



HALIFAX HEALTH

**Audit & Finance
Committee**

Wednesday, June 28, 2017

Meeting Location

Halifax Health

France Tower, Conference Room A

4:00 p.m.

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, June 28, 2017

AGENDA

I. CALL TO ORDER

II. MINUTES

Investment Committee Minutes

portal page 4, **action requested**

- March 27, 2017

Audit & Finance Committee Minutes

portal page 5, **action requested**

- April 26, 2017

III. AUDIT COMMITTEE

Corporate Compliance, Shelly Shiflet

- Monthly Compliance Dashboard Reports

portal page 8, **information only**

Internal Audit, Bill Rushton

- Audit Services Discussion and Analysis
 - Summary of Audit Follow
 - Summary of Internal Audit Report(s)
 - Audit Plan Changes

portal page 12, **action requested**

IV. FINANCE COMMITTEE

Financial Report, Eric Peburn

- May 2017
- April 2017

portal page 22, **action requested**

portal page 47, **action requested**

Acquisitions, Leases and Disposals, Kent Bailey

- Capital Investment Strategy
- Capital Expenditures \$50,000 and over
 - C-Arm for Operating Room
 - Retro-fit for X-ray Equipment - Port Orange Diagnostic Radiology
 - Pump Speed Control Units
 - Acute Care Rehabilitation Therapy Office Renovation
 - Soiled Utility Room Renovation for Respiratory Therapy
- Operating Leases \$250,000 and over
 - Facility and Office Space Leases – Deltona
 - Primary Care
 - Pediatrics
 - Rotating Specialists
 - Meeting Space
 - ASC
- Disposals
- Comparison of Projected and Actual Financial Results for Significant Projects

portal page 72, **information only**

portal page 80, **action requested**

\$144,930

\$99,820

\$87,000

\$82,400

\$72,832

portal page 91, **action requested**

\$10,604 monthly payment

\$7,168 monthly payment

\$3,022 monthly payment

\$5,313 monthly payment

\$26,417 monthly payment

portal page 92, **action requested**

portal page 94, **information only**

Old Business

- Meeting Request Tracker/Checklist

portal page 97, none

New Business

- FY 2018 Preliminary Budget Review / Not to Exceed Millage Rate
- Deltona Schedule, Budget Status & Financing Update

presentation, **information only**

discussion , **information only**

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

Information Only

- | | |
|--|---|
| • Discharged Based -Average Length of Stay and Case Mix Index | portal page 115, information only |
| • Investment Performance Reports, May & April 2017 | portal page 117, information only |
| • Capital Expenditures \$25,000 - \$50,000 | portal page 127, information only |
| • <i>Time Clock Replacement</i> | \$49,975 |
| • <i>Fetal Monitors for OB Diagnostics/Maternal Fetal Medicine</i> | \$37,528 |
| • <i>Signage for Halifax Health Port Orange</i> | \$35,000 |
| • <i>Sterilizer Conversion</i> | \$33,060 |
| • <i>Eye Surgery Stretchers</i> | \$25,014 |

V. OPEN DISCUSSION

- VI. NEXT MEETING
- Monday, August 7, 2017, 5:00 p.m. - France Tower Conference Room A**
FY 2017 BUDGET WORKSHOP, Combined with the Board of Commissioners
WEDNESDAY, August 30, 2017, 4:00 p.m. – Regular scheduled meeting
TUESDAY, September 5, 2017, 5:05 p.m. – Tentative First Public Hearing, Board of Commissioners

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, March 27, 2017

Present: Ted Serbousek, Chairman & Chairman, Audit & Finance Committee
Dan Francati, Member & Member, Audit & Finance Committee & Vice Chairman, Board of Commissioners
Dave Graffagnino, Member
Mike Walsh, Advisor

Via Phone: Susan Schandel, Member & Member, Audit & Finance Committee & Treasurer, Board of Commissioners
Greg Motto, Member, Audit & Finance Committee

Not Present: Decker Youngman, Member, Audit & Finance Committee

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

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

Minutes

Discussion: Minutes from the November 14, 2016 Investment Committee meeting were reviewed.

Action: Mr. Graffagnino moved to approve the November 14, 2016 Investment Committee minutes as presented. Ms. Schandel seconded the motion and it carried unanimously.

Quarterly Review

Discussion: Mr. Walsh, Ashford Investment Advisors, presented the investment review for the 4th calendar quarter, ended 12/31/2016.

Action: None required.

Old Business

Discussion: None.

New Business

Discussion: None.

Informational Only

Discussion: Investment Performance Report, February 2017

Action: None required.

Next Meeting: Monday, May 8, 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, April 26, 2017

Present: Ted Serbousek, Chairman
Ammar Hemaïdan, MD, Member & Member, Medical Staff
Greg Motto, Member

Via Phone: Decker Youngman, Member

Not Present: Daniel Francati, Member & Vice Chairman, Board of Commissioners
Susan Schandel, Member & Treasurer, Board of Commissioners

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, Senior Vice President, Operations
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
Bill Griffin, Director, System Research and Planning
Dr. Danny Jazarevic, Trauma Surgery Program
Dee Schaeffer, Government Affairs Officer/Ex. Dir., Healthy Communities
Dr. Kent Harman, Medical Director of Intensive Medicine
Jana Iezzi, Director of Performance Improvement
Mitch Galloway, President, Galloway Consulting

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

MINUTES

Discussion: Minutes from the November 14, 2016 Investment Committee Meeting and from the February 1, 2017 Audit & Finance Committee Meeting were reviewed.

Action: Mr. Motto moved to approve the minutes as presented and recommends approval by the Halifax Health Board of Commissioners. Mr. Youngman 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 months ended March 2017 and February 2017, referencing no issues. She presented two high priority compliance referrals for the Committee's review prior to closure. The first related to the call center, which resulted in the repayment of related facility claims totaling \$8,927.72, and the second, an audit with a preliminary finding that Halifax Health owed \$113,862.94. Halifax Health received the notice of the preliminary finding on March 3, 2017 and payment was received by AHCA on March 20, 2017. Mr. Wade added that he did not have concerns regarding either issue at this time. The Committee had no objection to closure. Ms. Shiflet concluded her report by stating the annual report to the CIA is due May 8, 2017.

Action: None required.

Internal Audit

Discussion: Mr. Rushton led committee members through the Audit Services Discussion and Analysis presentation, requesting approval of the proposed internal audit plan, the summary of audit reports and summary of follow up items as of March 31, 2017. Mr. Serbousek requested that the risk areas that will not be audited be reflected in the document before the next meeting. Mr. Rushton will update the Internal Audit Discussion & Analysis accordingly to show the risks without the audit coverage and place the revised IADA in BoardEffect.

Action: Mr. Motto moved to approve the Proposed Internal Audit Plan, the Summary of Audit Reports and the Summary of Follow Up as of March 31, 2017 as presented. Ms. Youngman seconded the motion which carried unanimously.

FINANCE COMMITTEE

FINANCIAL REPORT

Discussion: Mr. Peburn reviewed the March 2017 Financial Report, reporting the performance compared to budget and long range targets, highlighting statistical and financial summaries. He reported the year-to-date progress, briefly referencing settlement adjustments, emergency department volume, surgical volume, Hospice and purchased services. Discussion ensued regarding revenue generated through Halifax Brooks Center for Rehabilitation. It was requested that a Center for Rehabilitation service line report be brought back to the committee and that this information be annually reported to the committee.

Action: Dr. Hemaïdan moved to approve the March 2017 and February 2017 Financial Reports and recommends approval by the Board of Commissioners. Mr. Youngman 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

• <i>Pediatric Outpatient Rehabilitation Joint Venture with Brooks Rehabilitation</i>	\$694,409
• <i>Bronchoscopy Suite Construction</i>	\$579,926
• <i>Beds for IMC and CIC</i>	\$475,506
• <i>Oncology Services Expansion for the Port Orange Treatment Center</i>	\$432,720
• <i>Fairwarning - Patient Privacy Intelligence System</i>	\$182,224
• <i>NICO Brain Path and Myriad System</i>	\$181,000
• <i>LogRhythm Security Information and Event Management</i>	\$150,038

Action: Dr. Hemaïdan moved to approve the capital expenditures and recommends approval by the Board of Commissioners. Mr. Youngman seconded the motion and it carried unanimously.

Discussion: Disposals and Recommendation to Sell H.H. Holdings, Inc. Real Estate in Port Orange

Action: Mr. Motto moved to approve the disposals and leadership's recommendation to sell H.H. Holdings, Inc. real estate in Port Orange and recommends approval by the Board of Commissioners. Dr. Hemaïdan 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 Length of Stay update will be presented as New Business as requested. No further action needed at this time.

NEW BUSINESS

Discussion: Length of Stay Initiative
Mr. Billings introduced Mitch Galloway, President of Galloway Consulting, and together they presented a high level overview of throughput, removal of excess patient days, and the cycle driving appropriate improvement. The current state of Halifax Health's length of stay efforts were described as well as recommendations to date in alignment with organized activities, efforts of the Steering Team, collaborative team topics and immediate actions and respective operational timelines. Brief discussion ensued. Mr. Billings expressed appreciation for the opportunity to provide an update and indicated willingness to report back as appropriate and needed.

Action: None required.

Discussion: Deltona Update
Mr. Feasel shared the outcomes of the community events leading up to the opening of the free standing emergency department in Deltona on April 25, 2017. He expressed appreciation to team members, clinicians, volunteers and the numerous individuals involved from and within the Deltona community and Volusia County. Mr. Peburn concluded by reporting that exploration of financing options for the acute care hospital is underway and will be presented in the upcoming months.

Action: None required.

INFORMATIONAL REPORTS

Discussion: The Discharged Based-Average Length of Stay and Case Mix Index, the Schedule of Uses of Property Taxes, Investment Performance Reports for March 2017 and February 2017, and the Capital Expenditures, \$25,000 - \$50,000 were presented under Information Only. The Capital Expenditures \$25,000 - \$50,000 were as follows:

• Patient Monitors for Vital Signs	\$45,993
• Venous Ablation System	\$42,250
• Telestroke Video Conferencing System	\$40,729

Action: None required.

OPEN DISCUSSION

Discussion: None.

NEXT MEETING DATE: MONDAY, May 8, 2017, 4:00 p.m. – Investment Committee Meeting
WEDNESDAY, June 28, 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: June 19, 2017
Re: Compliance Dashboard Report for the month ended May 31, 2017

Enclosed is the Compliance Program Dashboard Report for May 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 – 5/31/2017

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. 4,244	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. 4,083	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. 4,988	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. 84.6%	% of members who attended the meeting on 4/26/2017 (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. 7 / 58	Number of Help Line calls received during month/past 12 months
	2. 3 / 42	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 4/30/2017
	4. 0	Number of open Help Line calls rated as High Priority as of 5/31/2017
	5. 2	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 20	Number of issues open as of 4/30/2017
	2. 10	Of the issues in item 1, ___ remain open as of 5/31/2017
	3. 10	Number of issues from item 1 closed as of 5/31/2017
	4. 50%	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. 1	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. 1	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*.



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: May 24, 2017
Re: Compliance Dashboard Report for the month ended April 30, 2017

Enclosed is the Compliance Program Dashboard Report for April 2017. Item III(2) did not meet the target defined on the report. The target is set for at least 70% of the 13 members to attend the Compliance Committee meeting. Nine (9) of the thirteen (13) members (or 69%) attended the March 29, 2017 Compliance Committee meeting:

Members Present:

Shelly Shiflet, Vice President and Chief Compliance Officer;
Maria Crumlich, Director, Hospice;
Khalelah Jones, Privacy Officer;
Jillian Wheelock, General Counsel Assistant (alternate for Vivian Gallo);
Charlena Kowatch, Deputy Chief Compliance Officer;
Eric Peburn, Executive Vice President and Chief Financial Officer;
Tom Stafford, Vice President and Chief Information Officer;
Alberto Tineo, Vice President, Operations; and
Mark Billings, Executive Vice President and Chief Operating Officer.

Members Absent:

Dr. Donald Stoner, Chief Medical Officer;
Kim Fulcher, Vice President and Chief Human Resources Officer;
Vivian Gallo, Sr. Vice President and General Counsel;
Arvin Lewis, Senior Vice President and Chief Revenue Officer; and
Bill Griffin, Director, System Research and Planning.

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 – 4/30/2017

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. 4,156	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. 3,999	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. 4,888	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. 69%	% of members who attended the meeting on 3/29/2017 (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. 4 / 52	Number of Help Line calls received during month/past 12 months
	2. 2 / 39	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 3/31/2017
	4. 0	Number of open Help Line calls rated as High Priority as of 4/30/2017
	5. 6	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 23	Number of issues open as of 3/31/2017
	2. 7	Of the issues in item 1, ___ remain open as of 4/30/2017
	3. 16	Number of issues from item 1 closed as of 4/30/2017
	4. 70%	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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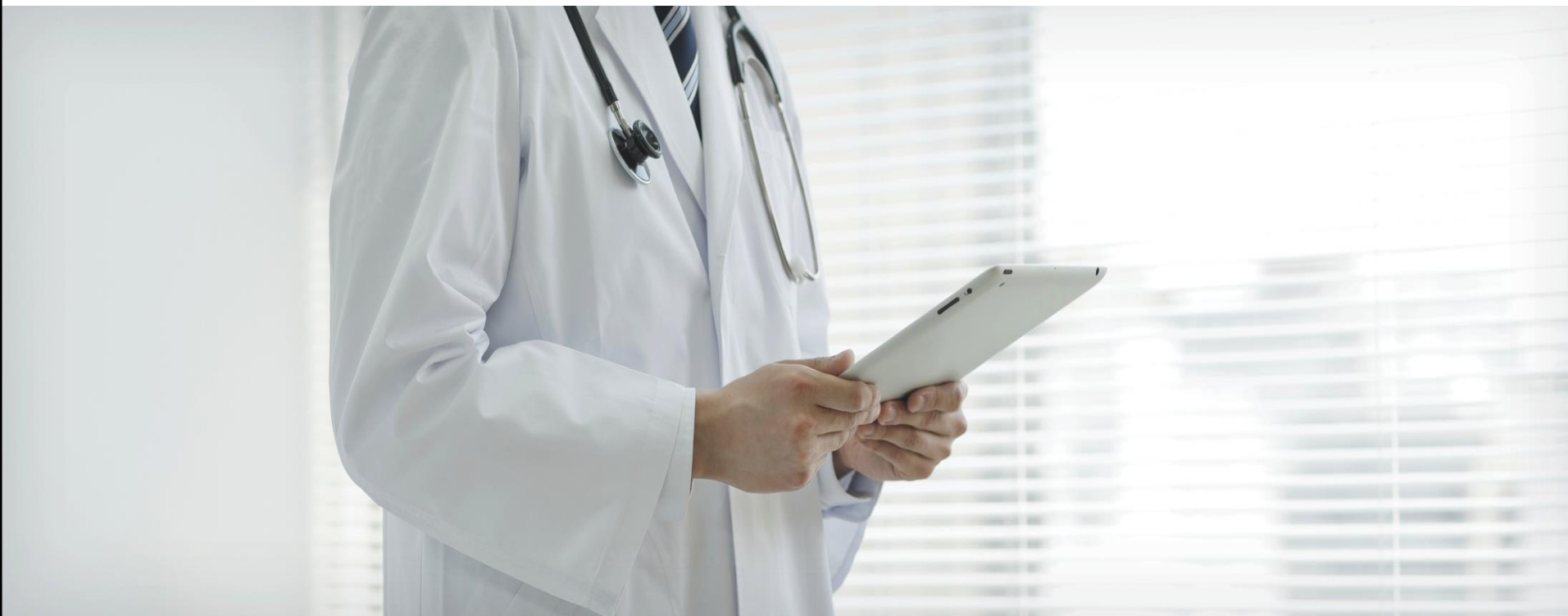
VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

	1. 1	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. 1	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*.



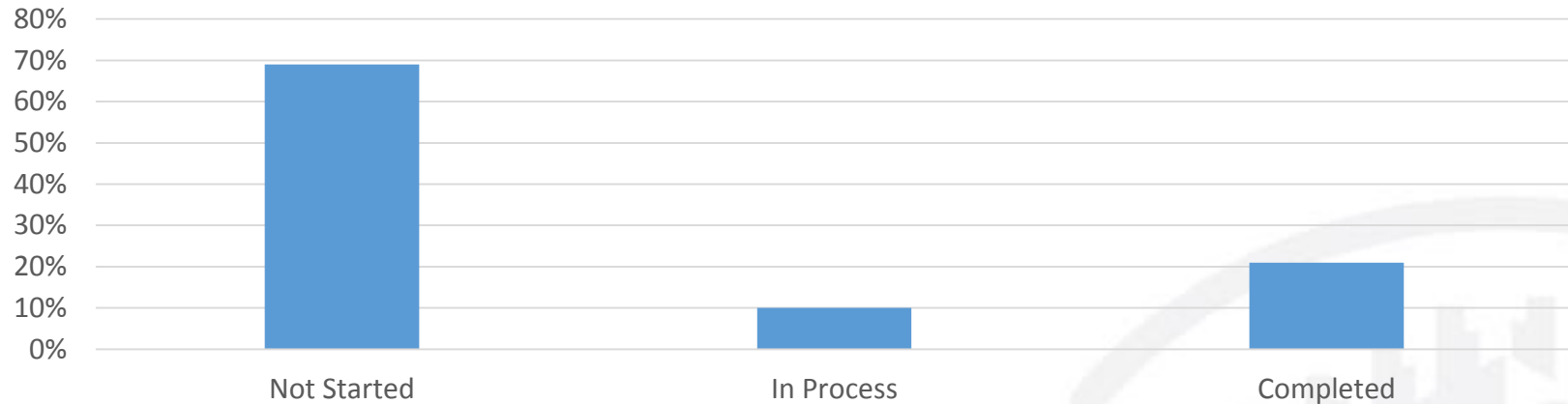
Audit Services Discussion & Analysis

Halifax Health Audit & Finance Committee

Presented June 28, 2017

For the period covering April 19, 2017 through June 20, 2017

Audit Plan: FY 17/18 Plan Status



FY Audit Plan	Internal	CoSource/External	FY16 Total Audits
Approved	11	3	14
Added	4	1	5
Cancelled	0	0	0
Revised Plan Total	15	4	19

See Board Portal For Audit Plan Detail

Audit Plan Changes

Internal Audit Project

- Facility Key Control Review

Risk Assessment Reason

- Management is concerned keys are not properly controlled
- An Internal Audit has not been recently performed
- Recent audit disclosed issues with controls over keys.

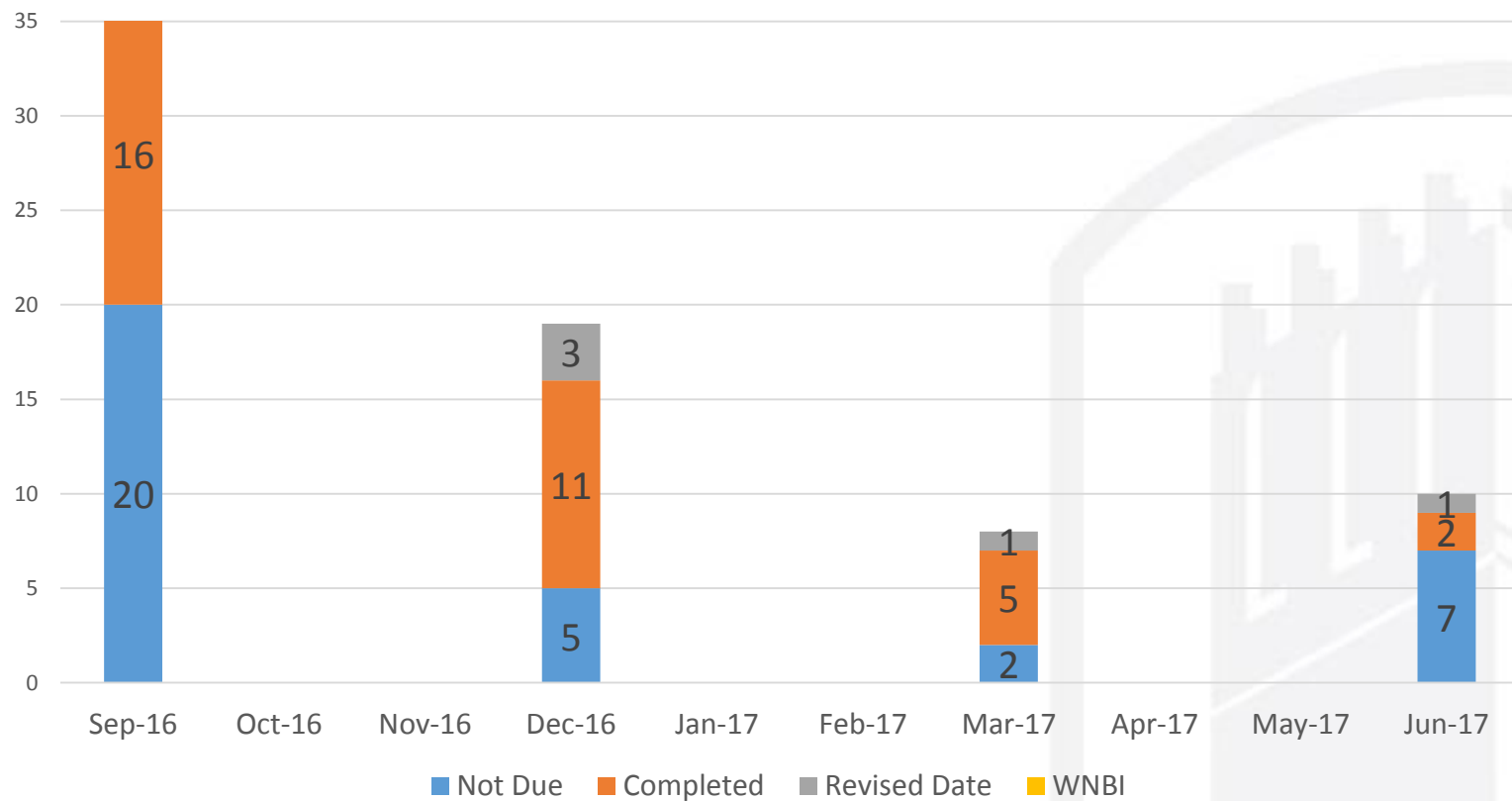
Results: FY 17/18 Audit Projects

Audit Source	Project Name	Issues by Impact Level		
		High	Moderate	Low
Year End Audit	At the direction of RSM Internal Audit provided assistance	RSM Submits Results to Audit & Finance Committee		
Co-Source	Executive Compensation and Expenses	0	0	0
Internal Audit	Meaningful Use Stage 2 – 2016 Validation Audit	0	0	0
Internal Audit	Pharmacy Controls Audit	2	4	1
Internal Audit	Halifax Call Network Audit	Draft Report		
Internal Audit	Denial Management Audit	Planning		

Local Audit Plan	Pharmacy Controls Audit	Issues by Impact Level		
Objective – Determined whether controls over certain pharmacy processes were functioning as Management intended.		High	Moderate	Low
Business Objectives At Risks: <ul style="list-style-type: none"> • Medications are used in accordance with accreditation standards or State Regulations. • Prevent and detect diversion of controlled substances. 		2	4	1
Significant Issue(s)	Lack of controls over pharmacy inventory and administration resulted in the following: <ul style="list-style-type: none"> • Expired drugs included in sample inventory; • Sample drugs missing or not recorded; • Delays in wasting Schedule II drugs; and • Same person orders, receives and approves Schedule IIs. 			
Key Take Away(s)	<ul style="list-style-type: none"> • Halifax Health has multiple pharmacy locations and because the potential for abuse continues to increase due to economic and human factors internal controls are necessary to prevent diversion. • Management has informed Internal Audit they have completed action plans for significant issues. 			

Audit Follow-Up

Audit Issue Follow-Up: Status of Management Action Plans
June 20, 2017



See BoardEffect for Audit Follow Up Detail.

**AUDIT FOLLOW-UP OPEN ITEM REPORT
HALIFAX HEALTH
AS OF JUNE 30, 2017**

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date	Risk Rank
Meditology Security Risk Assessment (11/30/15)	<p>Issue 6.7. Vulnerability Management A formal, documented policy with supporting procedures for managing and tracking IT assets including servers, workstations, network devices, mobile devices, software, and other assets does not exist.</p> <p>Application patching (e.g., Java, Adobe) is not incorporated into routine patching cycles. NOTE: Some applications such as Kronos, will not allow patching of Java or Adobe.</p>	<p>An asset management policy supported by detailed procedures should be developed that defines processes, responsibilities, and objectives for identifying and maintaining an asset inventory of both hardware and software. HH Specific Action: Create P&Ps for asset management. Need to document what we currently do.</p> <p>Application vulnerabilities including Java and Adobe are common sources for system compromise via attacks that leverage malware, phishing, and other malicious tactics. Incorporate application patching processes into routine patch management procedures and standards. An exception process should be developed and documented if patching cannot be performed on all applications. HH Specific Action: Implement Application Patch Management solution.</p>	Tom Stafford, VP & Chief Information Officer	6/30/2017	Medium
Meditology Security Risk Assessment (11/30/15)	<p>Issue 6.11 Access Control Routine user access reviews (e.g., access re-certifications) are not performed to ensure access to systems containing PHI and other sensitive information remains appropriate over time. Multi-factor authentication is not required for remote access users.</p> <p>Although the IT department has processes for revoking user access upon termination in place, user accounts for terminated employees are not revoked within an appropriate time period. NOTE: IT relies on communication from HR department to revoke access.</p>	<p>Periodically revalidate user access permissions to PHI and other sensitive information to ensure access is appropriate based on job function and business need. HH Specific Action: Implement role based access with annual reviews by Managers.</p> <p>Configure all remote access connections to require two-factor authentication, such as a hardware token or digital certificate. Where two-factor authentication is not possible, implement more restrictive access controls to reduce the risk associated with insecure configurations. HH Specific Action: Evaluate, determine if it will work for Physicians, purchase and implement 2-factor authentication for remote access.</p> <p>Design processes in conjunction with HR department to ensure that user accounts are disabled or removed for all users upon termination. A user re-validation should be conducted quarterly as a secondary opportunity to identify access for terminated users that may have been missed or overlooked. HH Specific Action: Possibly need to establish the process for a report of team member with 0 hours to be sent to HR. HR would review and follow up with management. Terminations would be entered as appropriate.</p>	<p>Tom Stafford, VP & Chief Information Officer</p> <p>Kim Fulcher, VP & Chief Human Resources Officer</p>	3/31/2017 Revised 12/31/17	Medium

**AUDIT FOLLOW-UP OPEN ITEM REPORT
HALIFAX HEALTH
AS OF JUNE 30, 2017**

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date	Risk Rank
Pharmacy Controls Audit (5/8/17)	<p>Issue 1: Inadequate Drug Sample Inventory Controls</p> <p>Testing of controls over drug samples at HBS and CO disclosed the following:</p> <ul style="list-style-type: none"> Expired sample medications were not segregated from inventory. Two expired sample packs of Strattera and 30 tablets of Tarceva had not been removed from inventory and destroyed. (HBS, CO-Ormond) 45 units of Strattera and 35 units of Latuda were missing or incorrectly logged during receipt and/or dispensing. (HBS) Record of sample medication labels were illegible and could not be audited. Labels are placed on the samples and document physician name, patient's name, Rx, dosage, drug and any special instruction. (HBS) Receipts from pharmaceutical reps were not obtained or retained for samples. Receipts are needed to properly record the beginning inventory. (HBS, CO-Port Orange & Ormond) Sample Medications Procedures were missing controls such as disposition of expired drugs, documented receipts and inventory counts. 	<ul style="list-style-type: none"> Expired samples were immediately destroyed. (JT,DT,DD) Sample Policy and Procedures will be revised to include receipts from reps, the disposition of expired samples and surprise audits by a Halifax Pharmacy. Physicians to be trained on the updated Sample Medications Policy. (JT,DT,DD) Labels on samples are photocopied. HBS Management will work with the Print Shop to develop a sample label that copies what the Physician administered. (JT) <p>Expected Deliverable Due Date: 5/11/17</p> <ul style="list-style-type: none"> Photocopies of drug sample labels. <p>Expected Deliverable Due Date: 8/14/17</p> <ul style="list-style-type: none"> Copies of procedures and documents to address control gaps. Evidence of Physician training. Internal Audit will perform limited testing to assess new processes. 	<p>James Terry - Director, Service Line Psychology</p> <p>Debra Trovato - Director Service Line Oncology</p> <p>Dominick Damiani - Pharmacy Director</p>	9/1/2017	High
Pharmacy Controls Audit (5/8/17)	<p>Issue 2: Scheduled II Medications Are Not Being Wasted At The Point Of Removal From Omnicell</p> <p>Internal Audit tested fifteen patient records to determine if policy was followed for the wasting of Schedule IIs and if the patient dosage ordered, administered and wasted reconciles. Results of testing disclosed the following:</p> <ul style="list-style-type: none"> In five (33%) instances the amount wasted was witnessed three to seven hours after removing the medication from Omnicell. In each instance the patient medication ordered, administered and wasted reconciled and the EMR supported the wasting of the drug during the removal process. Automated Dispensing Machine Procedures did not cover when to waste medications. Unless an emergency, or drug therapy delays activities, procedures must require Nurses to waste and witness after removal from Omnicell and before patient administration. 	<ul style="list-style-type: none"> Procedures will be revised to include when wasting medication activities occurred. (DD) Nurses will be trained on the revised procedures. (SJ) Pharmacy will research the possibility of enhancing the Waste Transaction Report to record and calculate waste activity times. (DD) <p>Expected Deliverable Due Date: 8/14/17</p> <ul style="list-style-type: none"> Copy of the revised procedures and CBL report showing Nurse training. Copy of the Waste Transaction Report detecting timing issues. Internal Audit will perform limited testing to assess new processes. 	<p>Shelly Jones - Director of Professional Development</p> <p>Dominick Damiani - Pharmacy Director</p>	9/14/2017	High

