



HALIFAX HEALTH

Audit & Finance Committee

Wednesday, November 1, 2017

Meeting Location

Halifax Health

France Tower, Conference Room A

4:00 p.m.

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, November 1, 2017

AGENDA

I. CALL TO ORDER

II. MINUTES

Audit & Finance Committee Minutes

- August 30, 2017

portal page 4, **action requested**

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

portal page 12, **action requested**

IV. FINANCE COMMITTEE

Financial Report, *Eric Peburn*

- September 2017
- August 2017

portal page 22, **action requested**

portal page 47, **action requested**

Acquisitions, Leases and Disposals, *Kent Bailey*

- Capital Investment Strategy, September 2017
- Capital Expenditures \$50,000 and over
 - *Development of Road & Utility Infrastructure*, *Clyde Morris*
 - *Acquisition of Orthopedic Medical Office*
 - *Gastroenterology (GI) Relocation Project*
 - *Phase I Road & Utility Infrastructure*, *Howland Blvd.*
 - *Surgical Tables*
 - *Urinalysis Analyzer*
 - *Orthopedic Surgical Table*
- Disposals
 - Sale of Portion of Vacant Land West of Clyde Morris Blvd.
 - Sale of Portion of Deltona Parcel, 120 Howland Blvd.
- Comparison of Projected and Actual Financial Results for Significant Projects

portal page 72, **information only**

portal page 76, **action requested**

\$2,530,000

\$897,715

\$683,995

\$430,000

\$109,840

\$99,590

\$93,057

portal page 92, **action requested**

portal page 77 **action requested**

portal page 84, **action requested**

none

Old Business

- Fitch Ratings Upgrade
- Deltona Financing Update
- Meeting Request Tracker/Checklist

discussion, **information only**

discussion, **information only**

portal page 94, **information only**

New Business

- Reimbursement Resolutions
- Opening of Bank Account with US Bank
- Opening of Bank Account with Intracoastal Bank
- 2018 Meeting Calendar

portal page 95, **action requested**

portal page 99, **action requested**

portal page 100, **action requested**

portal page 101, **information only**

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

Information Only

- Discharged Based -Average Length of Stay and Case Mix Index portal page 102, [information only](#)
- Schedule of Uses of Property Taxes, September 2017 portal page 104, [information only](#)
- Investment Performance Reports, September & August 2017 portal page 105, [information only](#)
- Capital Expenditures \$25,000 - \$50,000 portal page 115, [information only](#)
 - *Omnicell Medication Dispensing Cabinet* \$33,214
 - *Vaginal CT/MRI Multi Channel Applicator for Radiation Oncology* \$29,473
 - *Port Orange Care Center HVAC Replacement* \$28,600
 - *Meditech Interface for Laboratory-Blood Glucose Meter* \$25,350

V. OPEN DISCUSSION

- VI. NEXT MEETING MONDAY, November 13, 2017, 4:00 p.m. – Investment Committee meeting
WEDNESDAY, January 3, 2018, 4:00 p.m. – Regular scheduled meeting

VII. PUBLIC PARTICIPATION

VIII. EXECUTIVE SESSION

IX. ADJOURN

Halifax Hospital Medical Center
Audit and Finance Committee Meeting
303 N. Clyde Morris Blvd., France Tower, Conference Room A
Wednesday, August 30, 2017

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

Via Phone: Susan Schandel, Member & Treasurer, Board of Commissioners

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

Also Present: Jeff Feasel, President & CEO
Eric Peburn, Executive VP/Chief Financial Officer
Shelly Shiflet, Chief Compliance Officer
Bill Rushton, Director, Internal Audit
Kent Bailey, Director of Finance
Lisa Tyler, Corporate Controller
Bob Wade, Compliance Expert
Mark Billings, Executive VP/Chief Operating Officer
Arvin Lewis, Senior VP/Chief Revenue Officer
Alberto Tineo, Senior VP, Operations
Bill Griffin, Director, System Research and Planning
Jill Wheelock, Associate General Counsel
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
Charlena Kowatch, Deputy Chief Compliance Officer
Dee Schaeffer, Government Affairs Officer/Ex. Director, Healthy Communities
Dominick Damiani, Manager, Pharmacy
Brandon Slaughter, RSM
Charles Lee, JPMorgan
David Hand, JPMorgan
Eric Jordahl, Kaufman Hall

The meeting was called to order at 4:00 p.m. by Ted Serbousek. Attendance was recorded. Chairman Serbousek indicated that the agenda would be modified so the guests would present at the onset of the meeting.

