



Halifax Health

Financial Summary - Graphic



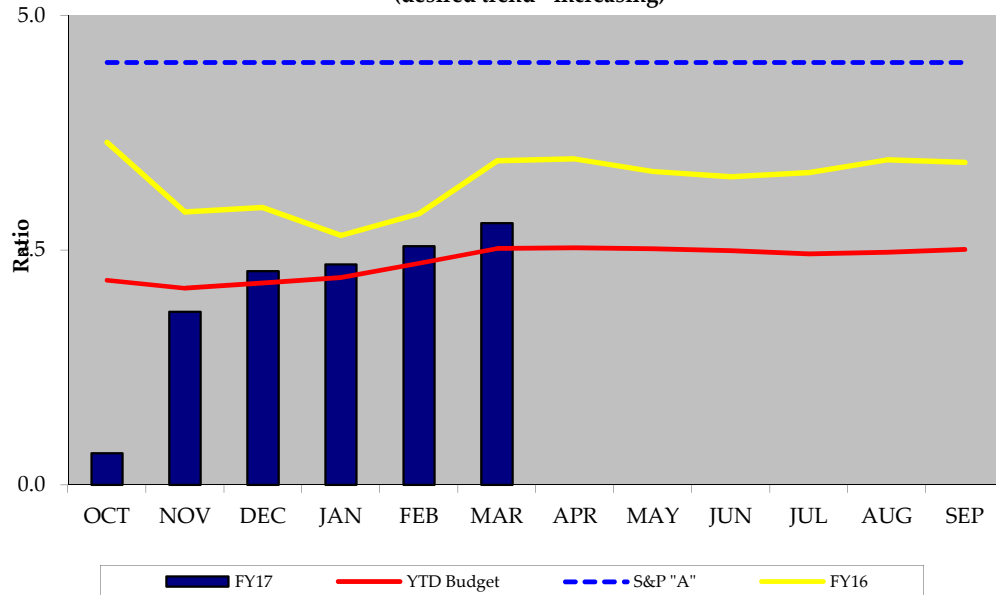
Halifax Health Financial Summary - Graphic

HH MADS Coverage Ratio

(Annualized Basis)

(Excludes unrealized investment gains/losses in accordance with covenant requirements)

(desired trend - increasing)

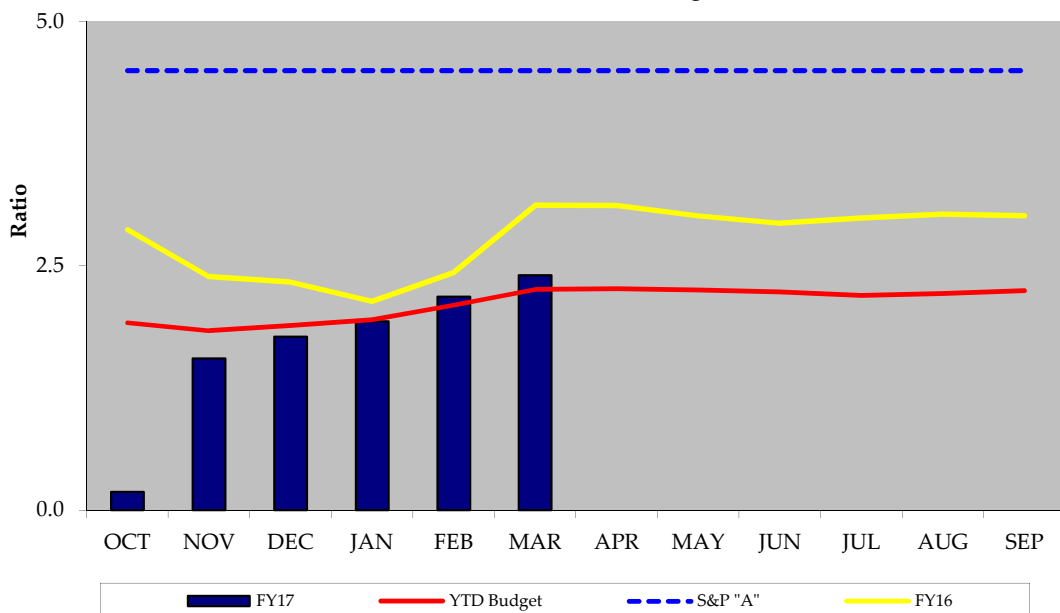


HH MADS Coverage Ratio - Operations Only

(Annualized Basis)

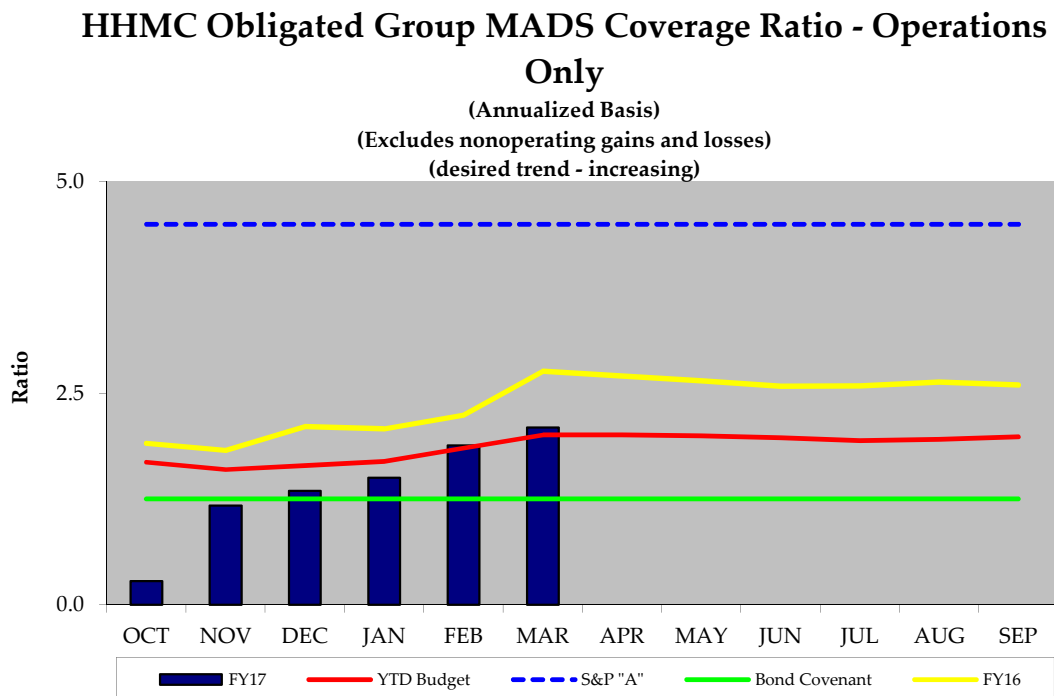
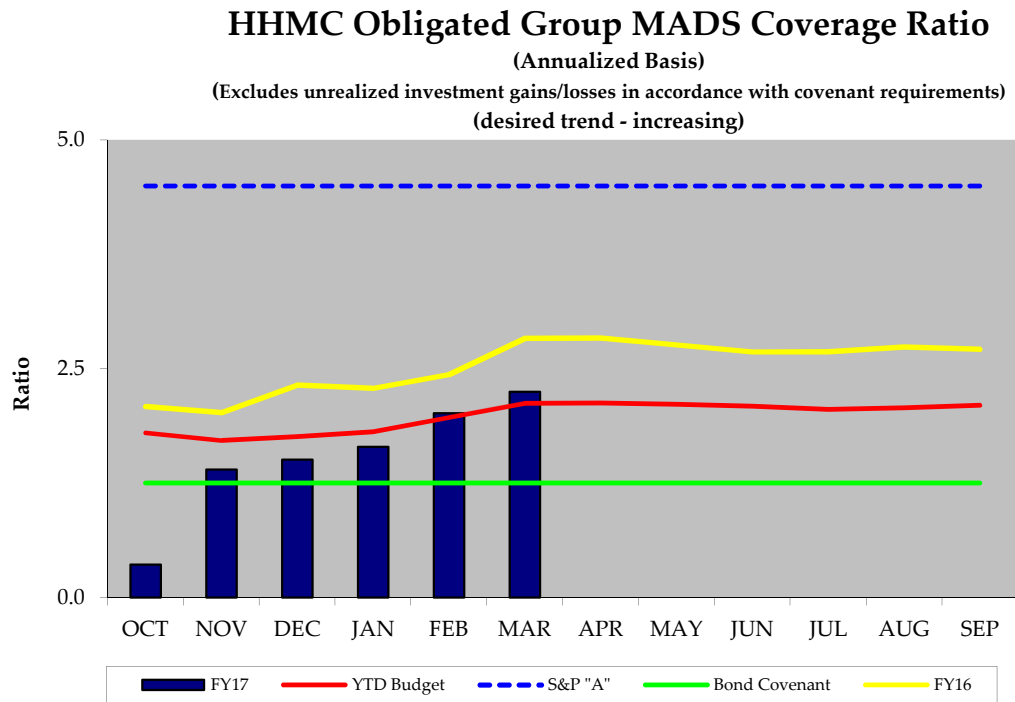
(Excludes nonoperating gains and losses)

(desired trend - increasing)



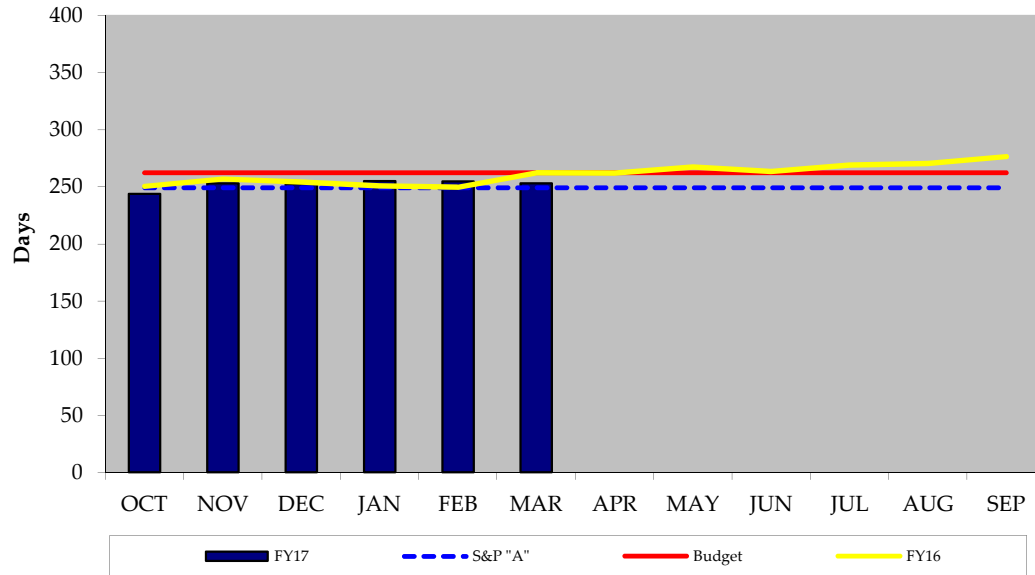
Halifax Health

Financial Summary - Graphic

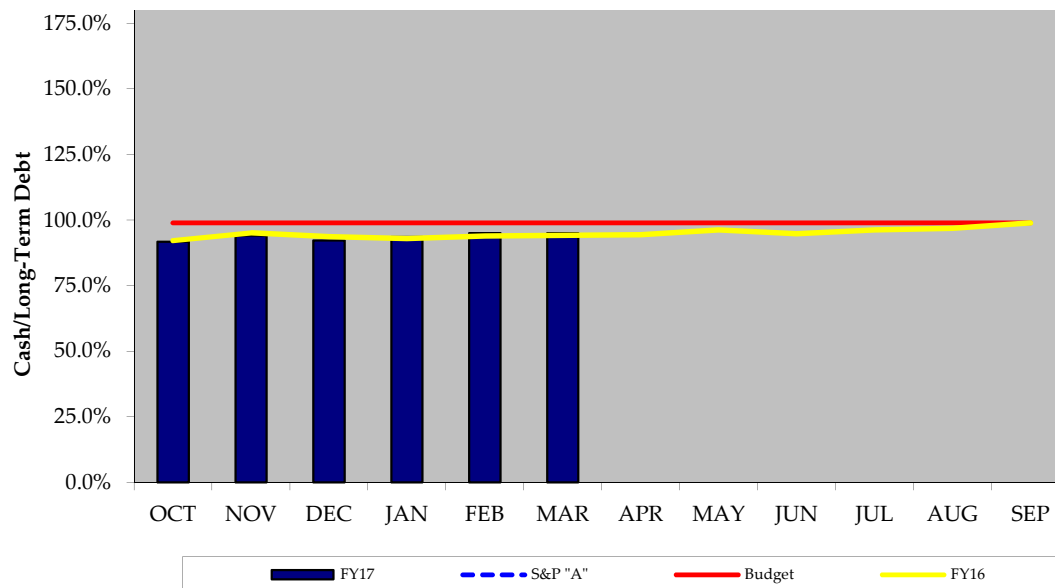


Halifax Health Financial Summary - Graphic

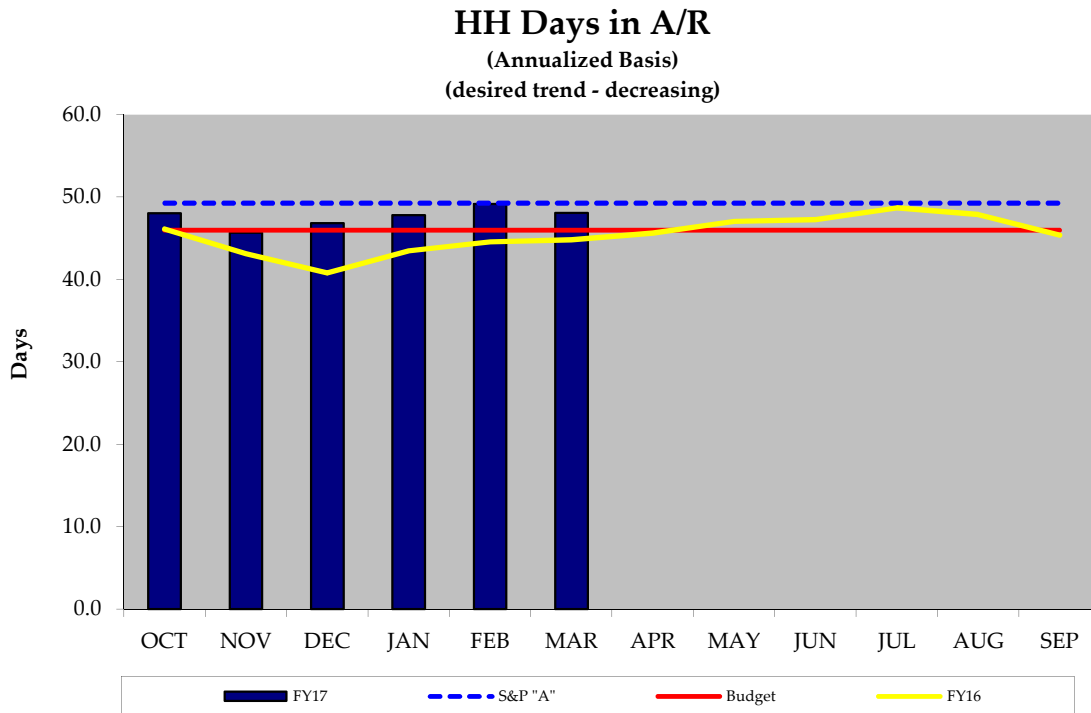
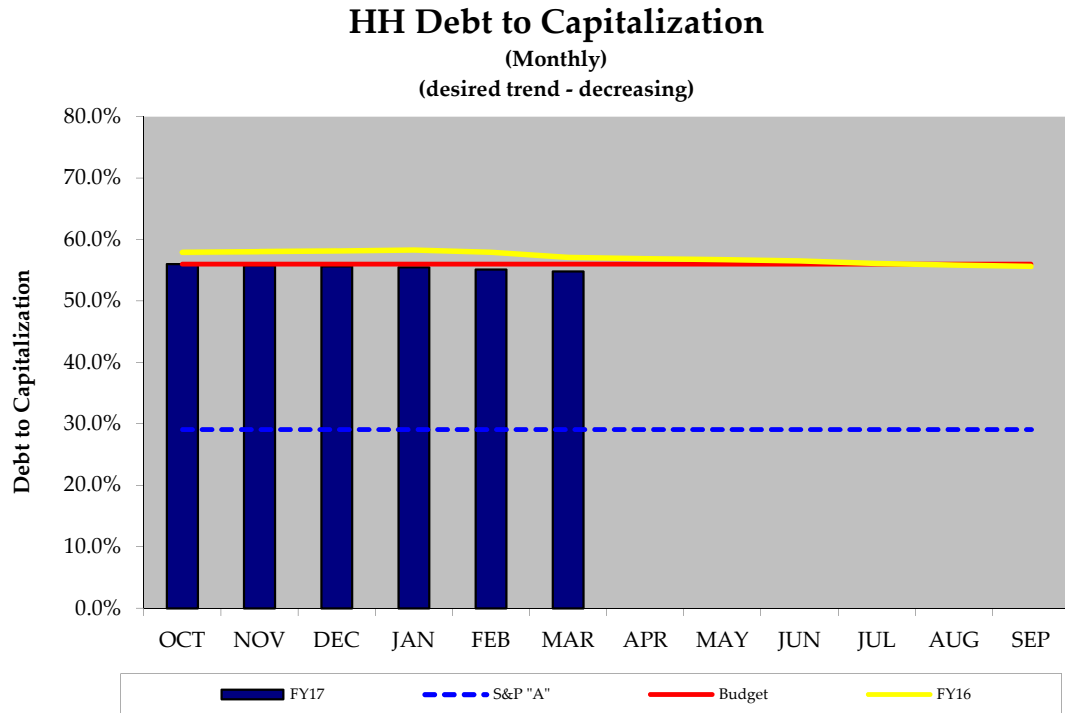
HH Days Cash on Hand (Annualized Basis) (desired trend - increasing)



HH Cash/Debt (Monthly) (desired trend - increasing)

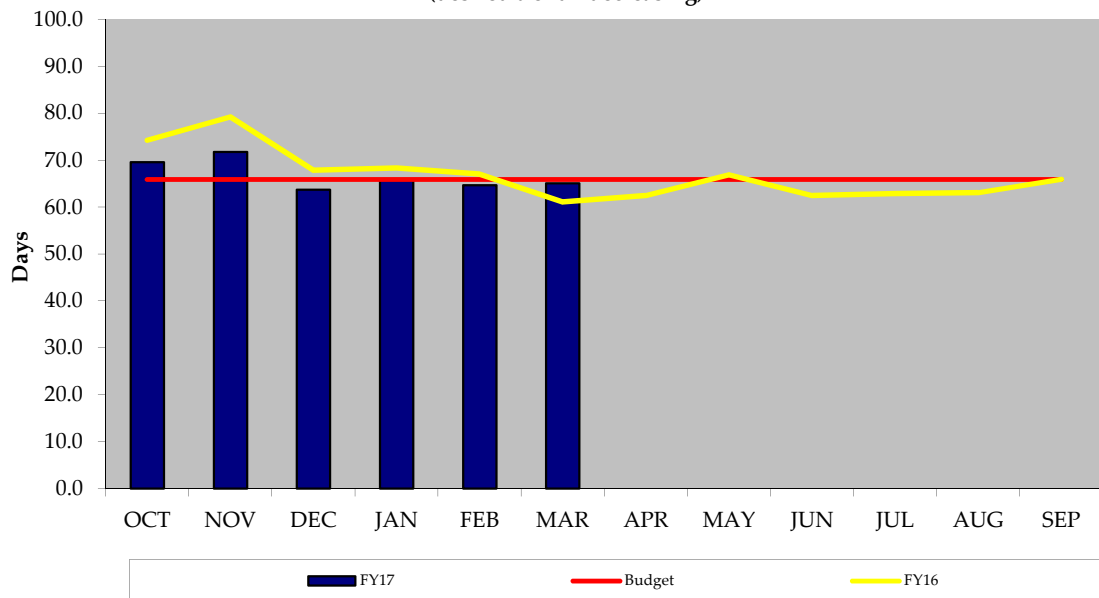


Halifax Health Financial Summary - Graphic

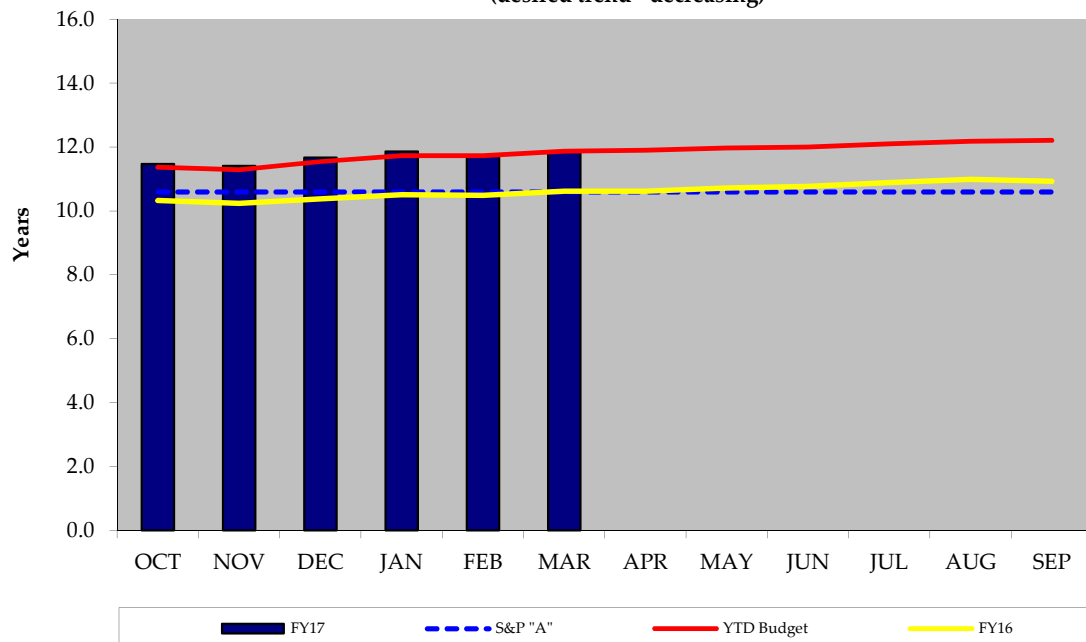


Halifax Health Financial Summary - Graphic

HH Average Payment Period (Annualized Basis) (desired trend - decreasing)



HH Average Age of Plant (Annualized Basis) (desired trend - decreasing)



Halifax Health
Financial Ratios and Operating Indicators
Definitions and Calculations

Indicator	Definition	Calculation
Total Margin *	Gauges the relative efficiency with which the System produces its output.	$\frac{\text{Net Income}}{\text{Total Revenues}}$
EBIDA Margin *	Gauges the relative efficiency excluding capital costs with which the System produces its output.	$\frac{\text{Net income} + \text{Int} + \text{Depr} + \text{Amort}}{\text{Total Revenues}}$
MADS Coverage Ratio *	Measures profitability relative to the Maximum Principal and Interest Payment of Debt	$\frac{\text{Net Income} + \text{Depr} + \text{Amort} + \text{Int}}{\text{Maximum Annual Debt Service}}$
Days Cash on Hand	Measures the number of days of average cash expenses that the System maintains in cash and cash equivalents and unrestricted investments.	$\frac{\text{Unrestricted Cash and Investments}}{(\text{Total Expenses} - \text{Depr}) / \text{Days in Period}}$
Cash to Long-term Debt	Measures the percentage of unrestricted cash and investments to long-term debt.	$\frac{\text{Unrestricted Cash and Investments}}{\text{Long-term Debt}}$
Long-term Debt to Capitalization	Measures the reliance on long-term debt financing and ability to issue new debt.	$\frac{\text{Long-term Debt}}{\text{Long-term Debt} + \text{Net Position}}$
Days in Accounts Receivable	Measures the average time that receivables are outstanding, or the average collection period.	$\frac{\text{Accounts Receivable}}{\text{Net Patient Service Revenue} / \text{Days in Period}}$
Average Payment Period	Provides a measure of the average time that elapses before current liabilities are paid.	$\frac{\text{Current Liabilities}}{(\text{Total Expenses} - \text{Depr}) / \text{Days in Period}}$
Average Age of Plant	Provides a measure of the average age in years of the System's fixed assets.	$\frac{\text{Accumulated Depreciation}}{\text{Depreciation Expense}}$
Operating Margin	Gauges the relative operating efficiency with which the System produces its output.	$\frac{\text{Excess of Operating Revenues}}{\text{Total Operating Revenues} + \text{Bad Debt}}$
* Operations Only Indicators	Excludes realized and unrealized investment income, donations, and nonoperating gains and losses	

Halifax Health
Summary Financial Narrative
For the five months ended February 28, 2017

The performance of Halifax Health compared to budget and long-range targets (S&P "A" rated medians) for key financial indicators is as follows.