**AUDIT FOLLOW-UP OPEN ITEM REPORT
HALIFAX HEALTH
AS OF JUNE 30, 2017**

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date	Risk Rank
Pharmacy Controls Audit (5/8/17)	<p>Issue 3: Inadequate Inventory Controls Over HBS Day Treatment Drugs</p> <p>HBS Day Treatment Center did not have documented policies and procedures for managing the receipt, inventory and return of HBS day treatment medications.</p> <p>Internal Audit's walkthrough of the HBS Day Treatment Drug Inventory disclosed the following controls were missing:</p> <ul style="list-style-type: none"> o Guardian's sign off for patient medications returned; o Medication log aligned with HBS processes; o Medications verified by Pharmacy; o An inventory retention limit or return period; and o Periodic inventory counts and reconciliations; <p>L</p>	<ul style="list-style-type: none"> • HBS Director and Pharmacy will develop Day Treatment procedures for patient medications. Procedures will include: <ul style="list-style-type: none"> - Obtaining the guardian's sign off for receipts & returns; - Record of medications received and returned; - Verify medication receipts with Pharmacy; - An inventory retention limit; - Periodic inventory counts; - Record of medications administered; - A Log aligned with managing day treatment. • Staff will be trained on procedures. <p>Expected Deliverable Due Date: 8/14/17</p> <ul style="list-style-type: none"> • Copies of procedures and documents to address control gaps. • Internal Audit will perform limited testing to assess new processes. <p>L</p>	James Terry - Director, Service Line Psychology Dominick Damiani - Pharmacy Director	9/1/2017	Medium
Pharmacy Controls Audit (5/8/17)	<p>Issue 4: Medication List Were Not Completed Timely For Patients Transferred To J-Pod</p> <p>Internal Audit tested 20 patient records to determine if the Medication Reconciliation policy was followed for ED patients transferred to J-Pod. Three (15%) patient medication lists were not completed timely by the ED Nurses. Testing documented the lists were completed five to seven hours after patient was admitted to the ED and one to three hours after being transferred to J-Pod.</p> <p>L</p>	<ul style="list-style-type: none"> • ED Nurses have been informed of timing issues and reeducated to document patient home medication list in the EMR during the point of entry. • Two required daily staff huddles are now being conducted. The objective of huddles are to identify and manage risks real time such as the patient medication list. <p>Expected Deliverable Due Date: 7/14/17</p> <ul style="list-style-type: none"> • Internal Audit will perform limited testing to assess continued improvement in the ED. <p>L</p>	Robert Love - Director of Nursing-ED	8/1/2017	Medium
Pharmacy Controls Audit (5/8/17)	<p>Issue 5: Segregation Of Duties Issue With The Procurement Of Medications</p> <p>Internal Audit's walkthrough of the procurement of Schedule II's disclosed staff functions were not appropriately segregated. The process was witnessed/approved by the same Pharmacist who ordered and received medication and updated McKesson receipts. A pharmacist independent of that procurement process should witness/approve the final receipts and updates to Omnicell and McKesson.</p>	<ul style="list-style-type: none"> • Witnessing and approving of Schedule II procurement will be done by a Pharmacist independent of the process. <p>Expected Deliverable Due Date: 6/17/17</p> <ul style="list-style-type: none"> • Internal Audit will walkthrough the process to assess segregation of duties. 	Dominick Damiani - Pharmacy Director	7/3/2017	Medium
Pharmacy Controls Audit (5/8/17)	<p>Issue 7: Inadequate Physical Security Over Controlled Substances</p> <p>Internal Audit's review of physical safeguards over medication inventory at outpatient locations disclosed the following:</p> <ul style="list-style-type: none"> • There were no cameras positioned to record activity at or near the supply rooms. (HBS Day Treatment, CO-Main, Ormond & PO) • Facility keys to the safe and cabinet housing medications were not logged and could be duplicated. (HBS Day Treatment) 	<ul style="list-style-type: none"> • Management will perform an analysis of physical security measures, including the use of cameras and/or using existing Omnicell boxes to house medications or control keys. <p>Expected Deliverable Due Date: 7/14/17</p> <ul style="list-style-type: none"> • Internal Audit will walkthrough CO and HBS Day Treatment to assess physical security measures. 	James Terry - Director, Service Line Psychology Debra Trovato - Director Service Line Oncology Dominick Damiani - Pharmacy Director	8/1/2017	Low



Recommended Committee Action

The following items need Committee approval:

- Summary of Audit Follow-Up Report as of June 20, 2017
- Summary of Internal Audit Report(s) - Pharmacy Controls Audit
- Audit Plan Changes - Facility Key Control Review

Halifax Health

Summary Financial Narrative

For the eight months ended May 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	2.5%	2.0%	Favorable	5.8%	Unfavorable
Operating Margin	0.9%	1.0%	Unfavorable	3.6%	Unfavorable
EBIDA Margin	9.8%	9.5%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.4%	8.6%	Unfavorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	7.8%	8.4%	Unfavorable	N/A	N/A
Days Cash on Hand	254	262	Unfavorable	249	Favorable
Cash to Debt	96.5%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.1%	56.0%	Unfavorable	29.1%	Unfavorable
OG MADS Coverage	2.08	2.11	Unfavorable	4.50	Unfavorable
OG Debt to Capitalization	55.1%	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 greater than 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 and 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 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 2.1% greater than budget.
- Total operating expenses for the fiscal year-to-date are 2.0% greater than budget.
- Income from operations fiscal year-to-date of \$319,000 compares unfavorably to budget by \$1 million.
- Nonoperating gains/(losses) fiscal year-to-date of \$1 million, primarily consisting of net investment income, compare unfavorably to the budgeted amount by \$535,000.
- The increase in net position fiscal year-to-date of \$1.4 million compares unfavorably to budget by \$1.6 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 6.1% less than budget.
- Loss from operations fiscal year-to-date of \$923,000 compares unfavorably to budget by \$1.3 million, due primarily to a Medicare settlement adjustment relating to fiscal year 2015 that reduced net patient service revenue by approximately \$1.2 million.
- Nonoperating gains fiscal year-to-date of \$4.7 million, including investment income of \$4.2 million, is greater than the budgeted amount by \$2.7 million.
- The increase in net position fiscal year-to-date of \$3.8 million compares favorably to budget by \$1.5 million.

Halifax Health
Summary Financial Indicators – Excluding Estimated Hurricane Matthew Costs
For the eight months ended May 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	2.5%	3.0%	2.0%	Favorable	5.8%	Unfavorable
Operating Margin	0.9%	1.4%	1.0%	Favorable	3.6%	Unfavorable
EBIDA Margin	9.8%	10.3%	9.5%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.4%	8.9%	8.6%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin (1)	7.8%	8.3%	8.4%	Unfavorable	N/A	N/A
Days Cash on Hand	254	257	262	Unfavorable	249	Favorable
Cash to Debt	96.5%	97.0%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.1%	55.9%	56.0%	Favorable	29.1%	Unfavorable
OG MADS Coverage	2.08	2.22	2.11	Favorable	4.50	Unfavorable
OG Debt to Capitalization	55.1%	54.9%	55.0%	Favorable	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 May 31,					Eight Months Ended May 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>				
1,555	1,548	1,595	-2.9%	HHMC Adult/Ped Admissions	12,782	12,705	12,910	-1.6%
161	155	155	0.0%	HHMCPO Adult/Ped Admissions	1,172	1,177	1,254	-6.1%
133	139	143	-2.8%	Adult Psych Admissions	1,101	1,130	1,161	-2.7%
52	61	51	19.6%	Rehabilitative Admissions	435	514	410	25.4%
1,901	1,903	1,944	-2.1%	Total Adult/Ped Admissions	15,490	15,526	15,735	-1.3%
8,206	8,077	7,993	1.1%	HHMC Adult/Ped Patient Days	66,404	67,706	64,561	4.9%
624	947	752	25.9%	HHMCPO Adult/Ped Patient Days	4,355	6,721	6,046	11.2%
1,567	1,203	1,581	-23.9%	Adult Psych Patient Days	11,511	10,816	11,613	-6.9%
851	777	866	-10.3%	Rehabilitative Patient Days	6,997	7,095	6,789	4.5%
11,248	11,004	11,192	-1.7%	Total Adult/Ped Patient Days	89,267	92,338	89,009	3.7%
5.3	5.2	5.0	4.1%	HHMC Average Length of Stay	5.2	5.3	5.0	6.6%
3.9	6.1	4.9	25.9%	HHMCPO Average Length of Stay	3.7	5.7	4.8	18.4%
5.1	5.3	5.0	6.0%	HHMC/ HHMCPO Average Length of Stay	5.1	5.4	5.0	7.6%
11.8	8.7	11.1	-21.7%	Adult Psych Average Length of Stay	10.5	9.6	10.0	-4.3%
16.4	12.7	17.0	-25.0%	Rehabilitative Length of Stay	16.1	13.8	16.6	-16.6%
5.9	5.8	5.8	0.4%	Total Average Length of Stay	5.8	5.9	5.7	5.1%
363	355	361	-1.7%	Total Average Daily Census	366	380	366	3.7%
568	603	612	-1.5%	HHMC Observation Patient Day Equivalents	4,915	5,136	4,896	4.9%
71	100	89	12.4%	HHMCPO Observation Patient Day Equivalents	749	964	733	31.5%
639	703	701	0.3%	Total Observation Patient Day Equivalents	5,664	6,100	5,629	8.4%
21	23	23	0.0%	Observation Average Daily Census	23	25	23	8.7%
158	138	154	-10.4%	HHMC Newborn Births	1,279	1,178	1,252	-5.9%
292	257	288	-10.8%	HHMC Nursery Patient Days	2,507	2,180	2,528	-13.8%
422	401	450	-10.9%	HHMC Inpatient Surgeries	3,652	3,551	3,899	-8.9%
1	14	1	1300.0%	HHMCPO Inpatient Surgeries	9	51	5	920.0%
423	415	451	-8.0%	Total Inpatient Surgeries	3,661	3,602	3,904	-7.7%
				<u>Inpatient Surgeries</u>				
167	150			Orthopedics	1,420	1,411		
76	75			General Surgery	668	579		
43	36			Neurosurgery	404	336		
16	34			Vascular	114	228		
17	24			Thoracic Surgery	171	205		
104	96			All Other	884	843		
423	415	451	-8.0%	Total Inpatient Surgeries	3,661	3,602	3,904	-7.7%

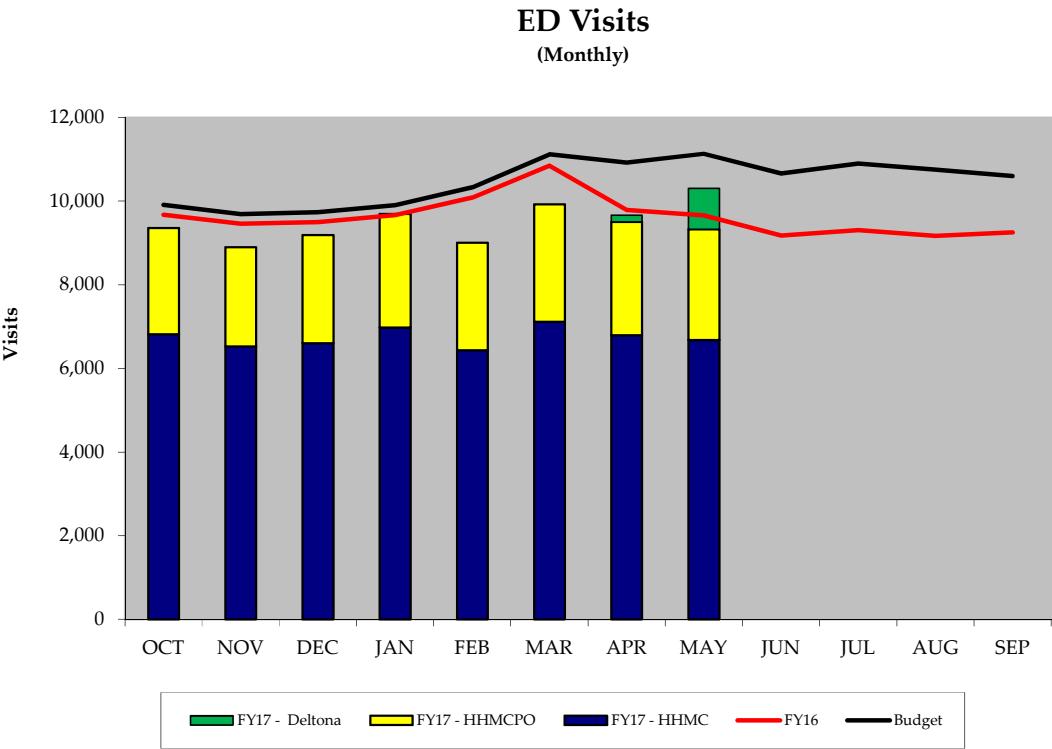
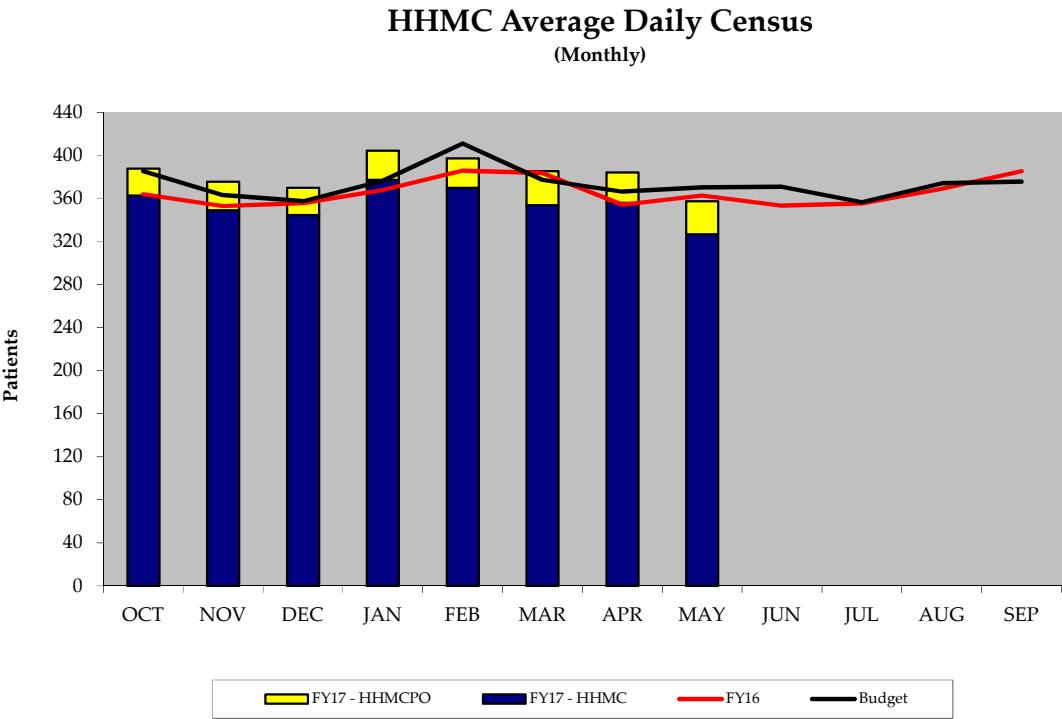
Halifax Health Statistical Summary

Month Ended May 31,				Eight Months Ended May 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>				
6,878	6,680	7,000	-4.6%	HHMC ED Registrations	56,269	53,964	57,268	-5.8%
2,778	2,648	2,893	-8.5%	HHMCPO ED Registrations	22,403	20,961	23,339	-10.2%
0	982	1,240	-20.8%	Deltona ED Registrations	0	1,142	2,140	-46.6%
9,656	10,310	11,133	-7.4%	Total ED	78,672	76,067	82,747	-8.1%
377	380	362	5.0%	HHMC Outpatient Surgeries	3,138	3,279	3,010	8.9%
122	0	125	-100.0%	HPC Outpatient Surgeries	799	307	818	-62.5%
0	109	0	0.0%	HHMCPO Outpatient Surgeries	2	332	3	10966.7%
360	400	304	31.6%	Twin Lakes Surgeries	3,008	2,870	2,849	0.7%
859	889	791	12.4%	Total Outpatient Surgeries	6,947	6,788	6,680	1.6%
				<u>Outpatient Surgeries</u>				
161	191			General Surgery	1,381	1,447		
175	156			Orthopedics	1,506	1,297		
90	115			Gastroenterology	836	666		
76	67			Obstetrics Gynecology	598	587		
82	64			Ophthalmology	500	491		
275	296			All Other	2,126	2,300		
859	889	791	12.4%	Total Outpatient Surgeries	6,947	6,788	6,680	1.6%
				<u>Cardiology Procedures</u>				
17	17			Open Heart Cases	123	154		
105	146			Cardiac Caths	906	1,056		
45	29			CRM Devices	288	249		
25	39			EP Studies	229	306		
192	231	184	25.5%	Total Cardiology Procedures	1,546	1,765	1,627	8.5%
				<u>Interventional Radiology Procedures</u>				
5	5	4	25.0%	Vascular	61	43	52	-17.3%
171	179	195	-8.2%	Nonvascular	1,559	1,319	1,497	-11.9%
176	184	199	-7.5%	Total Interventional Radiology Procedures	1,620	1,362	1,549	-12.1%
239	226	218	3.7%	GI Lab Procedures	1,724	1,621	1,567	3.4%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
17,525	15,571	17,050	-8.7%	Volusia/ Flagler	134,057	123,056	133,650	-7.9%
335.0	1,290	916	40.8%	Orange/ Osceola	1,580.0	7,918	6,018	31.6%
17,860	16,861	17,966	-6.2%	HH Hospice Patient Days	135,637	130,974	139,668	-6.2%
				<u>Average Daily Census</u>				
565	502	550	-8.7%	Volusia/ Flagler	549	506	550	-7.9%
11	42	30	40.8%	Orange/ Osceola	6	33	25	31.6%
576	544	580	-6.2%	HH Hospice Average Daily Census	555	539	575	-6.2%

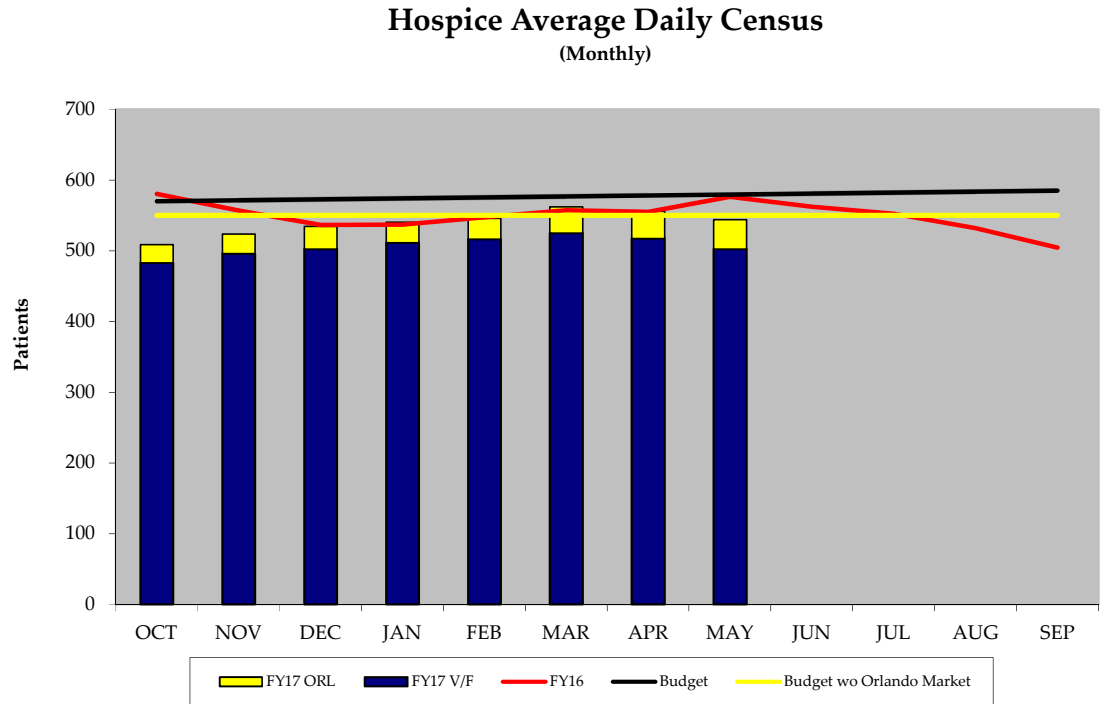
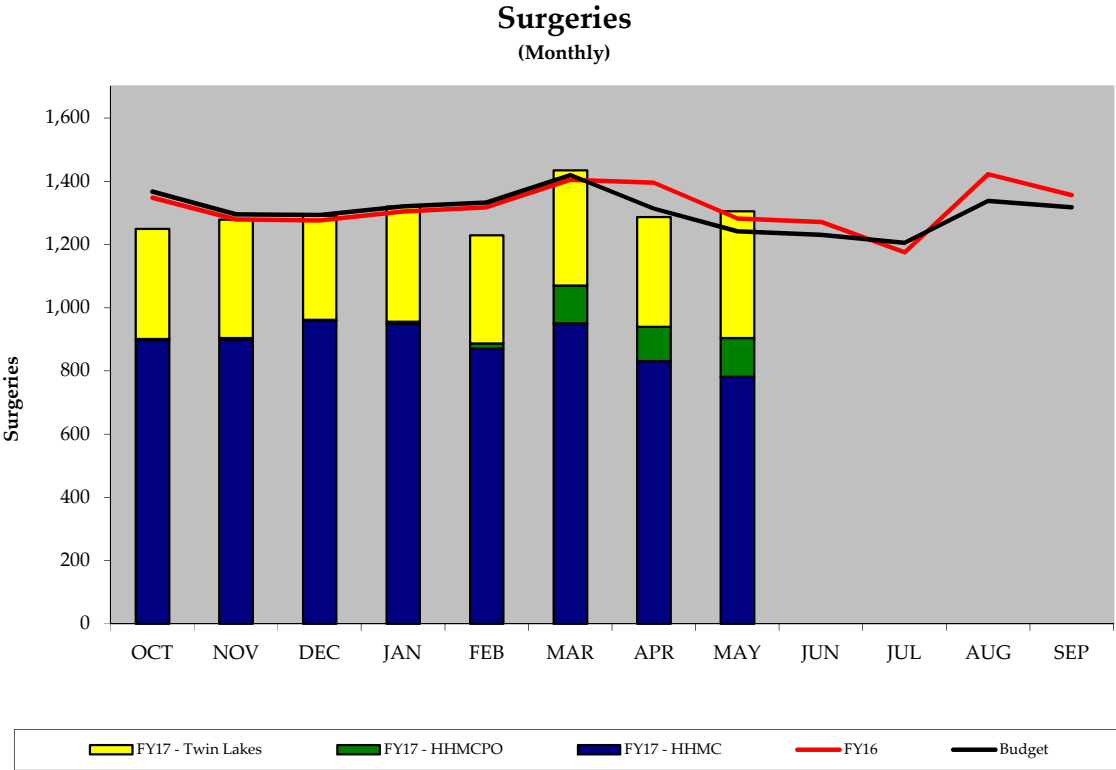
Halifax Health Statistical Summary

Month Ended May 31,				Eight Months Ended May 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>							
197	389	687	-43.4%	Ormond Beach	1,985	2,556	5,381 -52.5%
1,086	1,027	1,083	-5.2%	Daytona Beach	8,673	8,102	8,651 -6.3%
624	789	1,103	-28.5%	Port Orange	2,911	5,705	7,771 -26.6%
413	189	540	-65.0%	Deltona	3,973	2,214	5,190 -57.3%
-	1,184	-	N/A	New Smyrna	-	1,184	- N/A
450	566	1,007	-43.8%	Ormond Beach (Women's/OB)	3,463	3,973	7,749 -48.7%
-	160	806	-80.1%	Ormond Beach - Urgent Care	-	557	6,448 -91.4%
2,770	4,304	5,226	-17.6%	Primary Care Visits	21,005	24,291	41,190 -41.0%
<u>Children's Medical Center Visits</u>							
750	720	1,179	-38.9%	Ormond Beach	5,746	7,002	9,031 -22.5%
375	209	385	-45.7%	Palm Coast	3,301	739	3,387 -78.2%
426	473	451	4.9%	Port Orange	3,710	3,948	3,927 0.5%
1,551	1,402	2,015	-30.4%	Children's Medical Center Visits	12,757	11,689	16,345 -28.5%
<u>Community Clinic Visits</u>							
411	399	389	2.6%	Keech Street	3,268	3,305	3,095 6.8%
335	262	335	-21.8%	Adult Community Clinic	3,069	2,013	3,069 -34.4%
746	661	724	-8.7%	Community Clinic Visits	6,337	5,318	6,164 -13.7%

Halifax Health Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



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

	May 31,		
	2017	2016	Change
<u>Assets</u>			
Cash and cash equivalents	\$46,912	\$57,219	(\$10,307)
Investments	267,261	259,109	8,152
Board designated assets	45,074	44,809	265
Accounts receivable	69,605	63,437	6,168
Restricted assets whose use is limited	13,678	20,715	(7,037)
Other assets	48,485	41,196	7,289
Deferred outflow - swap	32,522	38,153	(5,631)
Deferred outflow - loss on bond refunding	16,763	17,687	(924)
Deferred outflow - pension	27,686	33,672	(5,986)
Property, plant and equipment	352,636	364,806	(12,170)
Total Assets	\$920,622	\$940,803	(\$20,181)
<u>Liabilities and Net position</u>			
Accounts payable	\$27,391	\$30,987	(\$3,596)
Other liabilities	92,279	93,585	(1,306)
Net pension liability	104,344	131,852	(27,508)
Long-term debt	352,829	355,167	(2,338)
Premium on LTD, net	19,485	20,155	(670)
Long-term value of swap	32,522	38,153	(5,631)
Net position	291,772	270,904	20,868
Total Liabilities and Net position	\$920,622	\$940,803	(\$20,181)

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

Month ended May 31, 2017	Month ended May 31, 2016	Variance		Eight Months ended May 31, 2017	Eight Months ended May 31, 2016	Variance
			Cash flows from operating activities:			
\$47,263	\$41,745	\$5,518	Receipts from third party payors and patients	\$329,189	\$329,838	(\$649)
(21,786)	(20,463)	(1,323)	Payments to employees	(201,310)	(187,424)	(13,886)
(18,693)	(13,374)	(5,319)	Payments to suppliers	(129,407)	(124,675)	(4,732)
586	171	415	Receipt of ad valorem taxes	11,258	12,706	(1,448)
-	2,765	(2,765)	Receipt (payment) of State UPL funds, net	(5,360)	816	(6,176)
2,622	1,996	626	Other receipts	23,625	22,946	679
(3,796)	(3,722)	(74)	Other payments	(28,684)	(29,863)	1,179
6,196	9,118	(2,922)	Net cash provided by (used in) operating activities	(689)	24,344	(25,033)
			Cash flows from noncapital financing activities:			
13	133	(120)	Proceeds from donations received	521	1,018	(497)
(2)	(1)	(1)	Nonoperating gain (loss)	(8)	(6)	(2)
11	132	(121)	Net cash provided by noncapital financing activities	513	1,012	(499)
			Cash flows from capital and related financing activities:			
(2,020)	(3,676)	1,656	Acquisition of capital assets	(12,135)	(18,506)	6,371
(196)	(190)	(6)	Payment of long-term debt	(1,562)	(1,520)	(42)
-	-	-	Proceeds from issuance of long-term debt	-	175,424	(175,424)
-	911	(911)	Transfers to trustee held funds	5,474	(14,207)	19,681
-	-	-	Payment for defeasance of bonds	-	(168,728)	168,728
(331)	(338)	7	Payment of interest on long-term debt	(9,127)	(9,462)	335
-	-	-	Payment of bond issue costs	-	(1,774)	1,774
(2,547)	(3,293)	746	Net cash used in capital financing activities	(17,350)	(38,773)	21,423
			Cash flows from investing activities:			
692	60	632	Realized investment income (loss)	4,312	5,212	(900)
(748)	(80,402)	79,654	Purchases of investments/limited use assets	(8,021)	(95,807)	87,786
15	80,306	(80,291)	Sales/Maturities of investments/limited use assets	9,574	105,478	(95,904)
(41)	(36)	(5)	Net cash provided by (used in) investing activities	5,865	14,883	(9,018)
3,619	5,921	(2,302)	Net increase (decrease) in cash and cash equivalents	(11,661)	1,466	(13,127)
43,293	51,298	(8,005)	Cash and cash equivalents at beginning of period	58,573	55,753	2,820
<u>\$46,912</u>	<u>\$57,219</u>	<u>(\$10,307)</u>	Cash and cash equivalents at end of period	<u>\$46,912</u>	<u>\$57,219</u>	<u>(\$10,307)</u>

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

Actual Month Ended May 31, 2017	Actual Month Ended May 31, 2016	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Actual Eight Months Ended May 31, 2016	Favorable (Unfavorable) Variance
			Operating revenues:			
\$44,704	\$50,271	(\$5,567)	Net patient service revenue, before provision for bad debts	\$390,213	\$406,110	(\$15,897)
(1,950)	(9,677)	7,727	Provision for bad debts	(53,011)	(77,102)	24,091
42,754	40,594	2,160	Net patient service revenue	337,202	329,008	8,194
938	1,104	(166)	Ad valorem taxes	7,501	8,835	(1,334)
2,000	2,287	(287)	Other revenue	17,817	20,140	(2,323)
45,692	43,985	1,707	Total operating revenues	362,520	357,983	4,537
			Operating expenses:			
23,932	22,081	(1,851)	Salaries and benefits	186,687	172,933	(13,754)
7,239	6,143	(1,096)	Purchased services	50,684	53,258	2,574
8,675	7,632	(1,043)	Supplies	65,956	61,961	(3,995)
2,000	2,048	48	Depreciation and amortization	15,842	16,399	557
1,389	1,418	29	Interest	11,250	11,633	383
627	630	3	Ad valorem tax related expenses	4,986	5,049	63
944	758	(186)	Leases and rentals	6,131	6,102	(29)
2,253	2,823	570	Other	17,634	19,204	1,570
47,059	43,533	(3,526)	Total operating expenses	359,170	346,539	(12,631)
(1,367)	452	(1,819)	Excess (deficiency) of operating revenues over expenses	3,350	11,444	(8,094)
			Nonoperating revenues, expenses, and gains/(losses):			
692	60	632	Realized investment income/(losses)	4,312	5,212	(900)
277	511	(234)	Unrealized investment income/(losses)	917	2,836	(1,919)
13	133	(120)	Donation revenue	522	1,016	(494)
-	-	-	Interest - bond issue costs	-	(1,774)	1,774
(2)	(1)	(1)	Nonoperating gains/(losses), net	(7)	(7)	-
980	703	277	Total nonoperating revenues, expenses, and gains/(losses)	5,744	7,283	(1,539)
(\$387)	\$1,155	(\$1,542)	Increase (decrease) in net position	\$9,094	\$18,727	(\$9,633)