AUDIT COMMITTEE

2017 RSM Client Service and Audit Plan

Discussion: Ms. Tyler introduced Mr. Slaughter to present the FY 2018 Client Service and Audit Plan. Mr. Slaughter led members through the audit scope, the expectations of RSM, highlighting the organization chart of the service team, the risk area and summary audit procedures and timeline. Brief discussion ensued.

Action: None required.

OLD BUSINESS

Discussion: Deltona Financing Update, *Charles Lee, David Hand, Eric Jordahl*
Mr. Peburn briefly highlighted key points from previous presentations regarding the Deltona hospital to include the projected cost totaling \$105 million, commitment to maintain cash position and briefly reporting the high level view of the financial impact. He then introduced Charles Lee and David Hand, both representing JPMorgan, and Eric Jordahl, representing Kaufman Hall, inviting them to present the Deltona Project Financing: Securities Lending Structure Overview.

The collective presentation included the securities lending agreement, the projected cash flows, the alternatives upon the maturity of the securities lending agreement, as well as a comparison of other products.

Action: None required.

MINUTES

Discussion: Minutes from the May 8, 2017 Investment Committee Meeting and from the June 28, 2017 Audit & Finance Committee Meeting were reviewed.

Action: Mr. Youngman moved to approve the minutes as presented and recommends approval by the Halifax Health Board of Commissioners. Mr. Motto 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 July 2017 and June 2017, referencing no issues in June 2017, but citing the attendance of the Compliance Committee fell short of the 70% or greater internal target in July 2017. Ms. Shiflet reported that Catherine Luchsinger, Chief Nursing Officer, has been added as a new member of the committee, which should help alleviate attendance issues in the future.

Action: None required.

Discussion: Responses to Compliance Effectiveness Report, CIA Year 3
Ms. Shiflet referred members to the Response and Action Plans for the Corporate Integrity Agreement year ended March 9, 2017. This summary highlighted tasks and respective responses/expected plans for improvement. In closing, Ms. Shiflet deferred to Mr. Peburn to provide an update on the unclaimed property audit. Mr. Peburn stated that after meeting with representatives from the Florida Department of Financial Services, it is anticipated that this issue would be settled with no additional amounts due and no penalties or interest.

Action: None required.

Internal Audit

Discussion: Mr. Rushton led committee members through the Audit Services Discussion and Analysis presentation, requesting approval of the Summary of Audit Follow up Report as of August 22, 2017 and the Summary of Internal Audit Report(s) – Pharmacy Controls Audit, Diversion ROC-Main Campus, and HCN Audit.

Discussion and questions ensued regarding the Pharmacy Controls Audit and Mr. Damiani was requested to join the committee at the table. Mr. Damiani reported the issues and discrepancies identified, sharing the steps taken to reduce risk and action plans in place.

Action: Mr. Youngman moved to approve the three internal audit reports - Pharmacy Controls Audit, Diversion ROC-Main Campus, and HCN Audit, as presented. Mr. Motto seconded the motion and it carried unanimously.

Action: Mr. Motto moved to approve the Summary of Audit Follow up Report as of August 22, 2017 as presented. Mr. Youngman seconded the motion and it carried unanimously.