Financial Indicator	YTD Actual FY 17	YTD Budget FY 17	YTD Actual vs. Budget	S&P "A"
Total Margin	2.2%	1.5%	Favorable	5.8%
Operating Margin	0.8%	0.5%	Favorable	3.6%
EBIDA Margin	9.7%	9.1%	Favorable	13.1%
Operating EBIDA Margin	8.4%	8.2%	Favorable	10.8%
Adjusted Operating EBIDA Margin *	7.6%	8.0%	Unfavorable	N/A
Days Cash on Hand	255	262	Unfavorable	249
Cash to Debt	95.1%	98.9%	Unfavorable	189.9%
Debt to Capitalization	56.5%	56.0%	Unfavorable	29.1%
OG MADS Coverage	2.01	1.97	Favorable	4.50
OG Debt to Capitalization	55.4%	55.0%	Unfavorable	29.1%

* - Excludes investment income/loss of Foundation recorded as operating income.

Halifax Health Medical Center

Statistical Summary--

- Admissions for the month and fiscal year-to-date are less than budget and last year.
- Patient days for the month are less than budget and last year; and for the fiscal year year-to-date are greater than budget and last year.
 - Observation patient days for the month are greater than budget and last year; and for the fiscal year-to-date are greater than budget and less than last year.
- Surgery volumes for the month and fiscal year-to-date are less than budget and last year.
- Emergency room visits for the month and fiscal year-to-date are less than budget and last year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 2.1% greater than budget.
- Total operating expenses for the fiscal year-to-date are 1.3% greater than budget.
- Loss from operations fiscal year-to-date of \$82,000 compares favorably to budget by \$296,000.
- Nonoperating gains/(losses) fiscal year-to-date of negative \$437,000, primarily consisting of net investment losses, compare unfavorably to the budgeted amount by \$1.4 million.
- The decrease in net position fiscal year-to-date of \$519,000 compares unfavorably to budget by \$1.1 million.

Halifax Health Hospice

Statistical Summary --

- Patient days for the month and fiscal year-to-date are less than budget and last year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 11.7% less than budget.
- Loss from operations fiscal year-to-date of \$1.0 million compares unfavorably to budget by \$1.2 million.
- Nonoperating gains fiscal year-to-date of \$3.7 million, including investment income of \$3.5 million, is greater than the budgeted amount by \$2.5 million.
- The increase in net position fiscal year-to-date of \$2.7 million compares favorably to budget by \$1.3 million.

Other Component Units - The fiscal year-to-date financial performance is consistent with budgeted expectations.

Halifax Health
Summary Financial Indicators – Excluding Estimated Hurricane Matthew Costs
For the five months ended February 28, 2017

The performance of Halifax Health compared to budget and long-range targets (S&P “A” rated medians) for key financial indicators, including computations excluding \$1.8 million of estimated Hurricane Matthew related costs, is as follows.

Financial Indicator	YTD Actual FY 17	YTD Adjusted Actual FY 17 (2)	YTD Budget FY 17	YTD Adj. Actual vs. Budget	S&P "A"	YTD Adj. Actual FY 17 vs. S&P "A"
Total Margin	2.2%	3.0%	1.5%	Favorable	5.8%	Unfavorable
Operating Margin	0.8%	1.6%	0.5%	Favorable	3.6%	Unfavorable
EBIDA Margin	9.7%	10.5%	9.1%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.4%	9.2%	8.2%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin (1)	7.6%	8.4%	8.0%	Favorable	N/A	N/A
Days Cash on Hand	255	258	262	Unfavorable	249	Favorable
Cash to Debt	95.1%	95.6%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.5%	56.3%	56.0%	Unfavorable	29.1%	Unfavorable
OG MADS Coverage	2.01	2.23	1.97	Favorable	4.50	Unfavorable
OG Debt to Capitalization	55.4%	55.3%	55.0%	Unfavorable	29.1%	Unfavorable

(1) - Excludes investment income/loss of Foundation recorded as operating income.

(2) - Financial indicator computed by excluding estimated Hurricane Matthew related expenses of \$1.8 million.

Halifax Health Statistical Summary

Month Ended February 28,					Five Months Ended February 28,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>		<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
<u>Inpatient Activity</u>								
1,688	1,565	1,684	-7.1%	HHMC Adult/Ped Admissions	8,022	7,905	8,065	-2.0%
176	144	165	-12.7%	HHMCPO Adult/Ped Admissions	715	708	784	-9.7%
126	129	155	-16.8%	Adult Psych Admissions	680	726	727	-0.1%
54	60	51	17.6%	Rehabilitative Admissions	270	320	256	25.0%
2,044	1,898	2,055	-7.6%	Total Adult/Ped Admissions	9,687	9,659	9,832	-1.8%
8,458	8,158	8,334	-2.1%	HHMC Adult/Ped Patient Days	41,328	42,649	40,292	5.8%
500	761	772	-1.4%	HHMCPO Adult/Ped Patient Days	2,487	3,950	3,776	4.6%
1,351	1,167	1,363	-14.4%	Adult Psych Patient Days	7,345	6,979	7,410	-5.8%
883	912	783	16.5%	Rehabilitative Patient Days	4,337	4,513	4,219	7.0%
11,192	10,998	11,252	-2.3%	Total Adult/Ped Patient Days	55,497	58,091	55,697	4.3%
5.0	5.2	4.9	5.3%	HHMC Average Length of Stay	5.2	5.4	5.0	8.0%
2.8	5.3	4.7	13.0%	HHMCPO Average Length of Stay	3.5	5.6	4.8	15.8%
4.8	5.2	4.9	6.0%	HHMC/ HHMCPO Average Length of Stay	5.0	5.4	5.0	8.6%
10.7	9.0	8.8	2.9%	Adult Psych Average Length of Stay	10.8	9.6	10.2	-5.7%
16.4	15.2	15.4	-1.0%	Rehabilitative Length of Stay	16.1	14.1	16.5	-14.4%
5.5	5.8	5.5	5.8%	Total Average Length of Stay	5.7	6.0	5.7	6.2%
386	393	402	-2.3%	Total Average Daily Census	365	385	369	4.3%
634	637	619	2.9%	HHMC Observation Patient Day Equivalents	2,945	3,164	3,049	3.8%
114	131	96	36.46%	HHMCPO Observation Patient Day Equivalents	433	609	441	38.1%
748	768	715	7.4%	Total Observation Patient Day Equivalents	3,378	3,773	3,490	8.1%
26	27	26	3.8%	Observation Average Daily Census	22	25	23	8.7%
163	126	161	-21.7%	HHMC Newborn Births	834	712	819	-13.1%
295	244	298	-18.1%	HHMC Nursery Patient Days	1,603	1,360	1,626	-16.4%
469	404	499	-19.0%	HHMC Inpatient Surgeries	2,260	2,202	2,414	-8.8%
0	4	0	0.0%	HHMCPO Inpatient Surgeries	4	17	2	750.0%
469	408	499	-18.2%	Total Inpatient Surgeries	2,264	2,219	2,416	-8.2%
<u>Inpatient Surgeries</u>								
178	165			Orthopedics	860	864		
87	65			General Surgery	424	363		
51	41			Neurosurgery	258	214		
18	25			Vascular	72	127		
24	25			Thoracic Surgery	110	116		
111	87			All Other	540	535		
469	408	499	-18.2%	Total Inpatient Surgeries	2,264	2,219	2,416	-8.2%

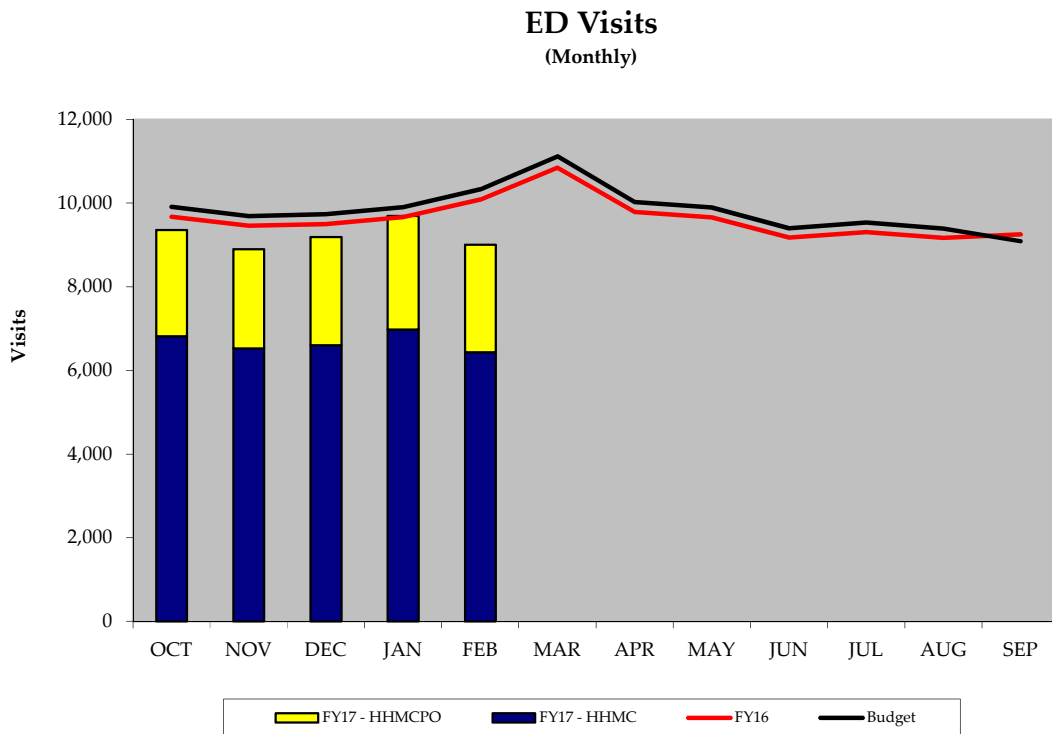
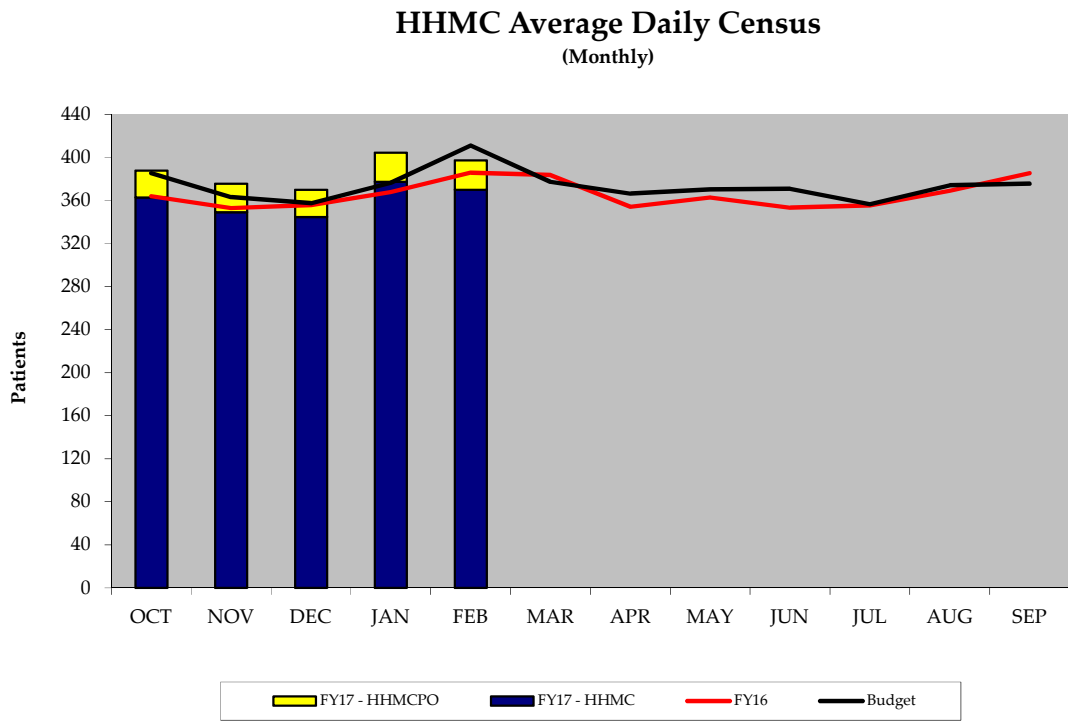
Halifax Health Statistical Summary

Month Ended February 28,					Five Months Ended February 28,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>		<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
7,156	6,436	7,283	-11.6%	HHMC ED Registrations	34,600	33,370	35,214	-5.2%
2,929	2,575	3,050	-15.6%	HHMCPO ED Registrations	13,780	12,794	14,356	-10.9%
10,085	9,011	10,333	-12.8%	Total ED	48,380	46,164	49,570	-6.9%
366	411	351	17.1%	HHMC Outpatient Surgeries	1,907	2,070	1,830	13.1%
89	56	91	-38.5%	HPC Outpatient Surgeries	467	303	478	-36.6%
2	12	0	0.0%	HHMCPO Outpatient Surgeries	2	15	2	650.0%
392	342	391	-12.5%	Twin Lakes Surgeries	1,886	1,758	1,883	-6.6%
849	821	833	-1.4%	Total Outpatient Surgeries	4,262	4,146	4,193	-1.1%
				<u>Outpatient Surgeries</u>				
188	163			General Surgery	861	905		
187	162			Orthopedics	952	817		
99	82			Gastroenterology	547	378		
60	70			Obstetrics Gynecology	345	360		
58	56			Ophthalmology	294	283		
257	288			All Other	1,263	1,403		
849	821	833	-1.4%	Total Outpatient Surgeries	4,262	4,146	4,193	-1.1%
				<u>Cardiology Procedures</u>				
14	18			Open Heart Cases	76	88		
124	126			Cardiac Caths	591	631		
30	35			CRM Devices	175	166		
29	35			EP Studies	132	202		
197	214	209	2.4%	Total Cardiology Procedures	974	1,087	1,014	7.2%
				<u>Interventional Radiology Procedures</u>				
8	6	7	-14.3%	Vascular	40	30	34	-11.8%
152	137	176	-22.2%	Nonvascular	1,070	771	940	-18.0%
160	143	183	-21.9%	Total Interventional Radiology Procedures	1,110	801	974	-17.8%
198	193	192	0.5%	GI Lab Procedures	940	986	926	6.5%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
15,758	14,449	15,400	-6.2%	Volusia/ Flagler	83,016	75,705	83,050	-8.8%
113.0	824	713	15.6%	Orange/ Osceola	830.0	4,333	3,425	26.5%
15,871	15,273	16,113	-5.2%	HH Hospice Patient Days	83,846	80,038	86,475	-7.4%
				<u>Average Daily Census</u>				
543	516	550	-6.2%	Volusia/ Flagler	546	501	550	-8.8%
4	29	25	15.6%	Orange/ Osceola	5	29	23	26.5%
547	545	575	-5.2%	HH Hospice Average Daily Census	551	530	573	-7.4%

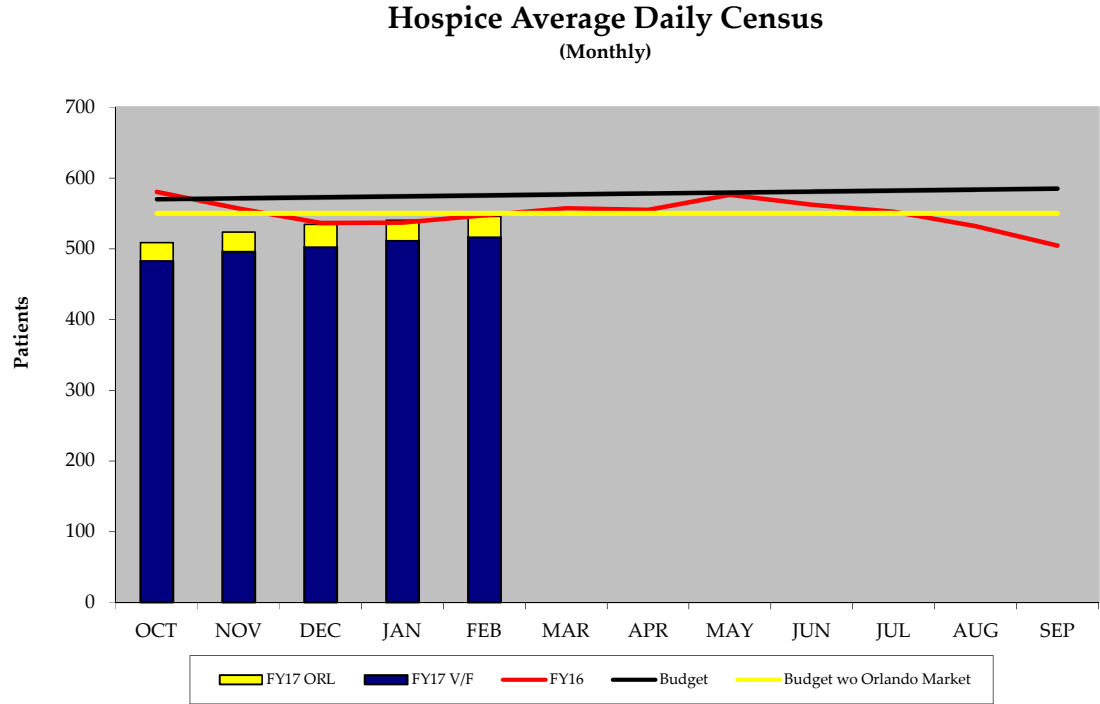
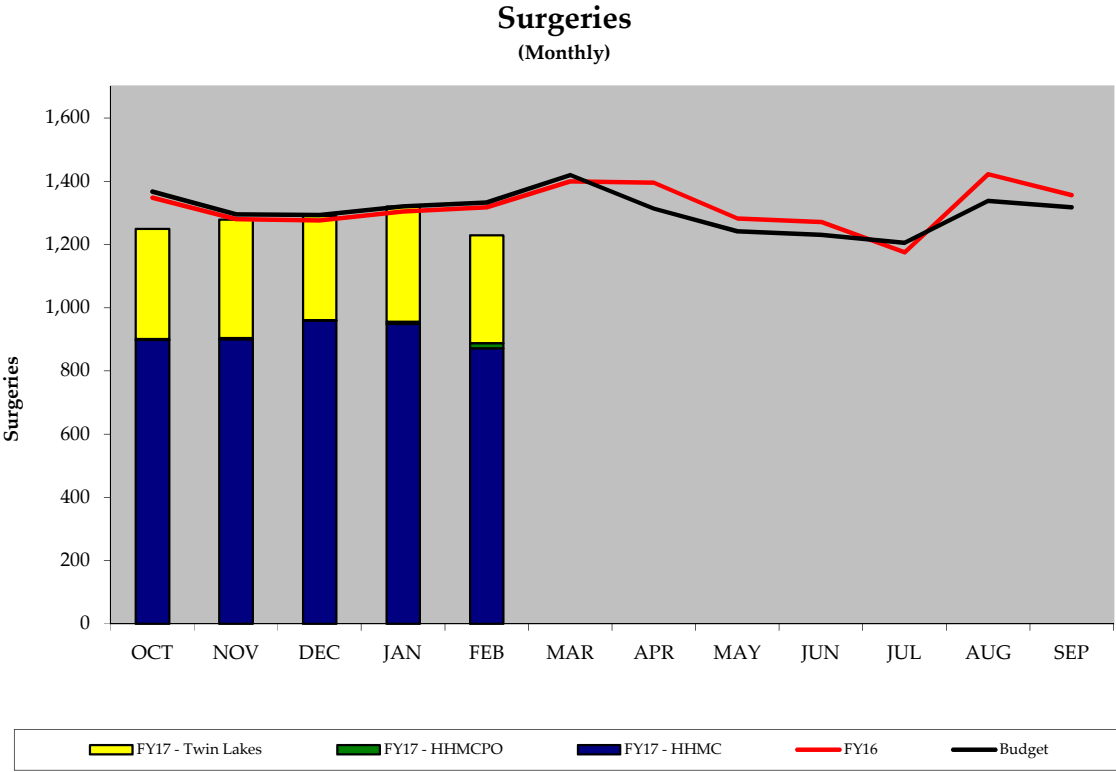
Halifax Health Statistical Summary