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

Actual Month Ended May 31, 2017	Static Budget Month Ended May 31, 2017	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Static Budget Eight Months Ended May 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$44,704	\$47,986	(\$3,282)	Net patient service revenue, before provision for bad debts	\$390,213	\$381,224	\$8,989
(1,950)	(5,879)	3,929	Provision for bad debts	(53,011)	(48,795)	(4,216)
42,754	42,107	647	Net patient service revenue	337,202	332,429	4,773
938	938	-	Ad valorem taxes	7,501	7,501	-
2,000	2,025	(25)	Other revenue	17,817	17,412	405
45,692	45,070	622	Total operating revenues	362,520	357,342	5,178
			Operating expenses:			
23,932	24,070	138	Salaries and benefits	186,687	188,357	1,670
7,239	5,914	(1,325)	Purchased services	50,684	46,575	(4,109)
8,675	7,715	(960)	Supplies	65,956	62,848	(3,108)
2,000	2,002	2	Depreciation and amortization	15,842	15,860	18
1,389	1,408	19	Interest	11,250	11,281	31
627	628	1	Ad valorem tax related expenses	4,986	5,005	19
944	769	(175)	Leases and rentals	6,131	5,746	(385)
2,253	2,262	9	Other	17,634	17,981	347
47,059	44,768	(2,291)	Total operating expenses	359,170	353,653	(5,517)
(1,367)	302	(1,669)	Excess (deficiency) of operating revenues over expenses	3,350	3,689	(339)
			Nonoperating revenues, expenses, and gains/(losses):			
692	385	307	Realized investment income/(losses)	4,312	3,084	1,228
277	-	277	Unrealized investment income/(losses)	917	-	917
13	60	(47)	Donation revenue	522	477	45
(2)	-	(2)	Nonoperating gains/(losses), net	(7)	-	(7)
980	445	535	Total nonoperating revenues, expenses, and gains/(losses)	5,744	3,561	2,183
(\$387)	\$747	(\$1,134)	Increase (decrease) in net position	\$9,094	\$7,250	\$1,844

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

Actual Month Ended May 31, 2017	Static Budget Month Ended May 31, 2017	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Static Budget Eight Months Ended May 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$40,997	\$44,213	(\$3,216)	Net patient service revenue, before provision for bad debts	\$362,679	\$351,810	\$10,869
(1,893)	(5,780)	3,887	Provision for bad debts	(52,358)	(48,002)	(4,356)
39,104	38,433	671	Net patient service revenue	310,321	303,808	6,513
938	938	-	Ad valorem taxes	7,501	7,501	-
1,401	1,309	92	Other revenue	10,723	11,683	(960)
41,443	40,680	763	Total operating revenues	328,545	322,992	5,553
			Operating expenses:			
21,754	21,898	144	Salaries and benefits	169,910	171,302	1,392
6,099	4,811	(1,288)	Purchased services	42,384	37,967	(4,417)
8,433	7,478	(955)	Supplies	64,145	60,998	(3,147)
1,872	1,874	2	Depreciation and amortization	14,755	14,773	18
1,381	1,400	19	Interest	11,168	11,199	31
627	628	1	Ad valorem tax related expenses	4,986	5,005	19
774	602	(172)	Leases and rentals	4,765	4,427	(338)
2,078	2,010	(68)	Other	16,113	15,982	(131)
43,018	40,701	(2,317)	Total operating expenses	328,226	321,653	(6,573)
(1,575)	(21)	(1,554)	Excess (deficiency) of operating revenues over expenses	319	1,339	(1,020)
			Nonoperating revenues, expenses, and gains/(losses):			
629	197	432	Realized investment income/(losses)	2,256	1,580	676
190	-	190	Unrealized investment income/(losses)	(1,242)	-	(1,242)
-	-	-	Donation revenue	38	-	38
(2)	-	(2)	Nonoperating gains/(losses), net	(7)	-	(7)
817	197	620	Total nonoperating revenues, expenses, and gains/(losses)	1,045	1,580	(535)
(\$758)	\$176	(\$934)	Increase (decrease) in net position	\$1,364	\$2,919	(\$1,555)

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

Actual Month Ended May 31, 2016		Actual Month Ended May 31, 2017		Static Budget Month Ended May 31, 2017			Actual Eight Months Ended May 31, 2016		Actual Eight Months Ended May 31, 2017		Static Budget Eight Months Ended May 31, 2017	
\$139,685	100.00%	\$157,212	100.00%	\$149,802	100.00%	Gross charges	\$1,117,296	100.00%	\$1,211,323	100.00%	\$1,180,553	100.00%
(6,221)	-4.45%	(11,581)	-7.37%	(8,509)	-5.68%	Charity	(45,544)	-4.08%	(63,196)	-5.22%	(68,441)	-5.80%
(86,933)	-62.24%	(104,634)	-66.56%	(97,080)	-64.81%	Contractual adjustments	(694,798)	-62.19%	(785,448)	-64.84%	(760,302)	-64.40%
46,531	33.31%	40,997	26.08%	44,213	29.51%	Gross charges, before provision for bad debts	376,954	33.74%	362,679	29.94%	351,810	29.80%
(9,607)	-6.88%	(1,893)	-1.20%	(5,780)	-3.86%	Provision for bad debts	(76,396)	-6.84%	(52,358)	-4.32%	(48,002)	-4.07%
\$36,924	26.43%	\$39,104	24.87%	\$38,433	25.66%	Net patient service revenue	\$300,558	26.90%	\$310,321	25.62%	\$303,808	25.73%

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

Actual Month Ended May 31, 2017	Static Budget Month Ended May 31, 2017	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Static Budget Eight Months Ended May 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,707	\$3,773	(\$66)	Net patient service revenue, before provision for bad debts	\$27,534	\$29,414	(\$1,880)
(57)	(99)	42	Provision for bad debts	(653)	(793)	140
3,650	3,674	(24)	Net patient service revenue	26,881	28,621	(1,740)
168	199	(31)	Other revenue	1,356	1,593	(237)
3,818	3,873	(55)	Total operating revenues	28,237	30,214	(1,977)
			Operating expenses:			
2,105	2,097	(8)	Salaries and benefits	16,198	16,459	261
1,107	1,064	(43)	Purchased services	8,016	8,299	283
242	236	(6)	Supplies	1,808	1,843	35
61	61	-	Depreciation and amortization	554	554	-
165	162	(3)	Leases and rentals	1,325	1,278	(47)
146	182	36	Other	1,259	1,435	176
3,826	3,802	(24)	Total operating expenses	29,160	29,868	708
(8)	71	(79)	Excess (deficiency) of operating revenues over expenses	(923)	346	(1,269)
			Nonoperating revenues, expenses, and gains/(losses):			
63	188	(125)	Realized investment income/(losses)	2,056	1,504	552
87	-	87	Unrealized investment income/(losses)	2,159	-	2,159
13	60	(47)	Donation revenue	484	477	7
-	-	-	Nonoperating gains/(losses), net	-	-	-
163	248	(85)	Total nonoperating revenues, expenses, and gains/(losses)	4,699	1,981	2,718
\$155	\$319	(\$164)	Increase in net position	\$3,776	\$2,327	\$1,449

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

Actual Month Ended May 31, 2017	Static Budget Month Ended May 31, 2017	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Static Budget Eight Months Ended May 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	-	-	-
331	341	(10)	Other revenue	2,657	2,729	(72)
331	341	(10)	Total operating revenues	2,657	2,729	(72)
			Operating expenses:			
63	65	2	Salaries and benefits	496	513	17
33	35	2	Purchased services	272	279	7
-	1	1	Supplies	3	7	4
67	67	-	Depreciation and amortization	533	533	-
8	8	-	Interest	82	82	-
5	5	-	Leases and rentals	41	41	-
1	3	2	Other	10	27	17
177	184	7	Total operating expenses	1,437	1,482	45
154	157	(3)	Excess of operating revenues over expenses	1,220	1,247	(27)
			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)	-	-	-
\$154	\$157	(\$3)	Increase in net position	\$1,220	\$1,247	(\$27)

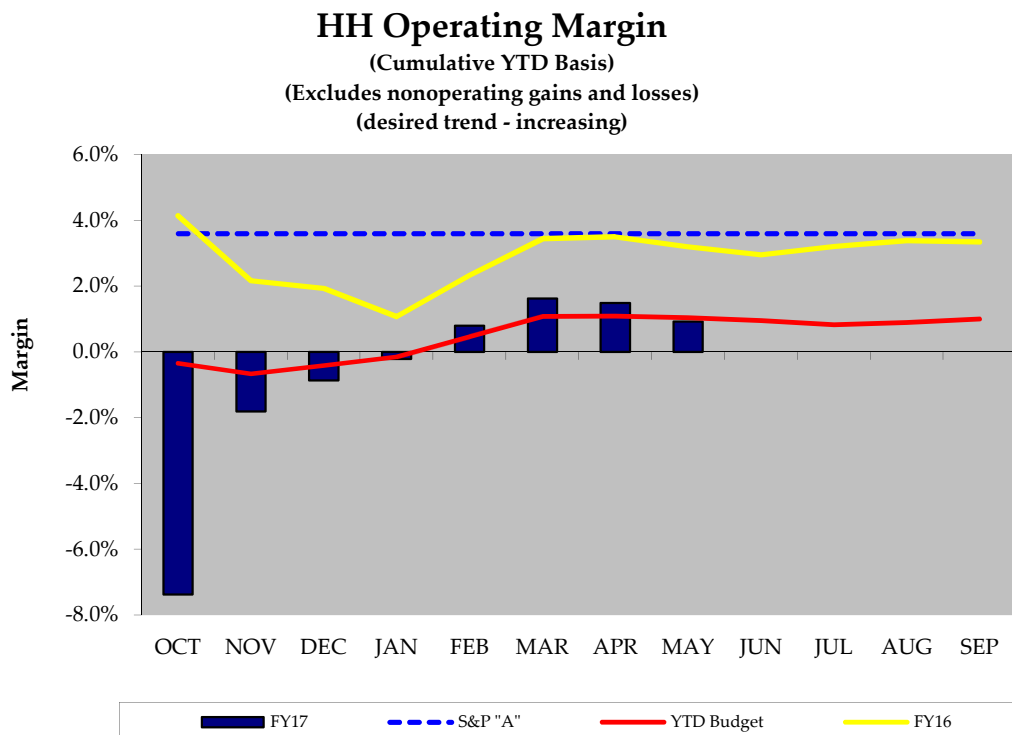
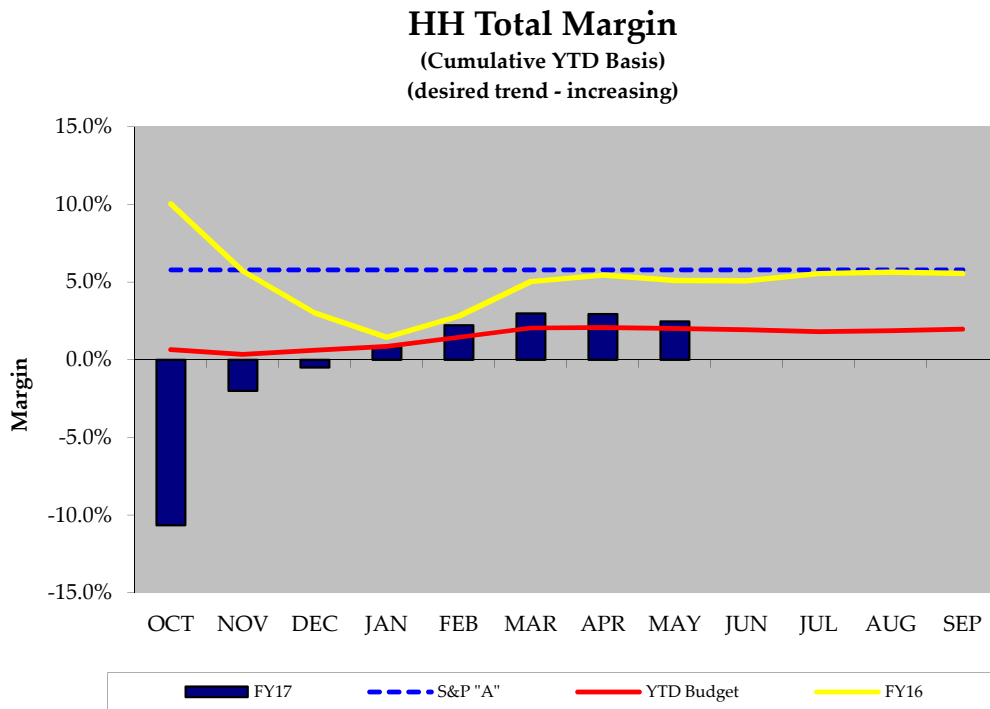
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended May 31, 2017	Static Budget Month Ended May 31, 2017	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Static Budget Eight Months Ended May 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	-	-	-
39	105	(66)	Realized investment income/(losses)	1,044	840	204
(18)	-	(18)	Unrealized investment income/(losses)	1,229	-	1,229
79	71	8	Donation revenue	808	567	241
-	-	-	Other revenue	-	-	-
100	176	(76)	Total operating revenues	3,081	1,407	1,674
			Operating expenses:			
10	10	-	Salaries and benefits	83	83	-
-	4	4	Purchased services	12	30	18
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
28	67	39	Other	252	537	285
38	81	43	Total operating expenses	347	650	303
\$62	\$95	(\$33)	Increase in net position	\$2,734	\$757	\$1,977

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

Actual Month Ended May 31, 2017	Static Budget Month Ended May 31, 2017	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2017	Static Budget Eight Months Ended May 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$40,997	\$44,213	(\$3,216)	Net patient service revenue, before provision for bad debts	\$362,679	\$351,810	\$10,869
(1,893)	(5,780)	3,887	Provision for bad debts	(52,358)	(48,002)	(4,356)
39,104	38,433	671	Net patient service revenue	310,321	303,808	6,513
938	938	-	Ad valorem taxes	7,501	7,501	-
1,401	1,309	92	Other revenue	10,723	11,683	(960)
41,443	40,680	763	Total operating revenues	328,545	322,992	5,553
			Operating expenses:			
21,754	21,898	144	Salaries and benefits	169,910	171,302	1,392
6,099	4,811	(1,288)	Purchased services	42,384	37,967	(4,417)
8,433	7,478	(955)	Supplies	64,145	60,998	(3,147)
1,872	1,874	2	Depreciation and amortization	14,755	14,773	18
1,381	1,400	19	Interest	11,168	11,199	31
627	628	1	Ad valorem tax related expenses	4,986	5,005	19
774	602	(172)	Leases and rentals	4,765	4,427	(338)
2,078	2,010	(68)	Other	16,113	15,982	(131)
43,018	40,701	(2,317)	Total operating expenses	328,226	321,653	(6,573)
(1,575)	(21)	(1,554)	Excess (deficiency) of operating revenues over expenses	319	1,339	(1,020)
			Nonoperating revenues, expenses, and gains/(losses):			
629	197	432	Realized investment income/(losses)	2,256	1,580	676
190	-	190	Unrealized investment income/(losses)	(1,242)	-	(1,242)
-	-	-	Donation revenue	38	-	38
(2)	-	(2)	Nonoperating gains/(losses), net	(7)	-	(7)
817	197	620	Total nonoperating revenues, expenses, and gains/(losses)	1,045	1,580	(535)
(758)	176	(934)	Increase (decrease) in net position before other changes in net	1,364	2,919	(1,555)
371	571	(200)	Income from affiliates	7,730	4,331	3,399
(\$387)	\$747	(\$1,134)	Increase (decrease) in net position	\$9,094	\$7,250	\$1,844

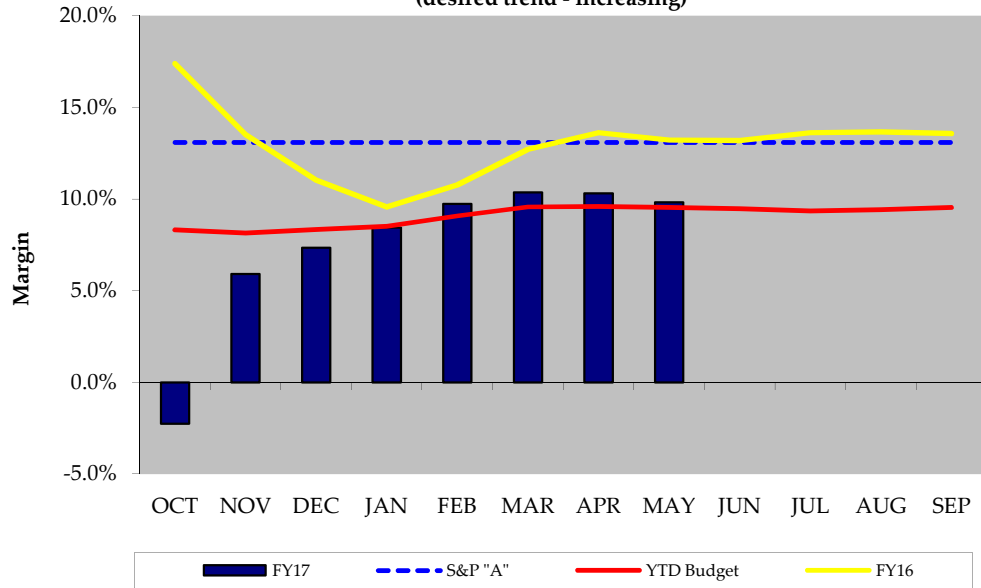
Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic

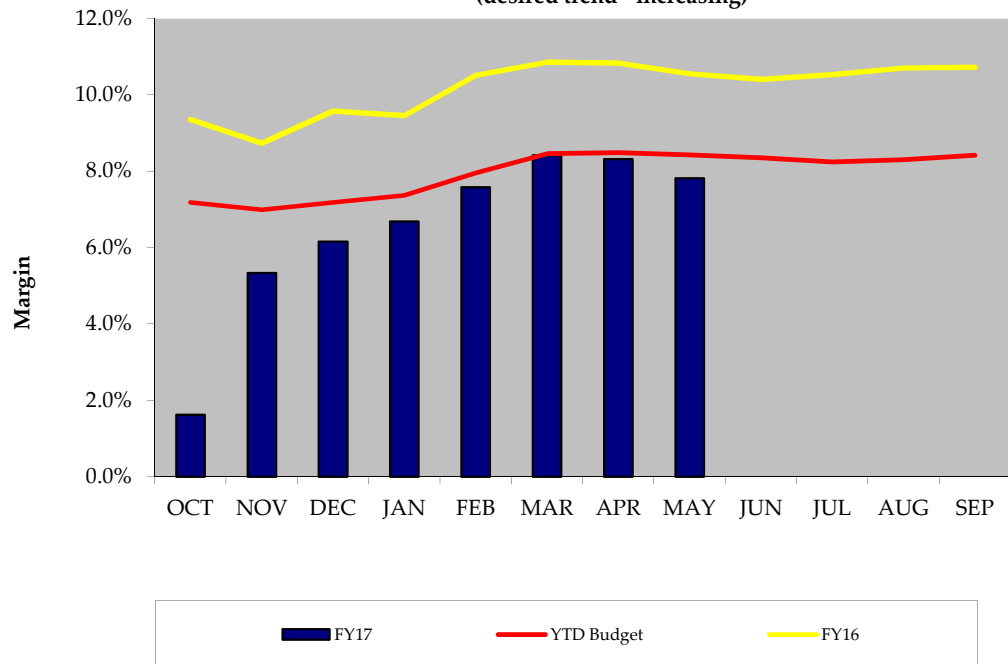
HH EBIDA Margin

(Cumulative YTD Basis)
(desired trend - increasing)



HH Adjusted Operating EBIDA Margin

(Cumulative YTD Basis)
(Excludes nonoperating gains and losses)
(desired trend - increasing)



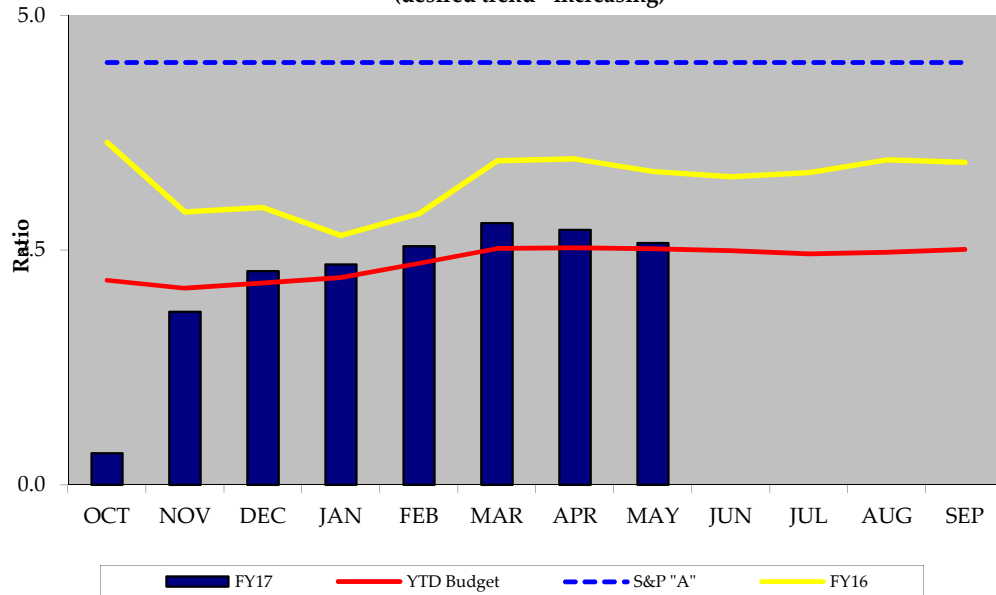
Halifax Health Financial Summary - Graphic

HH MADS Coverage Ratio

(Annualized Basis)

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

(desired trend - increasing)

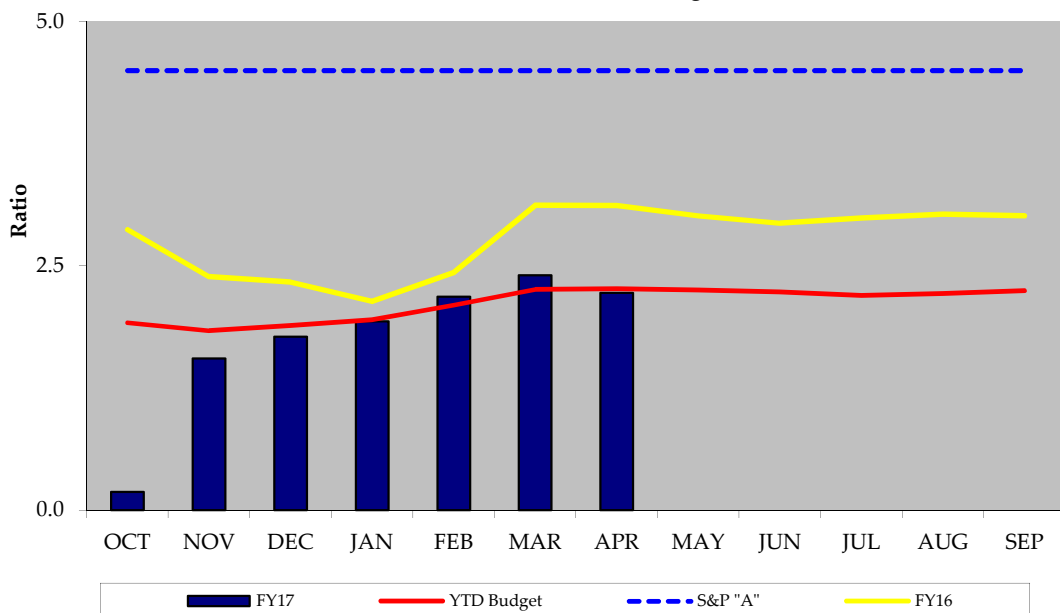


HH MADS Coverage Ratio - Operations Only

(Annualized Basis)

(Excludes nonoperating gains and losses)

(desired trend - increasing)



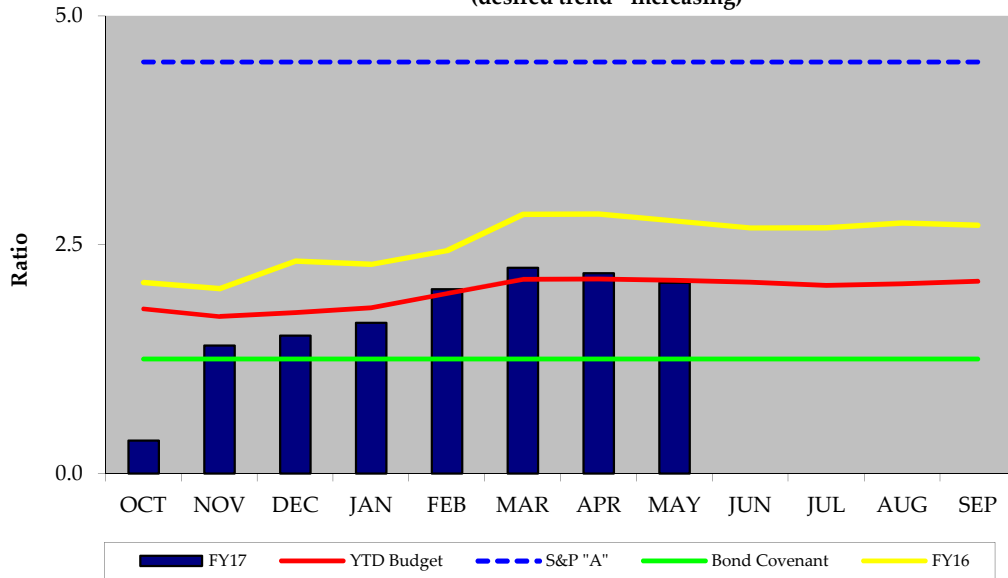
Halifax Health

Financial Summary - Graphic

HHMC Obligated Group MADS Coverage Ratio

(Annualized Basis)

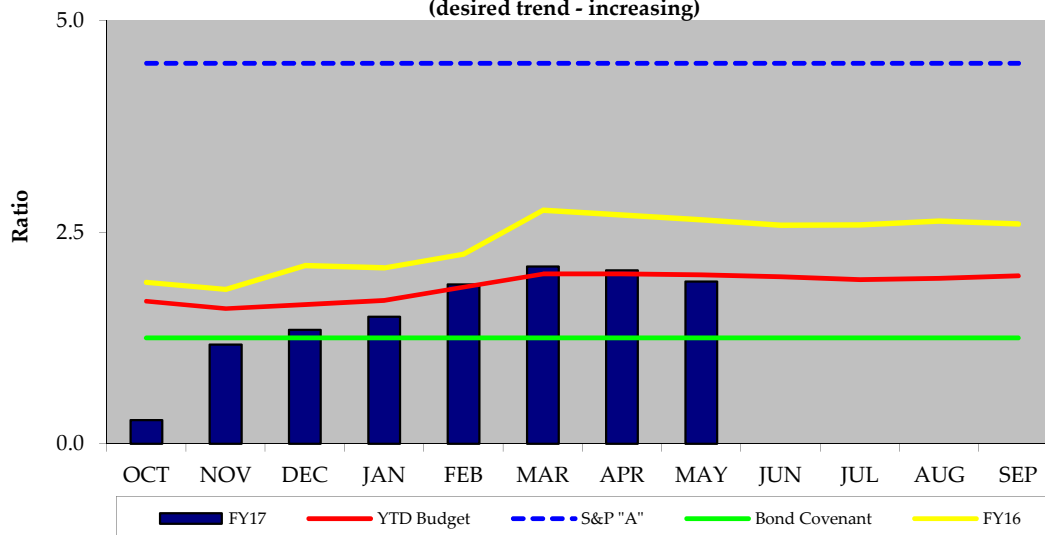
(Excludes unrealized investment gains/losses in accordance with covenant requirements)
(desired trend - increasing)



HHMC Obligated Group MADS Coverage Ratio - Operations Only

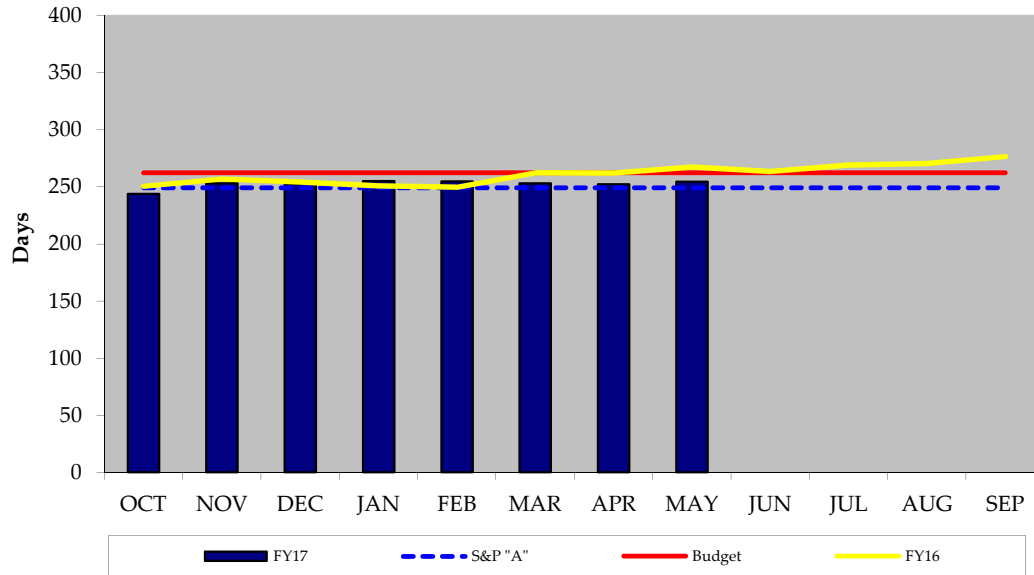
(Annualized Basis)

(Excludes nonoperating gains and losses)
(desired trend - increasing)