Month Ended February 28,				Five Months Ended February 28,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>	<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>							
<u>Primary Care Visits</u>							
290	377	620	-39.2%	Ormond Beach	1,270	1,469	3,344 -56.1%
1,089	893	1,086	-17.8%	Daytona Beach	5,315	4,972	5,301 -6.2%
617	721	1,007	-28.4%	Port Orange	1,027	3,449	4,397 -21.6%
522	271	682	-60.3%	Deltona	2,354	1,512	3,075 -50.8%
460	474	1,029	-53.9%	Ormond Beach (Women's/OB)	1,942	2,332	4,346 -46.3%
2,978	2,736	4,424	-38.2%	Primary Care Visits	11,908	13,734	20,463 -32.9%
<u>Children's Medical Center Visits</u>							
735	994	1,155	-13.9%	Ormond Beach	3,513	4,620	5,522 -16.3%
403	-	413	-100.0%	Palm Coast	2,016	293	2,068 -85.8%
455	533	482	10.6%	Port Orange	2,293	2,504	2,427 3.2%
1,593	1,527	2,050	-25.5%	Children's Medical Center Visits	7,822	7,417	10,017 -26.0%
<u>Community Clinic Visits</u>							
403	462	382	20.9%	Keech Street	1,922	1,970	1,821 8.2%
339	240	339	-29.2%	Adult Community Clinic	1,948	1,200	1,948 -38.4%
742	702	721	-2.6%	Community Clinic Visits	3,870	3,170	3,769 -15.9%

Halifax Health
Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



Halifax Health
Condensed Statement of Net Position
(\$ in thousands)

	February 28,		
	2017	2016	Change
<u>Assets</u>			
Cash and cash equivalents	\$38,024	\$39,217	(\$1,193)
Investments	272,016	249,870	22,146
Board designated assets	44,792	44,708	84
Accounts receivable	67,109	59,209	7,900
Restricted assets whose use is limited	13,681	26,629	(12,948)
Other assets	43,118	43,644	(526)
Deferred outflow - swap	30,473	39,512	(9,039)
Deferred outflow - loss on bond refunding	16,994	6,609	10,385
Deferred outflow - pension	27,906	31,608	(3,702)
Property, plant and equipment	353,446	362,676	(9,230)
Total Assets	\$907,559	\$903,682	\$3,877
<u>Liabilities and Net position</u>			
Accounts payable	\$31,652	\$31,638	\$14
Other liabilities	82,205	88,702	(6,497)
Net pension liability	102,459	130,160	(27,701)
Long-term debt	353,417	345,792	7,625
Premium on LTD, net	19,653	9,494	10,159
Long-term value of swap	30,473	39,512	(9,039)
Net position	287,700	258,384	29,316
Total Liabilities and Net position	\$907,559	\$903,682	\$3,877

Halifax Health
Statement of Cash Flows
(\$ in thousands)

Month ended February 28, 2017	Month ended February 29, 2016	Variance		Five Months ended February 28, 2017	Five Months ended February 29, 2016	Variance
			Cash flows from operating activities:			
\$36,430	\$38,591	(\$2,161)	Receipts from third party payors and patients	\$197,243	\$204,386	(\$7,143)
(21,108)	(20,133)	(975)	Payments to employees	(137,228)	(127,001)	(10,227)
(13,903)	(14,875)	972	Payments to suppliers	(75,757)	(76,579)	822
368	342	26	Receipt of ad valorem taxes	9,800	11,535	(1,735)
-	2,765	(2,765)	Receipt (payment) of State UPL funds, net	-	612	(612)
2,370	2,166	204	Other receipts	14,190	13,182	1,008
(3,638)	(3,589)	(49)	Other payments	(17,529)	(18,086)	557
519	5,267	(4,748)	Net cash provided by (used in) operating activities	(9,281)	8,049	(17,330)
			Cash flows from noncapital financing activities:			
12	32	(20)	Proceeds from donations received	217	331	(114)
(2)	-	(2)	Nonoperating gain (loss)	-	(5)	5
10	32	(22)	Net cash provided by noncapital financing activities	217	326	(109)
			Cash flows from capital and related financing activities:			
(2,031)	(1,545)	(486)	Acquisition of capital assets	(6,995)	(10,137)	3,142
(195)	(190)	(5)	Payment of long-term debt	(975)	(950)	(25)
5,474	-	5,474	Transfers from trustee held funds	5,474	-	5,474
(316)	(298)	(18)	Payment of interest on long-term debt	(8,093)	(8,477)	384
2,932	(2,033)	4,965	Net cash provided by (used in) capital financing activities	(10,589)	(19,564)	8,975
			Cash flows from investing activities:			
194	330	(136)	Realized investment income (loss)	2,833	3,900	(1,067)
(240)	(398)	158	Purchases of investments/limited use assets	(6,278)	(13,972)	7,694
10	26	(16)	Sales/Maturities of investments/limited use assets	2,549	4,725	(2,176)
(36)	(42)	6	Net cash provided by (used in) investing activities	(896)	(5,347)	4,451
3,425	3,224	201	Net increase (decrease) in cash and cash equivalents	(20,549)	(16,536)	(4,013)
34,599	35,993	(1,394)	Cash and cash equivalents at beginning of period	58,573	55,753	2,820
<u>\$38,024</u>	<u>\$39,217</u>	<u>(\$1,193)</u>	Cash and cash equivalents at end of period	<u>\$38,024</u>	<u>\$39,217</u>	<u>(\$1,193)</u>

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Actual Month Ended February 29, 2016	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Actual Five Months Ended February 29, 2016	Favorable (Unfavorable) Variance
			Operating revenues:			
\$47,856	\$51,858	(\$4,002)	Net patient service revenue, before provision for bad debts	\$243,305	\$249,031	(\$5,726)
(5,371)	(10,148)	4,777	Provision for bad debts	(37,279)	(47,135)	9,856
42,485	41,710	775	Net patient service revenue	206,026	201,896	4,130
938	1,104	(166)	Ad valorem taxes	4,688	5,522	(834)
2,422	3,750	(1,328)	Other revenue	11,476	11,359	117
45,845	46,564	(719)	Total operating revenues	222,190	218,777	3,413
			Operating expenses:			
22,238	21,159	(1,079)	Salaries and benefits	114,976	106,314	(8,662)
6,056	6,784	728	Purchased services	30,462	33,540	3,078
8,395	8,229	(166)	Supplies	40,282	37,978	(2,304)
1,949	2,025	76	Depreciation and amortization	9,892	10,161	269
1,374	1,449	75	Interest	7,040	7,338	298
631	641	10	Ad valorem tax related expenses	3,106	3,151	45
748	734	(14)	Leases and rentals	3,662	3,820	158
2,306	2,293	(13)	Other	11,002	11,376	374
43,697	43,314	(383)	Total operating expenses	220,422	213,678	(6,744)
2,148	3,250	(1,102)	Excess of operating revenues over expenses	1,768	5,099	(3,331)
			Nonoperating revenues, expenses, and gains/(losses):			
194	330	(136)	Realized investment income/(losses)	2,834	3,901	(1,067)
1,224	67	1,157	Unrealized investment income/(losses)	202	(3,117)	3,319
11	32	(21)	Donation revenue	217	330	(113)
(2)	-	(2)	Nonoperating gains/(losses), net	1	(6)	7
1,427	429	998	Total nonoperating revenues, expenses, and gains/(losses)	3,254	1,108	2,146
\$3,575	\$3,679	(\$104)	Increase in net position	\$5,022	\$6,207	(\$1,185)

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Static Budget Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Static Budget Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$47,856	\$47,154	\$702	Net patient service revenue, before provision for bad debts	\$243,305	\$234,957	\$8,348
(5,371)	(5,987)	616	Provision for bad debts	(37,279)	(30,692)	(6,587)
42,485	41,167	1,318	Net patient service revenue	206,026	204,265	1,761
938	938	-	Ad valorem taxes	4,688	4,688	-
2,422	2,092	330	Other revenue	11,476	11,042	434
45,845	44,197	1,648	Total operating revenues	222,190	219,995	2,195
			Operating expenses:			
22,238	22,492	254	Salaries and benefits	114,976	116,255	1,279
6,056	5,729	(327)	Purchased services	30,462	29,002	(1,460)
8,395	7,774	(621)	Supplies	40,282	38,936	(1,346)
1,949	1,950	1	Depreciation and amortization	9,892	9,899	7
1,374	1,410	36	Interest	7,040	7,056	16
631	628	(3)	Ad valorem tax related expenses	3,106	3,120	14
748	695	(53)	Leases and rentals	3,662	3,506	(156)
2,306	2,238	(68)	Other	11,002	11,212	210
43,697	42,916	(781)	Total operating expenses	220,422	218,986	(1,436)
2,148	1,281	867	Excess of operating revenues over expenses	1,768	1,009	759
			Nonoperating revenues, expenses, and gains/(losses):			
194	385	(191)	Realized investment income/(losses)	2,834	1,927	907
1,224	-	1,224	Unrealized investment income/(losses)	202	-	202
11	60	(49)	Donation revenue	217	298	(81)
(2)	-	(2)	Nonoperating gains/(losses), net	1	-	1
1,427	445	982	Total nonoperating revenues, expenses, and gains/(losses)	3,254	2,225	1,029
\$3,575	\$1,726	\$1,849	Increase in net position	\$5,022	\$3,234	\$1,788

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Static Budget Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Static Budget Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$45,765	\$43,751	\$2,014	Net patient service revenue, before provision for bad debts	\$227,201	\$216,724	\$10,477
(5,381)	(5,888)	507	Provision for bad debts	(36,834)	(30,196)	(6,638)
40,384	37,863	2,521	Net patient service revenue	190,367	186,528	3,839
938	938	-	Ad valorem taxes	4,688	4,688	-
1,418	1,376	42	Other revenue	6,591	7,461	(870)
42,740	40,177	2,563	Total operating revenues	201,646	198,677	2,969
			Operating expenses:			
20,245	20,507	262	Salaries and benefits	104,647	105,651	1,004
5,203	4,715	(488)	Purchased services	25,781	23,628	(2,153)
8,178	7,559	(619)	Supplies	39,187	37,790	(1,397)
1,812	1,813	1	Depreciation and amortization	9,206	9,213	7
1,364	1,400	36	Interest	6,984	7,000	16
631	628	(3)	Ad valorem tax related expenses	3,106	3,120	14
570	537	(33)	Leases and rentals	2,822	2,685	(137)
2,081	1,994	(87)	Other	9,995	9,968	(27)
40,084	39,153	(931)	Total operating expenses	201,728	199,055	(2,673)
2,656	1,024	1,632	Excess (deficiency) of operating revenues over expenses	(82)	(378)	296
			Nonoperating revenues, expenses, and gains/(losses):			
138	197	(59)	Realized investment income/(losses)	1,099	987	112
322	-	322	Unrealized investment income/(losses)	(1,564)	-	(1,564)
-	-	-	Donation revenue	27	-	27
458	197	261	Total nonoperating revenues, expenses, and gains/(losses)	(437)	987	(1,424)
\$3,114	\$1,221	\$1,893	Increase (decrease) in net position	(\$519)	\$609	(\$1,128)

Halifax Health Medical Center
Net Patient Service Revenue
(\$ in thousands)

Actual Month Ended February 29, 2016		Actual Month Ended February 28, 2017		Static Budget Month Ended February 28, 2017			Actual Five Months Ended February 29, 2016		Actual Five Months Ended February 28, 2017		Static Budget Five Months Ended February 28, 2017	
\$144,159	100.00%	\$147,312	100.00%	\$148,244	100.00%	Gross charges	\$687,233	100.00%	\$742,714	100.00%	\$724,528	100.00%
(7,674)	-5.32%	(3,682)	-2.50%	(8,675)	-5.85%	Charity	(31,341)	-4.56%	(39,419)	-5.31%	(42,236)	-5.83%
(87,949)	-61.01%	(97,865)	-66.43%	(95,818)	-64.64%	Contractual adjustments	(425,033)	-61.85%	(476,094)	-64.10%	(465,568)	-64.26%
48,536	33.67%	45,765	31.07%	43,751	29.51%	Gross charges, before provision for bad debts	230,859	33.59%	227,201	30.59%	216,724	29.91%
(9,895)	-6.86%	(5,381)	-3.65%	(5,888)	-3.97%	Provision for bad debts	(46,636)	-6.79%	(36,834)	-4.96%	(30,196)	-4.17%
\$38,641	26.80%	\$40,384	27.41%	\$37,863	25.54%	Net patient service revenue	\$184,223	26.81%	\$190,367	25.63%	\$186,528	25.74%

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Static Budget Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Static Budget Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$2,091	\$3,403	(\$1,312)	Net patient service revenue, before provision for bad debts	\$16,104	\$18,233	(\$2,129)
10	(99)	109	Provision for bad debts	(445)	(496)	51
2,101	3,304	(1,203)	Net patient service revenue	15,659	17,737	(2,078)
162	199	(37)	Other revenue	857	996	(139)
2,263	3,503	(1,240)	Total operating revenues	16,516	18,733	(2,217)
			Operating expenses:			
1,925	1,915	(10)	Salaries and benefits	9,967	10,233	266
817	975	158	Purchased services	4,508	5,181	673
216	214	(2)	Supplies	1,093	1,142	49
70	70	-	Depreciation and amortization	353	353	-
173	153	(20)	Leases and rentals	814	795	(19)
174	174	-	Other	816	891	75
3,375	3,501	126	Total operating expenses	17,551	18,595	1,044
(1,112)	2	(1,114)	Excess (deficiency) of operating revenues over expenses	(1,035)	138	(1,173)
			Nonoperating revenues, expenses, and gains/(losses):			
56	188	(132)	Realized investment income/(losses)	1,735	940	795
902	-	902	Unrealized investment income/(losses)	1,766	-	1,766
11	60	(49)	Donation revenue	190	298	(108)
-	-	-	Nonoperating gains/(losses), net	-	-	-
969	248	721	Total nonoperating revenues, expenses, and gains/(losses)	3,691	1,238	2,453
(143)	250	(\$393)	Increase (decrease) in net position	\$2,656	\$1,376	\$1,280

Volusia Health Network / Halifax Management Systems
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Static Budget Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Static Budget Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
328	341	(13)	Other revenue	1,671	1,706	(35)
328	341	(13)	Total operating revenues	1,671	1,706	(35)
			Operating expenses:			
59	60	1	Salaries and benefits	307	319	12
35	35	-	Purchased services	166	174	8
1	1	-	Supplies	2	4	2
67	67	-	Depreciation and amortization	333	333	-
10	10	-	Interest	56	56	-
5	5	-	Leases and rentals	26	26	-
2	3	1	Other	6	17	11
179	181	2	Total operating expenses	896	929	33
149	160	(11)	Excess of operating revenues over expenses	775	777	(2)
			Nonoperating revenues, expenses, and gains/(losses):			
-	-	-	Realized investment income/(losses)	-	-	-
-	-	-	Unrealized investment income/(losses)	-	-	-
-	-	-	Donation revenue	-	-	-
-	-	-	Nonoperating gains/(losses), net	-	-	-
-	-	-	Total nonoperating revenues, expenses, and gains/(losses)	-	-	-
\$149	\$160	(\$11)	Increase in net position	\$775	\$777	(\$2)

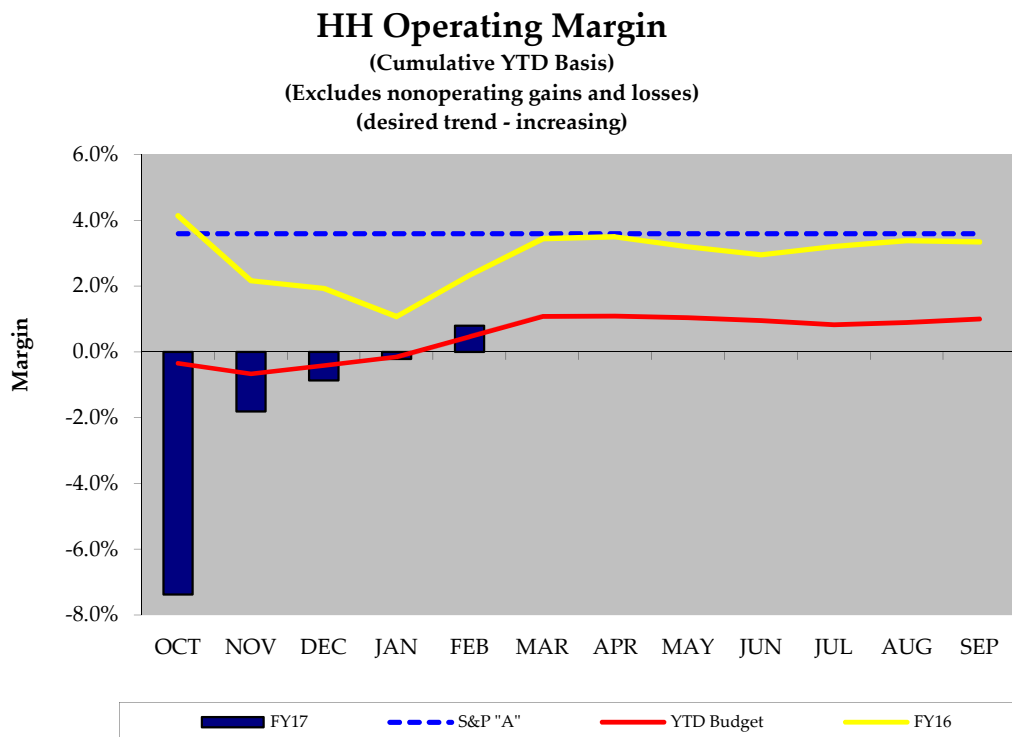
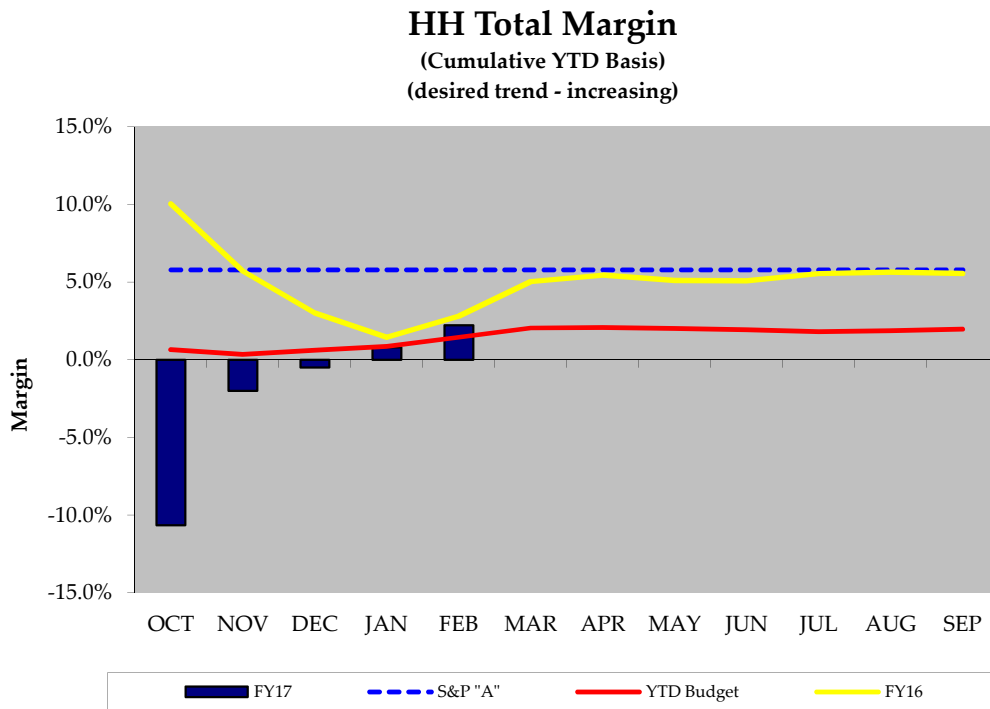
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Static Budget Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Static Budget Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
34	105	(71)	Realized investment income/(losses)	866	525	341
422	-	422	Unrealized investment income/(losses)	1,136	-	1,136
58	71	(13)	Donation revenue	355	354	1
-	-	-	Other revenue	-	-	-
514	176	338	Total operating revenues	2,357	879	1,478
			Operating expenses:			
9	10	1	Salaries and benefits	55	52	(3)
1	4	3	Purchased services	7	19	12
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
49	67	18	Other	185	336	151
59	81	22	Total operating expenses	247	407	160
\$455	\$95	\$360	Increase in net position	\$2,110	\$472	\$1,638