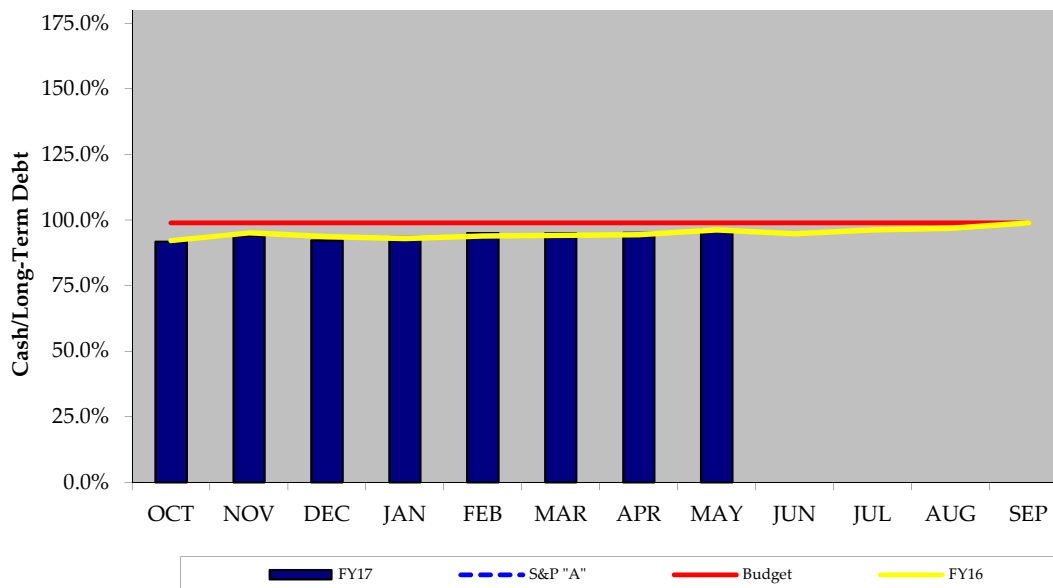


Halifax Health Financial Summary - Graphic

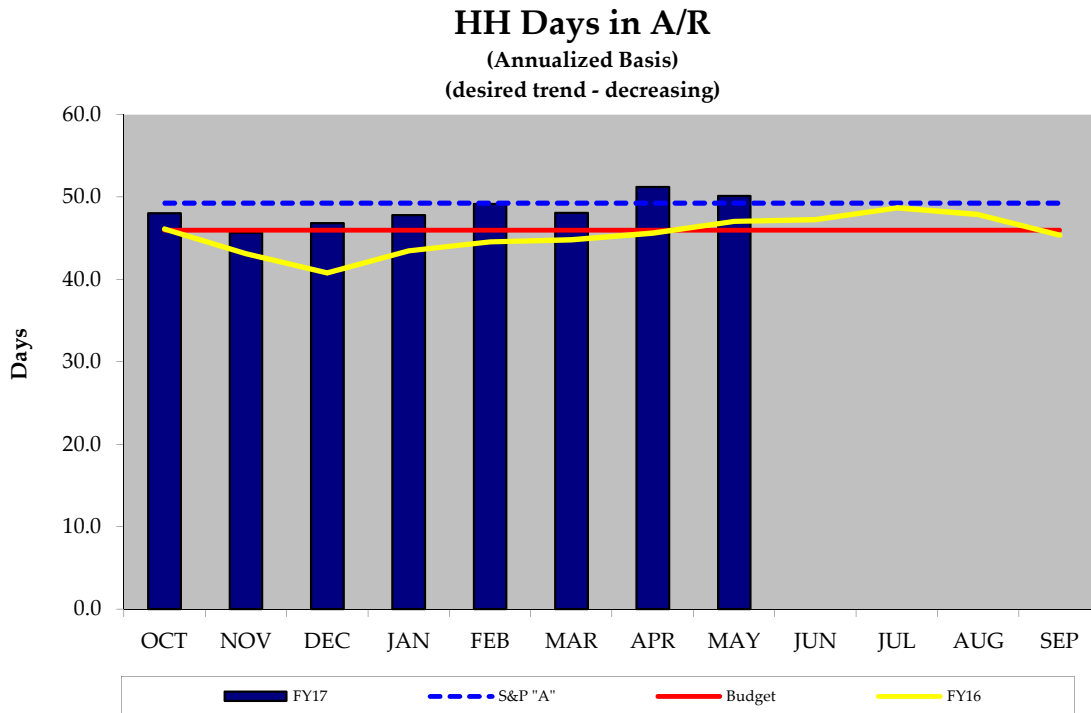
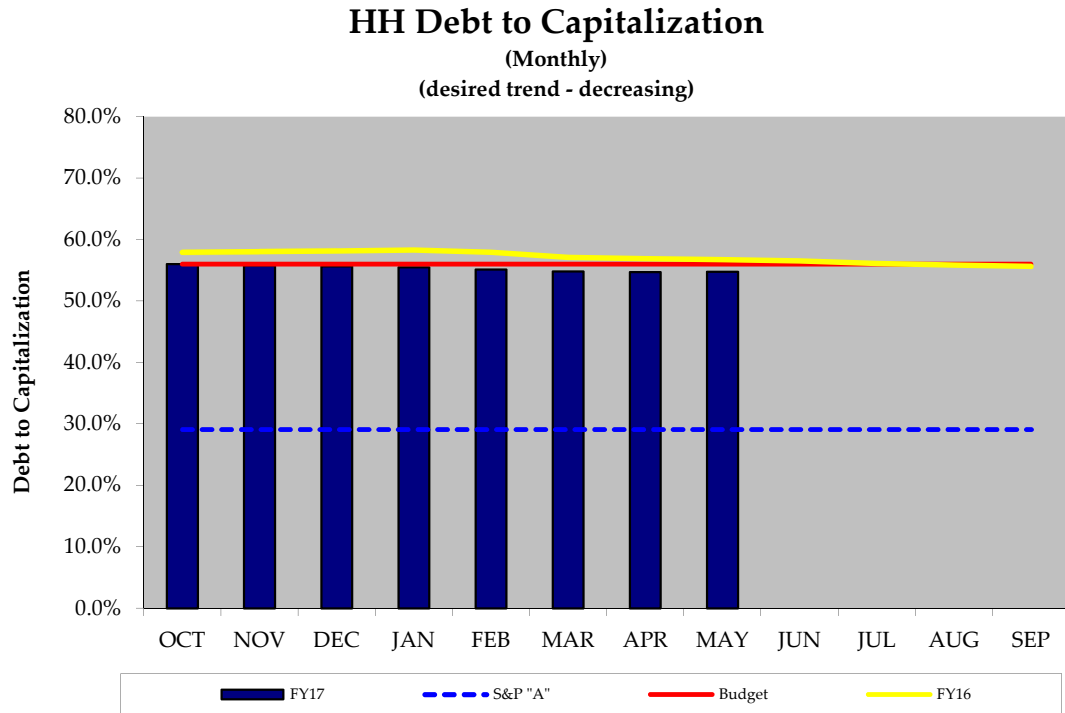
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

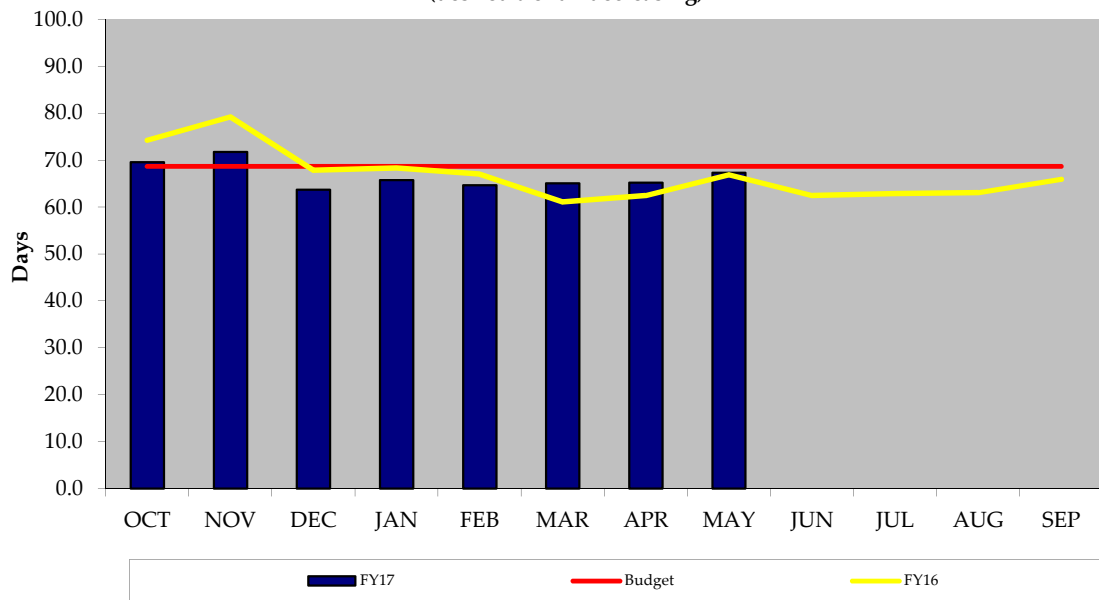


Halifax Health Financial Summary - Graphic

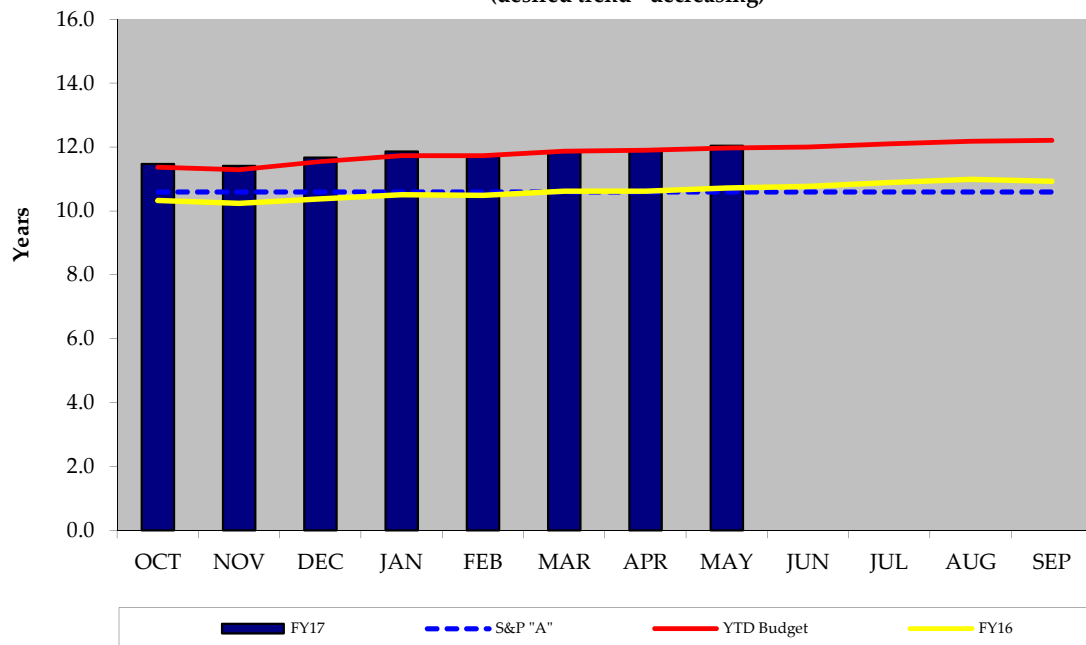


Halifax Health Financial Summary - Graphic

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 seven months ended April 30, 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	2.9%	2.1%	Favorable	5.8%	Unfavorable
Operating Margin	1.5%	1.1%	Favorable	3.6%	Unfavorable
EBIDA Margin	10.3%	9.6%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	9.0%	8.7%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	8.3%	8.5%	Unfavorable	N/A	N/A
Days Cash on Hand	252	262	Unfavorable	249	Favorable
Cash to Debt	95.2%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.0%	56.0%	Neutral	29.1%	Unfavorable
OG MADS Coverage	2.19	2.13	Favorable	4.50	Unfavorable
OG Debt to Capitalization	55.0%	55.0%	Neutral	29.1%	Unfavorable

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

Halifax Health Medical Center

Statistical Summary--

- Admissions for the month are greater than budget and last year; and for the fiscal year-to-date are less than budget and greater than last year.
- Patient days for the month and 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 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 2.2% greater than budget.
- Total operating expenses for the fiscal year-to-date are 1.5% greater than budget.
- Income from operations fiscal year-to-date of \$1.9 million compares favorably to budget by \$532,000.
- Nonoperating gains/(losses) fiscal year-to-date of \$228,000, primarily consisting of net investment income, compare unfavorably to the budgeted amount by \$1.2 million.
- The increase in net position fiscal year-to-date of \$2.1 million compares unfavorably to budget by \$622,000.

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 6.9% less than budget.
- Loss from operations fiscal year-to-date of \$915,000 compares unfavorably to budget by \$1.2 million, due primarily to a Medicare settlement adjustment relating to fiscal year 2015 that reduced net patient service revenue by approximately \$1.2 million.
- Nonoperating gains fiscal year-to-date of \$4.5 million, including investment income of \$4.1 million, is greater than the budgeted amount by \$2.8 million.
- The increase in net position fiscal year-to-date of \$3.6 million compares favorably to budget by \$1.6 million.

Halifax Health
Summary Financial Indicators – Excluding Estimated Hurricane Matthew Costs
For the seven months ended April 30, 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	2.9%	3.5%	2.1%	Favorable	5.8%	Unfavorable
Operating Margin	1.5%	2.1%	1.1%	Favorable	3.6%	Unfavorable
EBIDA Margin	10.3%	10.9%	9.6%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	9.0%	9.5%	8.7%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin (1)	8.3%	8.9%	8.5%	Favorable	N/A	N/A
Days Cash on Hand	252	255	262	Unfavorable	249	Favorable
Cash to Debt	95.2%	95.7%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	56.0%	55.9%	56.0%	Favorable	29.1%	Unfavorable
OG MADS Coverage	2.19	2.34	2.13	Favorable	4.50	Unfavorable
OG Debt to Capitalization	55.0%	54.9%	55.0%	Favorable	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 April 30,					Seven Months Ended April 30,			
<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>				
1,537	1,586	1,560	1.7%	HHMC Adult/Ped Admissions	11,227	11,156	11,315	-1.4%
141	140	151	-7.3%	HHMCPO Adult/Ped Admissions	1,011	1,021	1,099	-7.1%
144	133	140	-5.0%	Adult Psych Admissions	968	991	1,018	-2.7%
55	60	51	17.6%	Rehabilitative Admissions	383	453	359	26.2%
1,877	1,919	1,902	0.9%	Total Adult/Ped Admissions	13,589	13,621	13,791	-1.2%
7,950	8,428	7,819	7.8%	HHMC Adult/Ped Patient Days	58,198	59,629	56,568	5.4%
563	846	733	15.4%	HHMCPO Adult/Ped Patient Days	3,731	5,774	5,293	9.1%
1,310	1,239	1,322	-6.3%	Adult Psych Patient Days	9,944	9,613	10,032	-4.2%
805	870	838	3.8%	Rehabilitative Patient Days	6,146	6,318	5,923	6.7%
10,628	11,383	10,712	6.3%	Total Adult/Ped Patient Days	78,019	81,334	77,816	4.5%
5.2	5.3	5.0	6.0%	HHMC Average Length of Stay	5.2	5.3	5.0	6.9%
4.0	6.0	4.9	24.5%	HHMCPO Average Length of Stay	3.7	5.7	4.8	17.4%
5.1	5.4	5.0	7.5%	HHMC/ HHMCPO Average Length of Stay	5.1	5.4	5.0	7.8%
9.1	9.3	9.4	-1.3%	Adult Psych Average Length of Stay	10.3	9.7	9.9	-1.6%
14.6	14.5	16.4	-11.8%	Rehabilitative Length of Stay	16.0	13.9	16.5	-15.5%
5.7	5.9	5.6	5.3%	Total Average Length of Stay	5.7	6.0	5.6	5.8%
354	379	357	6.3%	Total Average Daily Census	366	384	367	4.5%
680	650	610	6.6%	HHMC Observation Patient Day Equivalents	4,347	4,533	4,284	5.8%
111	121	100	21.0%	HHMCPO Observation Patient Day Equivalents	678	864	644	34.2%
791	771	710	8.6%	Total Observation Patient Day Equivalents	5,025	5,397	4,928	9.5%
26	26	24	8.3%	Observation Average Daily Census	24	25	23	8.7%
141	154	136	13.2%	HHMC Newborn Births	1,121	1,034	1,098	-5.8%
289	273	283	-3.5%	HHMC Nursery Patient Days	2,215	1,923	2,240	-14.2%
465	454	497	-8.7%	HHMC Inpatient Surgeries	3,229	3,151	3,449	-8.6%
3	11	2	450.0%	HHMCPO Inpatient Surgeries	8	37	5	640.0%
468	465	499	-6.8%	Total Inpatient Surgeries	3,237	3,188	3,454	-7.7%
				<u>Inpatient Surgeries</u>				
190	185			Orthopedics	1,253	1,262		
88	68			General Surgery	592	504		
51	37			Neurosurgery	361	300		
7	37			Vascular	98	194		
25	37			Thoracic Surgery	154	181		
107	101			All Other	779	747		
468	465	499	-6.8%	Total Inpatient Surgeries	3,237	3,188	3,454	-7.7%

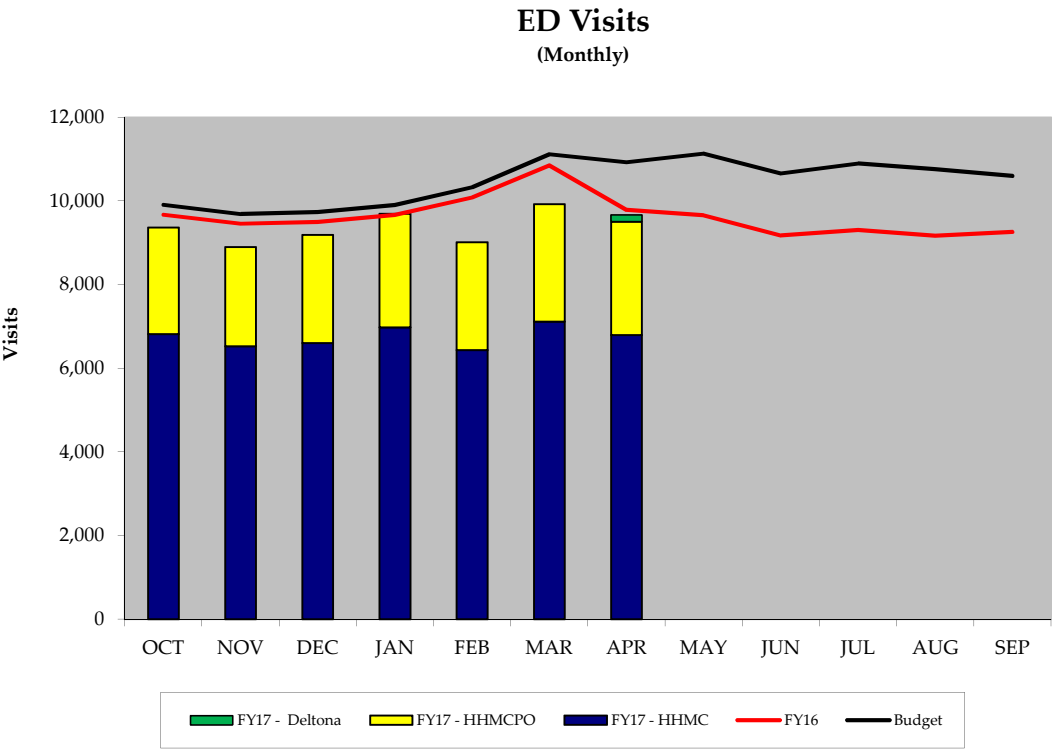
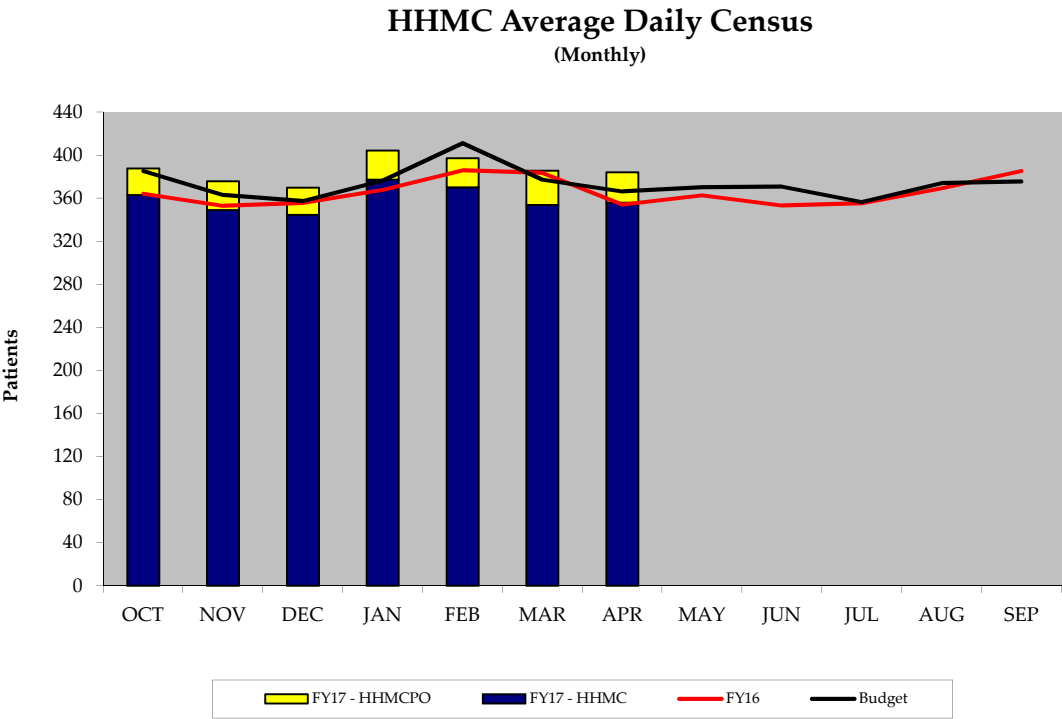
Halifax Health Statistical Summary

Month Ended April 30,					Seven Months Ended April 30,			
<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>				
7,170	6,795	7,297	-6.9%	HHMC ED Registrations	49,391	47,284	50,268	-5.9%
2,617	2,711	2,726	-0.6%	HHMCPO ED Registrations	19,625	18,313	20,446	-10.4%
0	160	900	-82.2%	Deltona ED Registrations	0	160	900	-82.2%
9,787	9,666	10,923	-11.5%	Total ED	69,016	65,757	71,614	-8.2%
426	376	409	-8.1%	HHMC Outpatient Surgeries	2,761	2,898	2,648	9.4%
99	1	101	-99.0%	HPC Outpatient Surgeries	677	307	693	-55.7%
0	97	0	0.0%	HHMCPO Outpatient Surgeries	2	223	2	11050.0%
403	347	304	14.1%	Twin Lakes Surgeries	2,648	2,470	2,545	-2.9%
928	821	814	0.9%	Total Outpatient Surgeries	6,088	5,898	5,888	0.2%
				<u>Outpatient Surgeries</u>				
185	163			General Surgery	1,220	1,256		
203	146			Orthopedics	1,331	1,140		
100	102			Gastroenterology	746	551		
79	67			Obstetrics Gynecology	522	520		
58	68			Ophthalmology	418	427		
303	275			All Other	1,851	2,004		
928	821	814	0.9%	Total Outpatient Surgeries	6,088	5,898	5,888	0.2%
				<u>Cardiology Procedures</u>				
14	26			Open Heart Cases	106	137		
107	144			Cardiac Caths	801	910		
32	31			CRM Devices	243	220		
40	34			EP Studies	204	267		
193	235	210	11.9%	Total Cardiology Procedures	1,354	1,534	1,443	6.3%
				<u>Interventional Radiology Procedures</u>				
9	2	8	-75.0%	Vascular	56	38	48	-20.8%
166	159	189	-15.9%	Nonvascular	1,388	1,102	1,302	-15.4%
175	161	197	-18.3%	Total Interventional Radiology Procedures	1,444	1,140	1,350	-15.6%
195	204	194	5.2%	GI Lab Procedures	1,347	1,396	1,350	3.4%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
16,470	15,507	16,500	-6.0%	Volusia/ Flagler	116,532	107,485	116,600	-7.8%
188.0	1,156	845	36.8%	Orange/ Osceola	1,245.0	6,628	5,102	29.9%
16,658	16,663	17,345	-3.9%	HH Hospice Patient Days	117,777	114,113	121,702	-6.2%
				<u>Average Daily Census</u>				
549	517	550	-6.0%	Volusia/ Flagler	547	507	550	-7.8%
6	39	28	36.8%	Orange/ Osceola	6	31	24	29.9%
555	556	578	-3.9%	HH Hospice Average Daily Census	553	538	574	-6.2%

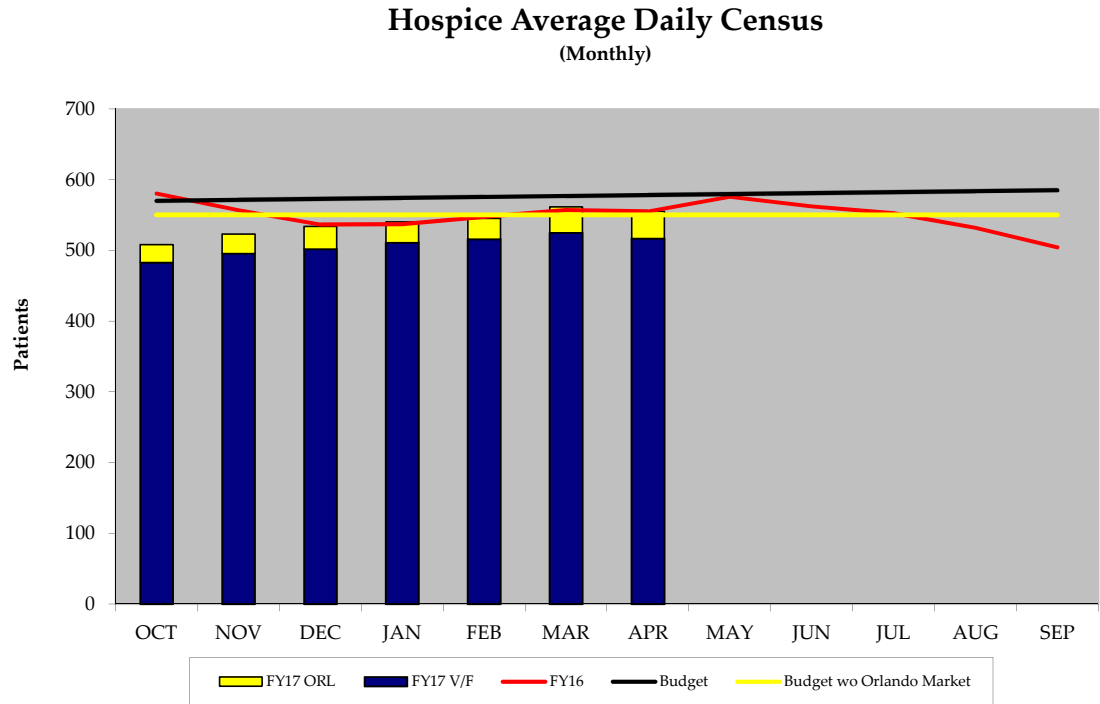
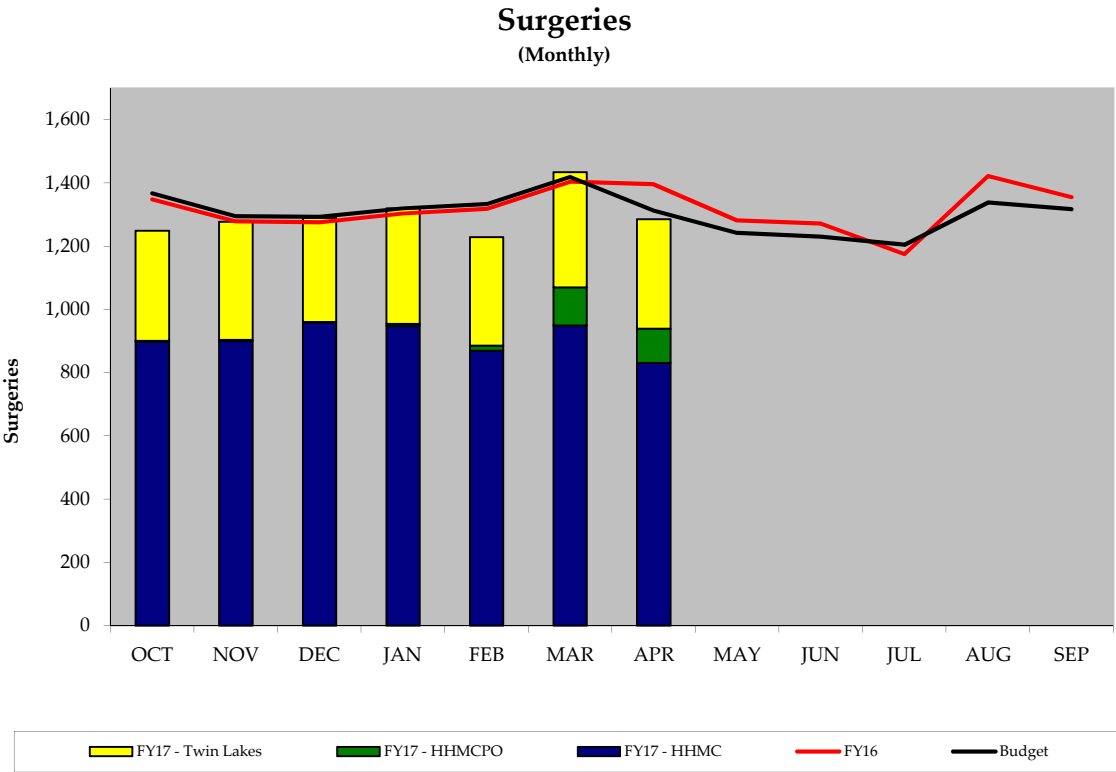
Halifax Health Statistical Summary

Month Ended April 30,				Seven Months Ended April 30,			
<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>							
237	305	664	-54.1%	Ormond Beach	1,788	2,167	4,695 -53.8%
1,115	979	1,112	-12.0%	Daytona Beach	7,587	7,075	7,568 -6.5%
606	709	1,153	-38.5%	Port Orange	2,287	4,916	6,668 -26.3%
516	213	674	-68.4%	Deltona	3,560	2,025	4,650 -56.5%
424	484	949	-49.0%	Ormond Beach (Women's/OB)	3,013	3,407	6,742 -49.5%
-	166	806	-79.4%	Ormond Beach - Urgent Care	-	397	5,642 -93.0%
2,898	2,856	5,358	-46.7%	Primary Care Visits	18,235	19,987	35,965 -44.4%
<u>Children's Medical Center Visits</u>							
748	660	1,176	-43.9%	Ormond Beach	4,996	6,282	7,853 -20.0%
429	206	440	-53.2%	Palm Coast	2,926	530	3,002 -82.3%
474	449	502	-10.6%	Port Orange	3,284	3,475	3,477 -0.1%
1,651	1,315	2,118	-37.9%	Children's Medical Center Visits	11,206	10,287	14,332 -28.2%
<u>Community Clinic Visits</u>							
467	410	442	-7.2%	Keech Street	2,857	2,906	2,706 7.4%
393	257	393	-34.6%	Adult Community Clinic	2,734	1,751	2,734 -36.0%
860	667	835	-20.1%	Community Clinic Visits	5,591	4,657	5,440 -14.4%

Halifax Health Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



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

	April 30,		
	2017	2016	Change
<u>Assets</u>			
Cash and cash equivalents	\$43,293	\$51,298	(\$8,005)
Investments	266,426	258,389	8,037
Board designated assets	44,922	44,783	139
Accounts receivable	71,165	61,796	9,369
Restricted assets whose use is limited	13,674	21,625	(7,951)
Other assets	47,874	42,815	5,059
Deferred outflow - swap	31,423	37,586	(6,163)
Deferred outflow - loss on bond refunding	16,840	17,764	(924)
Deferred outflow - pension	27,759	32,984	(5,225)
Property, plant and equipment	352,615	363,178	(10,563)
Total Assets	\$915,991	\$932,218	(\$16,227)
<u>Liabilities and Net position</u>			
Accounts payable	\$29,333	\$30,669	(\$1,336)
Other liabilities	86,793	87,358	(565)
Net pension liability	103,716	131,288	(27,572)
Long-term debt	353,025	355,357	(2,332)
Premium on LTD, net	19,541	20,211	(670)
Long-term value of swap	31,423	37,586	(6,163)
Net position	292,160	269,749	22,411
Total Liabilities and Net position	\$915,991	\$932,218	(\$16,227)

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

Month ended April 30, 2017	Month ended April 30, 2016	Variance		Seven Months ended April 30, 2017	Seven Months ended April 30, 2016	Variance
			Cash flows from operating activities:			
\$38,212	\$39,702	(\$1,490)	Receipts from third party payors and patients	\$281,926	\$288,093	(\$6,167)
(20,992)	(19,662)	(1,330)	Payments to employees	(179,524)	(166,961)	(12,563)
(17,658)	(15,878)	(1,780)	Payments to suppliers	(110,714)	(111,301)	587
586	658	(72)	Receipt of ad valorem taxes	10,672	12,535	(1,863)
-	(2,561)	2,561	Receipt (payment) of State UPL funds, net	(5,360)	(1,949)	(3,411)
4,255	2,691	1,564	Other receipts	21,003	20,950	53
(3,681)	(3,627)	(54)	Other payments	(24,888)	(26,141)	1,253
722	1,323	(601)	Net cash provided by (used in) operating activities	(6,885)	15,226	(22,111)
			Cash flows from noncapital financing activities:			
45	490	(445)	Proceeds from donations received	508	885	(377)
2	-	2	Nonoperating gain (loss)	(6)	(5)	(1)
47	490	(443)	Net cash provided by noncapital financing activities	502	880	(378)
			Cash flows from capital and related financing activities:			
(1,015)	(2,757)	1,742	Acquisition of capital assets	(10,115)	(14,830)	4,715
(196)	(190)	(6)	Payment of long-term debt	(1,366)	(1,330)	(36)
-	-	-	Proceeds from issuance of long-term debt	-	175,424	(175,424)
-	-	-	Transfers to trustee held funds	5,474	(15,118)	20,592
-	-	-	Payment for defeasance of bonds	-	(168,728)	168,728
(353)	(335)	(18)	Payment of interest on long-term debt	(8,796)	(9,124)	328
-	-	-	Payment of bond issue costs	-	(1,774)	1,774
(1,564)	(3,282)	1,718	Net cash used in capital financing activities	(14,803)	(35,480)	20,677
			Cash flows from investing activities:			
150	359	(209)	Realized investment income (loss)	3,620	5,152	(1,532)
(255)	(400)	145	Purchases of investments/limited use assets	(7,273)	(15,405)	8,132
5	6	(1)	Sales/Maturities of investments/limited use assets	9,559	25,172	(15,613)
(100)	(35)	(65)	Net cash provided by (used in) investing activities	5,906	14,919	(9,013)
(895)	(1,504)	609	Net decrease in cash and cash equivalents	(15,280)	(4,455)	(10,825)
44,188	52,802	(8,614)	Cash and cash equivalents at beginning of period	58,573	55,753	2,820
<u>\$43,293</u>	<u>\$51,298</u>	<u>(\$8,005)</u>	Cash and cash equivalents at end of period	<u>\$43,293</u>	<u>\$51,298</u>	<u>(\$8,005)</u>

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

Actual Month Ended April 30, 2017	Actual Month Ended April 30, 2016	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Actual Seven Months Ended April 30, 2016	Favorable (Unfavorable) Variance
			Operating revenues:			
\$46,364	\$50,803	(\$4,439)	Net patient service revenue, before provision for bad debts	\$345,509	\$355,839	(\$10,330)
(3,846)	(9,725)	5,879	Provision for bad debts	(51,061)	(67,425)	16,364
42,518	41,078	1,440	Net patient service revenue	294,448	288,414	6,034
938	1,104	(166)	Ad valorem taxes	6,564	7,730	(1,166)
2,031	2,974	(943)	Other revenue	15,818	17,853	(2,035)
45,487	45,156	331	Total operating revenues	316,830	313,997	2,833
			Operating expenses:			
23,760	21,670	(2,090)	Salaries and benefits	162,756	150,852	(11,904)
6,354	6,476	122	Purchased services	43,445	47,115	3,670
7,952	8,048	96	Supplies	57,281	54,329	(2,952)
2,003	2,153	150	Depreciation and amortization	13,842	14,351	509
1,411	1,414	3	Interest	9,861	10,215	354
627	629	2	Ad valorem tax related expenses	4,359	4,419	60
782	758	(24)	Leases and rentals	5,188	5,344	156
2,280	2,267	(13)	Other	15,380	16,380	1,000
45,169	43,415	(1,754)	Total operating expenses	312,112	303,005	(9,107)
318	1,741	(1,423)	Excess of operating revenues over expenses	4,718	10,992	(6,274)
			Nonoperating revenues, expenses, and gains/(losses):			
150	358	(208)	Realized investment income/(losses)	3,621	5,152	(1,531)
725	1,217	(492)	Unrealized investment income/(losses)	639	2,325	(1,686)
45	490	(445)	Donation revenue	509	883	(374)
-	-	-	Interest - bond issue costs	-	(1,774)	1,774
2	-	2	Nonoperating gains/(losses), net	(5)	(6)	1
922	2,065	(1,143)	Total nonoperating revenues, expenses, and gains/(losses)	4,764	6,580	(1,816)
\$1,240	\$3,806	(\$2,566)	Increase in net position	\$9,482	\$17,572	(\$8,090)

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

Actual Month Ended April 30, 2017	Static Budget Month Ended April 30, 2017	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Static Budget Seven Months Ended April 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$46,364	\$47,643	(\$1,279)	Net patient service revenue, before provision for bad debts	\$345,509	\$333,239	\$12,270
(3,846)	(5,854)	2,008	Provision for bad debts	(51,061)	(42,916)	(8,145)
42,518	41,789	729	Net patient service revenue	294,448	290,323	4,125
938	938	-	Ad valorem taxes	6,564	6,564	-
2,031	2,032	(1)	Other revenue	15,818	15,387	431
45,487	44,759	728	Total operating revenues	316,830	312,274	4,556
			Operating expenses:			
23,760	23,595	(165)	Salaries and benefits	162,756	164,286	1,530
6,354	5,855	(499)	Purchased services	43,445	40,661	(2,784)
7,952	7,718	(234)	Supplies	57,281	55,133	(2,148)
2,003	2,007	4	Depreciation and amortization	13,842	13,858	16
1,411	1,408	(3)	Interest	9,861	9,874	13
627	628	1	Ad valorem tax related expenses	4,359	4,376	17
782	766	(16)	Leases and rentals	5,188	4,976	(212)
2,280	2,260	(20)	Other	15,380	15,716	336
45,169	44,237	(932)	Total operating expenses	312,112	308,880	(3,232)
318	522	(204)	Excess of operating revenues over expenses	4,718	3,394	1,324
			Nonoperating revenues, expenses, and gains/(losses):			
150	385	(235)	Realized investment income/(losses)	3,621	2,698	923
725	-	725	Unrealized investment income/(losses)	639	-	639
45	60	(15)	Donation revenue	509	417	92
2	-	2	Nonoperating gains/(losses), net	(5)	-	(5)
922	445	477	Total nonoperating revenues, expenses, and gains/(losses)	4,764	3,115	1,649
\$1,240	\$967	\$273	Increase in net position	\$9,482	\$6,509	\$2,973

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

Actual Month Ended April 30, 2017	Static Budget Month Ended April 30, 2017	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Static Budget Seven Months Ended April 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$42,576	\$43,994	(\$1,418)	Net patient service revenue, before provision for bad debts	\$321,682	\$307,597	\$14,085
(3,829)	(5,755)	1,926	Provision for bad debts	(50,465)	(42,222)	(8,243)
38,747	38,239	508	Net patient service revenue	271,217	265,375	5,842
938	938	-	Ad valorem taxes	6,564	6,564	-
1,214	1,316	(102)	Other revenue	9,322	10,374	(1,052)
40,899	40,493	406	Total operating revenues	287,103	282,313	4,790
			Operating expenses:			
21,638	21,484	(154)	Salaries and benefits	148,156	149,404	1,248
5,137	4,811	(326)	Purchased services	36,285	33,156	(3,129)
7,738	7,488	(250)	Supplies	55,712	53,520	(2,192)
1,866	1,870	4	Depreciation and amortization	12,883	12,899	16
1,403	1,400	(3)	Interest	9,787	9,800	13
627	628	1	Ad valorem tax related expenses	4,359	4,376	17
606	602	(4)	Leases and rentals	3,991	3,824	(167)
2,102	2,010	(92)	Other	14,035	13,971	(64)
41,117	40,293	(824)	Total operating expenses	285,208	280,950	(4,258)
(218)	200	(418)	Excess (deficiency) of operating revenues over expenses	1,895	1,363	532
			Nonoperating revenues, expenses, and gains/(losses):			
85	197	(112)	Realized investment income/(losses)	1,627	1,382	245
296	-	296	Unrealized investment income/(losses)	(1,432)	-	(1,432)
5	-	5	Donation revenue	38	-	38
2	-	2	Nonoperating gains/(losses), net	(5)	-	(5)
388	197	191	Total nonoperating revenues, expenses, and gains/(losses)	228	1,382	(1,154)
\$170	\$397	(\$227)	Increase in net position	\$2,123	\$2,745	(\$622)

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

Actual Month Ended April 30, 2016		Actual Month Ended April 30, 2017		Static Budget Month Ended April 30, 2017			Actual Seven Months Ended April 30, 2016		Actual Seven Months Ended April 30, 2017		Static Budget Seven Months Ended April 30, 2017	
\$137,406	100.00%	\$147,883	100.00%	\$148,044	100.00%	Gross charges	\$977,611	100.00%	\$1,054,111	100.00%	\$1,030,751	100.00%
(2,505)	-1.82%	(8,113)	-5.49%	(8,469)	-5.72%	Charity	(39,324)	-4.02%	(51,615)	-4.90%	(59,932)	-5.81%
(87,605)	-63.76%	(97,194)	-65.72%	(95,581)	-64.56%	Contractual adjustments	(607,865)	-62.18%	(680,814)	-64.59%	(663,222)	-64.34%
47,296	34.42%	42,576	28.79%	43,994	29.72%	Gross charges, before provision for bad debts	330,422	33.80%	321,682	30.52%	307,597	29.84%
(9,636)	-7.01%	(3,829)	-2.59%	(5,755)	-3.89%	Provision for bad debts	(66,789)	-6.83%	(50,465)	-4.79%	(42,222)	-4.10%
\$37,660	27.41%	\$38,747	26.20%	\$38,239	25.83%	Net patient service revenue	\$263,633	26.97%	\$271,217	25.73%	\$265,375	25.75%

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

Actual Month Ended April 30, 2017	Static Budget Month Ended April 30, 2017	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Static Budget Seven Months Ended April 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,788	\$3,649	\$139	Net patient service revenue, before provision for bad debts	\$23,827	\$25,642	(\$1,815)
(17)	(99)	82	Provision for bad debts	(596)	(694)	98
3,771	3,550	221	Net patient service revenue	23,231	24,948	(1,717)
162	199	(37)	Other revenue	1,188	1,394	(206)
3,933	3,749	184	Total operating revenues	24,419	26,342	(1,923)
			Operating expenses:			
2,050	2,037	(13)	Salaries and benefits	14,093	14,361	268
1,180	1,005	(175)	Purchased services	6,909	7,235	326
214	229	15	Supplies	1,566	1,607	41
70	70	-	Depreciation and amortization	493	493	-
171	159	(12)	Leases and rentals	1,161	1,116	(45)
169	180	11	Other	1,112	1,252	140
3,854	3,680	(174)	Total operating expenses	25,334	26,064	730
79	69	10	Excess (deficiency) of operating revenues over expenses	(915)	278	(1,193)
			Nonoperating revenues, expenses, and gains/(losses):			
65	188	(123)	Realized investment income/(losses)	1,994	1,316	678
429	-	429	Unrealized investment income/(losses)	2,071	-	2,071
40	60	(20)	Donation revenue	471	417	54
-	-	-	Nonoperating gains/(losses), net	-	-	-
534	248	286	Total nonoperating revenues, expenses, and gains/(losses)	4,536	1,733	2,803
\$613	\$317	\$296	Increase in net position	\$3,621	\$2,011	\$1,610

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

Actual Month Ended April 30, 2017	Static Budget Month Ended April 30, 2017	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Static Budget Seven Months Ended April 30, 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	-	-	-
327	341	(14)	Other revenue	2,326	2,388	(62)
327	341	(14)	Total operating revenues	2,326	2,388	(62)
			Operating expenses:			
62	64	2	Salaries and benefits	433	448	15
35	35	-	Purchased services	239	244	5
-	1	1	Supplies	3	6	3
67	67	-	Depreciation and amortization	466	466	-
8	8	-	Interest	74	74	-
5	5	-	Leases and rentals	36	36	-
2	3	1	Other	9	23	14
179	183	4	Total operating expenses	1,260	1,297	37
148	158	(10)	Excess of operating revenues over expenses	1,066	1,091	(25)
			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)	-	-	-
\$148	\$158	(\$10)	Increase in net position	\$1,066	\$1,091	(\$25)

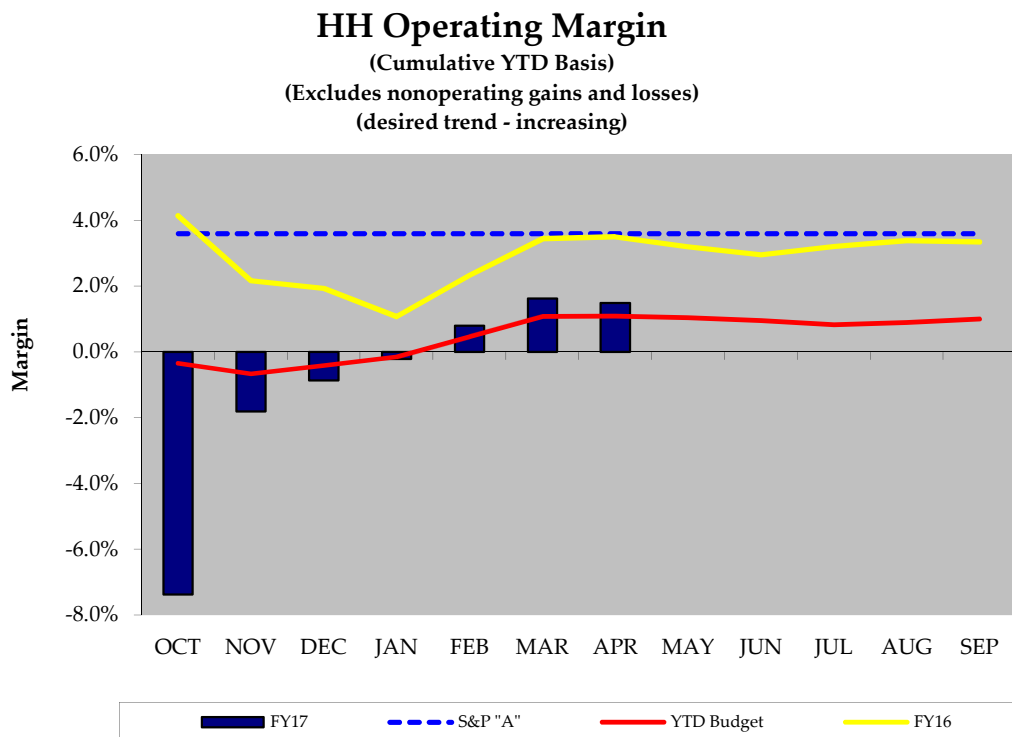
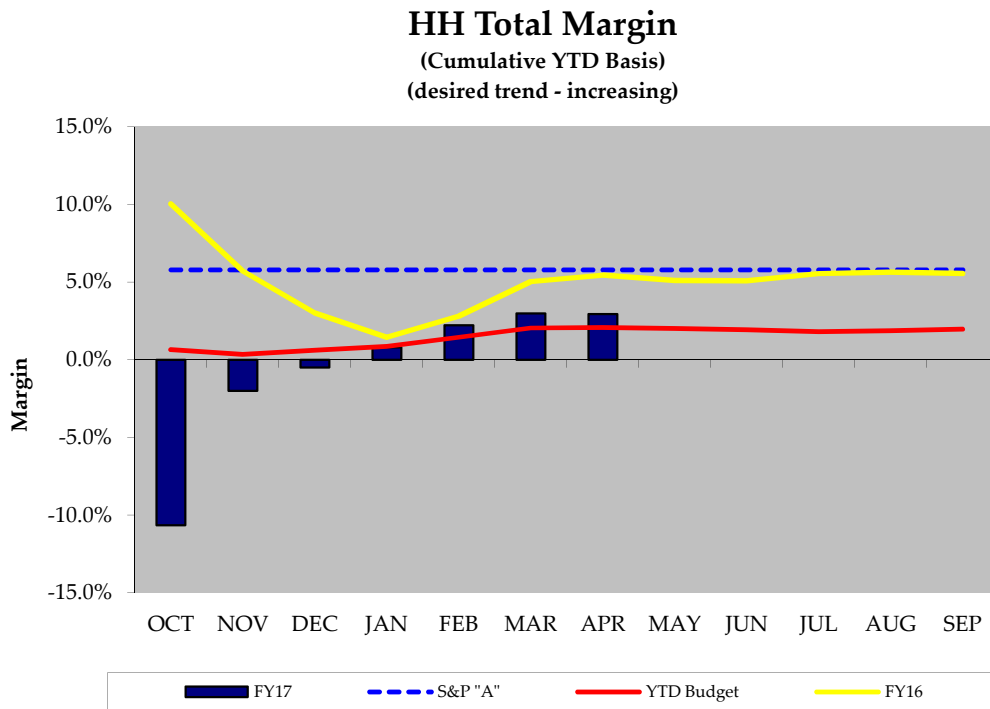
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended April 30, 2017	Static Budget Month Ended April 30, 2017	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Static Budget Seven Months Ended April 30, 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	-	-	-
40	105	(65)	Realized investment income/(losses)	1,006	735	271
204	-	204	Unrealized investment income/(losses)	1,247	-	1,247
84	71	13	Donation revenue	729	496	233
-	-	-	Other revenue	-	-	-
328	176	152	Total operating revenues	2,982	1,231	1,751
			Operating expenses:			
10	10	-	Salaries and benefits	74	73	(1)
2	4	2	Purchased services	12	26	14
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
7	67	60	Other	224	470	246
19	81	62	Total operating expenses	310	569	259
\$309	\$95	\$214	Increase in net position	\$2,672	\$662	\$2,010

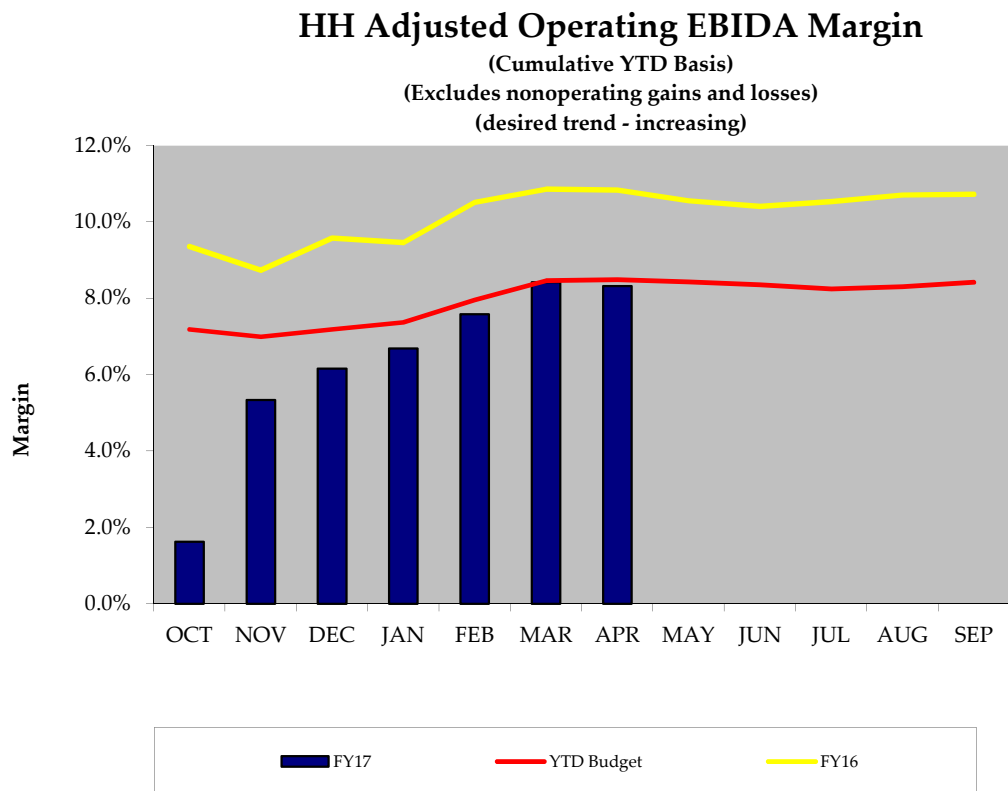
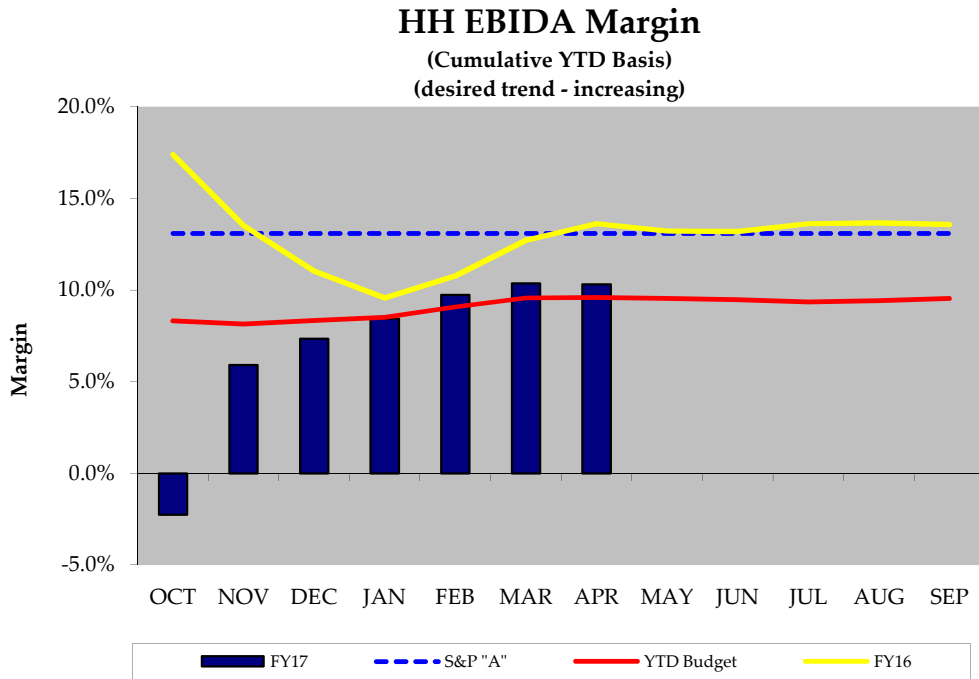
Halifax Health Medical Center (Obligated Group)
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended April 30, 2017	Static Budget Month Ended April 30, 2017	Favorable (Unfavorable) Variance		Actual Seven Months Ended April 30, 2017	Static Budget Seven Months Ended April 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$42,576	\$43,994	(\$1,418)	Net patient service revenue, before provision for bad debts	\$321,682	\$307,597	\$14,085
(3,829)	(5,755)	1,926	Provision for bad debts	(50,465)	(42,222)	(8,243)
38,747	38,239	508	Net patient service revenue	271,217	265,375	5,842
938	938	-	Ad valorem taxes	6,564	6,564	-
1,214	1,316	(102)	Other revenue	9,322	10,374	(1,052)
40,899	40,493	406	Total operating revenues	287,103	282,313	4,790
			Operating expenses:			
21,638	21,484	(154)	Salaries and benefits	148,156	149,404	1,248
5,137	4,811	(326)	Purchased services	36,285	33,156	(3,129)
7,738	7,488	(250)	Supplies	55,712	53,520	(2,192)
1,866	1,870	4	Depreciation and amortization	12,883	12,899	16
1,403	1,400	(3)	Interest	9,787	9,800	13
627	628	1	Ad valorem tax related expenses	4,359	4,376	17
606	602	(4)	Leases and rentals	3,991	3,824	(167)
2,102	2,010	(92)	Other	14,035	13,971	(64)
41,117	40,293	(824)	Total operating expenses	285,208	280,950	(4,258)
(218)	200	(418)	Excess (deficiency) of operating revenues over expenses	1,895	1,363	532
			Nonoperating revenues, expenses, and gains/(losses):			
85	197	(112)	Realized investment income/(losses)	1,627	1,382	245
296	-	296	Unrealized investment income/(losses)	(1,432)	-	(1,432)
5	-	5	Donation revenue	38	-	38
2	-	2	Nonoperating gains/(losses), net	(5)	-	(5)
388	197	191	Total nonoperating revenues, expenses, and gains/(losses)	228	1,382	(1,154)
170	397	(227)	Increase in net position before other changes in net position	2,123	2,745	(622)
1,070	570	500	Income from affiliates	7,359	3,764	3,595
\$1,240	\$967	\$273	Increase in net position	\$9,482	\$6,509	\$2,973

Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic



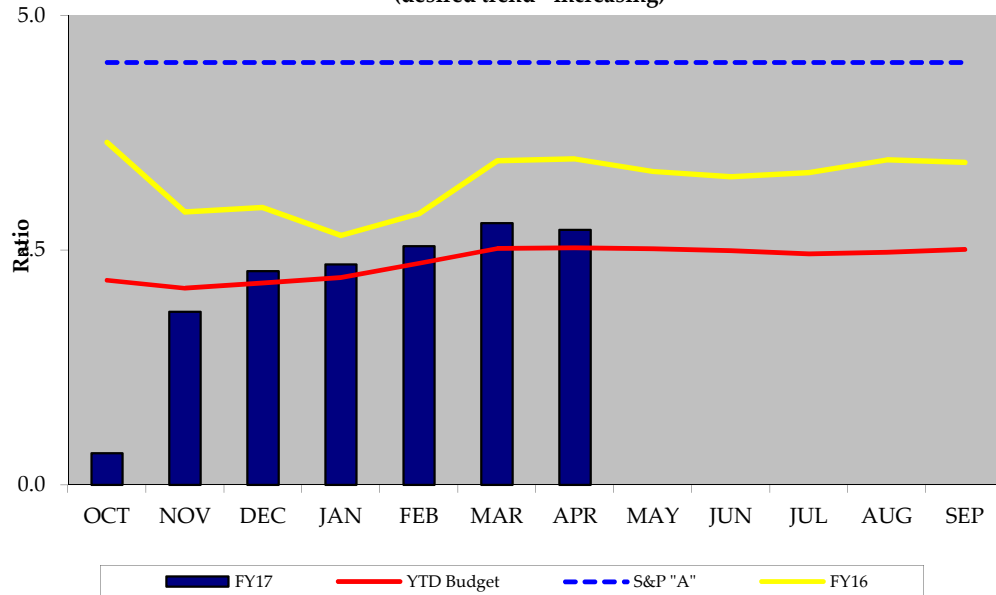
Halifax Health Financial Summary - Graphic

HH MADS Coverage Ratio

(Annualized Basis)

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

(desired trend - increasing)

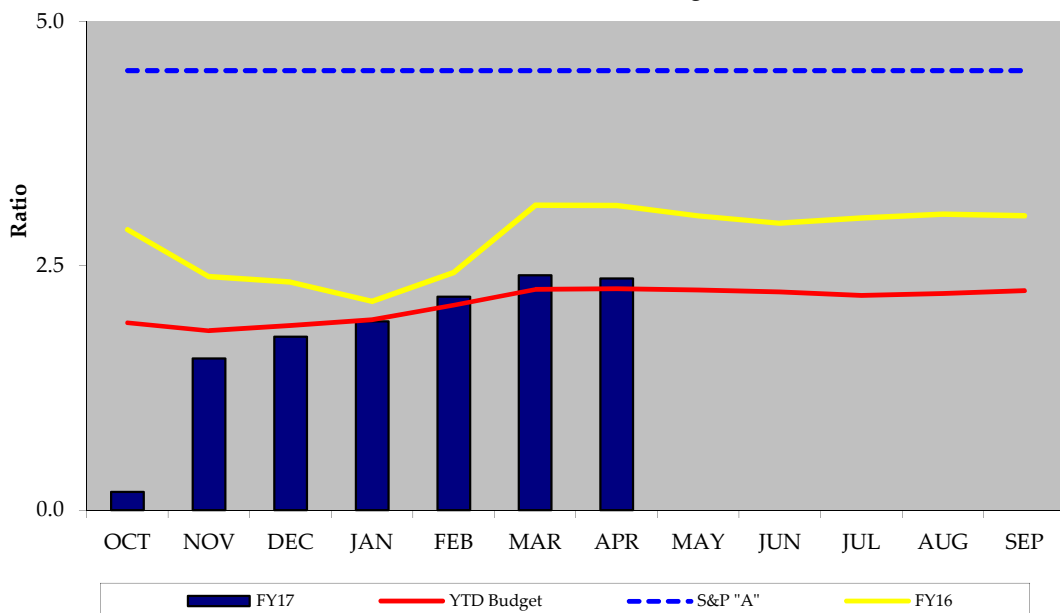


HH MADS Coverage Ratio - Operations Only

(Annualized Basis)