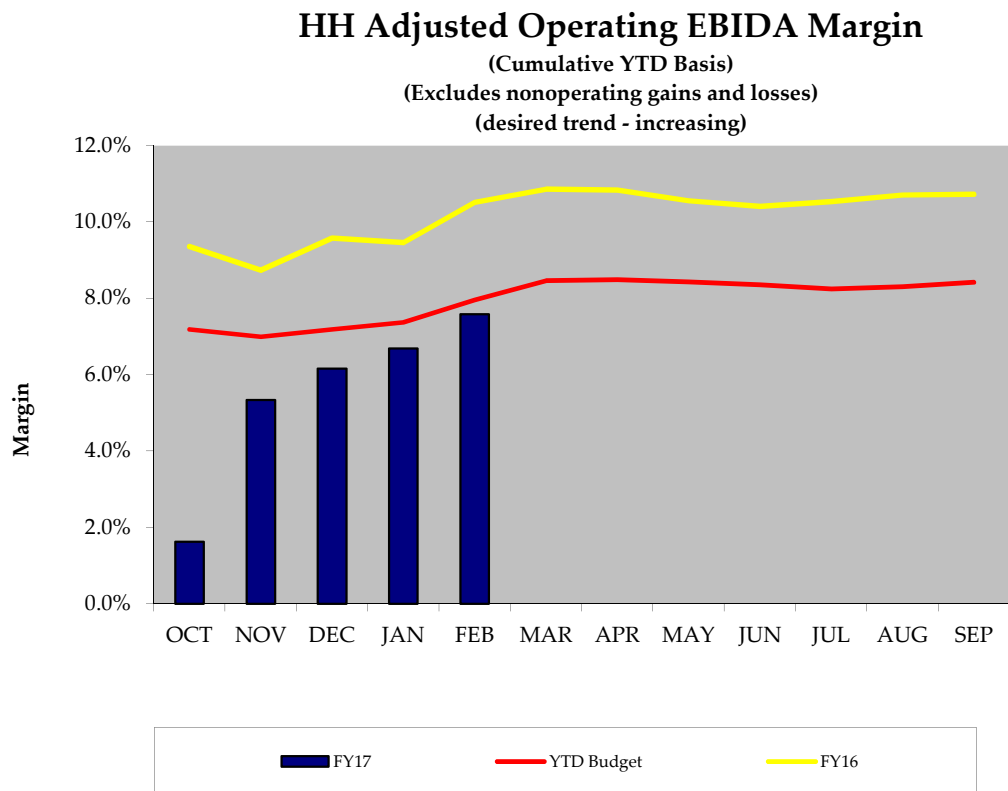
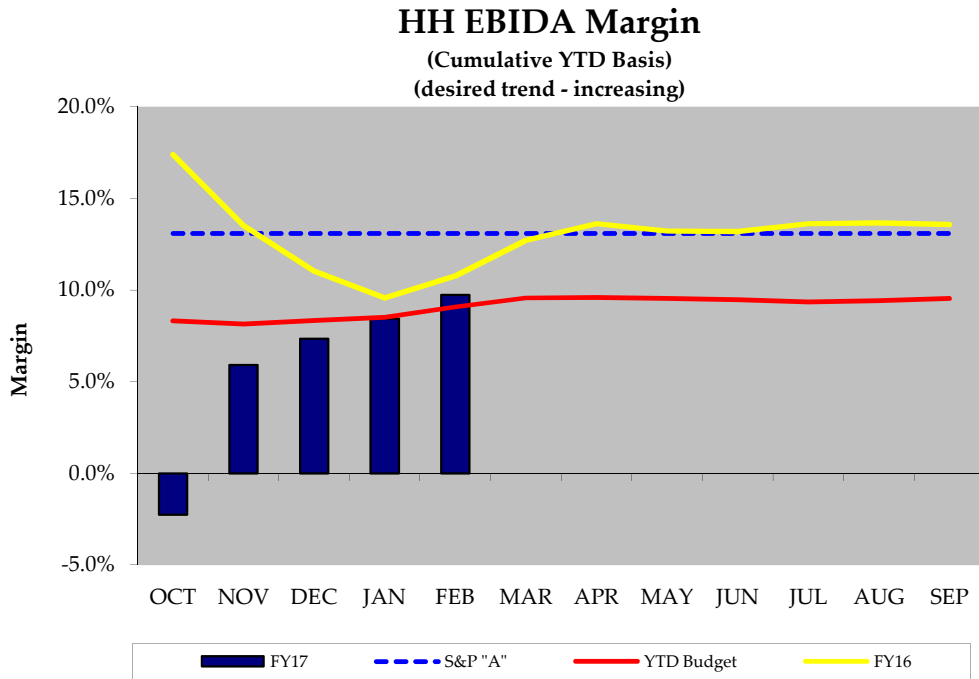
Halifax Health Medical Center (Obligated Group)
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended February 28, 2017	Static Budget Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2017	Static Budget Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$45,765	\$43,751	\$2,014	Net patient service revenue, before provision for bad debts	\$227,201	\$216,724	\$10,477
(5,381)	(5,888)	507	Provision for bad debts	(36,834)	(30,196)	(6,638)
40,384	37,863	2,521	Net patient service revenue	190,367	186,528	3,839
938	938	-	Ad valorem taxes	4,688	4,688	-
1,418	1,376	42	Other revenue	6,591	7,461	(870)
42,740	40,177	2,563	Total operating revenues	201,646	198,677	2,969
			Operating expenses:			
20,245	20,507	262	Salaries and benefits	104,647	105,651	1,004
5,203	4,715	(488)	Purchased services	25,781	23,628	(2,153)
8,178	7,559	(619)	Supplies	39,187	37,790	(1,397)
1,812	1,813	1	Depreciation and amortization	9,206	9,213	7
1,364	1,400	36	Interest	6,984	7,000	16
631	628	(3)	Ad valorem tax related expenses	3,106	3,120	14
570	537	(33)	Leases and rentals	2,822	2,685	(137)
2,081	1,994	(87)	Other	9,995	9,968	(27)
40,084	39,153	(931)	Total operating expenses	201,728	199,055	(2,673)
2,656	1,024	1,632	Excess (deficiency) of operating revenues over expenses	(82)	(378)	296
			Nonoperating revenues, expenses, and gains/(losses):			
138	197	(59)	Realized investment income/(losses)	1,099	987	112
322	-	322	Unrealized investment income/(losses)	(1,564)	-	(1,564)
-	-	-	Donation revenue	27	-	27
(2)	-	(2)	Nonoperating gains/(losses), net	1	-	1
458	197	261	Total nonoperating revenues, expenses, and gains/(losses)	(437)	987	(1,424)
3,114	1,221	1,893	Increase (decrease) in net position before other changes in net	(519)	609	(1,128)
461	505	(44)	Income from affiliates	5,541	2,625	2,916
\$3,575	\$1,726	\$1,849	Increase in net position	\$5,022	\$3,234	\$1,788

Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic



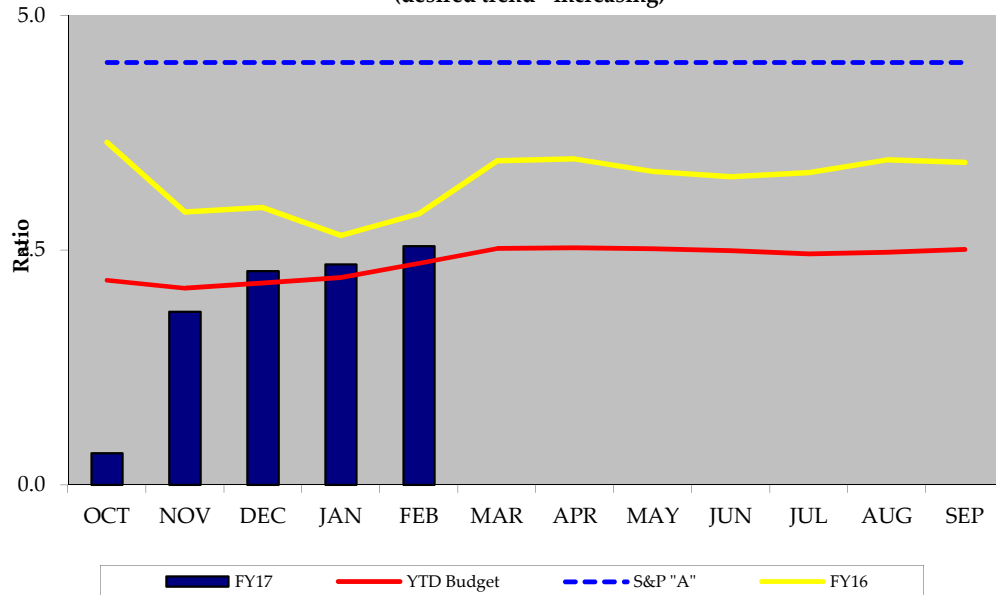
Halifax Health Financial Summary - Graphic

HH MADS Coverage Ratio

(Annualized Basis)

(Excludes unrealized investment gains/losses in accordance with covenant requirements)

(desired trend - increasing)

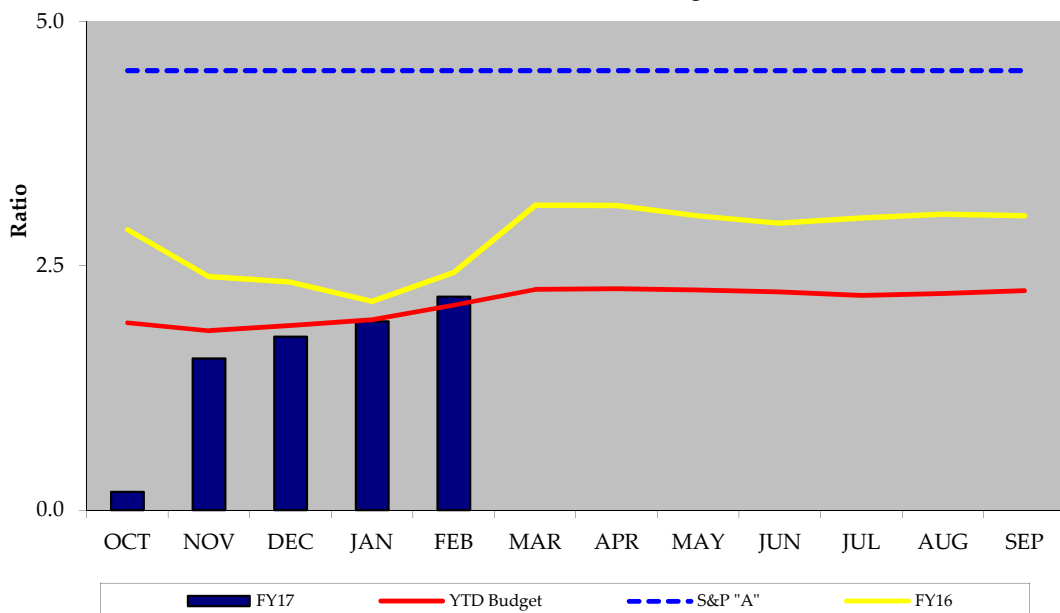


HH MADS Coverage Ratio - Operations Only

(Annualized Basis)

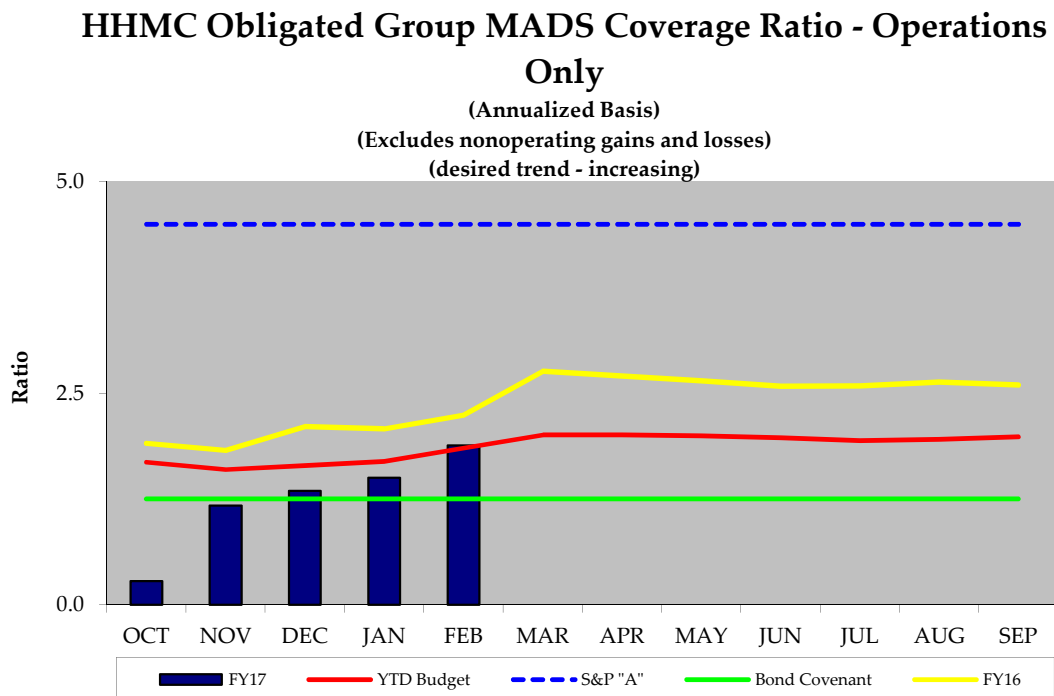
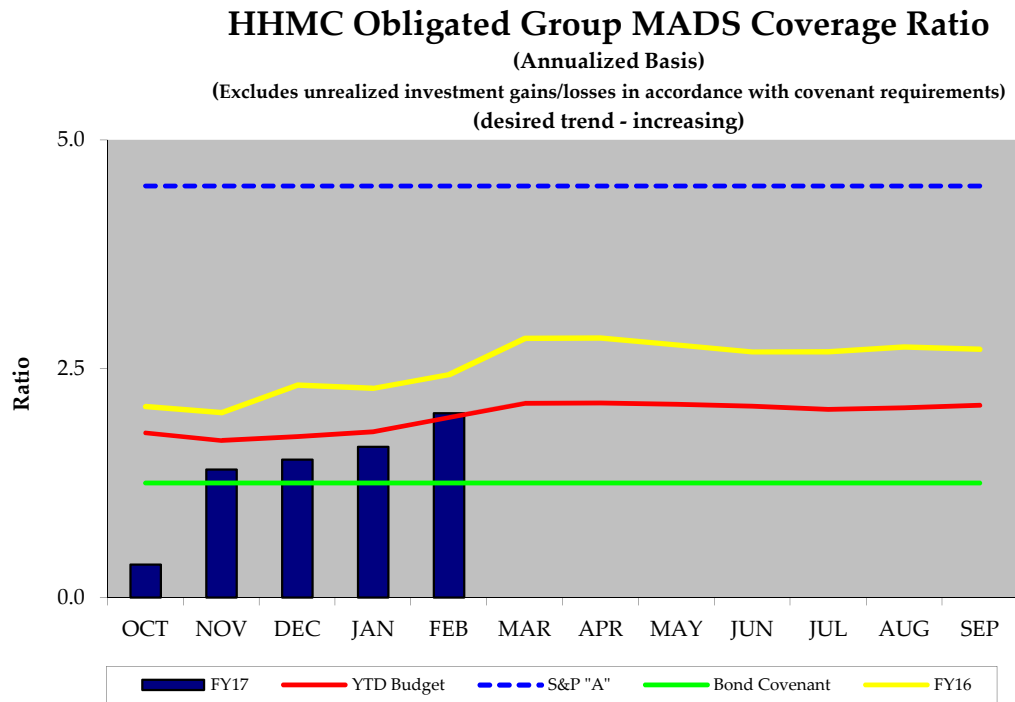
(Excludes nonoperating gains and losses)

(desired trend - increasing)



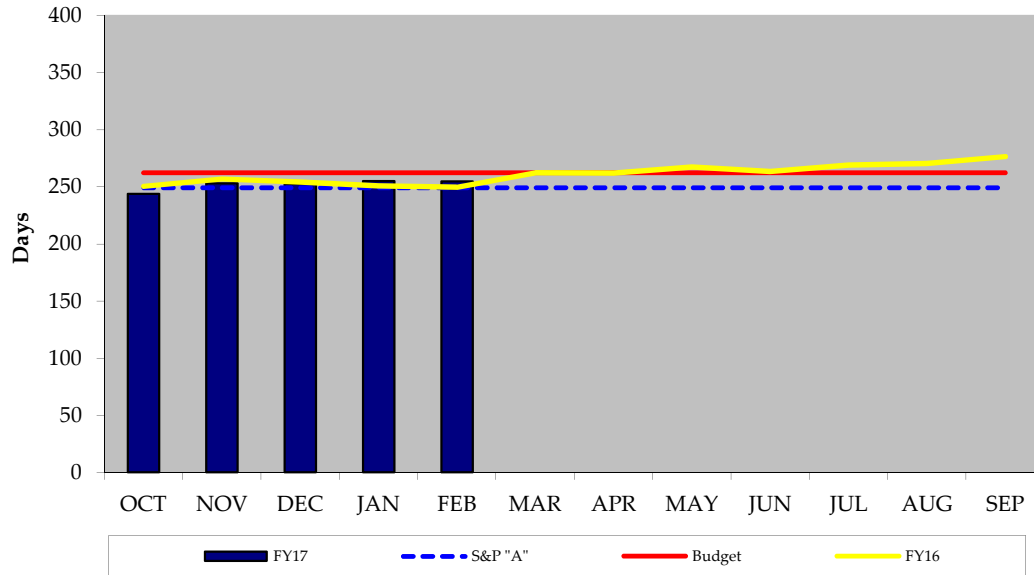
Halifax Health

Financial Summary - Graphic

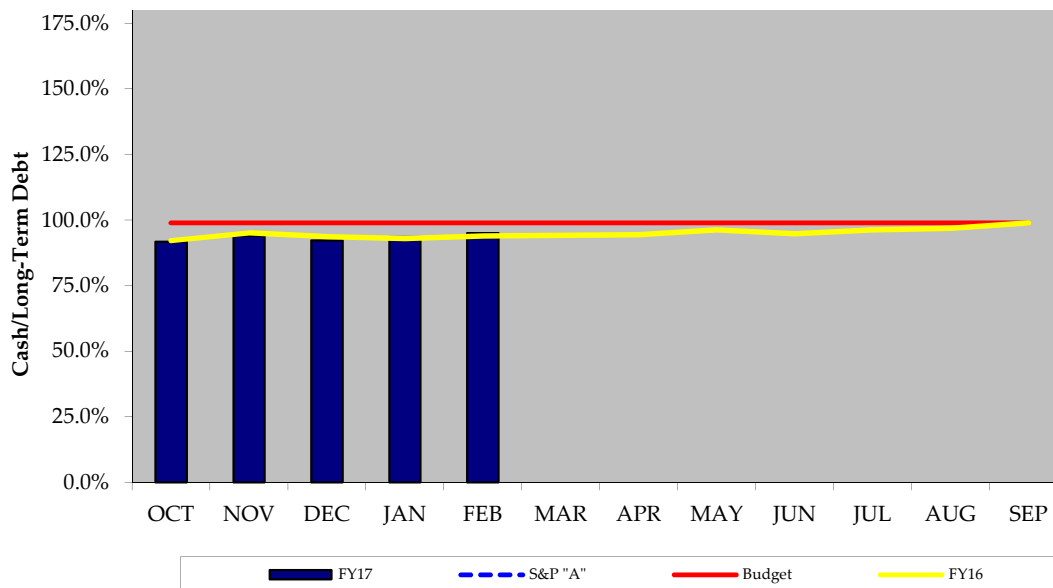


Halifax Health Financial Summary - Graphic

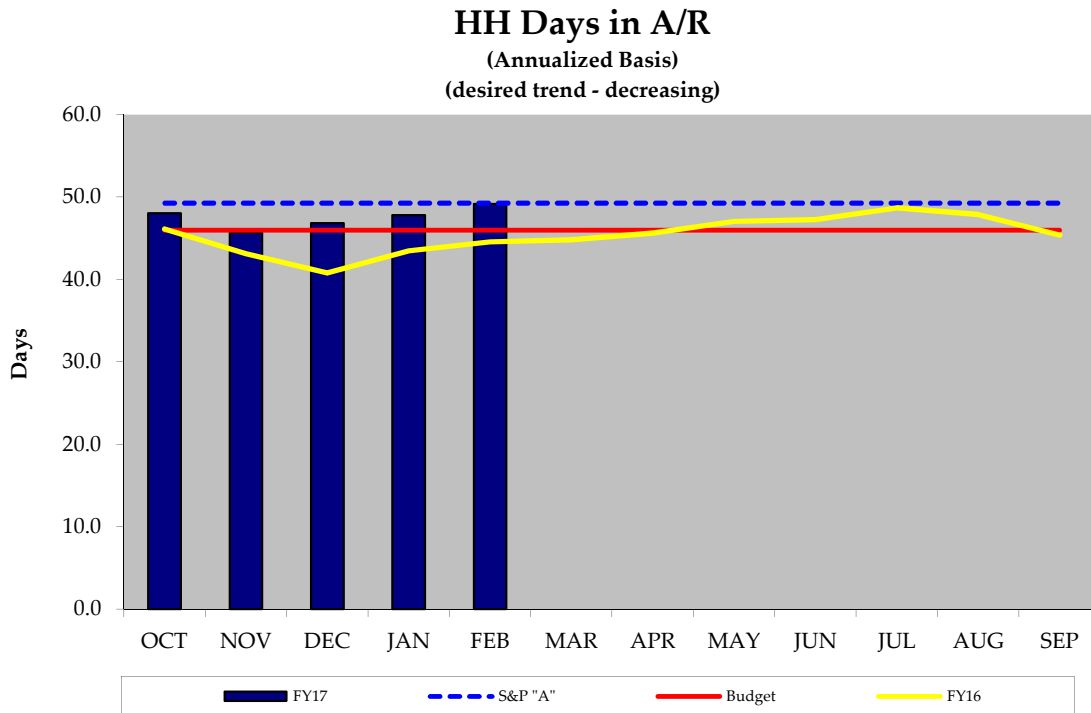
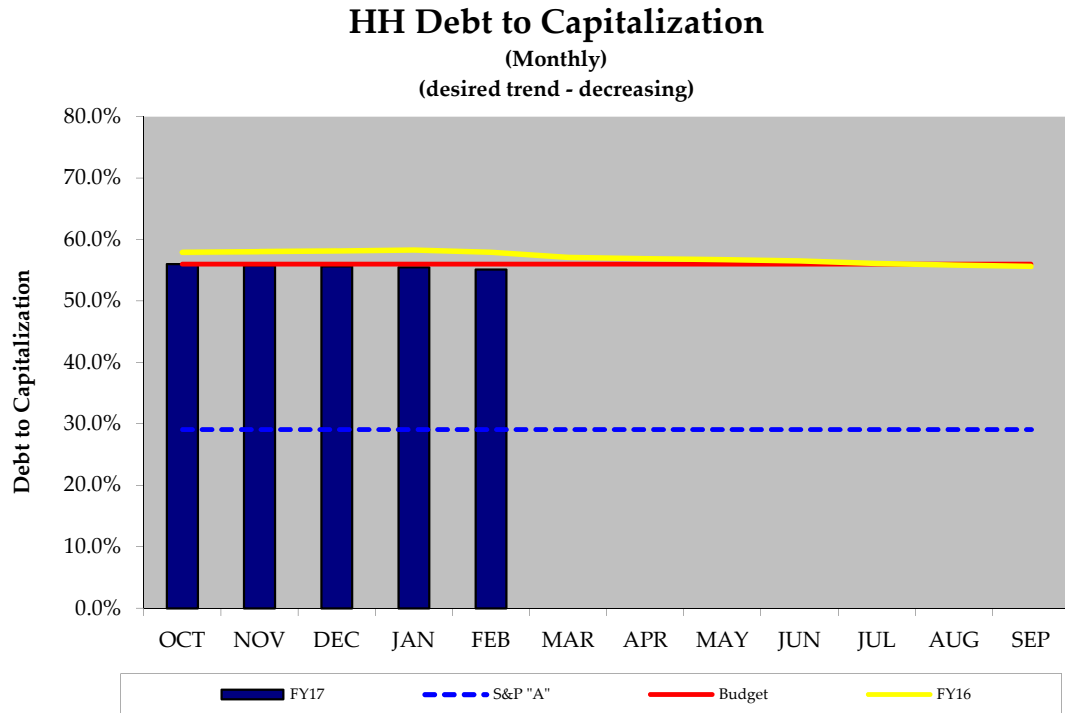
HH Days Cash on Hand (Annualized Basis) (desired trend - increasing)