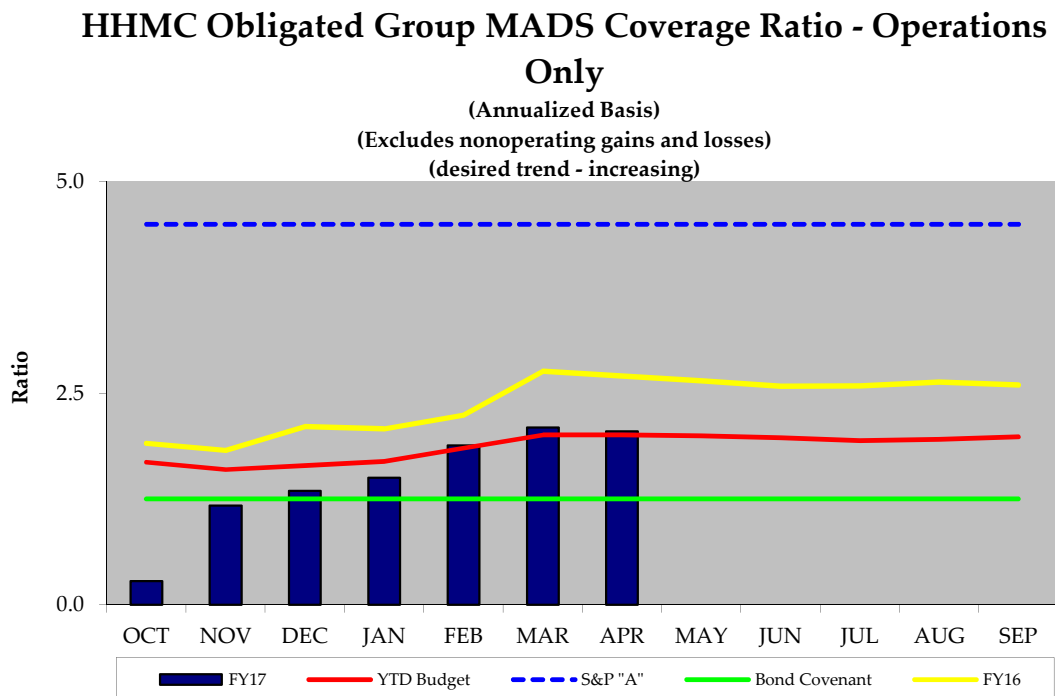
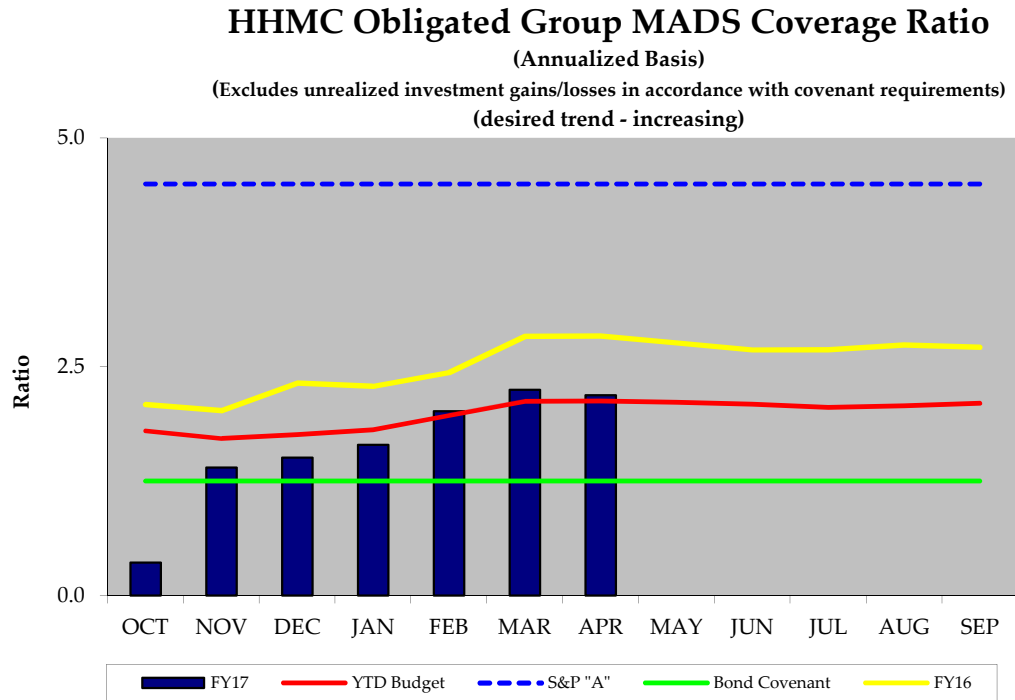
(Excludes nonoperating gains and losses)

(desired trend - increasing)



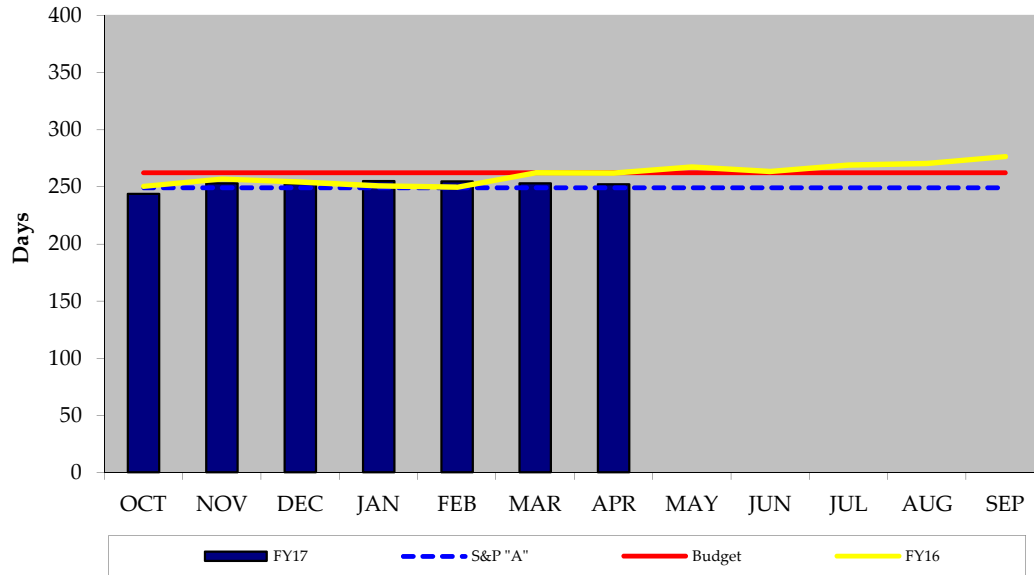
Halifax Health

Financial Summary - Graphic

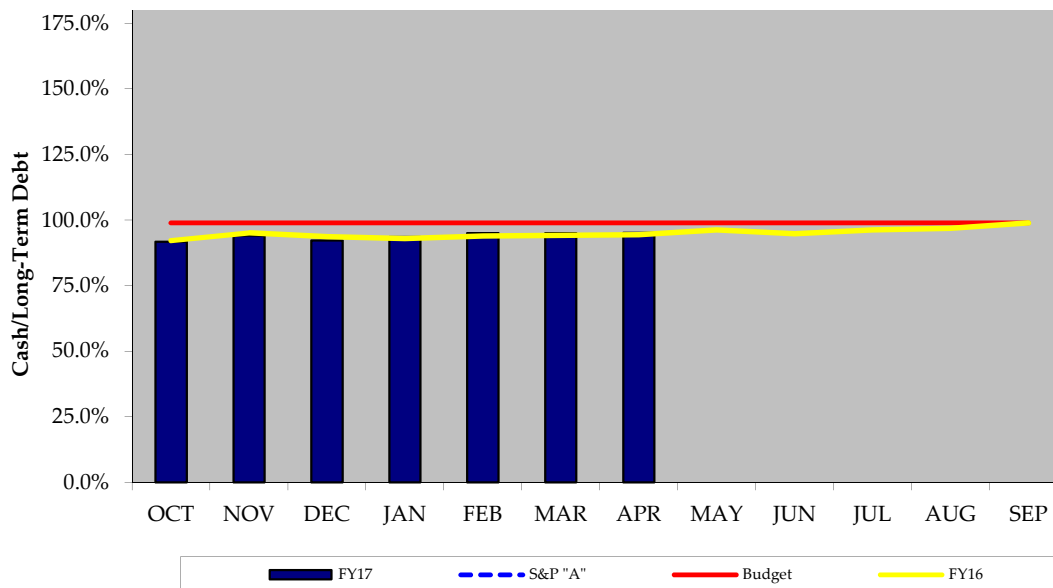


Halifax Health Financial Summary - Graphic

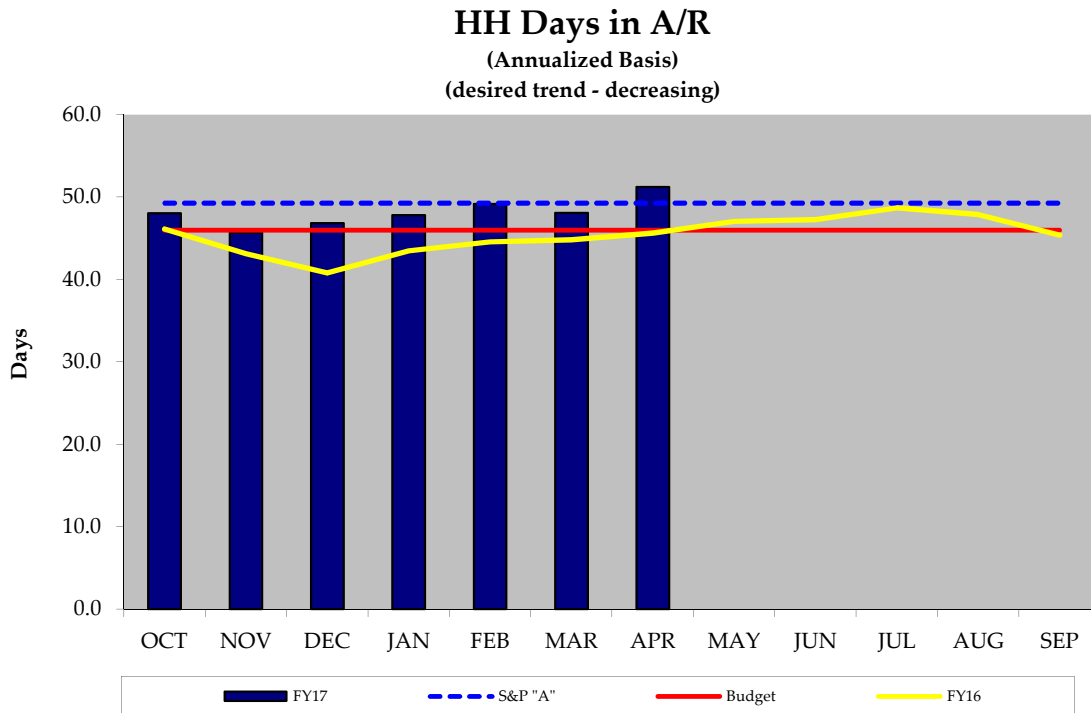
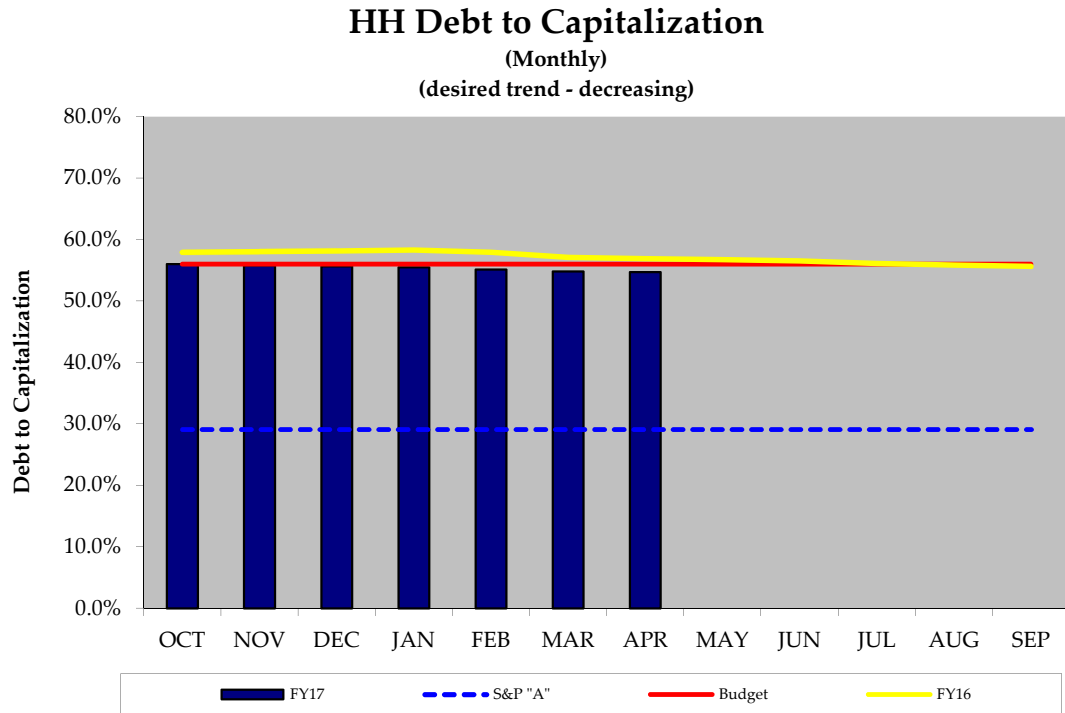
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

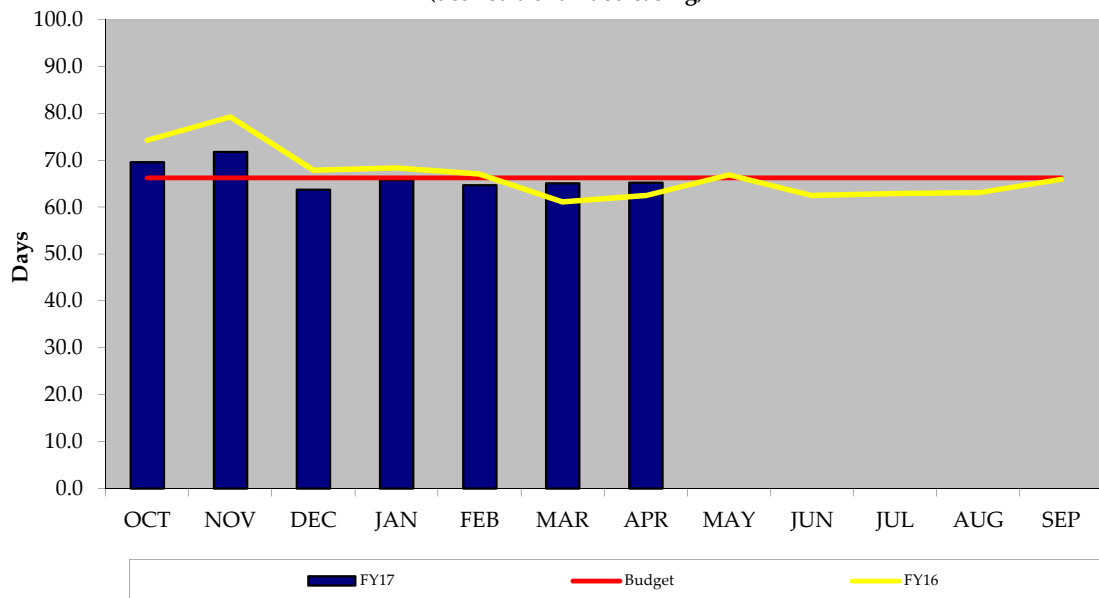


Halifax Health Financial Summary - Graphic

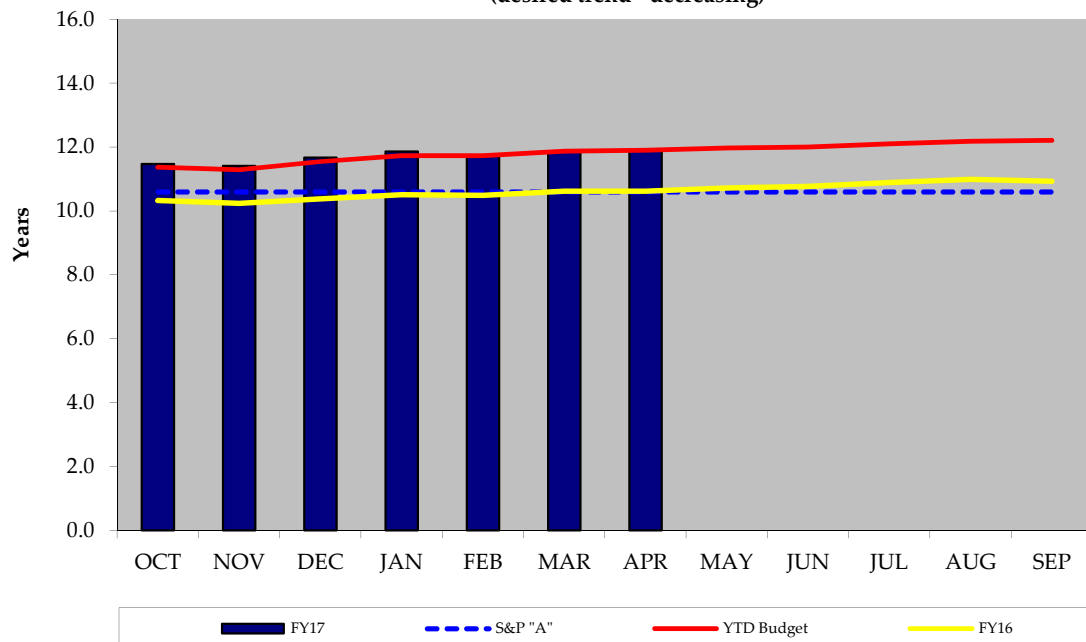


Halifax Health Financial Summary - Graphic

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 May 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	\$ 24,268	=	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 May 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 May 31, 2017	\$93,799	\$160,000	\$253,799	\$35,319	\$70,128	\$359,247
Days cash on hand [S&P Calculation]	72.7	N/A	196.7	N/A	595.7	254.3
Days cash on hand including bad debt [Bond Compliance Calculation]	62.3	N/A	168.6	N/A	582.4	220.3
Projection of Cash Available for Capital Investment - FY 2017						
Actual Cash and Investments as of May 31, 2017	\$93,799	\$160,000	\$253,799	\$35,319	\$70,128	\$359,247
Budgeted Cash and Investments at September 30, 2017	88,924	168,474	257,398	34,422	70,848	362,668
Difference	4,875	(8,474)	(3,599)	897	(720)	(3,421)
Calculation of Cash from Operations Available for Capital Investment						
Gain from operations - budgeted FY 2017- Remaining	(\$81)	\$177	\$96	\$374	\$340	\$1,304
GASB 68 pension accounting - budgeted FY 2017- Remaining	4,062	-	4,062	-	202	4,264
Depreciation expense - budgeted FY 2017- Remaining	7,521	-	7,521	-	232	8,030
Expected cash from operations- budgeted FY 2017- Remaining	11,502	177	11,679	374	775	13,598
Donations and nonoperating gains, net- budgeted FY 2017- Remaining	-	-	-	-	236	236
Investment gains- budgeted FY 2017- Remaining	\$278	\$515	\$793	\$0	\$752	\$1,545
Portion being made available for capital expenditures	100% 278	100% 515	100% 793	100% -	100% 752	100% 1,545
Adjustment to cash from Bond Proceeds	7,646	-	7,646	-	-	7,646
Expected changes in working capital through September 30, 2017	11,839	-	11,839	-	-	11,839
Principal payments on debt	(7,175)	-	(7,175)	-	-	(7,175)
Total expected cash and investments available for capital expenditures	(A) \$28,965	(A) (\$7,782)	(A) \$21,183	(A) \$1,271	(A) \$1,043	(A) \$24,268
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)	(2,681)	-	(2,681)	-	-	(2,681)
Estimated carryover of approved projects to FY 2018	(12,000)	-	(12,000)	-	-	(12,000)
Projected capital expenditures	(B) 23,063	(B) -	(B) 23,063	(B) -	(B) 408	(B) 23,471
Projected funds available in excess of capital expenditures	(A)-(B) \$5,902	(A)-(B) (\$7,782)	(A)-(B) (\$1,880)	(A)-(B) \$1,271	(A)-(B) \$635	(A)-(B) \$797
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	5,902	(7,782)	(1,880)	1,271	635	797
FY 2017 Capital Budget plus projected excess funds	(C) 25,602	(C) (7,782)	(C) 17,820	(C) 1,271	(C) 935	(C) 20,797
FY2017 Board of Commissioners approved projects	15,466	-	15,466	-	-	15,466
FY 2017 CIC approved projects, net of those subsequently approved by the Board	4,001	-	4,001	-	-	4,001
Approved capital projects	(D) 19,466	(D) -	(D) 19,466	(D) -	(D) -	(D) 19,466
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) 10,529	(C)-(D)-(E) (7,782)	(C)-(D)-(E) 2,747	(C)-(D)-(E) 1,271	(C)-(D)-(E) 935	(C)-(D)-(E) 5,725
Project(s) proposed for Board of Commissioners approval:						
Access Control-Lenel License & Network Boards	(\$125)	\$0	(\$125)	\$0	\$0	(\$125)
Renovation of Acute Care staff offices	(82)	-	(82)	-	-	(82)
Pump Speed Controls for Heart-Lung Machines (Qty 3)	(87)	-	(87)	-	-	(87)
C-Arm for OR	(145)	-	(145)	-	-	(145)
Diagnostic (Xray) Equipment Retro Fit for HHPO	(100)	-	(100)	-	-	(100)
Soiled Utility Room Remode	(73)	-	(73)	-	-	(73)
Available Capital if Proposed Projects are Approved	\$9,917	(\$7,782)	\$2,135	\$1,271	\$935	\$5,113

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

Halifax Health
Capital Budget
FY 2017 Budget - May 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 5/31/17	Current CIC Submitted Projects	Remaining Capital with CIC Projects Approved
Item	Information Technology						
1	IT Enterprise Projects	\$1,700		(\$1,239)	\$461		\$461
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	(\$1,437)	\$1,563	\$0	\$1,563
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		(764)	236		236
	Total Medical Equipment	\$8,174	\$0	(\$4,297)	\$3,877	\$0	\$3,877
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		(791)	209		209
	Total Infrastructure/Facilities	\$5,000	\$0	(\$4,399)	\$601	\$0	\$601
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		(\$4,453)	(\$927)		(\$927)
	Subtotal Other Projects	\$3,526	\$0	(\$4,453)	(\$927)	\$0	(\$927)
	Total HH Capital Expenditures	\$20,000	\$0	(\$14,670)	\$5,331	\$0	\$5,331

* 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 May 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	(3,282)	\$ 561		
Vendor Neutral Archive (VNA) for Enterprise Imaging	8/8/2016	3,239	(492)	2,747		
Cardiac Cath & Electrophysiology Lab Replacement	10/3/2016 ^	1,841	-	1,841		
Boiler Replacement (3)	8/8/2016	1,605	(886)	719		
Patient Monitors- PACU, Holding, L&D	10/3/2016 ^	950	-	950		
Port Orange Equipment Refresh	2/17/2016	746	(560)	186		
Fire Alarm System	3/16/2016	700	(25)	675		
SAN Software	10/3/2016 ^	594	-	594		
Med Psych Construction & Furnishings-4-South Fountain Tower	11/2/2015	489	(421)	68		
Endoscopic Ultrasound for GI with Video Scopes (Qty 4)	8/24/2016 ^	470	-	470		
AHU (x2) for Ormond ROC	6/6/2016	328	(314)	14		
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	(761)	518		13
Total Capital funds required for projects approved in FY 2016 and prior		\$ 17,465	\$ (7,199)	\$ 10,162	\$ -	\$ 104

FY2017 Board Approved Capital Projects

Cardiac Cath & Electrophysiology Lab Replacement	11/7/2016 ^	\$ 1,841	\$ (163)	\$ 1,678		
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	(32)	784		
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	(2)	318		
Ophthalmic Microscope, Surgical Light, Lens & Renovation of OR #1	3/6/2017	130	(106)	24		
Neurosurgical Power Equipment	3/6/2017 ^	181	-	181		
Network Switches & Installation for Patient Monitoring	3/6/2017	141	(55)	85		
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	
IMC (16) and CIC (25) Beds and Mattresses	5/1/2017	476	-	476		
Brain Path Kit	5/1/2017	181	-	181		
Medical Oncology Expansion-Port Orange	5/1/2017	433	-	433		
Bronchoscopy Lab Construction	5/1/2017	580	(2)	578		
Fairwarning Patient Privacy System	5/1/2017	182	-	182		
Logrhythm Security Licenses, Software & Hardware	5/1/2017	150	-	150		
Pediatric Rehab Renovation	5/1/2017	574	-	574		
Total FY 2016 Board Approved Capital Projects		\$ 15,466	\$ (3,265)	\$ 12,118	\$ 83	\$ -

FY 2017 Other Approved Capital Projects

Courtesy Golf Carts (x4)	4/19/2017 *	\$ 129	\$ (129)	\$ -		
Cargo Vans (Qty 2)	3/15/2017 *	52	-	52		
Subtotal of approved items less than \$50k		1,139	(298)	792	-	-
Total FY 2016 Other Approved Capital Projects		\$ 1,319	\$ (426)	\$ 844	\$ 50	\$ -

Projects proposed for Board of Commissioners approval

Access Control-Lenel License & Network Boards	4/19/2017 *	125	-	125		
Renovation of Acute Care staff offices	4/19/2017 *	82	-	82		
Pump Speed Controls for Heart-Lung Machines (Qty 3)	9/21/2016 *	87	-	87		
C-Arm for OR	2/15/2017 *	145	-	145		
Diagnostic (Xray) Equipment Retro Fit for HHPO	5/17/2017 *	100	-	100		
Soiled Utility Room Remodel	5/1/2017 *	73	-	73		
Total Project(s) proposed for Board approval		\$ 612	\$ -	\$ 612	\$ -	\$ -

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

^ CIC approved project in FY 2016

Halifax Health
FY2017 Capital Investment Strategy
Executive Summary
As of April 30, 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	\$ 25,834	=	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 April 30, 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 April 30, 2017	\$90,106	\$159,285	\$249,391	\$35,259	\$69,992	\$354,642
Days cash on hand [S&P Calculation]	70.2	N/A	194.1	N/A	58.2	252.1
Days cash on hand including bad debt [Bond Compliance Calculation]	59.2	N/A	163.8	N/A	58.1	215.2
Projection of Cash Available for Capital Investment - FY 2017						
Actual Cash and Investments as of April 30, 2017	\$90,106	\$159,285	\$249,391	\$35,259	\$69,992	\$354,642
Budgeted Cash and Investments at September 30, 2017	88,924	168,474	257,398	34,422	70,848	362,668
Difference	1,182	(9,189)	(8,007)	837	(856)	(8,026)
Calculation of Cash from Operations Available for Capital Investment						
Gain from operations - budgeted FY 2017- Remaining	\$50	\$221	\$271	\$469	\$410	\$2,049
GASB 68 pension accounting - budgeted FY 2017- Remaining	5,077	-	5,077	-	253	5,330
Depreciation expense - budgeted FY 2017- Remaining	9,395	-	9,395	-	302	10,031
Expected cash from operations- budgeted FY 2017- Remaining	14,522	221	14,743	469	965	17,410
Donations and nonoperating gains, net- budgeted FY 2017- Remaining	-	-	-	-	536	536
Investment gains- budgeted FY 2017- Remaining	\$346	\$644	\$990	\$0	\$940	\$1,930
Portion being made available for capital expenditures	100% 346	100% 644	100% 990	100% -	100% 940	100% 1,930
Adjustment to cash from Bond Proceeds	7,646	-	7,646	-	-	7,646
Expected changes in working capital through September 30, 2017	13,673	-	13,673	-	-	13,673
Principal payments on debt	(7,335)	-	(7,335)	-	-	(7,335)
Total expected cash and investments available for capital expenditures	(A) \$30,034	(A) (\$8,324)	(A) \$21,710	(A) \$1,306	(A) \$1,585	(A) \$25,834
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)	(2,681)	-	(2,681)	-	-	(2,681)
Estimated carryover of approved projects to FY 2017	(12,000)	-	(12,000)	-	-	(12,000)
Projected capital expenditures	(B) 23,063	(B) -	(B) 23,063	(B) -	(B) 408	(B) 23,471
Projected funds available in excess of capital expenditures	(A)-(B) \$6,971	(A)-(B) (\$8,324)	(A)-(B) (\$1,353)	(A)-(B) \$1,306	(A)-(B) \$1,177	(A)-(B) \$2,363
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	6,971	(8,324)	(1,353)	1,306	1,177	2,363
FY 2017 Capital Budget plus projected excess funds	(C) 26,671	(C) (8,324)	(C) 18,347	(C) 1,306	(C) 1,477	(C) 22,363
FY2017 Board of Commissioners approved projects	15,466	-	15,466	-	-	15,466
FY 2017 CIC approved projects, net of those subsequently approved by the Board	1,319	-	1,319	-	-	1,319
Approved capital projects	(D) 16,785	(D) -	(D) 16,785	(D) -	(D) -	(D) 16,785
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) 14,280	(C)-(D)-(E) (8,324)	(C)-(D)-(E) 5,956	(C)-(D)-(E) 1,306	(C)-(D)-(E) 1,477	(C)-(D)-(E) 9,972
Project(s) proposed for Board of Commissioners approval:						
Access Control-Lenel License & Network Boards	(\$125)	\$0	(\$125)	\$0	\$0	(\$125)
Renovation of Acute Care staff offices	(82)	-	(82)	-	-	(82)
Soiled Utility Room Remodel	(73)	-	(73)	-	-	(73)
Available Capital if Proposed Projects are Approved	\$14,000	(\$8,324)	\$5,676	\$1,306	\$1,477	\$9,692

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

Halifax Health
Capital Budget
FY 2017 Budget - April 30, 2017 Evaluation
(in Thousands)

		(A)	(B)	(C)	(A)+(B)+(C)		
		FY 17 Capital Budget	FY17 Adjustments	FY 17 Activity/ Approvals	Remaining Balance as of 4/30/17	Current CIC Submitted Projects	Remaining Capital with CIC Projects Approved
Item	Information Technology						
1	IT Enterprise Projects	\$1,700		(\$1,239)	\$461		\$461
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	(\$1,437)	\$1,563	\$0	\$1,563
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		(625)	375		375
	Total Medical Equipment	\$8,174	\$0	(\$4,159)	\$4,016	\$0	\$4,016
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		(685)	315		315
	Total Infrastructure/Facilities	\$5,000	\$0	(\$4,293)	\$707	\$0	\$707
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		(\$4,453)	(\$927)		(\$927)
	Subtotal Other Projects	\$3,526	\$0	(\$4,453)	(\$927)	\$0	(\$927)
	Total HH Capital Expenditures	\$20,000	\$0	(\$14,425)	\$5,576	\$0	\$5,576

* 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 April 30, 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	(2,927)	\$ 916		
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	(886)	719		
Patient Monitors- PACU, Holding, L&D	10/3/2016 ^	950	-	950		
Port Orange Equipment Refresh	2/17/2016	746	(534)	212		
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	(421)	68		
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	(44)	146		
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		
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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	\$ (6,593)	\$ 10,768	\$ -	\$ 104

FY2017 Board Approved Capital Projects

Cardiac Cath & Electrophysiology Lab Replacement	11/7/2016 ^	\$ 1,841	\$ (163)	\$ 1,678		
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	(2)	318		
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	(55)	85		
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	
IMC (16) and CIC (25) Beds and Mattresses	5/1/2017	476	-	476		
Brain Path Kit	5/1/2017	181	-	181		
Medical Oncology Expansion-Port Orange	5/1/2017	433	-	433		
Bronchoscopy Lab Construction	5/1/2017	580	(2)	578		
Fairwarning Patient Privacy System	5/1/2017	182	-	182		
Logrhythm Security Licenses, Software & Hardware	5/1/2017	150	-	150		
Pediatric Rehab Renovation	5/1/2017	574	-	574		
Total FY 2016 Board Approved Capital Projects		\$ 15,466	\$ (1,532)	\$ 13,850	\$ 83	\$ -

FY 2017 Other Approved Capital Projects

C-Arm for OR	2/15/2017 *	\$ 145	\$ -	\$ 145		
Courtesy Golf Carts (x4)	4/19/2017 *	129	-	129		
Signage for Halifax Health Port Orange	2/15/2017	53	-	53		
Cargo Vans (Qty 2)	3/15/2017 *	52	-	52		
Subtotal of approved items less than \$50k		527	(106)	422	-	-
Total FY 2016 Other Approved Capital Projects		\$ 1,319	\$ (209)	\$ 1,060	\$ 50	\$ -

Projects proposed for Board of Commissioners approval

Access Control-Lenel License & Network Boards	4/19/2017 *	125	-	125		
Renovation of Acute Care staff offices	4/19/2017 *	82	-	82		
Soiled Utility Room Remodel	5/1/2017 *	73	-	73		
Total Project(s) proposed for Board approval		\$ 280	\$ -	\$ 280	\$ -	\$ -

* 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

June 28, 2017

Capital Expenditures \$50,000 and over

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
C-Arm for Operating Room	Radiology Department	Working Capital	\$144,930
Retro-fit for X-ray Equipment - Port Orange Diagnostic Radiology	Radiology Department	Working Capital	\$99,820
Pump Speed Control Units	Surgical Services	Working Capital	\$87,000
Acute Care Rehabilitation Therapy Office Renovation	Rehabilitation Services	Working Capital	\$82,400
Soiled Utility Room Renovation for Respiratory Therapy	Respiratory Therapy	Working Capital	\$72,832

Operating Leases \$250,000 and over

DESCRIPTION	DEPARTMENT	REPLACEMENT Y/N	LEASE TERMS	INTEREST RATE	MONTHLY PAYMENT
Facility and Office Space Leases - Deltona	Primary Care	N	10 years	2.88% Discount Rate*	\$10,604
	Pediatrics	N	10 years		\$7,168
	Rotating Specialists	N	10 years		\$3,022
	Meeting Space	N	10 years		\$5,313
	ASC	N	12 years		\$26,417

*A-rated 10 year municipal bond rate



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, Senior Vice President Operations
DATE: June 13, 2017
RE: C-Arm for Operating Room

Halifax Health Radiology Department is requesting funds to purchase a C-Arm for the main Operating Room. The current C-Arm is 15 years old and will be utilized as a trade-in for the planned purchase.

The new C-Arm will provide low-dose exposure for the patient and a high image quality for the surgeons. By replacing the C-Arms as they age, Halifax Health will maintain state-of-the-art equipment to provide the latest imaging technology for improved patient safety and satisfaction.

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

TOTAL CAPITAL COSTS \$144,930



Halifax Health Project Evaluation

C-Arm for Operating Room

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

Summary

Purpose:

This project will replace a 15 year old C-Arm in the main operating room.

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	
Image	X
Efficiency	

Investment Request for Approval **\$144,930**

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, Senior Vice President Operations
DATE: June 13, 2017
RE: Retro-fit for X-ray equipment - Port Orange Diagnostic Radiology

Halifax Health Radiology Department is requesting funds to retro-fit the existing x-ray equipment at Halifax Health Port Orange. The purchase includes Digital Radiography (DR) detectors, work stations, and a portable DR x-ray unit. Digital radiography uses digital x-ray sensors instead of traditional photographic film or cassette plates.

The current system, Computed Radiography (CR), is 10 years old and at end of life. Parts are no longer available to repair the equipment. The CR requires a technician to transport the imaged cassettes to a processor for viewing, which delays the images being available for evaluation.

The DR system provides immediate viewing of the images, including at the patient's bedside. The DR system will provide significant improvement in image quality and will decrease the radiation dose by 50% compared to the CR system.

Medicare reimbursement will be reduced by seven percent when using CR systems starting in 2018. After five years, the reduction will increase to ten percent.

The project was approved at the Capital Investment Committee meeting on May 17, 2017.

TOTAL CAPITAL COSTS \$99,820



Halifax Health Project Evaluation

Retro-fit for Port Orange X-Ray Equipment

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

Summary

Purpose:

This project will retrofit x-ray equipment with DR detectors and workstations which will improve image quality and reduce radiation.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety		X
Compassion		X
Image		
Efficiency		X

Investment Request for Approval **\$99,820**

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
Catherine Luchsinger, RN, Chief Nursing Officer
DATE: June 13, 2017
RE: Pump Speed Control Units

Halifax Health Surgical Services is requesting funds to purchase three perfusion pump speed control units. These devices control the flow of blood when performing open heart surgery. Our current devices have been listed as having reached end of life by the manufacturer.

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

TOTAL CAPITAL COSTS \$87,000



Halifax Health Project Evaluation

Pump Speed Control for Heart and Lung Perfusion Machines

Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Director, Surgical Services:	Deborah Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will replace the pump speed controller on three (3) heart lung perfusion machines.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$87,000**

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, Senior Vice President, Operations
DATE: May 12, 2017
RE: Acute Care Rehabilitation Therapy Office Renovation

Halifax Health Rehabilitation Services is requesting funds for the renovation of the acute care therapy office space.

Acute care rehabilitation services includes occupational therapy, physical therapy, speech and language pathology. The department currently has 43 clinicians that share a common office space on the ground floor of the Fountain tower. Improvements to the office space will allow the team to perform their jobs more effectively. The renovation will include additional office space, work stations, flooring, and millwork.

The project was approved at the Capital Investment Committee meeting on April 19, 2017

TOTAL CAPITAL COSTS \$82,400



Halifax Health Project Evaluation

Acute Care Rehabilitation Therapy Office Renovation

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

Summary

Purpose:

This project is to renovate the rehabilitation therapy office space.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	X
Image	X
Efficiency	X

Investment Request for Approval **\$82,400**

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: June 13, 2017
RE: Soiled Utility Room Renovation for Respiratory Therapy

Halifax Health Respiratory Therapy is requesting funds to renovate the soiled utility room. The renovation will provide a safe and effective environment for respiratory equipment to be cleaned and decontaminated.

The renovation will include the specifications for negative air flow and ensure compliance with current building code requirements.

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

TOTAL COSTS \$72,832



Halifax Health Project Evaluation

Soiled Utility Room Renovation for Respiratory Therapy	
Chief Operating Officer:	Mark Billings
Sr. Vice President, Operations:	Alberto Tineo
Service Line Administrator:	Matt Petkus
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will renovate the soiled utility room in the respiratory therapy department to meet negative air flow requirements.

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	
Image	X
Efficiency	

Investment Request for Approval **\$72,832**

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: Bill Griffin, Director, Research and Planning
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: June 20, 2017
RE: Facility and Office Space Leases - Deltona

An important component of Halifax Health's strategic initiative of expanding access to care for the residents of Deltona and surrounding communities is the medical office building (Deltona MOB) under development by a third-party (Landmark) on land leased from HH Holdings, Inc. The Deltona MOB will serve as a central connection for Halifax Health at the Deltona campus to patients, physicians and the community. Halifax Health is positioned to lease certain space in the MOB as outlined below. It is recommended that we seek approval for these leases.

The proposed space to be leased includes:

- Clinical office space to enhance access to primary care, pediatrics, and rotating specialists,
- Meeting space to accommodate general meetings, educational programs and community events, and
- Ambulatory surgery center (ASC), with plans to assign this lease to an ASC JV entity under development.

These leases are integral to enhancing access and support of the existing and planned facilities at the Deltona campus. Below is a summary of the lease terms for approval.

	Primary Care	Pediatrics	Rotating Specialists	Meeting Space	ASC
Square footage	5,000	3,380	1,425	3,000	10,000
Initial year total rate/sq ft	\$25.45	\$25.45	\$25.45	\$21.25	\$31.70
Annual rent escalator %	2.50%	2.50%	2.50%	2.50%	2.50%
Tenant buildout allowance/sq ft	\$100	\$100	\$100	\$60	\$170
Term (years)	10	10	10	10	12
Discount rate	2.88%	2.88%	2.88%	2.88%	2.88%
NPV lease payments	\$1,216,521	\$822,368	\$346,708	\$609,455	\$3,608,856
Tenant	HCI, Inc	HCI, Inc	HCI, Inc	HH Holdings	East Volusia Health Services, Inc

Halifax Health physician practice operations are conducted by Halifax Clinical Integration, Inc. (HCI, Inc.). HCI, Inc. is a controlled affiliate of Halifax Healthcare Systems, Inc., which is a controlled affiliate of Halifax Hospital Medical Center (District). East Volusia Health Services, Inc. is also a control affiliate of the District and was organized for the purpose of entering into joint venture arrangements to enhance the access and quality of patient care provided to the community.

Halifax Health Medical Center

Capital Disposals

June 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
49498	Treadmill Quinton Club Track	Wellness Center - 01.757000	07/20/98	4,900.00	-
49497	Treadmill Quinton Club Track	Wellness Center - 01.757000	07/20/98	4,900.00	-
52373	Minolta copier D1351	PBFS Admin - 01.852000	05/02/03	5,672.00	-
49906	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	05/14/02	1,046.06	-
49907	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	05/14/02	1,046.06	-
49908	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	05/14/02	1,046.06	-
49909	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	05/14/02	1,046.06	-
49910	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	05/14/02	1,046.06	-
49911	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	05/14/02	1,046.06	-
51060	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	06/13/00	1,255.58	-
51061	Recliner Chair, Lazboy	Infusion Ctr Oncology - 01.767003	06/13/00	1,255.58	-
54205	Minolta copier	IMC	02/20/04	1,762.00	-

\$ 26,021.52	\$ -
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**Halifax Health Medical Center
Capital Disposals
May 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	Disposition Status	Original Cost	Book Value
35641	Double Deck Electric Convection Oven	Food and Nutrition - 01.831000	02/01/88	damaged/fire/non operational	4,916.00	-

Total to be Disposed: \$ 4,916.00 \$ -

Comparison of Projected and Actual Financial Results for Significant Projects

Kent Bailey
Director of Finance

Finance Committee
June 28, 2017

Projects Under Review – First Year of Operations to be Evaluated

Project Name	Amount	Approval Date
Opthalmology Practice and Equipment Acquisition	772,188	9/7/2015
Enterprise VOIP Telecommunication System Upgrade	320,981	5/4/2015 *

* Favorable results have been achieved in the cost savings associated with the projected financial return for this project. Final quantification of the cost savings is in process.

Project Updates

	Year	Capital Cost	Fiscal Year	Cash Flows		
	Approved			Actual	Expected	Difference
Ophthalmology Clinic	2015	\$772,188	Year 1 - 2016	(\$318,717)	\$4,491	(\$323,208)

Notes:

1. Year 1 - 2016 shortfall in actual results is primarily due to lower volume and collections, and higher compensation paid to the transitioning physician.
2. FY 2017 actual/ projected is (\$113,182). Improvements primarily due to higher volume and collections. Positive cash flow beginning in Year 3 is expected to be sustained going forward.

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	

Fiscal Year 2018 Budget Update

Eric M. Peburn
Chief Financial Officer

Finance and Audit Committee
June 26, 2017

FY 2018 Budget Update Agenda

- Key Factors in Setting Budget
- Key Volume and Resource Assumptions
- Other Assumptions
- Medicare/Medicaid Assumptions
- Preliminary Operating Budget Schedule
- Budget Status and Next Steps
- Appendix

FY 2018 Budget Update

Key Factors in Setting Budget

- Achieve positive cash flow after capital and pension funding
- Improvement in operating margin with a long-term target of 3%
- Continuation of critical community services and benefits

FY 2018 Budget Update

Key Volume and Resource Assumptions

- FY 2018 Volumes
 - Admissions – 2.9% overall increase from FY17 (2.5% increase is related to additional market share capture in West Volusia)
 - Emergency Department Visits – 9.0% increase from FY17, with an average of 46 visits per day at the Deltona Free Standing ED
- FY 2018 Compensation
 - Merit Adjustment – Average of 2%
 - Market Adjustment - \$1.5 million
- FY 2018 Length of Stay
 - Planned reduction of a half of a day (or 10,000 days)
- FY 2018 Supply Costs
 - Rate of increase – 3.5%
- FY 2018 Drug Costs
 - Rate of increase – 5.0%

FY 2018 Budget Update

Other Assumptions

- Ad Valorem tax revenue
 - Assuming \$5.2 million reduction in gross property tax levy (from \$11.2 million to \$6.0 million)
- Investment earnings rates
 - 1.0% for the Medical Center and HH Holdings
 - 3.5% for Hospice & Foundation
- Pension Assumptions
 - Defined Benefit Pension expense
 - Assuming \$5.6 million (33.7% decrease from FY 2017)
 - Defined Benefit Pension funding
 - Assuming \$19.6 million contribution

FY 2018 Budget Update

Medicare and Medicaid Assumptions

- Medicare
 - Proposed Inpatient/Outpatient rates
 - Assuming a 0.2% increase for FY 2018, represents a \$665 thousand increase in reimbursement
 - Medicare DSH payments
 - Assuming increase of \$1.9 million based on proposed rule
- Medicaid
 - Annual reduction of \$2.8 million in payment rates and special payments
 - Assuming no impact of Medicaid expansion in FY 2018

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
FY 2018 Operating Budget - Draft for Review
(\$ in thousands)

	COL A	COL B	COL C	COL D
	FY 2018 Budget			= A + B + C
	Initial Budget	Margin Improvements	New Programs	Baseline Budget
Operating revenues:				
Net patient service revenue	\$520,394	\$4,598	\$3,395	\$528,387
Ad valorem tax revenue	5,955	-	-	5,955
Other revenue	24,670	-	-	24,670
Total operating revenues	551,019	4,598	3,395	559,012
Operating expenses:				
Salaries and Benefits	290,614	1,217	2,167	293,998
Purchased Services	73,421	375	631	74,427
Supplies	99,190	621	730	100,540
Depreciation and Amortization	23,991	-	89	24,081
Interest Expense	16,697	-	-	16,697
Ad valorem tax related expenses	6,921	(518)	-	6,403
Lease/Rentals	9,554	-	34	9,588
Other	28,290	-	68	28,359
Total operating expenses	548,679	1,694	3,721	554,094
Income (loss) from operations	2,340	2,904	(326)	4,918
Nonoperating revenues, expenses, and gains/(losses)				
Investment income	4,367	-	-	4,367
Donation revenue	692	-	-	692
Nonoperating gains (losses), net	-	-	-	-
Total Nonoperating revenues, expenses, and gains/(losses)	5,060	-	-	5,060
Increase/(decrease) in net position	\$7,400	\$2,904	(\$326)	\$9,977
Operating Margin				0.9%
Additional Margin Improvement Needed for 3% Operating Margin				\$11,853

FY 2018 Budget Update

Current Status and Next Steps

- Management has been working diligently over the last several weeks and has identified \$5m from the initial budget gap of \$11.9m
- Budget improvements will be focused on the following strategies:
 - Throughput efficiency
 - Continued focus on reducing the Length of Stay
 - Continued focus on Core Measures and improving these targets for maximum reimbursement (HCAHPS)
 - Attrition – not filling positions as Team Members exit with the exception of direct patient care positions such as nursing
 - More effectively flexing staff on volumes and acuity – even in non-flex, overhead departments
 - Reduced supply expense
 - Reduce costs in overhead, non-direct patient care positions

Appendix



Halifax Health
Column B of Statement of Revenues, Expenses and Changes in Net Position
Margin Improvements for FY 2018
(\$ in Thousands)

	Revenues			Expenses						Income (loss) from program
	Patient service revenue	Other revenue	Total	Labor	Supplies	Purchased services	Leases	Other	Total	
1 LOS Reduction of 10,000 days	\$0	\$0	\$0	(\$1,033)	(\$504)	\$0	\$0	\$0	(\$1,537)	\$1,537
2 Closure of Adult Community Clinic	-	-	-					(518)	(518)	518
3 Additional Inpatient market share from West Volusia	4,598	-	4,598	2,250	1,125	375	-	-	3,749	849
4 Department margin improvement plans (TBD)	-	-	-	-	-	-	-	-	-	-
Total New Programs	\$4,598	\$0	\$4,598	\$1,217	\$621	\$375	\$0	(\$518)	\$1,694	\$2,904

Halifax Health
Column C of Statement of Revenues, Expenses and Changes in Net Position
New Programs for FY 2018
(\$ in Thousands)

	Revenues			Expenses							Income (loss) from program
	Patient service revenue	Other revenue	Total	Labor	Supplies	Purchased services	Depreciation	Leases	Other	Total	
1 Pulmonary Function Testing	\$82	\$0	\$82	\$0	\$54	\$0	\$0	\$0	\$0	\$54	\$28
2 GI Ultrasound	206	-	206	39	56	-	-	-	8	103	103
3 Neuro Power Supplies	-	-	-	-	(13)	-	-	-	-	(13)	13
4 Intrabeam Radiation	179	-	179	38	7	-	-	-	-	45	134
5 IMC Bed rentals	-	-	-	-	-	-	-	(53)	-	(53)	53
6 CBORD Room Service Software	-	-	-	(38)	-	9	-	-	-	(29)	29
7 Plasma Phoresis	-	-	-	8	75	(292)	-	-	-	(209)	209
8 Minimally Invasive Valve Replacement/Video System	210	-	210	80	53	-	-	-	-	133	77
9 NICO System Surgery	353	-	353	-	276	-	-	-	-	276	77
10 Oncology Expansion	506	-	506	255	109	-	-	-	-	365	141
11 Bronchoscope Ultrasound	268	-	268	95	64	-	-	-	-	159	109
12 Orthopedic Trauma	367	-	367	690	44	5	7	33	32	811	(444)
13 Meditech Training	-	-	-	1,000	-	-	-	-	-	1,000	(1,000)
14 Pediatric Rehab	1,225	-	1,225	-	6	910	82	54	28	1,080	145
Total New Programs	\$3,395	\$0	\$3,395	\$2,167	\$730	\$631	\$89	\$34	\$68	\$3,721	(\$326)

Halifax Hospital Medical Center
Schedule of Tax Bases, Tax Levies, and Millage Rates
FY 2006 - 2018
(\$ in thousands)

	Actual												Initial Budget
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 *

Tax Base (DR 420)	\$15,227,582	\$19,152,904	\$20,292,636	\$18,481,578	\$15,359,834	\$13,403,649	\$12,487,804	\$12,207,295	\$12,431,762	\$13,149,276	\$13,876,457	\$14,881,556	\$15,752,386
Gross Tax Levy	\$45,682	\$52,735	\$50,732	\$41,584	\$34,560	\$26,807	\$21,854	\$15,259	\$12,432	\$13,149	\$13,252	\$11,252	\$5,955
Millage Rate	3.000	2.750	2.500	2.250	2.250	2.000	1.750	1.250	1.000	1.000	0.9550	0.7561	0.3781

* FY 2018 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

Halifax Health Medical Center
Impact of Millage Rate
Non-Homesteaded Homeowner or Commercial/Investment Property
FY 2018 Preliminary Budget ¹

	<u>Prior Year</u>	<u>FY 2018 Budget</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.7561	0.3781	-50.0%
Property value ²	\$175,000	\$185,241	5.9%
Exemptions	\$0	\$0	0.0%
Property taxes	\$132	\$70	-47.1%
Tax Levy impact to homeowner		(\$62)	

¹ FY 2018 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

² FY 2018 Property Value increased 5.8% based on the average increase within the Halifax Taxing District excluding new construction. These amounts are estimates as of 6/22/17.

**Halifax Health Medical Center
Impact of Millage Rate
Homesteaded Homeowner
FY 2018 Preliminary Budget ¹**

	Prior Year	FY 2018 Budget	Percent Change
Millage rate, per 1,000	0.7561	0.3781	-50.0%
Homestead Property value ²	\$175,000	\$176,762	1.0%
Exemptions	(\$50,000)	(\$50,000)	0.0%
Property taxes	\$95	\$48	-49.3%
Tax Levy impact to homeowner		(\$47)	

¹ FY 2018 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

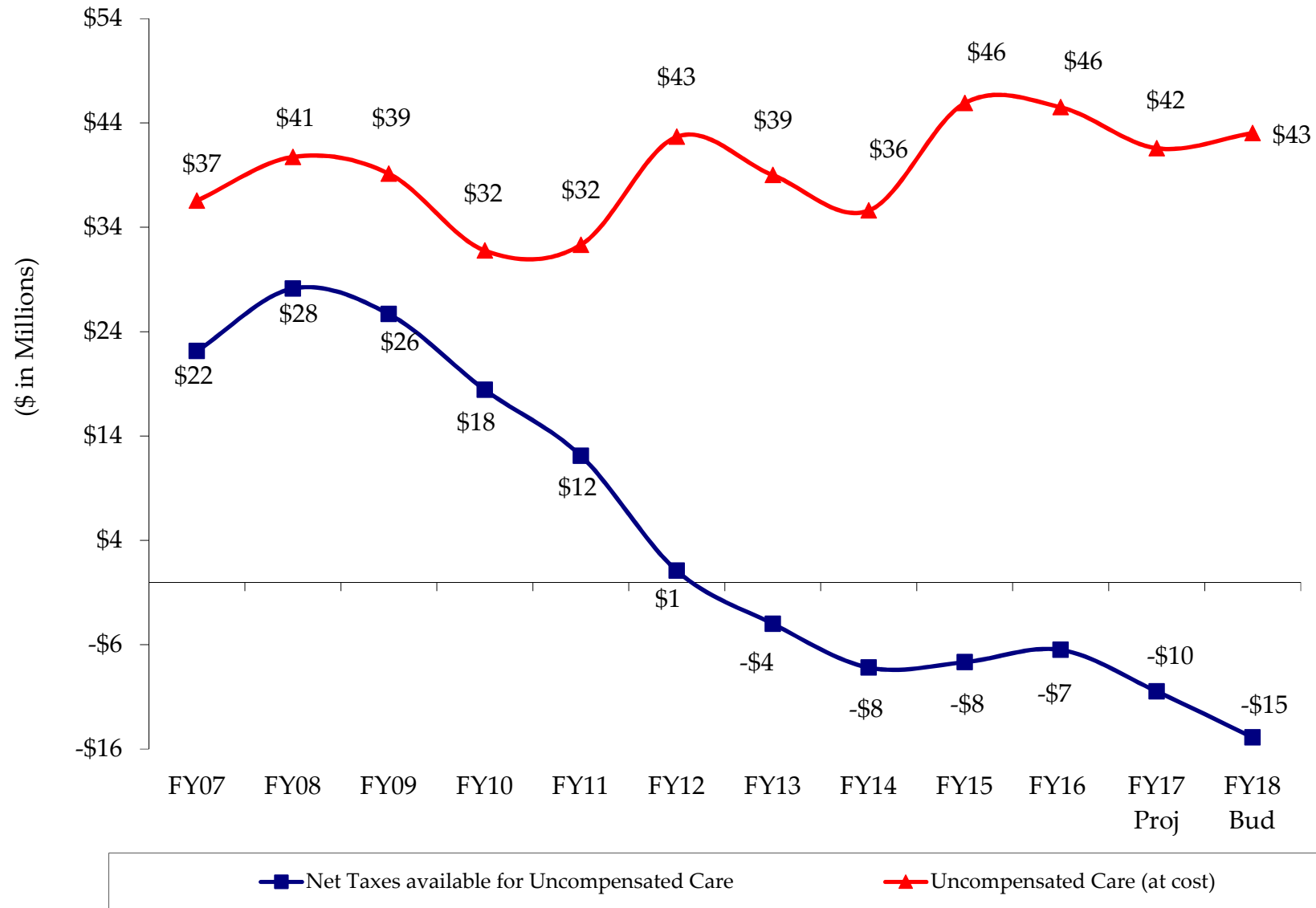
² FY 2018 Property Value (Assessed value) increased 1.007% due to the Consumer Price Index being lower than the Save Our Homes max cap of 3%. These amounts are estimates as of 6/22/17.

**Halifax Hospital Medical Center
Schedule of Uses of Property Taxes
FY 2018 Preliminary Budget ***

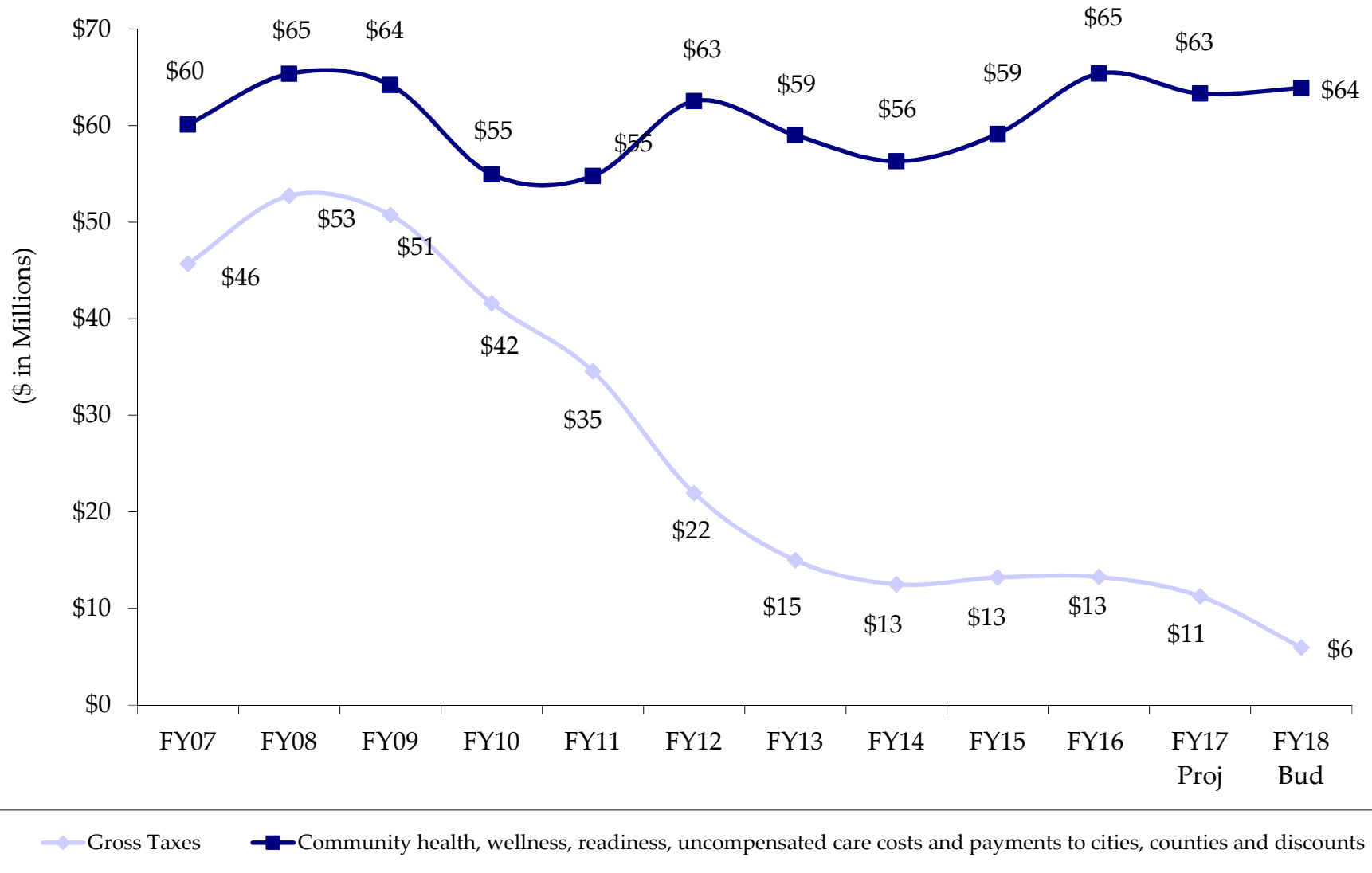
	FY 2017 Actual/Projected 0.7561 Mill	FY 2018 Budget 0.3781 Mill
Gross property tax levy	\$11,251,944	\$5,955,227
Tax discounts and uncollectible taxes	(350,508)	(186,000)
Net property taxes collected	10,901,436	5,769,227
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(374,316)	(198,000)
Volusia County Medicaid matching assessment	(2,907,758)	(3,000,000)
Redevelopment taxes paid to Cities	(601,270)	(360,000)
Subtotal	(3,883,344)	(3,558,000)
Net taxes available for community health, wellness and readiness	7,018,092	2,211,227
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(1,333,040)	(800,000)
Physician services	(9,565,065)	(9,600,000)
Trauma services	(5,566,720)	(5,600,000)
Pediatric and neonatal intensive care services	(735,672)	(750,000)
Child and adolescent behavioral services	(297,977)	(350,000)
Subtotal	(17,498,474)	(17,100,000)
Deficiency of net taxes available to fund hospital operating expenses	(10,480,382)	(14,888,773)
Uncompensated care provided by Halifax Health, <i>at cost</i>	(41,572,340)	(43,027,000)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	(\$52,052,722)	(\$57,915,773)

* FY 2018 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

Halifax Health Medical Center
 Uses of Tax Dollars FY07 - FY18
FY18 Preliminary Budget @ 0.3781 Mill