HH Cash/Debt (Monthly) (desired trend - increasing)

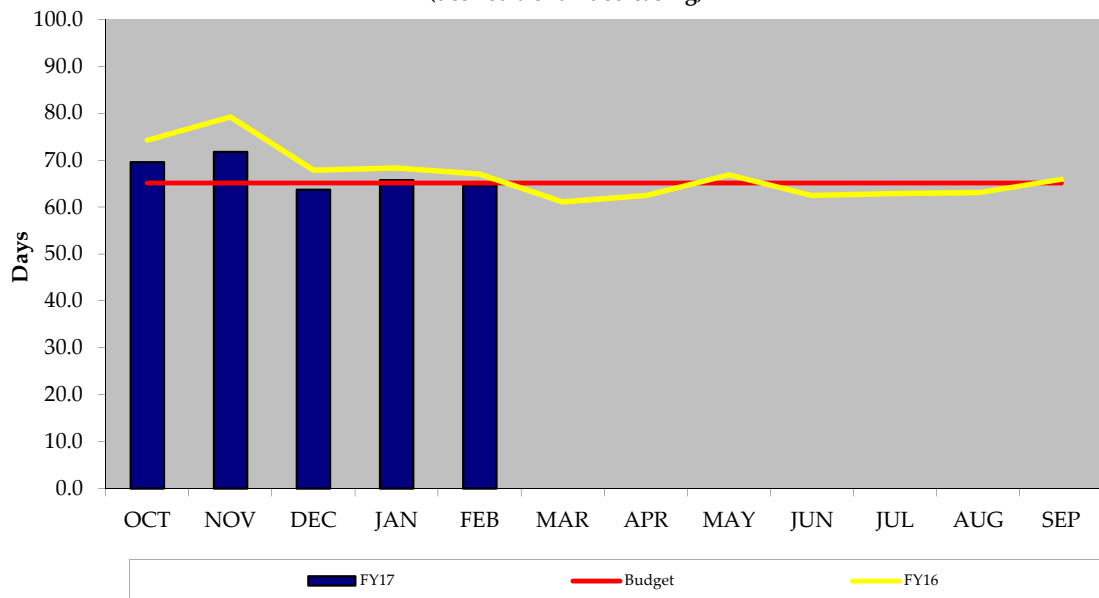


Halifax Health Financial Summary - Graphic

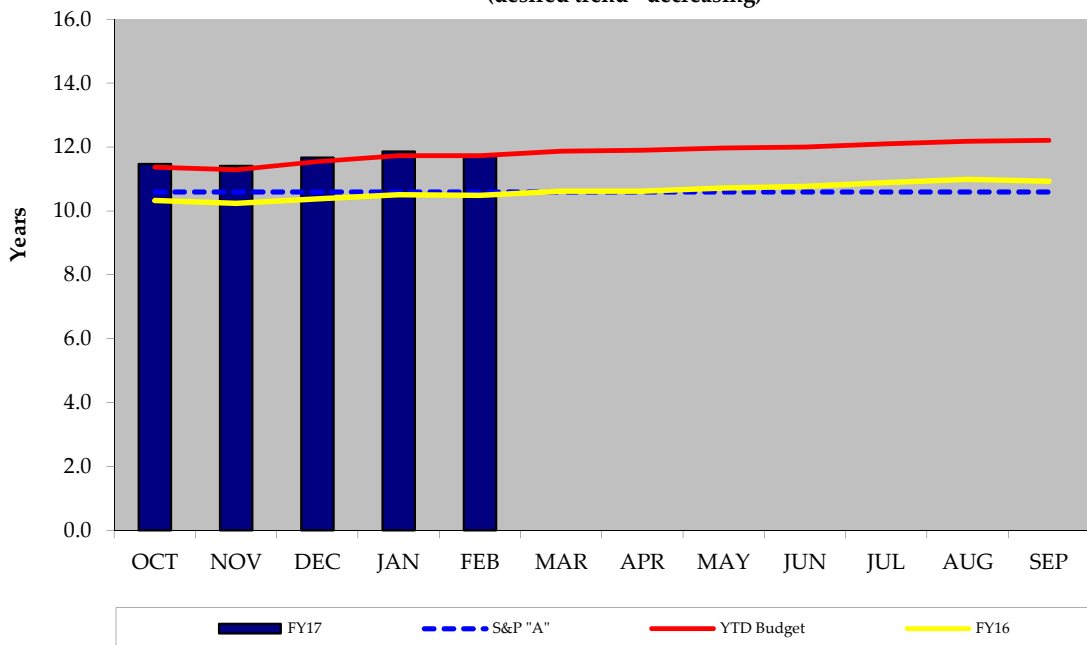


Halifax Health Financial Summary - Graphic

HH Average Payment Period (Annualized Basis) (desired trend - decreasing)



HH Average Age of Plant (Annualized Basis) (desired trend - decreasing)



Halifax Health
Financial Ratios and Operating Indicators
Definitions and Calculations

Indicator	Definition	Calculation
Total Margin *	Gauges the relative efficiency with which the System produces its output.	$\frac{\text{Net Income}}{\text{Total Revenues}}$
EBIDA Margin *	Gauges the relative efficiency excluding capital costs with which the System produces its output.	$\frac{\text{Net income} + \text{Int} + \text{Depr} + \text{Amort}}{\text{Total Revenues}}$
MADS Coverage Ratio *	Measures profitability relative to the Maximum Principal and Interest Payment of Debt	$\frac{\text{Net Income} + \text{Depr} + \text{Amort} + \text{Int}}{\text{Maximum Annual Debt Service}}$
Days Cash on Hand	Measures the number of days of average cash expenses that the System maintains in cash and cash equivalents and unrestricted investments.	$\frac{\text{Unrestricted Cash and Investments}}{(\text{Total Expenses} - \text{Depr}) / \text{Days in Period}}$
Cash to Long-term Debt	Measures the percentage of unrestricted cash and investments to long-term debt.	$\frac{\text{Unrestricted Cash and Investments}}{\text{Long-term Debt}}$
Long-term Debt to Capitalization	Measures the reliance on long-term debt financing and ability to issue new debt.	$\frac{\text{Long-term Debt}}{\text{Long-term Debt} + \text{Net Position}}$
Days in Accounts Receivable	Measures the average time that receivables are outstanding, or the average collection period.	$\frac{\text{Accounts Receivable}}{\text{Net Patient Service Revenue} / \text{Days in Period}}$
Average Payment Period	Provides a measure of the average time that elapses before current liabilities are paid.	$\frac{\text{Current Liabilities}}{(\text{Total Expenses} - \text{Depr}) / \text{Days in Period}}$
Average Age of Plant	Provides a measure of the average age in years of the System's fixed assets.	$\frac{\text{Accumulated Depreciation}}{\text{Depreciation Expense}}$
Operating Margin	Gauges the relative operating efficiency with which the System produces its output.	$\frac{\text{Excess of Operating Revenues}}{\text{Total Operating Revenues} + \text{Bad Debt}}$
* Operations Only Indicators	Excludes realized and unrealized investment income, donations, and nonoperating gains and losses	

Halifax Health
FY2017 Capital Investment Strategy
Executive Summary
As of March 31, 2017
(\$ in thousands)

Targeted Unrestricted Cash and Investments - September 30, 2017 (262 days cash on hand)	\$ 362,668
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Projected FY 2017 funds available for capital expenditures - based on current level of unrestricted cash and investment, plus amounts expected to be derived from operations and other sources	\$ 33,306	=	This amount is greater than the projected capital expenditures for FY 2017
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Capital Strategy Justifications for Approval of Proposed Capital Projects:

1. The targeted unrestricted cash and investments for September 30, 2017 (and related days cash on hand) continues to be considered appropriate.
2. The capital requirements of the projects proposed for Board of Commissioners' approval are within the scope of the FY 2017 capital budget.

Halifax Health
FY2017 Capital Investment Strategy
As of March 31, 2017
(\$ in thousands)

	Hospital Only	HH Holdings	HH Obligated Group	Foundation	Hospice	Total Halifax Health*
Unrestricted Cash and Investments and days cash on hand						
Actual unrestricted Cash and Investments as of March 31, 2017	\$89,816	\$158,874	\$248,689	\$34,950	\$70,722	\$354,361
Days cash on hand [S&P Calculation]	70.2	N/A	194.2	N/A	611.3	252.8
Days cash on hand including bad debt [Bond Compliance Calculation]	58.5	N/A	161.8	N/A	595.0	213.3
Projection of Cash Available for Capital Investment - FY 2017						
Actual Cash and Investments as of March 31, 2017	\$89,816	\$158,874	\$248,689	\$34,950	\$70,722	\$354,361
Budgeted Cash and Investments at September 30, 2017	88,924	168,474	257,398	34,422	70,848	362,668
Difference	892	(9,601)	(8,709)	528	(126)	(8,307)
Calculation of Cash from Operations Available for Capital Investment						
Gain from operations - budgeted FY 2017- Remaining	\$205	\$266	\$470	\$564	\$480	\$4,431
GASB 68 pension accounting - budgeted FY 2017- Remaining	6,093	-	6,093	-	304	7,462
Depreciation expense - budgeted FY 2017- Remaining	11,265	-	11,265	-	372	17,889
Expected cash from operations- budgeted FY 2017- Remaining	17,562	266	17,828	564	1,156	29,782
Donations and nonoperating gains, net- budgeted FY 2017- Remaining	-	-	-	-	536	536
Investment gains- budgeted FY 2017- Remaining	\$415	\$773	\$1,187	\$0	\$1,128	\$2,700
Portion being made available for capital expenditures	100% 415	100% 773	100% 1,187	100% -	100% 1,128	100% 2,700
Adjustment to cash from Bond Proceeds	7,646	-	7,646	-	-	7,646
Expected changes in working capital through September 30, 2017	8,284	-	8,284	-	-	8,284
Principal payments on debt	(7,335)	-	(7,335)	-	-	(7,335)
Total expected cash and investments available for capital expenditures	(A) \$27,463	(A) (\$8,563)	(A) \$18,901	(A) \$1,092	(A) \$2,694	(A) \$33,306
Projected Capital Investments FY 2017						
Capital projects approved in FY 2016 and prior - not expended at September 30, 2016	\$18,044	\$0	\$18,044	\$0	\$108	\$18,152
FY2017 Capital Budget	19,700	-	19,700	-	300	20,000
Adjustments (FY 2017 Budgeted Projects approved in FY 2016)	(1,681)	-	(1,681)	-	-	(1,681)
Estimated carryover of approved projects to FY 2017	(12,000)	-	(12,000)	-	-	(12,000)
Projected capital expenditures	(B) 24,063	(B) -	(B) 24,063	(B) -	(B) 408	(B) 24,471
Projected funds available in excess of capital expenditures	(A)-(B) \$3,400	(A)-(B) (\$8,563)	(A)-(B) (\$5,162)	(A)-(B) \$1,092	(A)-(B) \$2,286	(A)-(B) \$8,835
Summary of Capital Approvals						
FY 2017 Capital Budget	\$19,700	\$0	\$19,700	\$0	\$300	\$20,000
Projected funds available in excess of FY 2017 Capital Investment	3,400	(8,563)	(5,162)	1,092	2,286	8,835
FY 2017 Capital Budget plus projected excess funds	(C) 23,100	(C) (8,563)	(C) 14,538	(C) 1,092	(C) 2,586	(C) 28,835
FY2017 Board of Commissioners approved projects	12,890	-	12,890	-	-	12,890
FY 2017 CIC approved projects, net of those subsequently approved by the Board	1,027	-	1,027	-	-	1,027
Approved capital projects	(D) 13,917	(D) -	(D) 13,917	(D) -	(D) -	(D) 13,917
Adjustments (FY 2017 board approvals, approved by CIC in FY 2016)	(E) (4,394)	(E) -	(E) (4,394)	(E) -	(E) -	(E) (4,394)
Available for new projects	(C)-(D)-(E) 13,577	(C)-(D)-(E) (8,563)	(C)-(D)-(E) 5,014	(C)-(D)-(E) 1,092	(C)-(D)-(E) 2,586	(C)-(D)-(E) 19,312
Project(s) proposed for Board of Commissioners approval:						
IMC (16) and CIC (25) Beds and Mattresses	(\$476)	\$0	(\$476)	\$0	\$0	(\$476)
Brain Path Kit	(181)	-	(181)	-	-	(181)
Soiled Utility Room Remodel	(73)	-	(73)	-	-	(73)
Medical Oncology Expansion-Port Orange	(433)	-	(433)	-	-	(433)
Bronchoscopy Lab Construction	(580)	-	(580)	-	-	(580)
Fairwarning Patient Privacy System	(182)	-	(182)	-	-	(182)
Logrhythm Security Licenses, Software & Hardware	(150)	-	(150)	-	-	(150)
Pediatric Rehab Renovation	(574)	-	(574)	-	-	(574)
Available Capital if Proposed Projects are Approved	\$10,928	(\$8,563)	\$2,366	\$1,092	\$2,586	\$16,663

* Includes VHN and HMS. Amounts are not reflected individually.

Halifax Health
Capital Budget
FY 2017 Budget - March 31, 2017 Evaluation
(in Thousands)

		(A)	(B)	(C)	(A)+(B)+(C)		
		FY 17 Capital Budget	FY17 Adjustments	FY 17 Activity/ Approvals	Remaining Balance as of 3/31/17	Current CIC Submitted Projects	Remaining Capital with CIC Projects Approved
Item	Information Technology						
1	IT Enterprise Projects	\$1,700		(\$1,114)	\$586		\$586
2	IT Internal Resource Capitalization	700			700		700
3	Laptop/Desktop Replacement (rolling 4-5 year cycle)	300			300		300
4	WOW Replacement (rolling 7 year cycle) - 50/yr.	200		(198)	2		2
5	Enterprise Infrastructure	100			100		100
	Total Information Technology	\$3,000	\$0	(\$1,312)	\$1,688	\$0	\$1,688
Item	Medical Equipment						
6	Cath Lab Replacement	\$1,841			\$1,841		\$1,841
7	Vendor Neutral Archive (VNA) for Enterprise Imaging *	1,500		(1,500)	0		0
8	Power equipment (Ortho)	500		(488)	12		12
9	Intraoperative Radiation Therapy - Breast site	425		(441)	(16)		(16)
10	CT Scanner- Big Bore	350			350		350
11	Critical Care Beds	281		(322)	(41)		(41)
12	OeC O.R. C-Arm (One Machine)	225		(145)	80		80
13	Power equipment (Neuro)	225		(181)	44		44
14	Replace obsolete surgical tables (6)	220			220		220
15	Prostate Biopsy	170			170		170
16	Med/Surg Beds	163		(153)	9		9
17	IRIS Replacement	150			150		150
18	Robotics Single Site	125			125		125
19	Medical Equipment Emergency Purchases	1,000		(303)	697		697
20	Medical Equipment Projects under \$100,000	1,000		(601)	399		399
	Total Medical Equipment	\$8,174	\$0	(\$4,134)	\$4,040	\$0	\$4,040
Item	Infrastructure/Facilities						
21	T-Zone AHU (Fountain 5, 6, 7)	\$1,000		(\$321)	\$679		\$679
22	CVICU/ CPCU Renovation	816		(816)	-		-
23	Bronch Renovation	381		(580)	(199)		(199)
24	GI Lab Renovation	280			280		280
25	Lab Roof	265			265		265
26	Ophthalmology Microscope and Room Renovation	258		(130)	128		128
27	Infrastructure Emergency Purchases	1,000		(1,761)	(761)		(761)
28	Infrastructure Projects under \$100,000	1,000		(335)	665		665
	Total Infrastructure/Facilities	\$5,000	\$0	(\$3,943)	\$1,057	\$0	\$1,057
Item	Hospice Capital Expenditures						
29	SE Volusia Air Conditioning Units	\$175		(\$83)	\$92		\$92
30	Remaining Hospice Capital	125			125		125
	Total Hospice Capital Expenditures	\$300	\$0	(\$83)	\$217	\$0	\$217
Item	Other						
31	Service Expansion	\$3,526		(\$3,878)	(\$352)		(\$352)
	Subtotal Other Projects	\$3,526	\$0	(\$3,878)	(\$352)	\$0	(\$352)
	Total HH Capital Expenditures	\$20,000	\$0	(\$13,351)	\$6,649	\$0	\$6,649

* VNA was approved August 8, 2016 and will be funded over three fiscal years (\$0.3M in FY2016, \$1.5M in FY2017, and \$1.4M in FY2018)

Halifax Health
FY 2017 and Prior Approved Capital Projects and Expenditures
As of March 31, 2017
(\$ in thousands)

	Project Approval Date	Total Carryover and Approved	Spent During FY 2017	HMC Remaining to be Spent	HH Holdings Remaining to be Spent	Hospice Remaining to be Spent
Capital funds required for projects approved in FY 2016 and prior						
Deltona FSED	6/6/2016	\$ 3,843	(2,224)	\$ 1,619		
Vendor Neutral Archive (VNA) for Enterprise Imaging	8/8/2016	3,239	(471)	2,768		
Cardiac Cath & Electrophysiology Lab Replacement	10/3/2016	1,841	-	1,841		
Boiler Replacement (3)	8/8/2016	1,605	(853)	753		
Patient Monitors- PACU, Holding, L&D	10/3/2016	950	-	950		
Port Orange Equipment Refresh	2/17/2016	746	(530)	216		
Fire Alarm System	3/16/2016 *	700	(13)	687		
SAN Software	10/3/2016	594	-	594		
Med Psych Construction & Furnishings-4-South Fountain Tower	11/2/2015	489	(417)	72		
Endoscopic Ultrasound for GI with Video Scopes (Qty 4)	8/24/2016	470	-	470		
AHU (x2) for Ormond ROC	6/6/2016	328	(78)	250		
Air Handling Units (Qty 2) for HHPO	6/6/2016	320	(320)	0		
Access Control System - Replacement of WinPak	11/2/2015	243	(250)	(7)		
Air Handling Unit #5 for Facility Expansion Roof	8/24/2016	231	(8)	223		
Bronchoscopes (Qty 3) and Navigation Cart	6/6/2016	200	(200)	-		
Hemodynamic Patient Monitors (x10)	8/8/2016	198	-	198		
Laptops (x50) and Desktops (x200) Replacement	10/3/2016	190	-	190		
Air Handling Unit #1 for SPD Area	8/24/2016	189	(3)	186		
Chiller #1 for HHPO	3/7/2016	183	(60)	123		
Neurosurgical Power Equipment	9/21/2016	181	-	181		
Data Center Cooling Replacement	9/21/2016	163	-	163		
Outpatient Rehab JV Renovations	6/6/2016	137	-	137		
Ormond Beach Urgent Care Construction & Equipment	12/7/2015	111	(111)	-		
Ormond Beach Resale Shop	8/24/2016	108	(4)	-		104
GI Lab for HHPO	1/8/2016	106	(65)	40		
Pump Speed Controls for Heart-Lung Machines (Qty 3)	9/21/2016 *	100	-	100		
Subtotal of approved items less than \$100k		1,292	(581)	698	-	13
Total Capital funds required for projects approved in FY 2016 and prior		\$ 17,465	\$ (5,606)	\$ 11,755	\$ -	\$ 104

FY2017 Board Approved Capital Projects

Cardiac Cath & Electrophysiology Lab Replacement	11/7/2016 ^	\$ 1,841	\$ (12)	\$ 1,829		
Patient Monitors- PACU, Holding, L&D	11/7/2016 ^	950	-	950		
Laptops (x50) and Desktops (x200) Replacement	11/7/2016 ^	190	-	190		
Ultrasound for OB Diagnostics	11/7/2016 ^	74	-	74		
CVICU & CPCU Renovation	12/5/2016	816	(22)	794		
SAN Software	12/5/2016 ^	594	(594)	-		
Endoscopic Ultrasound for GI with Video Scopes (Qty 4)	12/5/2016 ^	441	(424)	16		
WOW Carts (Qty 55)	12/5/2016	198	(198)	-		
Pulmonary Function Tester	12/5/2016 ^	68	-	68		
Intrabeam Radiation System	1/9/2017	441	-	441		
Fountain Building Waterproofing and Repairs	1/9/2017	118	-	118		
New Smyrna Family Practice Equipment and X-Ray Upgrade	1/9/2017	96	-	96		
AHUs #1, #3, #4, #5 for OR Areas	3/6/2017	1,643	-	1,643		
Deltona Architectural Fees	3/6/2017	3,350	-	3,350		
SAN Hardware	3/6/2017	477	-	477		
Surgical Power Equipment- Small Bone Orthopedics	3/6/2017	471	-	471		
AHU #1 for SPD	3/6/2017	321	-	321		
Ophthalmic Microscope, Surgical Light, Lens & Renovation of OR #1	3/6/2017	130	-	130		
Neurosurgical Power Equipment	3/6/2017 ^	181	-	181		
Network Switches & Installation for Patient Monitoring	3/6/2017	141	-	141		
Plasma Pheresis Systems (Qty 5)	3/6/2017	122	-	122		
Minimally Invasive Valve Replacement Instrumentation & Video System	3/6/2017	73	-	73		
Mini C-Arm for Hand Surgery	3/6/2017	72	(72)	-		
SEVCC HVACs (Qty 3)	2/15/2017	83	-	-	83	
Total FY 2016 Board Approved Capital Projects		\$ 12,890	\$ (1,322)	\$ 11,485	\$ 83	\$ -

FY 2017 Other Approved Capital Projects

C-Arm for OR	2/15/2017 *	\$ 145	\$ -	\$ 145		
Subtotal of approved items less than \$50k		778	(161)	567	50	-
Total FY 2016 Other Approved Capital Projects		\$ 1,027	\$ (161)	\$ 816	\$ 50	\$ -

Projects proposed for Board of Commissioners approval

IMC (16) and CIC (25) Beds and Mattresses	12/21/2016 *	\$ 476	-	\$ 476		
Brain Path Kit	2/15/2017 *	181	-	181		
Soiled Utility Room Remodel	2/15/2017 *	73	-	73		
Medical Oncology Expansion-Port Orange	2/15/2017 *	433	-	433		
Bronchoscopy Lab Construction	3/15/2017 *	580	-	580		
Fairwarning Patient Privacy System	3/15/2017 *	182	-	182		
Logrhythm Security Licenses, Software & Hardware	3/15/2017 *	150	-	150		
Pediatric Rehab Renovation	4/13/2017 *	574	-	574		
Total Project(s) proposed for Board approval		\$ 2,649	\$ -	\$ 2,649	\$ -	\$ -

* Project approved by CIC Committee. Project not yet submitted to Board for approval.

^ CIC approved project in FY 2016

CAPITAL EXPENDITURES & OPERATING LEASES

Audit & Finance Committee

April 26, 2017

Capital Expenditures \$50,000 and over

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Pediatric Outpatient Rehabilitation Joint Venture with Brooks Rehabilitation	Business Development	Working Capital	\$694,409
Bronchoscopy Suite Construction	Pulmonary Department	Working Capital	\$579,926
Beds for IMC and CIC	Environmental Services	Working Capital	\$475,506
Oncology Services Expansion for the Port Orange Treatment Center	Center for Oncology	Working Capital	\$432,720
Fairwarning - Patient Privacy Intelligence System	Information Technology	Working Capital	\$182,224
NICO Brain Path and Myriad System	Neurosurgery Services	Working Capital	\$181,000
LogRhythm Security Information and Event Management	Information Technology	Working Capital	\$150,038

Operating Leases \$250,000 and over

DESCRIPTION	DEPARTMENT	REPLACEMENT Y/N	LEASE TERMS	INTEREST RATE	MONTHLY PAYMENT



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President & Chief Financial Officer
Alberto Tineo, Vice President Operations
DATE: April 17, 2017
RE: Bronchoscopy Suite Construction

Halifax Health Pulmonology Department is requesting funds for the construction of a new interventional bronchoscopy suite.

The construction of the suite will allow for the expansion of bronchoscopy services to accommodate both percutaneous and transbronchial lung interventions. Percutaneous procedures allow the physician to access the lung using a needle through the skin. Transbronchial procedures use a fiber optic bronchoscope to gain access into the main airways.

Lung interventions need to be performed in a negative air flow environment. The construction will include negative air flow designed to facilitate the safety and care of patients undergoing these procedures.

Currently, the procedures are performed at the Halifax Professional Center (HPC). The new bronchoscopy suite will be located in the Fountain Building near Interventional Radiology. This location will provide the department access to existing support services to reduce duplication of services.

The Interventional Pulmonary program supports the goal of reducing Volusia County's mortality rates from lung cancer by identifying malignancies as early as possible.

The project was approved at the Capital Investment Committee meeting on March 15, 2017.

TOTAL CAPITAL COST \$579,926



Halifax Health Project Evaluation

Bronchoscopy Suite Construction

Chief Operating Officer:	Mark Billings
Vice President, Operations:	Alberto Tineo
Service Line Administrator:	Matt Petkus
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to build a procedure room to perform bronchoscopy procedures. In 2016, the Board of Commissioners approved the purchase of three (3) bronchoscopes and a procedural navigation system at a total cost of \$464,090. The bronchoscope procedures are expected to generate incremental volume and revenue that supports the return on investment of both the purchase of equipment and room renovation, which together represent a total capital cost of \$1,044,016.

Strategic Plan Core Competency Achievement:

Physician Integration	X
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

Cornerstone:

Safety	X
Compassion	
Image	X
Efficiency	X

Investment/Return:

	Investment Cash Flow	Operations Cash Flow	Cumulative Cash Flow	Decision Metrics	
Year 0 ¹	(\$1,044,016)	\$0	(\$1,044,016)	Required rate of Return	8.1%
Year 1	\$0	\$127,995	(\$916,021)	Internal Rate of Return (IRR)	8.7%
Year 2	\$0	\$136,786	(\$779,235)	10 Year Net Present Value (NPV)	\$30,969
Year 3	\$0	\$147,690	(\$631,545)	Payback Period (in Years)	6.3
Year 4	\$0	\$159,124	(\$472,421)		
Year 5	\$0	\$171,112	(\$301,308)		
Year 6	\$0	\$174,534	(\$126,774)		
Year 7	\$0	\$178,025	\$51,251		
Year 8	\$0	\$181,586	\$232,836		
Year 9	\$0	\$185,217	\$418,054		
Year 10	\$0	\$188,922	\$606,975		
Terminal Value ²	\$0	\$0	\$606,975		

Investment Request for Approval \$1,044,016
(includes room renovation (\$579,926) and previously approved equipment (\$464,090))

¹ Includes capital acquisition and project startup costs

² Terminal value is estimated at \$0.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric M. Peburn, Executive Vice President and Chief Financial Officer
CC: Mark Billings, Executive Vice President and Chief Operating Officer
Bob Williams, Director of Business Development and Population Health
DATE: April 25, 2017
RE: Pediatric Outpatient Rehabilitation Joint Venture with Brooks Rehabilitation

Halifax Health Business Development is requesting approval to renovate space and equipment related to the opening of a pediatric outpatient rehabilitation clinic to be located on the first floor of the Halifax Professional Center (HPC). The rehab clinic is planned to be operated as part of the Center for Inpatient Rehab joint venture between Halifax Health and Brooks Rehabilitation. Easter Seals currently offers pediatric rehabilitation for physical therapy, occupational therapy, and speech therapy. They have notified us that they are intending to close their rehab operations.

Halifax and Brooks are working closely with Easter Seals to assure patients will have an opportunity to continue care without a lapse in treatment. This outpatient pediatric clinic is projected to experience over 11,000 patient visits annually. Invested capital costs are projected to be recovered in 1.7 years.

TOTAL CAPITAL COSTS \$694,409



Halifax Health Project Evaluation

Pediatric Outpatient Therapy

Chief Financial Officer:	Eric Peburn
Director, Business Development:	Bob Williams
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to renovate space in the Halifax Professional Center and purchase equipment for a new outpatient pediatric therapy service line which includes physical therapy, occupational therapy, and speech therapy. This project is part of the Center for Inpatient Rehab Joint Venture with Brooks Rehabilitation.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	X
Scale	X
Managed Care Contracting	
Competitive Position	X

Cornerstone:

Safety	X
Compassion	X
Image	X
Efficiency	X

Investment/Return:

	Investment Cash Flow	Operations Cash Flow ³	Cumulative Cash Flow
Year 0 ¹	(\$694,409)	\$347,205	(\$347,205)
Year 1	\$0	\$185,784	(\$161,420)
Year 2	\$0	\$245,501	\$84,080
Year 3	\$0	\$237,999	\$322,080
Year 4	\$0	\$239,731	\$561,810
Year 5	\$0	\$241,405	\$803,215
Terminal Value ²	\$0	\$1,207,024	\$2,010,239

Decision Metrics

Required rate of Return	15.5%
Internal Rate of Return (IRR)	68.4%
5 Year Net Present Value (NPV)	\$910,550
Payback Period (in Years)	1.7

Investment Request for Approval **\$694,409**

¹ Includes capital acquisition and project startup costs

² Terminal value is estimated at 0, assumes technology is obsolete after 5 years

³ Valuation based on Halifax estimated cash flow (50% of Joint Venture cash flow). Year 0 includes 50% of capital costs from Brooks Healthcare.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Alberto Tineo, Vice President Operations
DATE: March 16, 2017
RE: Beds for IMC and CIC

Halifax Health Environmental Services is requesting funds for the purchase of 16 critical care beds with specialty mattresses and 25 medical beds with standard mattresses. The purchase is part of an ongoing capital plan to replace aging critical care and medical/surgical beds and mattresses.

The 16 critical care beds and mattresses will replace 20-year old beds and standard mattresses on the Intensive Medical Care (IMC) unit. This represents half of the IMC unit beds. The remaining IMC beds are scheduled to be replaced in Fiscal Year 2018. The new critical care beds will also reduce the need to rent beds with specialty mattresses for certain patients that require upgraded technology to avoid pressure ulcers and facilitate healing. The reduction in bed rentals will reduce future operating expenses.

The 25 medical beds with standard mattresses will replace 25 beds and mattresses on the Cardiac Intermediate Care (CIC) unit that are in poor condition.

The project was approved at the Capital Investment Committee meeting on December 21, 2016.

TOTAL CAPITAL COSTS \$475,506



Halifax Health Project Evaluation

Beds and Mattresses for IMC and CIC

Chief Operating Officer:	Mark Billings
Vice President, Operations:	Alberto Tineo
Manager, Environmental Services:	Mitch Norton
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will replace 16 critical care beds and mattresses on the Intensive Medical Care (IMC) unit and 25 medical beds and mattresses on the Cardiac Intermediate Care (CIC) unit. The IMC beds and mattresses will reduce the need for bed rentals.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	
Cost Management	X
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

Cornerstone:

Safety	X
Compassion	
Image	X
Efficiency	X

Investment/Return- IMC beds and mattresses:

	Investment Cash Flow	Operations Cash Flow ³	Cumulative Cash Flow
Year 0 ¹	(\$337,836)	(\$17,763)	(\$355,599)
Year 1	\$0	\$53,000	(\$302,599)
Year 2	\$0	\$54,060	(\$248,539)
Year 3	\$0	\$55,141	(\$193,398)
Year 4	\$0	\$56,244	(\$137,154)
Year 5	\$0	\$57,369	(\$79,785)
Year 6	\$0	\$58,516	(\$21,269)
Year 7	\$0	\$59,687	\$38,418
Year 8	\$0	\$60,880	\$99,298
Year 9	\$0	\$62,098	\$161,396
Year 10	\$0	\$63,340	\$224,736
Terminal Value ²	\$0	\$0	\$224,736

Decision Metrics

Required rate of Return	6.1%
Internal Rate of Return (IRR)	9.7%
10 Year Net Present Value (NPV)	\$66,077
Payback Period (in Years)	6.6

IMC beds and Mattresses	\$337,836
CIC beds and mattresses ⁴	137,670
Investment Request for Approval	\$475,506

¹ Includes capital acquisition and project startup costs

² Terminal value is estimated at \$0.

³ Cash flow represents reduction of equipment lease cost.

⁴ Recommendation for approval for this component of the project is not based upon incremental return on investment.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Alberto Tineo, Vice President Operations
DATE: March 16, 2017
RE: Oncology Services Expansion for the Port Orange Treatment Center

Halifax Health Center for Oncology is requesting funds to expand the Port Orange Medical Oncology Treatment Center. The project includes construction costs and pharmacy equipment to accommodate increased patient volume.

The center has experienced a significant growth since 2012. A recent market analysis suggests continued market increase for oncology services in this demographic area. The expansion will increase capacity and reduce scheduling delays, which will lead to improved patient satisfaction and provide increased chemotherapy services to the community.

The expansion is projected to have an internal rate of return of 35.5% and a recovery of capital period of 3.9 years.

The project was approved at the Capital Investment Committee meeting on February 15, 2017.

TOTAL CAPITAL COSTS \$432,720



Halifax Health Project Evaluation

Oncology Services Expansion for the Port Orange Treatment Center

Chief Operating Officer:	Mark Billings
Vice President, Operations:	Alberto Tineo
Service Line Administrator, Oncology:	Debra Trovato
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will add additional space and capacity (10 Chemotherapy chairs) to the Outpatient Port Orange Medical Oncology office.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	X
Scale	X
Managed Care Contracting	
Competitive Position	X

Cornerstone:

Safety	X
Compassion	X
Image	X
Efficiency	X

Investment/Return:

	Investment Cash Flow	Operations Cash Flow	Cumulative Cash Flow
Year 0 ¹	(\$432,720)	(\$29,044)	(\$461,764)
Year 1	\$0	\$140,704	(\$321,061)
Year 2	\$0	\$151,960	(\$169,101)
Year 3	\$0	\$154,999	(\$14,102)
Year 4	\$0	\$158,099	\$143,997
Year 5	\$0	\$161,261	\$305,258
Terminal Value ²	\$0	\$806,305	\$1,111,564

Decision Metrics

Required rate of Return	9.5%
Internal Rate of Return (IRR)	35.5%
5 Year Net Present Value (NPV)	\$589,694
Payback Period (in Years)	3.1

Investment Request for Approval **\$432,720**

¹ Includes capital acquisition and project startup costs

² Terminal value is estimated at 0, assumes technology is obsolete after 5 years



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Tom Stafford, Vice President and Chief Information Officer
DATE: April 17, 2017
RE: Fairwarning - Patient Privacy Intelligence System

Halifax Health Information Technology is requesting funds to purchase Fairwarning, a Patient Privacy Intelligence System. The purchase includes hardware, software and licenses.

Fairwarning is a detection system that provides a single view of multiple electronic health records, employee data and system activity to log and report on irregularities in Electronic Personal Health Information (ePHI) to comply with HIPAA and other regulations. The system upon detecting unusual activity will automatically alert a team member to investigate the irregularities.

The project was approved at the Capital Investment Committee meeting on March 15, 2017.

TOTAL CAPITAL COST \$182,224



Halifax Health Project Evaluation

Fairwarning Appliance and Licenses

Chief Revenue Officer:	Arvin Lewis
Chief Information Officer:	Tom Stafford
Project Manager	Nancy Jeffreys
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will implement a patient privacy system that will provide alerts when unusual activity is detected.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	
Cost Management	
Information Technology	X
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	

Investment Request for Approval **\$182,224**

Recommendation for approval of the project is not based upon incremental return on investment.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Jeanne Connelly, Executive Director of Physician Services
DATE: March 16, 2017
RE: NICO Brain Path and Myriad System

Halifax Health Neurosurgery Services is requesting funds to purchase a NICO Brain Path and Myriad System for use by neurosurgeons to provide access and visualization of the subcortical space of the brain. The system allows for minimally disruptive tissue damage to brain matter while the surgeons navigate and perform procedures deep within the confines of the brain.

The Brain Path's intended use is for patients who have intracranial hemorrhages, strokes, brain tumors or cysts, and vascular abnormalities/malformations.

The Myriad System is a device that cuts and extracts tissue without destroying the surrounding critical structure. This leads to much better patient outcomes with less risk of brain damage.

Community Benefits:

- Improved outcomes for intracranial hemorrhages and stroke patients
- New surgical technology that is not currently being offered in Volusia or surrounding counties
- Reduced outmigration for patients who require this type of surgery
- Reduced length of stay

The NICO Brain Path and Myriad System is projected to have an internal rate of return of 37.3% and a recovery of capital period of 2.3 years.

The project was approved at the Capital Investment Committee meeting on February 15, 2017.

TOTAL CAPITAL COSTS \$181,000



Halifax Health Project Evaluation

NICO BrainPath and Myriad System

Chief Financial Officer:	Eric Peburn
Executive Director, Physician Services:	Jeanne Connelly
Finance Analysis by:	Steve Mach

Summary

Purpose:

This purchase of the NICO BranPath and Myriad System will allow surgeons access and visualization of the subcortical space of the brain during Intracranial hemorrhage procedures.

Strategic Plan Core Competency Achievement:

Physician Integration	X
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	
Financial Position	X
Scale	
Managed Care Contracting	
Competitive Position	X

Cornerstone:

Safety	X
Compassion	X
Image	X
Efficiency	X

Investment/Return:

	Investment Cash Flow	Operations Cash Flow	Cumulative Cash Flow
Year 0 ¹	(\$181,000)	\$0	(\$181,000)
Year 1	\$0	\$76,740	(\$104,260)
Year 2	\$0	\$80,472	(\$23,788)
Year 3	\$0	\$82,081	\$58,293
Year 4	\$0	\$97,725	\$156,018
Year 5	\$0	\$113,961	\$269,978
Terminal Value ²	\$0	\$0	\$269,978

Decision Metrics

Required rate of Return	11.5%
Internal Rate of Return (IRR)	37.3%
5 Year Net Present Value (NPV)	\$140,704
Payback Period (in Years)	2.3

Investment Request for Approval **\$181,000**

¹ Includes capital acquisition and project startup costs

² Terminal value is estimated at 0, assumes technology is obsolete after 5 years



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Tom Stafford, Vice President and Chief Information Officer
DATE: April 17, 2017
RE: LogRhythm Security Information and Event Management

Halifax Health Information Technology is requesting funds to purchase LogRhythm, a Security Information and Event Management (SIEM) solution. The purchase includes hardware, software and licenses.

LogRhythm is a detection system that provides a single view of multiple system logs to identify trends and patterns that are out of the ordinary. The system will improve the monitoring and alerting of unusual network activity.

The project was approved at the Capital Investment Committee meeting on March 15, 2017.

TOTAL CAPITAL COST \$150,038



Halifax Health Project Evaluation

Logrhythm Appliance License and Software

Chief Revenue Officer:	Arvin Lewis
Chief Information Officer:	Tom Stafford
Project Manager	Nancy Jeffreys
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will implement a security information and event management system to monitor and alert unusual network activity.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	
Cost Management	
Information Technology	X
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	

Investment Request for Approval \$150,038

Recommendation for approval of the project is not based upon incremental return on investment.

Halifax Health Medical Center

Capital Disposals

April 2017

The Board hereby deems the following property to be surplus in that: the items are obsolete, their continued use would be uneconomical or inefficient, or they serve no useful function. Disposition of said property is therefore authorized pursuant to Florida Statutes, Chapter 274.

Asset #	Description	Department	Date Purchased	Original Cost	Book Value
42268	SOFTWARE-ORBIT/SCHEDULING	IS-MGMT	11/11/91	16,500.00	-
44048	FURNITURE - DESK	IS-MGMT	12/08/92	1,075.10	-
44049	FURNITURE - DESK	IS-MGMT	12/08/92	1,075.10	-
44050	FURNITURE - DESK	IS-MGMT	12/08/92	1,075.10	-
46878	FURNITURE - DESK	IS-MGMT	02/27/95	1,551.90	-
49725	DUAL T1 CARD W/CABLES	IS-MGMT	08/31/01	3,706.59	-
49781	DUAL T-1 CARD	IS-MGMT	10/23/01	3,706.59	-
50035	HARDWARE-SERVER-SAN	IS-MGMT	08/31/02	52,300.00	-
50157	HARDWARE-SERVER-EMULEX CARD	IS-MGMT	11/07/02	1,495.00	-
50158	HARDWARE-SERVER-EMULEX CARD	IS-MGMT	11/07/02	1,495.00	-
59653	HP ELITEBOOK TABLET	IT-TECH	10/04/12	1,424.21	169.01
59654	HP ELITEBOOK TABLET	IT-TECH	10/04/12	1,424.21	169.01
59655	HP ELITEBOOK TABLET	IT-TECH	10/04/12	1,424.21	169.01
63009-39	BARCODE SCANNERS (51)	IT-TECH	06/30/09	10,857.90	-
52493	WOW- CART & LAPTOP	IT-CLIENT SERVICES	03/01/11	4,563.00	-
52494	WOW- CART & LAPTOP	IT-CLIENT SERVICES	03/01/11	4,563.00	-
59123	WOW CARTS FOR INVENTORY	IT-CLIENT SERVICES	04/06/11	3,430.11	1,570.67
59125	HP6540B LAPTOP	IT-CLIENT SERVICES	05/01/11	865.00	-
59699	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
59700	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
59701	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
59702	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
59703	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
59704	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
59705	LAPTOP, ELITEBOOK 8460P	IT-CLIENT SERVICES	12/20/12	1,140.95	-
57354	RETCAM SHUTTLE CAMERA & LENS	NEONATAL-ICU	04/30/09	76,300.00	-
57355	RETCAM REVIEW SOFTWARE	NEONATAL-ICU	04/30/09	1,993.34	-
57356	RETCAM REVIEW SOFTWARE	NEONATAL-ICU	04/30/09	1,993.33	-
57357	RETCAM REVIEW SOFTWARE	NEONATAL-ICU	04/30/09	1,993.33	-
				\$ 202,798.67	\$ 2,077.70



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Bill Griffin, Director System Research & Planning
DATE: April 17, 2017
RE: Recommendation to Sell HH Holdings, Inc. Real Estate, Port Orange

The real estate parcel reflected below was owned by Florida Health Care Plans (FHCP). In the sale of FHCP to Blue Cross Blue Shield in 2008, this parcel was retained by H.H. Holdings, Inc.