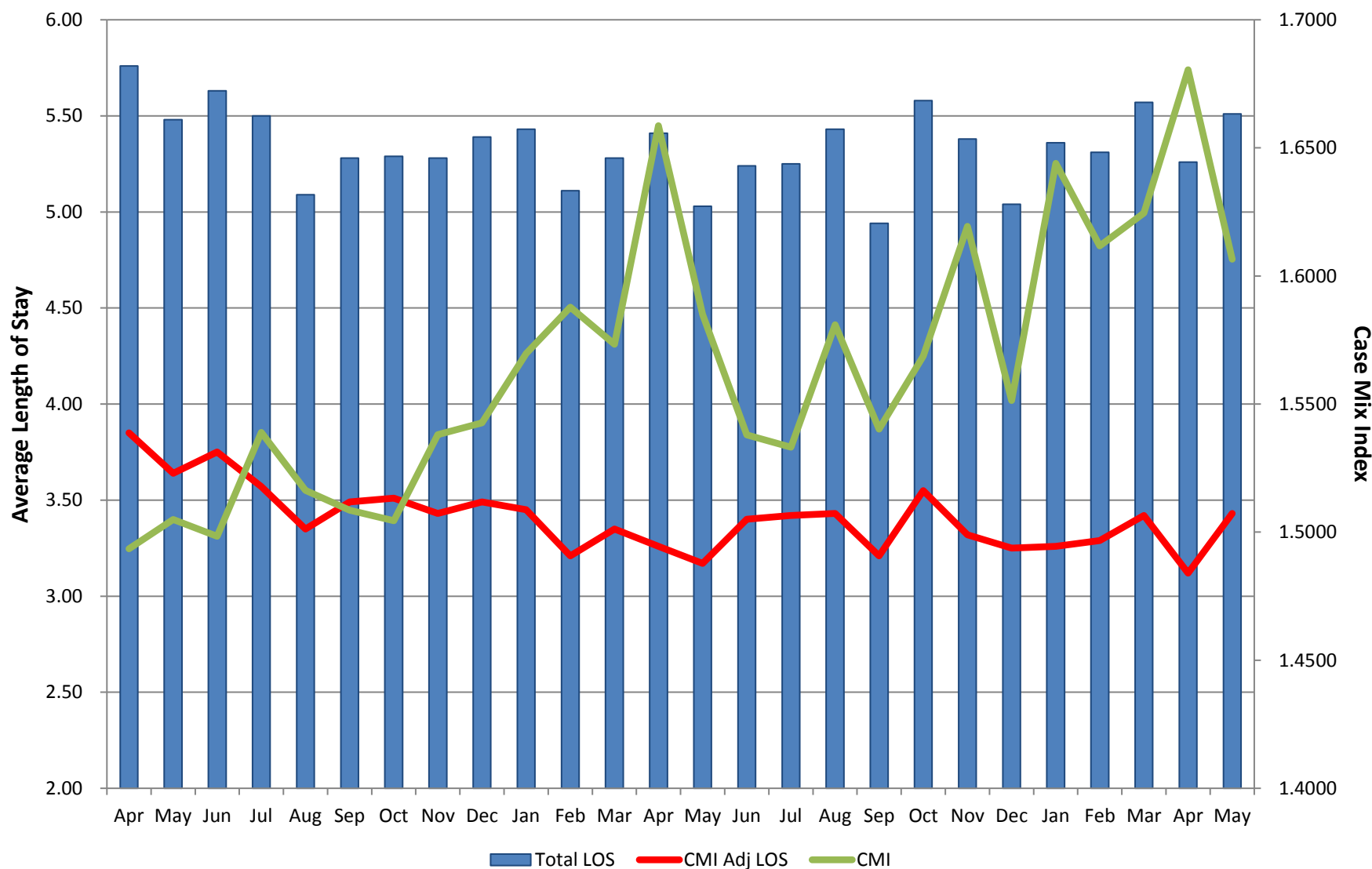
Halifax Health Medical Center
 Uses of Tax Dollars FY07 - FY18
FY18 Preliminary Budget @ 0.3781 Mill



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended May 31, 2017

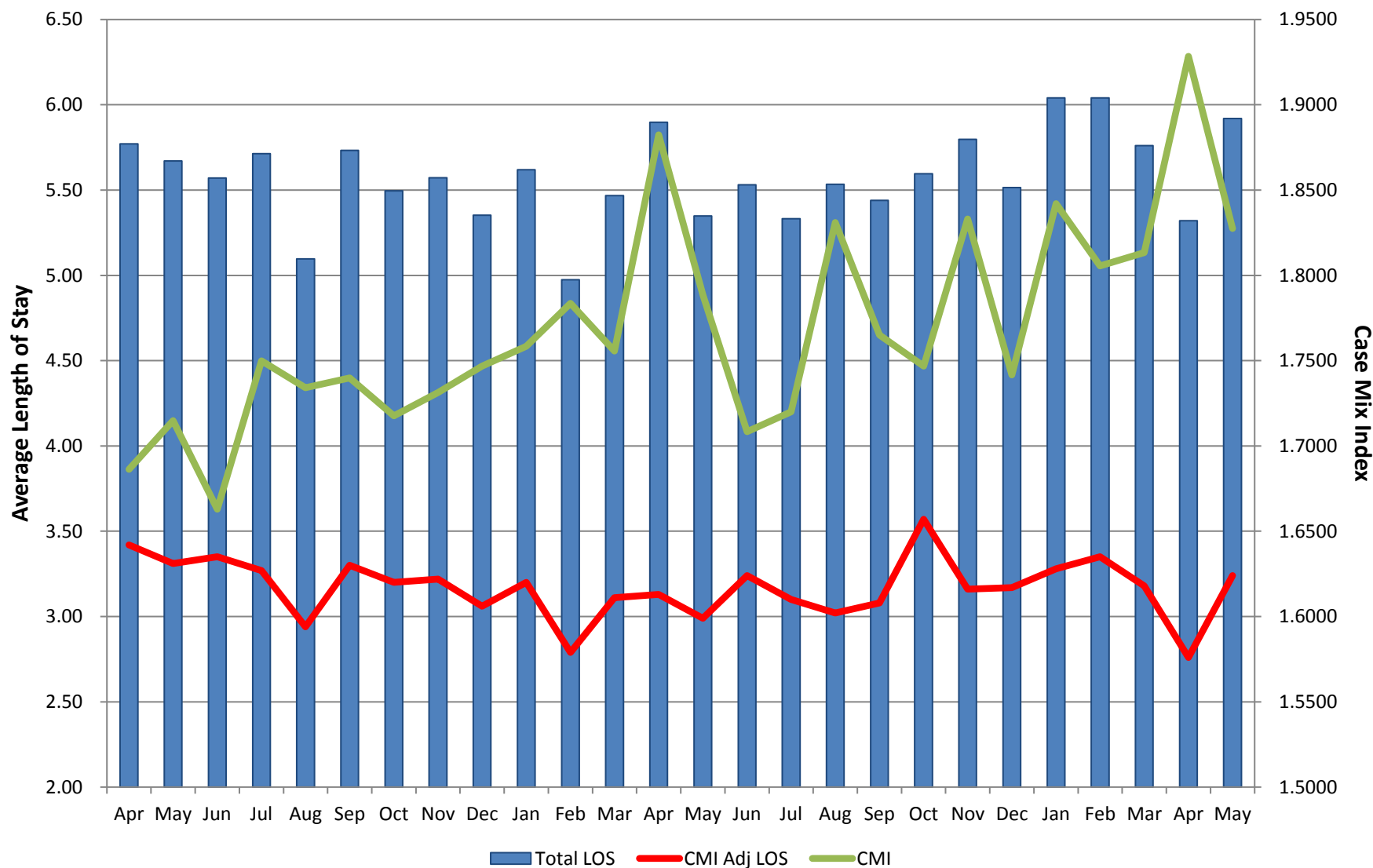
Excludes Newborns and Inpatient Rehabilitation



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended May 31, 2017

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



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

		May Performance	Calendar YTD	Calendar 2016	Fiscal Year
Fixed Income					
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.28%	1.50%	2.85%	0.67%
	BMK	0.29%	1.24%	1.56%	0.18%
VSGDX - Vanguard Short-Term Federal	Perf	0.20%	0.80%	1.24%	-0.05%
	BMK	0.23%	0.95%	1.02%	-0.21%
Ponder Short-term Government/Corporate	Perf	0.33%	1.27%	1.95%	-0.09%
	BMK	0.29%	1.24%	1.56%	0.18%
Ponder US Treasury Account	Perf	0.04%	0.24%	0.30%	0.06%
	BMK	0.23%	0.95%	-0.44%	0.01%
Ponder Short-Term Government	Perf	0.22%	0.84%	0.88%	0.00%
	BMK	0.23%	0.95%	1.02%	-0.21%
Ponder 2016 Project Fund	Perf	0.06%	0.23%	0.43%	0.67%
	BMK	0.17%	0.76%	0.29%	0.37%
Weighted Composite	Perf	0.23%	1.15%	1.99%	0.42%
	BMK	0.27%	1.15%	1.07%	0.11%
Equities					
DFSVX - DFA Small Cap Value	Perf	-3.51%	-4.37%	28.26%	10.02%
	BMK	-3.11%	-2.86%	31.74%	10.08%
DFLVX - DFA Large Cap Value	Perf	-0.11%	4.10%	18.89%	13.08%
	BMK	-0.10%	2.97%	17.34%	9.84%
DFIVX - DFA International Value	Perf	1.73%	9.28%	8.41%	14.84%
	BMK	3.33%	12.72%	2.75%	12.33%
DFEVX - DFA Emerging Markets	Perf	1.81%	17.12%	19.84%	15.98%
	BMK	2.96%	17.25%	11.19%	12.37%
VGELX - Vanguard Energy	Perf	-2.03%	-8.50%	33.18%	-3.50%
	BMK	-1.57%	-7.20%	27.66%	-0.30%
VENAX - Vanguard Energy Index	Perf	-3.93%	-13.74%	28.94%	-7.20%
	BMK	-1.57%	-7.20%	27.66%	-0.30%
VIGIX -Vanguard Large-Cap Growth	Perf	2.83%	15.30%	6.13%	14.82%
	BMK	2.60%	14.30%	7.08%	15.47%
VGHAX - Vanguard Health Care	Perf	1.90%	14.09%	-8.94%	7.30%
	BMK	2.15%	12.75%	-6.83%	6.58%
VSGIX - Vanguard Small-Cap Growth	Perf	0.32%	7.85%	10.74%	9.38%
	BMK	-0.91%	6.31%	11.32%	10.11%
Weighted Composite	Perf	0.27%	6.40%	15.17%	11.63%
	BMK	0.66%	6.94%	13.82%	10.60%

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

	Invested Balance		May Performance	Calendar YTD	Fiscal YTD
HH Holdings					
VFSIX - Vanguard Short-Term Invest Grade	\$ 53,378,284	Perf	0.28%	1.50%	0.67%
		BMK	0.29%	1.24%	0.18%
Ponder Short-Term Gov't/Corporate	32,057,966	Perf	0.33%	1.27%	-0.09%
		BMK	0.29%	1.24%	0.18%
Ponder US Treasury Account	73,423,800	Perf	0.04%	0.24%	0.06%
		BMK	0.23%	0.95%	0.01%
Total HH Holdings	<u>\$ 158,860,050</u>	Composite	0.18%	0.87%	0.23%
		Budget			0.67%
HHMC					
Ponder Short-Term Government	\$ 42,308,175	Perf	0.22%	0.84%	0.00%
		BMK	0.23%	0.95%	-0.21%
VSGDX - Vanguard Short-Term Federal	64,512	Perf	0.20%	0.80%	-0.05%
		BMK	0.23%	0.95%	-0.21%
Wells Fargo Halifax Hospital Trust	569,699	Perf	0.05%	0.22%	0.29%
		BMK	0.23%	0.95%	-0.21%
Ponder 2016 Project Fund	7,225,542	Perf	0.06%	0.23%	0.67%
		BMK	0.17%	0.76%	0.37%
Total HHMC	<u>\$ 50,167,928</u>	Composite	0.19%	0.75%	0.10%
		Budget			0.67%

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

	Invested Balance		May Performance	Calendar YTD	Fiscal YTD
Foundation					
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,409,625	Perf	0.28%	1.50%	0.67%
		BMK	0.29%	1.24%	0.18%
DFSVX - DFA Small Cap Value	3,464,908	Perf	-3.51%	-4.37%	10.02%
		BMK	-3.11%	-2.86%	10.08%
DFIVX - DFA International Value	2,046,389	Perf	1.73%	9.28%	14.84%
		BMK	3.33%	12.72%	12.33%
DFEVX - DFA Emerging Markets	740,250	Perf	1.81%	17.12%	15.98%
		BMK	2.96%	17.25%	12.37%
DFLVX - DFA Large Cap Value	7,743,495	Perf	-0.11%	4.10%	13.08%
		BMK	-0.10%	2.97%	9.84%
VGELX - Vanguard Energy	448,941	Perf	-2.03%	-8.50%	-3.50%
		BMK	-1.57%	-7.20%	-0.30%
VENAX - Vanguard Energy Index	201,762	Perf	-3.93%	-13.74%	-7.20%
		BMK	-1.57%	-7.20%	-0.30%
VIGIX -Vanguard Large-Cap Growth	4,018,104	Perf	2.83%	15.30%	14.82%
		BMK	2.60%	14.30%	15.47%
VGHAX - Vanguard Health Care	714,754	Perf	1.90%	14.09%	7.30%
		BMK	2.15%	12.75%	6.58%
VSGIX - Vanguard Small-Cap Growth	3,935,763	Perf	0.32%	7.85%	9.38%
		BMK	-0.91%	6.31%	10.11%
Total Foundation	<u>\$ 45,723,991</u>	Composite	0.23%	3.89%	6.38%
		Budget			2.67%

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

	Invested Balance		May Performance	Calendar YTD	Fiscal YTD
Hospice					
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,455,799	Perf	0.28%	1.50%	0.67%
		BMK	0.29%	1.24%	0.18%
DFSVX - DFA Small Cap Value	5,383,378	Perf	-3.51%	-4.37%	10.02%
		BMK	-3.11%	-2.86%	10.08%
DFIVX - DFA International Value	3,163,802	Perf	1.73%	9.28%	14.84%
		BMK	3.33%	12.72%	12.33%
DFEVX - DFA Emerging Markets	1,322,936	Perf	1.81%	17.12%	15.98%
		BMK	2.96%	17.25%	12.37%
DFLVX - DFA Large Cap Value	12,153,817	Perf	-0.11%	4.10%	13.08%
		BMK	-0.10%	2.97%	9.84%
VGELX - Vanguard Energy	99,203	Perf	-2.03%	-8.50%	-3.50%
		BMK	-1.57%	-7.20%	-0.30%
VENAX - Vanguard Energy Index	537,764	Perf	-3.93%	-13.74%	-7.20%
		BMK	-1.57%	-7.20%	-0.30%
VIGIX - Vanguard Large-Cap Growth	6,585,987	Perf	2.83%	15.30%	14.82%
		BMK	2.60%	14.30%	15.47%
VGHAX - Vanguard Health Care	621,504	Perf	1.90%	14.09%	7.30%
		BMK	2.15%	12.75%	6.58%
VSGIX - Vanguard Small-Cap Growth	5,721,481	Perf	0.32%	7.85%	9.38%
		BMK	-0.91%	6.31%	10.11%
Total Hospice	<u>\$ 70,045,671</u>	Composite	0.24%	3.94%	6.50%
		Budget			2.67%

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

	Invested Balance	May Performance	Calendar YTD	Fiscal YTD
Pension				
VFSIX - Vanguard Short-Term Invest Grade	\$ 129,279,565	Perf 0.28%	1.50%	0.67%
		BMK 0.29%	1.24%	18.00%
DFSVX - DFA Small Cap Value	19,776,156	Perf -3.51%	-4.37%	10.02%
		BMK -3.11%	-2.86%	10.08%
DFIVX - DFA International Value	34,228,903	Perf 1.73%	9.28%	14.84%
		BMK 3.33%	12.72%	12.33%
DFEVX - DFA Emerging Markets	10,553,621	Perf 1.81%	17.12%	15.98%
		BMK 2.96%	17.25%	12.37%
DFLVX - DFA Large Cap Value	20,619,455	Perf -0.11%	4.10%	13.08%
		BMK -0.10%	2.97%	9.84%
VGELX - Vanguard Energy	4,139,809	Perf -2.03%	-8.50%	-3.50%
		BMK -1.57%	-7.20%	-0.30%
VENAX - Vanguard Energy Index	4,747,783	Perf -3.93%	-13.74%	-7.20%
		BMK -1.57%	-7.20%	-0.30%
VIGIX -Vanguard Large-Cap Growth	13,924,568	Perf 2.83%	15.30%	14.82%
		BMK 2.60%	14.30%	15.47%
VGHAX - Vanguard Health Care	9,297,985	Perf 1.90%	14.09%	7.30%
		BMK 2.15%	12.75%	6.58%
VSGIX - Vanguard Small-Cap Growth	13,147,619	Perf 0.32%	7.85%	9.38%
		BMK -0.91%	6.31%	10.11%
Wells Fargo Cash	1,977			
Wells Fargo Money Market	3,470,731			
Total Pension	<u>\$ 263,188,172</u>	Composite	0.29%	3.94%
		Budget		6.01%
				4.50%
Total Halifax Health, including Pension	<u><u>\$ 587,985,812</u></u>			
Total Halifax Health, excluding Pension	<u><u>\$ 324,797,640</u></u>			

Halifax Health
Investment Manager Performance Report - through April 30, 2017

		April Performance	Calendar YTD	Calendar 2016	Fiscal Year
Fixed Income					
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.38%	1.22%	2.85%	0.39%
	BMK	0.38%	0.95%	1.56%	-0.11%
VSGDX - Vanguard Short-Term Federal	Perf	0.21%	0.60%	1.24%	-0.25%
	BMK	0.32%	0.72%	1.02%	-0.44%
Ponder Short-term Government/Corporate	Perf	0.38%	0.94%	1.95%	-0.41%
	BMK	0.38%	0.95%	1.56%	-0.11%
Ponder US Treasury Account	Perf	0.05%	0.20%	0.30%	0.02%
	BMK	0.32%	0.72%	-0.44%	-0.22%
Ponder Short-Term Government	Perf	0.28%	0.62%	0.88%	-0.22%
	BMK	0.32%	0.72%	1.02%	-0.44%
Ponder 2016 Project Fund	Perf	0.06%	0.16%	0.43%	0.60%
	BMK	0.18%	0.59%	0.29%	0.20%
Weighted Composite	Perf	0.30%	0.92%	1.99%	0.19%
	BMK	0.36%	0.88%	1.07%	-0.16%
Equities					
DFSVX - DFA Small Cap Value	Perf	0.46%	-0.89%	28.26%	14.03%
	BMK	0.39%	0.26%	31.74%	14.36%
DFLVX - DFA Large Cap Value	Perf	0.66%	4.21%	18.89%	13.20%
	BMK	-0.19%	3.07%	17.34%	9.94%
DFIVX - DFA International Value	Perf	1.41%	7.42%	8.41%	12.89%
	BMK	2.13%	9.08%	2.75%	8.70%
DFEVX - DFA Emerging Markets	Perf	0.73%	15.03%	19.84%	13.91%
	BMK	2.19%	13.88%	11.19%	9.14%
VGELX - Vanguard Energy	Perf	-2.72%	-6.60%	33.18%	-1.50%
	BMK	-1.90%	-5.73%	27.66%	1.28%
VENAX - Vanguard Energy Index	Perf	-3.54%	-10.21%	28.94%	-3.40%
	BMK	-1.90%	-5.73%	27.66%	1.28%
VIGIX -Vanguard Large-Cap Growth	Perf	2.30%	12.13%	6.13%	11.66%
	BMK	2.29%	11.40%	7.08%	12.54%
VGHAX - Vanguard Health Care	Perf	1.24%	11.96%	-8.94%	5.30%
	BMK	1.85%	10.38%	-6.83%	4.34%
VSGIX - Vanguard Small-Cap Growth	Perf	1.39%	7.50%	10.74%	9.03%
	BMK	1.84%	7.29%	11.32%	11.12%
Weighted Composite	Perf	0.90%	5.89%	15.17%	11.31%
	BMK	1.11%	6.05%	13.82%	10.01%

Halifax Health
Investment Manager Performance Report - through April 30, 2017

	Invested Balance	April Performance	Calendar YTD	Fiscal YTD
HH Holdings				
VFSIX - Vanguard Short-Term Invest Grade	\$ 53,231,570	Perf 0.38%	1.22%	0.39%
		BMK 0.38%	0.95%	-0.11%
Ponder Short-Term Gov't/Corporate	31,959,926	Perf 0.38%	0.94%	-0.41%
		BMK 0.38%	0.95%	-0.11%
Ponder US Treasury Account	73,393,238	Perf 0.05%	0.20%	0.02%
		BMK 0.32%	0.72%	-0.22%
Total HH Holdings	<u>\$ 158,584,734</u>	Composite Budget	0.23%	0.69%
				0.06%
HHMC				
Ponder Short-Term Government	\$ 42,216,910	Perf 0.28%	0.62%	-0.22%
		BMK 0.32%	0.72%	-0.44%
VSGDX - Vanguard Short-Term Federal	64,383	Perf 0.21%	0.60%	-0.25%
		BMK 0.32%	0.72%	-0.44%
Wells Fargo Halifax Hospital Trust	574,386	Perf 0.05%	0.16%	0.23%
		BMK 0.32%	0.72%	-0.44%
Ponder 2016 Project Fund	7,220,944	Perf 0.06%	0.16%	0.60%
		BMK 0.18%	0.59%	0.20%
Total HHMC	<u>\$ 50,076,623</u>	Composite Budget	0.25%	0.55%
				-0.09%
				0.58%

Halifax Health
Investment Manager Performance Report - through April 30, 2017

Foundation	Invested Balance		April Performance	Calendar YTD	Fiscal YTD
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,348,030	Perf	0.38%	1.22%	0.39%
		BMK	0.38%	0.95%	-0.11%
DFSVX - DFA Small Cap Value	3,590,940	Perf	0.46%	-0.89%	14.03%
		BMK	0.39%	0.26%	14.36%
DFIVX - DFA International Value	2,011,647	Perf	1.41%	7.42%	12.89%
		BMK	2.13%	9.08%	8.70%
DFEVX - DFA Emerging Markets	727,055	Perf	0.73%	15.03%	13.91%
		BMK	2.19%	13.88%	9.14%
DFLVX - DFA Large Cap Value	7,752,011	Perf	0.66%	4.21%	13.20%
		BMK	-0.19%	3.07%	9.94%
VGELX - Vanguard Energy	458,302	Perf	-2.72%	-6.60%	-1.50%
		BMK	-1.90%	-5.73%	1.28%
VENAX - Vanguard Energy Index	210,009	Perf	-3.54%	-10.21%	-3.40%
		BMK	-1.90%	-5.73%	1.28%
VIGIX -Vanguard Large-Cap Growth	3,907,693	Perf	2.30%	12.13%	11.66%
		BMK	2.29%	11.40%	12.54%
VGHAX - Vanguard Health Care	701,367	Perf	1.24%	11.96%	5.30%
		BMK	1.85%	10.38%	4.34%
VSGIX - Vanguard Small-Cap Growth	3,923,070	Perf	1.39%	7.50%	9.03%
		BMK	1.84%	7.29%	11.12%
Total Foundation	<u>\$ 45,630,124</u>	Composite	0.70%	3.56%	6.15%
		Budget			2.33%

Halifax Health
Investment Manager Performance Report - through April 30, 2017

	Invested Balance		April Performance	Calendar YTD	Fiscal YTD
Hospice					
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,361,095	Perf	0.38%	1.22%	0.39%
		BMK	0.38%	0.95%	-0.11%
DFSVX - DFA Small Cap Value	5,579,192	Perf	0.46%	-0.89%	14.03%
		BMK	0.39%	0.26%	14.36%
DFIVX - DFA International Value	3,110,090	Perf	1.41%	7.42%	12.89%
		BMK	2.13%	9.08%	8.70%
DFEVX - DFA Emerging Markets	1,299,354	Perf	0.73%	15.03%	13.91%
		BMK	2.19%	13.88%	9.14%
DFLVX - DFA Large Cap Value	12,167,184	Perf	0.66%	4.21%	13.20%
		BMK	-0.19%	3.07%	9.94%
VGELX - Vanguard Energy	101,271	Perf	-2.72%	-6.60%	-1.50%
		BMK	-1.90%	-5.73%	1.28%
VENAX - Vanguard Energy Index	559,745	Perf	-3.54%	-10.21%	-3.40%
		BMK	-1.90%	-5.73%	1.28%
VIGIX - Vanguard Large-Cap Growth	6,405,014	Perf	2.30%	12.13%	11.66%
		BMK	2.29%	11.40%	12.54%
VGHAX - Vanguard Health Care	609,863	Perf	1.24%	11.96%	5.30%
		BMK	1.85%	10.38%	4.34%
VSGIX - Vanguard Small-Cap Growth	5,703,029	Perf	1.39%	7.50%	9.03%
		BMK	1.84%	7.29%	11.12%
Total Hospice	<u>\$ 69,895,837</u>	Composite	0.72%	3.61%	6.26%
		Budget			2.33%

Halifax Health
Investment Manager Performance Report - through April 30, 2017

	Invested Balance		April Performance	Calendar YTD	Fiscal YTD
Pension					
VFSIX - Vanguard Short-Term Invest Grade	\$ 128,924,230	Perf	0.38%	1.22%	0.39%
		BMK	0.38%	0.95%	-0.11%
DFSVX - DFA Small Cap Value	20,495,490	Perf	0.46%	-0.89%	14.03%
		BMK	0.39%	0.26%	14.36%
DFIVX - DFA International Value	33,647,799	Perf	1.41%	7.42%	12.89%
		BMK	2.13%	9.08%	8.70%
DFEVX - DFA Emerging Markets	10,365,499	Perf	0.73%	15.03%	13.91%
		BMK	2.19%	13.88%	9.14%
DFLVX - DFA Large Cap Value	20,642,133	Perf	0.66%	4.21%	13.20%
		BMK	-0.19%	3.07%	9.94%
VGELX - Vanguard Energy	4,226,130	Perf	-2.72%	-6.60%	-1.50%
		BMK	-1.90%	-5.73%	1.28%
VENAX - Vanguard Energy Index	4,941,852	Perf	-3.54%	-10.21%	-3.40%
		BMK	-1.90%	-5.73%	1.28%
VIGIX - Vanguard Large-Cap Growth	13,541,944	Perf	2.30%	12.13%	11.66%
		BMK	2.29%	11.40%	12.54%
VGHAX - Vanguard Health Care	9,123,829	Perf	1.24%	11.96%	5.30%
		BMK	1.85%	10.38%	4.34%
VSGIX - Vanguard Small-Cap Growth	13,105,218	Perf	1.39%	7.50%	9.03%
		BMK	1.84%	7.29%	11.12%
Wells Fargo Cash	1,691,742				
Wells Fargo Money Market	1,977				
Total Pension	<u>\$ 260,707,843</u>	Composite	0.61%	3.55%	5.72%
		Budget			3.94%
Total Halifax Health, including Pension	<u>\$ 584,895,161</u>				
Total Halifax Health, excluding Pension	<u>\$ 324,187,318</u>				

INFORMATIONAL REPORT

June 28, 2017

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

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Time Clock Replacement	Accounting Department	Working Capital	\$49,975
Fetal Monitors for OB Diagnostics/Maternal Fetal Medicine	OB Diagnostics/Maternal Fetal Medicine	Working Capital	\$37,528
Signage for Halifax Health Port Orange	Marketing Department	Working Capital	\$35,000
Sterilizer Conversion	Surgical Services	Working Capital	\$33,060
Eye Surgery Stretchers	Surgical Services	Working Capital	\$25,014

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: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Lisa Tyler, Corporate Controller
DATE: May 12, 2017
RE: Time Clock Replacement

Halifax Health Accounting Department is requesting funds to purchase 25 Kronos InTouch time clocks.

The 42 existing Kronos 4500 time clocks are becoming obsolete and will eventually be unsupported by the vendor. Kronos is currently offering an incentive trade-in program for the new InTouch time clocks. We will take advantage of the incentive program to replace 25 time clocks. The remaining 17 time clocks are planned to be replaced in fiscal year 2018.

The project was approved at the Capital Investment Committee on November 16, 2016.

TOTAL CAPITAL COSTS \$49,975



Halifax Health Project Evaluation

Kronos Time Clocks

Chief Financial Officer:	Eric Peburn
Corporate Controller:	Lisa Tyler
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will replace 25 time clocks throughout the health system.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$49,975**

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
Catherine Luchsinger, RN, Chief Nursing Officer
DATE: June 13, 2017
RE: Fetal Monitors for OB Diagnostics/Maternal Fetal Medicine

Halifax Health OB Diagnostics/Maternal Fetal Medicine is requesting funds to purchase three fetal monitors with carts.

The new monitors will replace three existing monitors. One of the existing fetal monitors is 14 years old and parts are no longer available. The other two fetal monitors will be transferred to Labor and Delivery where they will be utilized.

The project was approved at the Capital Investment Committee meeting on May 17, 2017.

TOTAL CAPITAL COSTS \$37,528



Halifax Health Project Evaluation

Fetal Monitors for OB Diagnostics/ Maternal Fetal Medicine

Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Director, Surgical Services:	Deborah Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will replace three fetal monitors for the OB Diagnostics/ Maternal Fetal Medicine department.

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 \$37,528

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: Ann Martorano, Chief Communications Officer and HHPO Administrator
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
John Guthrie, Director Corporate Communications
DATE: June 13, 2017
RE: Signage for Halifax Health Port Orange

Halifax Health Marketing Department is requesting funds to purchase new signage for Halifax Health Port Orange. The signage will improve the visibility of the Port Orange campus.

The purchase will reface the existing signs, and add signage and a water feature on the campus. The redesigned signs will use blue as the background field and white for the logo and wording. A small water feature and an additional sign on Dunlawton Avenue will add visibility. The addition of a sign to indicate where people may load and unload patients in the emergency ambulance bay will be included in the purchase.

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

TOTAL CAPITAL COSTS \$35,000



Halifax Health Project Evaluation

Signage for Halifax Health Port Orange

Chief Operating Officer:	Mark Billings
Chief Communications Officer:	Ann Martorano
Director, Corporate Communications:	John Guthrie
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to improve the visibility of the Port Orange campus by upgrading existing signage, adding new signage, and adding a water feature on the camps.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	X
Efficiency	X

Investment Request for Approval \$35,000

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
Catherine Luchsinger, RN, Chief Nursing Officer
DATE: May 12, 2017
RE: Sterilizer Conversion

Halifax Health Surgical Services is requesting funds to upgrade four (4) flash-only sterilizers. The upgrade will convert the flash-only sterilizers to the recommended pre-vacuum sterilizers.

Pre-vacuum sterilization is used to ensure air removal from the sterilizing chamber before the steam is admitted. The advantage of using pre-vacuum sterilization is that there is nearly instantaneous steam penetration into porous materials.

The pre-vacuum sterilization will further reduce flash sterilization as recommended by various regulatory agencies.

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

TOTAL CAPITAL COSTS \$33,060



Halifax Health Project Evaluation

Sterilizer Conversion

Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Director, Surgical Services:	Deborah Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will convert four operating room instrument sterilizers to pre-vac sterilizers. This will reduce the need for flash sterilization.

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 \$33,060

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
Catherine Luchsinger, Vice President and Chief Nursing Officer
DATE: June 13, 2017
RE: Eye Surgery Stretchers

Halifax Health Surgical Services is requesting funds to purchase four eye surgery stretchers. The new stretchers will replace existing stretchers that are more than 25 years old and in poor condition.

The equipment includes a head attachment that provides comfort for the patient and allows the surgeon to position the head during the delicate eye surgery procedure. The patient remains on the eye surgery stretcher while being transported into recovery and to the patient's room.

The project was approved at the Capital Investment Committee meeting on May 5, 2017.

TOTAL CAPITAL COSTS \$25,014



Halifax Health Project Evaluation

Eye Surgery Stretchers

Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Director, Surgical Services:	Deborah Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will replace four eye surgery stretchers. These stretchers include a head attachment that allows the surgeon to position the head during the procedure.

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 **\$25,014**

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