1763 Taylor Road, Port Orange

This vacant land totals 5.69 acres and is located south of the entrance to Crane Lakes. The book value is \$536,147 and the property was appraised in January 2017 at \$497,000. The asking price for the property was \$549,000. The selling price under contract pending approval by the H.H. Holdings, Inc. Board of Directors is \$600,000.

This real estate parcel is not strategically located. Accordingly, we request the H.H. Holdings, Inc. Board provide approval to sell this property and authorize the Chief Executive Officer or the Chief Financial Officer to execute any related sales documents or agreements.

Halifax Health Audit & Finance Committee

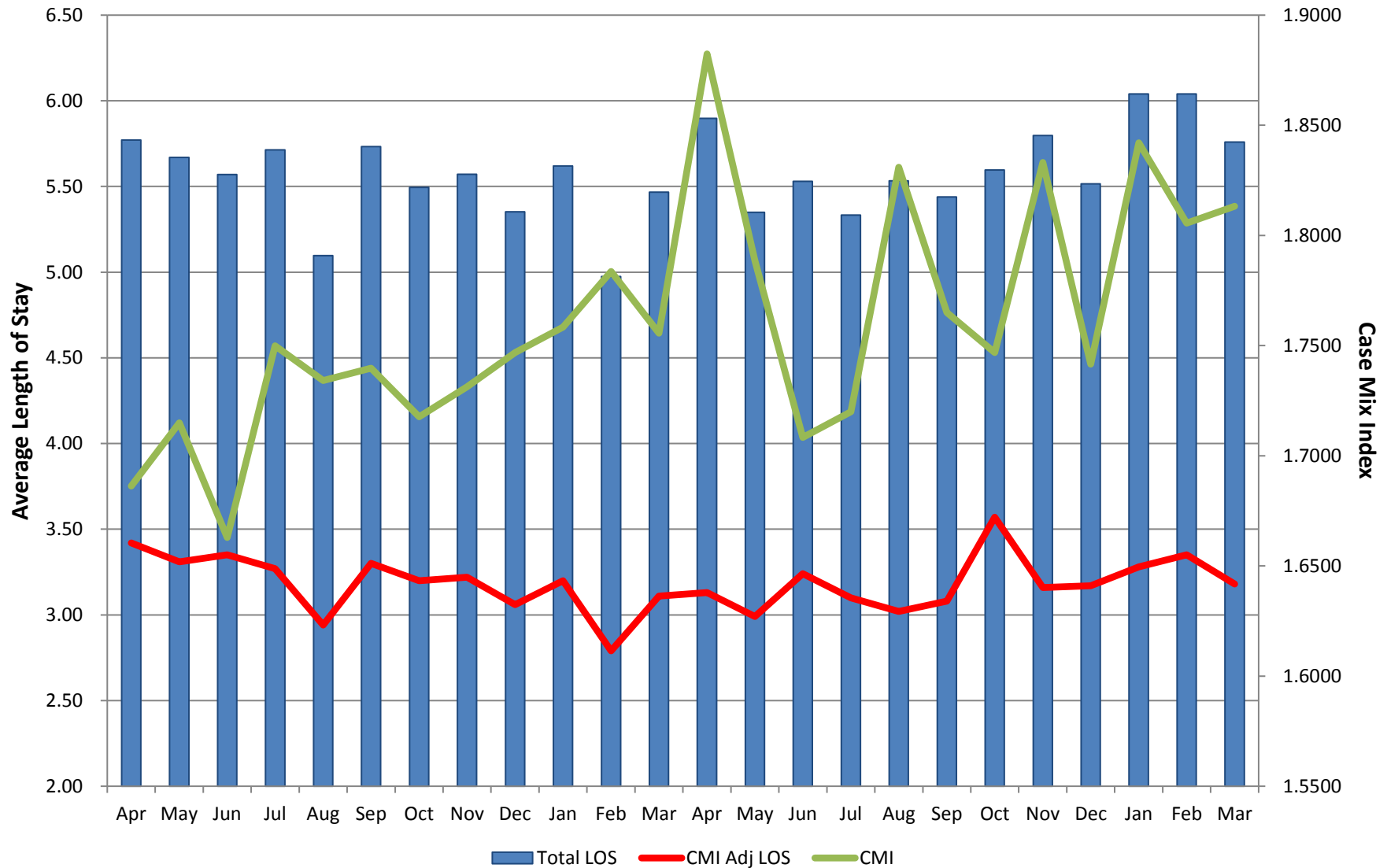
Request Tracker/Checklist

Meeting Date	Request	Projected Timeline	Frequency of Future Updates/Reports	Completed (Y/N)	Other
March 1, 2017	Update Request: Length of Stay Initiative	April 26, 2017 Committee Meeting	N/A	Y	
January 4, 2017	Summary Report, Timeline and List of Controls Related to Physician Contracts and Payments	60 Days, March 1, 2017 Committee Meeting	N/A	Y	

Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended March 31, 2017

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



**HALIFAX HEALTH MEDICAL CENTER
SCHEDULE OF USES OF PROPERTY TAXES
FOR THE SIX MONTHS ENDED MARCH 31, 2017**

		in mills
Gross property tax levy	\$ 5,625,972	0.7561
Tax discounts and uncollectible taxes	(175,254)	(0.0236)
Net property taxes collected	<u>5,450,718</u>	<u>0.7325</u>
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(187,158)	(0.0252)
Volusia County Medicaid matching assessment	(1,453,879)	(0.1954)
Redevelopment taxes paid to Cities	(300,635)	(0.0404)
Subtotal	<u>(1,941,672)</u>	<u>(0.2610)</u>
Net taxes available for community health, wellness and readiness	3,509,046	0.4715
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(666,520)	(0.0896)
Physician services	(4,782,532)	(0.6427)
Trauma services	(2,783,360)	(0.3741)
Pediatric and neonatal intensive care services	(367,836)	(0.0494)
Child and adolescent behavioral services	(148,988)	(0.0200)
Subtotal	<u>(8,749,237)</u>	<u>(1.1758)</u>
Deficiency of net taxes available to fund hospital operating expenses	(5,240,191)	(0.7043)
Uncompensated care provided by Halifax Health, <i>at cost</i>	<u>(20,786,170)</u>	<u>(2.7935)</u>
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	<u>\$ (26,026,361)</u>	<u>(3.4978)</u>
Proforma tax levy to cover uncompensated care, at cost:		
Gross property tax levy		0.7561
Subsidized uncompensated care costs by operations		<u>3.4978</u>
Equivalent property tax levy expended *		<u><u>4.2539</u></u>

* This is an equivalent levy for demonstration purposes only and is not intended to represent a proposed millage rate.

Halifax Health
Investment Manager Performance Report - through March 31, 2017

		March Performance	Calendar YTD	Calendar 2016	Fiscal Year
Fixed Income					
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.13%	0.84%	2.85%	0.01%
	BMK	0.07%	0.57%	1.56%	-0.49%
VSGDX - Vanguard Short-Term Federal	Perf	0.01%	0.39%	1.24%	-0.45%
	BMK	0.05%	0.39%	1.02%	-0.76%
Ponder Short-term Government/Corporate	Perf	0.09%	0.56%	1.95%	-0.79%
	BMK	0.07%	0.57%	1.56%	-0.49%
Ponder US Treasury Account	Perf	-0.07%	0.15%	0.30%	-0.03%
	BMK	0.05%	0.41%	-0.44%	-0.52%
Ponder Short-Term Government	Perf	0.04%	0.34%	0.88%	-0.49%
	BMK	0.05%	0.39%	1.02%	-0.76%
Ponder 2016 Project Fund	Perf	0.05%	0.11%	0.43%	0.55%
	BMK	0.05%	0.41%	0.29%	0.02%
Weighted Composite	Perf	0.08%	0.62%	1.99%	-0.11%
	BMK	0.06%	0.52%	1.07%	-0.52%
Equities					
DFSVX - DFA Small Cap Value	Perf	-1.14%	-1.35%	28.26%	13.50%
	BMK	-0.85%	-0.13%	31.74%	13.91%
DFLVX - DFA Large Cap Value	Perf	-0.93%	3.53%	18.89%	12.46%
	BMK	-1.02%	3.27%	17.34%	10.16%
DFIVX - DFA International Value	Perf	2.27%	5.93%	8.41%	11.32%
	BMK	2.54%	6.81%	2.75%	6.44%
DFEVX - DFA Emerging Markets	Perf	2.74%	14.20%	19.84%	13.09%
	BMK	2.52%	11.44%	11.19%	6.80%
VGELX - Vanguard Energy	Perf	-0.02%	-3.99%	33.18%	1.25%
	BMK	0.35%	-3.90%	27.66%	3.25%
VENAX - Vanguard Energy Index	Perf	-1.06%	-6.92%	28.94%	0.14%
	BMK	0.35%	-3.90%	27.66%	3.25%
VIGIX -Vanguard Large-Cap Growth	Perf	1.32%	9.61%	6.13%	9.15%
	BMK	1.16%	8.91%	7.08%	10.02%
VGHAX - Vanguard Health Care	Perf	0.38%	10.59%	-8.94%	4.01%
	BMK	0.29%	8.37%	-6.83%	2.44%
VSGIX - Vanguard Small-Cap Growth	Perf	0.42%	6.03%	10.74%	7.54%
	BMK	1.18%	5.35%	11.32%	9.11%
Weighted Composite	Perf	0.48%	4.94%	15.17%	10.33%
	BMK	0.66%	4.86%	13.82%	8.79%

Halifax Health
Investment Manager Performance Report - through March 31, 2017

	Invested Balance		March Performance	Calendar YTD	Fiscal YTD
HH Holdings					
VFSIX - Vanguard Short-Term Invest Grade	\$ 53,031,926	Perf	0.13%	0.84%	0.01%
		BMK	0.07%	0.57%	-0.49%
Ponder Short-Term Gov't/Corporate	31,837,878	Perf	0.09%	0.56%	-0.79%
		BMK	0.07%	0.57%	-0.49%
Ponder US Treasury Account	73,355,434	Perf	-0.07%	0.15%	-0.03%
		BMK	0.05%	0.41%	-0.52%
Total HH Holdings	<u>\$ 158,225,238</u>	Composite	0.03%	0.46%	-0.17%
		Budget			0.50%
HHMC					
Ponder Short-Term Government	\$ 42,099,744	Perf	0.04%	0.34%	-0.49%
		BMK	0.05%	0.39%	-0.76%
VSGDX - Vanguard Short-Term Federal	64,246	Perf	0.01%	0.39%	-0.45%
		BMK	0.05%	0.39%	-0.76%
Wells Fargo Halifax Hospital Trust	579,094	Perf	0.03%	0.11%	0.18%
		BMK	0.05%	0.39%	-0.76%
Ponder 2016 Project Fund	7,216,502	Perf	0.05%	0.11%	0.55%
		BMK	0.05%	0.41%	0.02%
Total HHMC	<u>\$ 49,959,586</u>	Composite	0.04%	0.30%	-0.33%
		Budget			0.50%

Halifax Health
Investment Manager Performance Report - through March 31, 2017

	Invested Balance		March Performance	Calendar YTD	Fiscal YTD
Foundation					
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,264,215	Perf	0.13%	0.84%	0.01%
		BMK	0.07%	0.57%	-0.49%
DFSVX - DFA Small Cap Value	3,574,459	Perf	-1.14%	-1.35%	13.50%
		BMK	-0.85%	-0.13%	13.91%
DFIVX - DFA International Value	1,983,630	Perf	2.27%	5.93%	11.32%
		BMK	2.54%	6.81%	6.44%
DFEVX - DFA Emerging Markets	721,777	Perf	2.74%	14.20%	13.09%
		BMK	2.52%	11.44%	6.80%
DFLVX - DFA Large Cap Value	7,700,913	Perf	-0.93%	3.53%	12.46%
		BMK	-1.02%	3.27%	10.16%
VGELX - Vanguard Energy	471,076	Perf	-0.02%	-3.99%	1.25%
		BMK	0.35%	-3.90%	3.25%
VENAX - Vanguard Energy Index	217,716	Perf	-1.06%	-6.92%	0.14%
		BMK	0.35%	-3.90%	3.25%
VIGIX -Vanguard Large-Cap Growth	3,819,852	Perf	1.32%	9.61%	9.15%
		BMK	1.16%	8.91%	10.02%
VGHAX - Vanguard Health Care	692,772	Perf	0.38%	10.59%	4.01%
		BMK	0.29%	8.37%	2.44%
VSGIX - Vanguard Small-Cap Growth	3,869,369	Perf	0.42%	6.03%	7.54%
		BMK	1.18%	5.35%	9.11%
Total Foundation	<u>\$ 45,315,779</u>	Composite	0.11%	2.80%	5.38%
		Budget			2.00%

Halifax Health
Investment Manager Performance Report - through March 31, 2017

	Invested Balance		March Performance	Calendar YTD	Fiscal YTD
Hospice					
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,232,224	Perf	0.13%	0.84%	0.01%
		BMK	0.07%	0.57%	-0.49%
DFSVX - DFA Small Cap Value	5,553,586	Perf	-1.14%	-1.35%	13.50%
		BMK	-0.85%	-0.13%	13.91%
DFIVX - DFA International Value	3,066,774	Perf	2.27%	5.93%	11.32%
		BMK	2.54%	6.81%	6.44%
DFEVX - DFA Emerging Markets	1,289,922	Perf	2.74%	14.20%	13.09%
		BMK	2.52%	11.44%	6.80%
DFLVX - DFA Large Cap Value	12,086,983	Perf	-0.93%	3.53%	12.46%
		BMK	-1.02%	3.27%	10.16%
VGELX - Vanguard Energy	104,094	Perf	-0.02%	-3.99%	1.25%
		BMK	0.35%	-3.90%	3.25%
VENAX - Vanguard Energy Index	580,285	Perf	-1.06%	-6.92%	0.14%
		BMK	0.35%	-3.90%	3.25%
VIGIX - Vanguard Large-Cap Growth	6,261,037	Perf	1.32%	9.61%	9.15%
		BMK	1.16%	8.91%	10.02%
VGHAX - Vanguard Health Care	602,390	Perf	0.38%	10.59%	4.01%
		BMK	0.29%	8.37%	2.44%
VSGIX - Vanguard Small-Cap Growth	5,624,964	Perf	0.42%	6.03%	7.54%
		BMK	1.18%	5.35%	9.11%
Total Hospice	<u>\$ 69,402,259</u>	Composite	0.11%	2.83%	5.47%
		Budget			2.00%

Halifax Health
Investment Manager Performance Report - through March 31, 2017

	Invested Balance	March Performance	Calendar YTD	Fiscal YTD
Pension				
VFSIX - Vanguard Short-Term Invest Grade	\$ 128,440,703	Perf 0.13% BMK 0.07%	0.84% 0.57%	0.01% -0.49%
DFSVX - DFA Small Cap Value	20,401,423	Perf -1.14% BMK -0.85%	-1.35% -0.13%	13.50% 13.91%
DFIVX - DFA International Value	33,672,203	Perf 2.27% BMK 2.54%	5.93% 6.81%	11.32% 6.44%
DFEVX - DFA Emerging Markets	12,027,546	Perf 2.74% BMK 2.52%	14.20% 11.44%	13.09% 6.80%
DFLVX - DFA Large Cap Value	22,244,533	Perf -0.93% BMK -1.02%	3.53% 3.27%	12.46% 10.16%
VGELX - Vanguard Energy	4,343,922	Perf -0.02% BMK 0.35%	-3.99% -3.90%	1.25% 3.25%
VENAX - Vanguard Energy Index	5,123,194	Perf -1.06% BMK 0.35%	-6.92% -3.90%	0.14% 3.25%
VIGIX - Vanguard Large-Cap Growth	13,237,536	Perf 1.32% BMK 1.16%	9.61% 8.91%	9.15% 10.02%
VGHAX - Vanguard Health Care	9,012,025	Perf 0.38% BMK 0.29%	10.59% 8.37%	4.01% 2.44%
VSGIX - Vanguard Small-Cap Growth	12,925,829	Perf 0.42% BMK 1.18%	6.03% 5.35%	7.54% 9.11%
Wells Fargo Cash	3,436,596			
Wells Fargo Money Market	1,719			
Total Pension	<u>\$ 264,867,229</u>	Composite	0.39%	1.93%
		Budget		3.38%
Total Halifax Health, including Pension	<u>\$ 587,770,091</u>			
Total Halifax Health, excluding Pension	<u>\$ 322,902,862</u>			

Halifax Health
Investment Manager Performance Report - through February 28, 2017

		February Performance	Calendar YTD	Calendar 2016	Fiscal Year
Fixed Income					
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.35%	0.70%	2.85%	-0.13%
	BMK	0.25%	0.50%	1.56%	-0.56%
VSGDX - Vanguard Short-Term Federal	Perf	0.18%	0.37%	1.24%	-0.47%
	BMK	0.15%	0.34%	1.02%	-0.81%
Ponder Short-term Government/Corporate	Perf	0.31%	0.47%	1.95%	-0.88%
	BMK	0.25%	0.50%	1.56%	-0.56%
Ponder US Treasury Account	Perf	0.05%	0.21%	0.30%	0.03%
	BMK	0.16%	0.35%	-0.44%	-0.58%
Ponder Short-Term Government	Perf	0.17%	0.29%	0.88%	-0.54%
	BMK	0.15%	0.34%	1.02%	-0.81%
Ponder 2016 Project Fund	Perf	0.04%	0.06%	0.43%	0.50%
	BMK	0.16%	0.35%	0.29%	-0.04%
Weighted Composite	Perf	0.26%	0.53%	1.99%	-0.19%
	BMK	0.22%	0.45%	1.07%	-0.58%
Equities					
DFSVX - DFA Small Cap Value	Perf	0.32%	-0.21%	28.26%	14.81%
	BMK	1.45%	0.72%	31.74%	14.88%
DFLVX - DFA Large Cap Value	Perf	3.01%	4.50%	18.89%	13.52%
	BMK	3.59%	4.33%	17.34%	11.29%
DFIVX - DFA International Value	Perf	-0.69%	3.58%	8.41%	8.85%
	BMK	1.15%	4.16%	2.75%	3.80%
DFEVX - DFA Emerging Markets	Perf	4.56%	11.15%	19.84%	10.07%
	BMK	3.06%	8.70%	11.19%	4.18%
VGELX - Vanguard Energy	Perf	-2.21%	-3.97%	33.18%	1.27%
	BMK	-1.98%	-4.23%	27.66%	2.90%
VENAX - Vanguard Energy Index	Perf	-2.67%	-5.92%	28.94%	1.21%
	BMK	-1.98%	-4.23%	27.66%	2.90%
VIGIX -Vanguard Large-Cap Growth	Perf	4.36%	8.18%	6.13%	7.73%
	BMK	4.15%	7.66%	7.08%	8.76%
VGHAX - Vanguard Health Care	Perf	7.20%	10.18%	-8.94%	3.62%
	BMK	5.73%	8.05%	-6.83%	2.14%
VSGIX - Vanguard Small-Cap Growth	Perf	2.75%	5.58%	10.74%	7.08%
	BMK	2.45%	4.12%	11.32%	7.84%
Weighted Composite	Perf	2.01%	4.39%	15.17%	9.85%
	BMK	2.46%	4.13%	13.82%	8.17%

Halifax Health
Investment Manager Performance Report - through February 28, 2017

	Invested Balance	February Performance	Calendar YTD	Fiscal YTD
HH Holdings				
VFSIX - Vanguard Short-Term Invest Grade	\$ 52,963,746	Perf 0.35% BMK 0.25%	0.70% 0.50%	-0.13% -0.56%
Ponder Short-Term Gov't/Corporate	31,810,096	Perf 0.31% BMK 0.25%	0.47% 0.50%	-0.88% -0.56%
Ponder US Treasury Account	80,403,364	Perf 0.05% BMK 0.16%	0.21% 0.35%	0.03% -0.58%
Total HH Holdings	<u>\$ 165,177,206</u>	Composite Budget	0.20% 0.42%	-0.19% 0.42%
HHMC				
Ponder Short-Term Government	\$ 42,081,220	Perf 0.17% BMK 0.15%	0.29% 0.34%	-0.54% -0.81%
VSGDX - Vanguard Short-Term Federal	64,239	Perf 0.18% BMK 0.15%	0.37% 0.34%	-0.47% -0.81%
Wells Fargo Halifax Hospital Trust	583,892	Perf 0.03% BMK 0.15%	0.08% 0.34%	0.15% -0.81%
Ponder 2016 Project Fund	7,213,019	Perf 0.04% BMK 0.16%	0.06% 0.35%	0.50% -0.04%
Total HHMC	<u>\$ 49,942,370</u>	Composite Budget	0.15% 0.25%	-0.38% 0.42%

Halifax Health
Investment Manager Performance Report - through February 28, 2017

Foundation	Invested Balance		February Performance	Calendar YTD	Fiscal YTD
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,235,591	Perf	0.35%	0.70%	-0.13%
		BMK	0.25%	0.50%	-0.56%
DFSVX - DFA Small Cap Value	3,615,570	Perf	0.32%	-0.21%	14.81%
		BMK	1.45%	0.72%	14.88%
DFIVX - DFA International Value	1,939,689	Perf	-0.69%	3.58%	8.85%
		BMK	1.15%	4.16%	3.80%
DFEVX - DFA Emerging Markets	702,512	Perf	4.56%	11.15%	10.07%
		BMK	3.06%	8.70%	4.18%
DFLVX - DFA Large Cap Value	7,773,453	Perf	3.01%	4.50%	13.52%
		BMK	3.59%	4.33%	11.29%
VGELX - Vanguard Energy	471,152	Perf	-2.21%	-3.97%	1.27%
		BMK	-1.98%	-4.23%	2.90%
VENAX - Vanguard Energy Index	220,051	Perf	-2.67%	-5.92%	1.21%
		BMK	-1.98%	-4.23%	2.90%
VIGIX -Vanguard Large-Cap Growth	3,770,050	Perf	4.36%	8.18%	7.73%
		BMK	4.15%	7.66%	8.76%
VGHAX - Vanguard Health Care	690,183	Perf	7.20%	10.18%	3.62%
		BMK	5.73%	8.05%	2.14%
VSGIX - Vanguard Small-Cap Growth	3,852,997	Perf	2.75%	5.58%	7.08%
		BMK	2.45%	4.12%	7.84%
 Total Foundation	 \$ 45,271,248	Composite	1.43%	2.67%	5.30%
		Budget			1.67%

Halifax Health
Investment Manager Performance Report - through February 28, 2017

	Invested Balance		February Performance	Calendar YTD	Fiscal YTD
Hospice					
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,188,214	Perf	0.37%	0.70%	-0.13%
		BMK	0.25%	0.50%	-0.56%
DFSVX - DFA Small Cap Value	5,617,459	Perf	0.32%	-0.21%	14.81%
		BMK	1.45%	0.72%	14.88%
DFIVX - DFA International Value	2,998,840	Perf	-0.69%	3.58%	8.85%
		BMK	1.15%	4.16%	3.80%
DFEVX - DFA Emerging Markets	1,255,492	Perf	4.56%	11.15%	10.07%
		BMK	3.06%	8.70%	4.18%
DFLVX - DFA Large Cap Value	12,200,839	Perf	3.01%	4.50%	13.52%
		BMK	3.59%	4.33%	11.29%
VGELX - Vanguard Energy	104,110	Perf	-2.21%	-3.97%	1.27%
		BMK	-1.98%	-4.23%	2.90%
VENAX - Vanguard Energy Index	586,509	Perf	-2.67%	-5.92%	1.21%
		BMK	-1.98%	-4.23%	2.90%
VIGIX - Vanguard Large-Cap Growth	6,179,405	Perf	4.36%	8.18%	7.73%
		BMK	4.15%	7.66%	8.76%
VGHAX - Vanguard Health Care	600,138	Perf	7.20%	10.18%	3.62%
		BMK	5.73%	8.05%	2.14%
VSGIX - Vanguard Small-Cap Growth	5,601,163	Perf	2.75%	5.58%	7.08%
		BMK	2.45%	4.12%	7.84%
Total Hospice	<u>\$ 69,332,169</u>	Composite	1.43%	2.69%	5.39%
		Budget			1.67%

Halifax Health
Investment Manager Performance Report - through February 28, 2017

	Invested Balance		February Performance	Calendar YTD	Fiscal YTD
Pension					
VFSIX - Vanguard Short-Term Invest Grade	\$ 128,275,575	Perf	0.35%	0.70%	-0.13%
		BMK	0.25%	0.50%	-0.56%
DFSVX - DFA Small Cap Value	20,636,067	Perf	0.32%	-0.21%	14.81%
		BMK	1.45%	0.72%	14.88%
DFIVX - DFA International Value	32,926,317	Perf	-0.69%	3.58%	8.85%
		BMK	1.15%	4.16%	3.80%
DFEVX - DFA Emerging Markets	11,706,519	Perf	4.56%	11.15%	10.07%
		BMK	3.06%	8.70%	4.18%
DFLVX - DFA Large Cap Value	22,454,070	Perf	3.01%	4.50%	13.52%
		BMK	3.59%	4.33%	11.29%
VGELX - Vanguard Energy	4,344,612	Perf	-2.21%	-3.97%	1.27%
		BMK	-1.98%	-4.23%	2.90%
VENAX - Vanguard Energy Index	5,178,140	Perf	-2.67%	-5.92%	1.21%
		BMK	-1.98%	-4.23%	2.90%
VIGIX - Vanguard Large-Cap Growth	13,064,945	Perf	4.36%	8.18%	7.73%
		BMK	4.15%	7.66%	8.76%
VGHAX - Vanguard Health Care	8,978,341	Perf	7.20%	10.18%	3.62%
		BMK	5.73%	8.05%	2.14%
VSGIX - Vanguard Small-Cap Growth	12,871,135	Perf	2.75%	5.58%	7.08%
		BMK	2.45%	4.12%	7.84%
Wells Fargo Cash	683,485				
Wells Fargo Money Market	4,401,062				
Total Pension	<u>\$ 265,520,268</u>	Composite	1.07%	2.48%	4.67%
		Budget			2.81%
Total Halifax Health, including Pension	<u>\$ 595,243,261</u>				
Total Halifax Health, excluding Pension	<u>\$ 329,722,993</u>				

INFORMATIONAL REPORT

April 26, 2017

Capital Expenditures \$25,000 -- \$50,000

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Patient Monitors for Vital Signs	Nursing and Emergency Departments	Working Capital	\$45,993
Venous Ablation System	Cardiology Department	Working Capital	\$42,250
Telestroke Video Conferencing System	Business Development	Working Capital	\$40,729

Operating Leases \$50,000 -- \$250,000

DESCRIPTION	DEPARTMENT	REPLACEMENT Y/N	LEASE TERMS	INTEREST RATE	MONTHLY PAYMENT



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Catherine Luchsinger, RN, Chief Nursing Officer
DATE: April 17, 2017
RE: Patient Monitors for Vital Signs

Halifax Health Nursing and Emergency Departments are requesting funds to purchase ten (10) patient monitors used to monitor patients' vital signs. The monitors will be used for patients who do not require continuous monitoring.

The vital signs monitors measure the patient's blood pressure, temperature and oxygen saturation levels. The new monitors connect with the electronic medical record which will facilitate integration of the patient's information to the medical record increasing efficiency and quality patient care.

The project was approved at the Capital Investment Committee meeting on March 15, 2017.

TOTAL CAPITAL COSTS \$45,993



Halifax Health Project Evaluation

Patient Monitors for Vital Signs

Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to purchase ten patient monitors used to monitor a patients blood pressure, temperature, and oxygen saturation levels.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

Cornerstone:

Safety	X
Compassion	X
Image	
Efficiency	

Investment Request for Approval **\$45,993**

Recommendation for approval of the project is not based upon incremental return on investment.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Alberto Tineo, Vice President Operations
DATE: March 16, 2017
RE: Venous Ablation System

Halifax Health Cardiology Department is requesting funds to purchase a radiofrequency venous ablation system. This system is used to treat patients with leg disorders related to venous reflux disease, such as varicose veins.

With the expansion of our partnership with UF Health and the addition of two vascular surgeons, there is an increase in the need to provide venous ablation services. Purchasing this system will allow us to continue to have this service at Twin Lakes and add the service at the main campus.

The project was approved at the Capital Investment Committee meeting on October 19, 2016.

CAPITAL COSTS FOR APPROVAL \$42,250



Halifax Health Project Evaluation

Venous Ablation System

Chief Operating Officer:	Mark Billings
Vice President, Operations:	Alberto Tineo
Service Line Administrator:	Matt Petkus
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to purchase a radiofrequency venous ablation system which will be used to treat patients with leg disorders related to venous reflux disease.

Strategic Plan Core Competency Achievement:

Physician Integration	X
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	X

Cornerstone:

Safety	X
Compassion	X
Image	
Efficiency	

Investment Request for Approval **\$42,250**

Recommendation for approval of the project is not based upon incremental return on investment.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: March 16, 2017
RE: TeleStroke Video Conferencing System

Halifax Health Comprehensive Stroke Center is requesting funds to purchase a TeleStroke videoconferencing system. The system will be used as a pilot telemedicine project for the Halifax Health Port Orange Emergency Department.

To support the pilot program, each of the Halifax Health Port Orange emergency rooms will be equipped with video conferencing equipment including high definition cameras and video monitors. The system will utilize Halifax Health's existing computer network video conferencing infrastructure.

TeleStroke provides a physician consultation via video when a neurologist is not on location. The neurologist will be able to securely view and interact with the patient from a computer, tablet or mobile device from any remote location with an Internet connection. The neurologist will determine a course of action including the administration of Intravenous Tissue Plasminogen Activator (IV-tPA) which dissolves clots and restores blood flow to the injured area.

Further expansion of the system to other Halifax Health locations will be evaluated based upon the success of this pilot project.

The project was approved at the Capital Investment Committee meeting on December 21, 2016.

TOTAL CAPITAL COSTS \$40,729



Halifax Health

Project Evaluation

TeleStroke Video Conferencing System

Chief Financial Officer:	Eric Peburn
Director, Population Health:	Bob Williams
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to purchase a TeleStroke videoconferencing system which will be used as a pilot telemedicine project for the Port Orange Emergency Department.

Strategic Plan Core Competency Achievement:

Physician Integration	X
Care Coordination	X
Cost Management	
Information Technology	X
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

Cornerstone:

Safety	X
Compassion	X
Image	
Efficiency	X

Investment Request for Approval

\$ 40,729

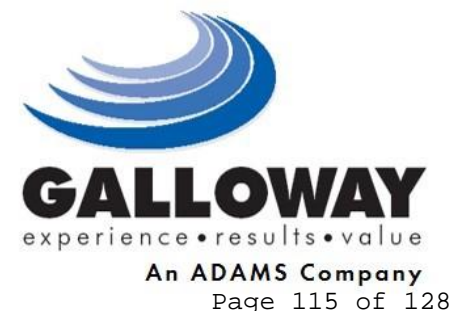
Recommendation for approval of the project is not based upon incremental return on investment.

Length of Stay Initiative



Audit and Finance Committee
April 26, 2017

Mitch Galloway
President, Galloway Consulting





Galloway's Point of View on Throughput...

“Length of Stay”





***“The Biggest Barrier to Change is the
Temporary Inefficiencies it Causes.***

***We Must Prepare for Disruption and Perhaps
Initial Performance Decline during this
Transition.”***

Mitch Galloway



Our point of view regarding Throughput...



- To a healthcare organization, “throughput” or “patient flow” is its ability to move patients efficiently into, through, and out of their system of care. Often measured as “length of stay” (e.g., in an inpatient bed, an ER visit, or a radiology procedure), throughput directly correlates to capacity – the greater the throughput, the more volume an organization can serve with its fixed costs. While the theoretical minimum appropriate length of stay is always constrained by the patient’s condition, it is more likely that the healthcare organization’s or attending physician’s processes and behaviors constrain the length of stay. Understanding and shortening the “critical path” of decisions and processes for each patient improves throughput and creates relatively “free” capacity for growth.
- Our experience demonstrates that healthcare organizations can create a competitive advantage by providing rapid entry and movement through the patient care system. Depending on how it is achieved, greater throughput can provide a better service experience to the patient, increase quality outcomes, and significantly lower costs.

Importance of removing “Excess Patient Days” as the Dominant Driver in Overall Length of Stay Optimization.

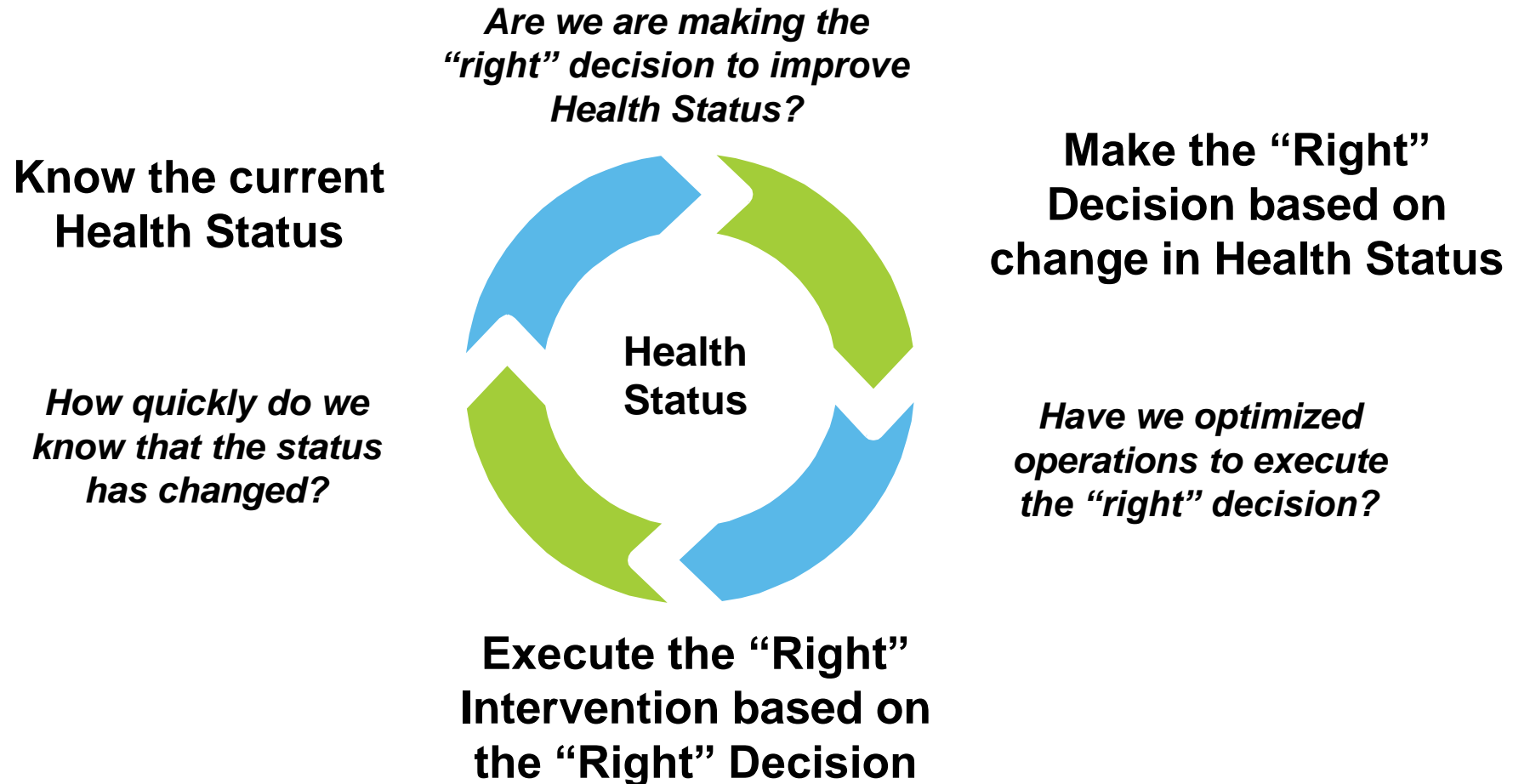


Excess Patient Days are days above the FY17 Medicare Geometric Mean. Not all Excess Patient Days are clinically unnecessary or available to eliminate; however, the metric provides more granularity than ALOS which gives credit for the lower end of the distribution.

Excess Days translates to avoidable expenses due to the unnecessary consumption of resources.

Excess Days may contribute unfavorably to quality performance measures as our patients spend more time as an inpatient and exposed longer than necessary to hospital acquired ailments.

Focusing on the “right” clinical decisions and increasing the speed of this cycle will drive appropriate improvement in LOS...

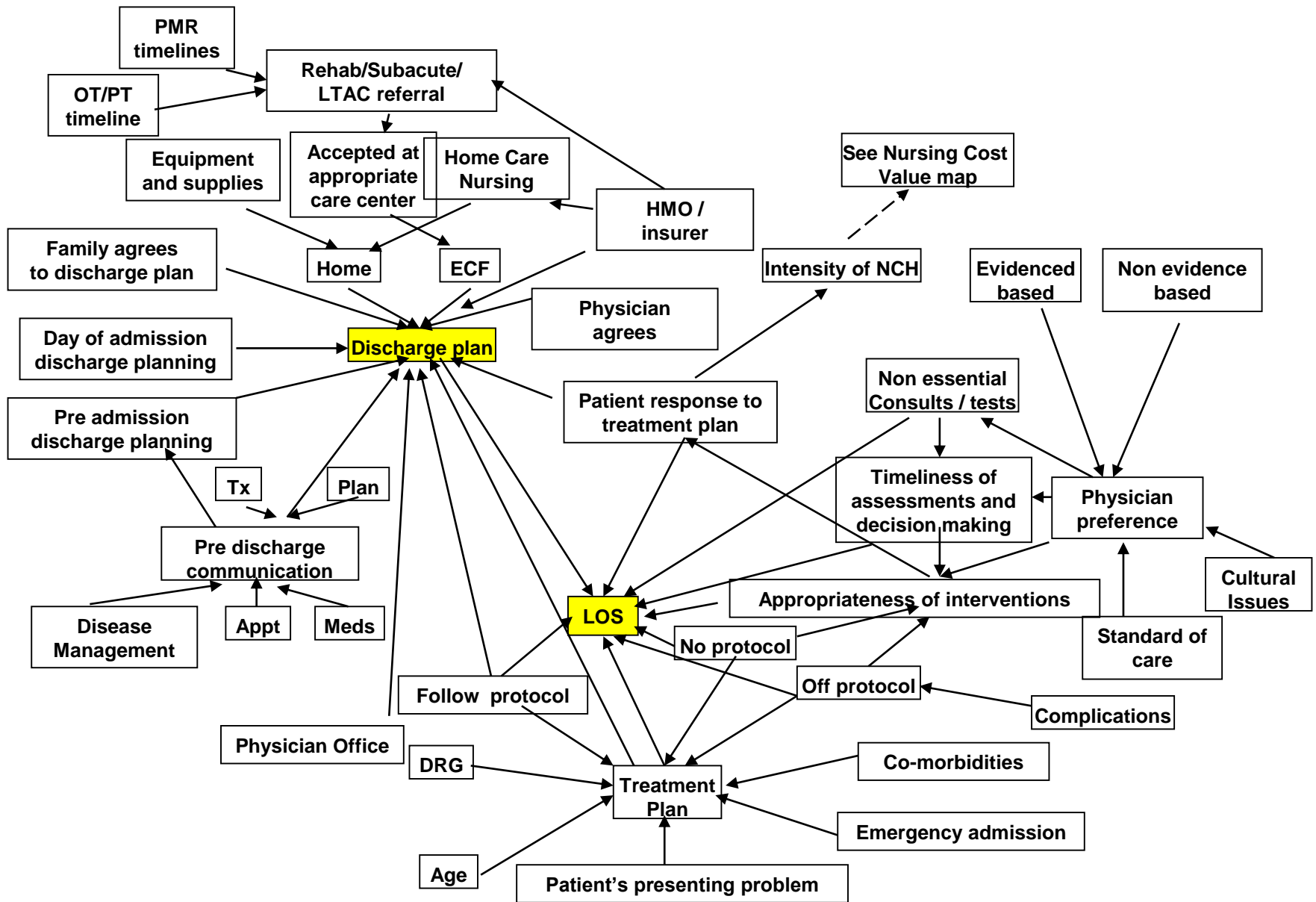


Halifax Health Current State...



- LOS is recognized by senior executives as a significant opportunity, and our analysis supports that conclusion.
- We have had over 40,000 *excess patient days* in the first 9 months of FY16.
- Identified rate limiting barriers Halifax Health attaining profound LOS improvement:
 - Physician alignment around the process and outcome metrics necessary to reduce LOS
 - Both the perceptions and realities of the nature of your patient population and the difficulty in efficient treatment it represents
 - Operational alignment and hardwired patient flow process across nursing and support units is a real opportunity for us to improve.

LOS Is HIGHLY Complex...



What we recommended...



- A transformation to address the underlying root causes of performance issues that aligned the senior leaders around the need for change and the process to get it done.
- A set of “Quick Start” initiatives that will allow you to begin to get traction now and further clarify and address the underlying root causes of performance issues.

LOS Improvement – Organizing Activities



- We recognize that for improvement initiatives to become hardwired within our culture; change management has to be lead from the highest levels within the organization. We addressed this with creating a LOS steering committee that is co-lead by COO and Chief of Hospital Medicine.
- To improve the level of physician engagement; we embraced the physician partnership model where each initiative has a physician and administrative co-leader.
- We discovered that we have some fundamental opportunities within our daily operations that when addressed, will enable us to accelerate the pace of our improvement.
 - Daily operational safety calls with every manager
 - Bed placement flow coordinator with responsibility for the full hospital

Steering Team met four times over four weeks in March...



- Built understanding and alignment of the senior leaders required to drive the improvement
- Reviewed assessment data in detail
- Identified and agreed upon the desired goals for the process using a High Performing Practice survey
- Identified and prioritized specific areas for improvement that we will form teams to address
- Chartered teams to address the highest priority opportunities that we expect will yield rapid, material results

Our Collaborative Team topics...



- Infectious Disease
 - Arvin Lewis, Dr. Crossman
- Patient Flow
 - Alberto Tineo, Dr. Cosma
- Multidisciplinary Rounding
 - Catherine Luchsinger, Dr. Estrella
- Diagnostic bottlenecks
 - Jana Iezzi, Dr. Harman

Immediate Actions...



- Our typical engagements involve rapid performance improvement and sometimes urgent “turnarounds”, so we understand the need for fast results that affect the bottom line performance
- We have not waited for the teams to finish their work to begin implementation of some improvements. Some actions took place while the Steering Team was still meeting:
 - Launched daily operational briefing calls with all unit leaders
 - New approaches to managing Sepsis and other Infectious Diseases
 - Piloting aspects of multi-disciplinary rounds
 - Instilling accountability at the unit leader level regarding staffing plans
 - Established patient flow coordinator role
- Key takeaway - We are making adjustments to our flow process while we continue to and implement immediate actions while the Collaborative Teams analyze system processes.

Anticipated Operational Timeline...



- While there are more than 40,000 excess days of stay, no organization can feasibly eliminate all excess days
- Our experience shows that eliminating 30-50% of the days over a 12-month period is an aggressive but achievable goal
- The teams have set goals to reduce excess days of stay over the next 90 days with even greater benefit achieved by the end of the calendar year
- The teams will report the risk-rated anticipated benefit to the Steering Team during the week of May 8 with specific action plans to achieve it
- The action plans will determine the amount of additional support – if any – that will be required to reduce implementation risk and increase the speed to results