FINANCE COMMITTEE

FINANCIAL REPORT

- Discussion: Mr. Peburn reviewed the July 2017 Financial Report, reporting the statistical and financial summaries, briefly reporting improvements regarding locums, staffing in Deltona, reduction of contract labor and Hospice performance.
- Action: Mr. Motto moved to approve the July 2017 and June 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 (July and June 2017 summaries included in meeting materials).
- Action: None required.
- Discussion: Capital Expenditures \$50,000 and over
- | | |
|--|-------------|
| • IV Pumps | \$2,316,642 |
| • New Smyrna Beach Family Practice – Office Expansion and Renovation | \$137,600 |
| • Ultrasound Machines for Intensive Care Units | \$99,375 |
| • Surgical Lighting for Cardiovascular | \$92,360 |
| • HDR Brachytherapy Equipment | \$74,700 |
| • Cytology Equipment | \$54,214 |
- Action: Mr. Youngman moved to approve the capital expenditures and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.
- Discussion: Disposals
- Action: Mr. Youngman moved to approve the disposals and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.
- Discussion: Comparison of Projected and Actual Financial Results for Significant Projects
- Action: No report; no action required.

OLD BUSINESS

- Discussion: Meeting Request Tracker/Checklist (included in meeting packet)
The tracker indicates an annual update regarding the Center for Rehabilitation Service Line is anticipated for the November 1, 2017 committee meeting.
- Action: None required.
- Discussion: FY 2018 Budget Update
Mr. Peburn presented a schedule of operating margin changes (2.4%) since the August budget workshop due to:
- Decrease in Medicaid LIP reimbursement
 - Defined benefit pension expense increase – updated from actuarial report
 - Patient service revenue decrease due to the reduction in area wage index, offset by various margin improvements at Halifax Health Hospice
- Action: None required.

NEW BUSINESS

- Discussion: Expected Investment Return, FY 2018
Mr. Peburn reported that the expected investment return assumptions for FY 2018 were presented to the Investment Committee and were being brought to the committee for approval. The assumed outlook returns for FY 2018, and weighted assumed

return for Halifax Hospital Medical Center, HH Holdings, Foundation and Hospice accounts.

Action: Mr. Youngman moved to approve the expected investment return assumptions for FY 2018 as recommended by the Investment Committee. Mr. Motto seconded the motion and it carried unanimously.

INFORMATIONAL REPORTS

Discussion: The Discharged Based-Average Length of Stay and Case Mix Index, the Schedule of Uses of Property Taxes for June 2017, the Investment Performance Reports for July 2017 and June 2017, the Capital Expenditures, \$25,000 - \$50,000, and the Operating Leases, \$50,000-\$250,000 were presented under Information Only. The Capital Expenditures \$25,000 - \$50,000 were as follows:

- | | |
|---|----------|
| • <i>Oncology Services Expansion for Port Orange</i> | \$49,900 |
| ▪ <i>Sleeper Chairs for Mother and Baby Unit</i> | \$40,537 |
| • <i>Patient Recliner Chairs for CVICU and CPCU</i> | \$34,390 |
| • <i>Dr. Lopez Pediatric Office – IT Infrastructure</i> | \$30,000 |

The Operating Leases, \$50,000 - \$250,000 were as follows:

- | | |
|-------------------------------------|--------------------------|
| • <i>Dr. Lopez Pediatric Office</i> | \$5,434 monthly; 3 years |
|-------------------------------------|--------------------------|

Action: None required.

OPEN DISCUSSION

Discussion: None.

NEXT MEETING DATE: **TUESDAY, September 5, 2017, 5:05 p.m. –First Public Hearing, Board of Commissioners**
Wednesday, November 1, 2017, 4:00 p.m. – Regular scheduled meeting
Monday, November 13, 2017, 4:00 p.m. – Investment Committee meeting

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: October 23, 2017
Re: Compliance Dashboard Report for the month ended September 30, 2017

Enclosed is the Compliance Program Dashboard Report for September 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 – 9/30/2017

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. 4,280	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. 4,130	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. 5,038	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. 14	Number of members on <i>Compliance Committee</i>
	2. 78.6%	% of members who attended the meeting (On Target at 70% or Greater) – meeting date 8/30/17
	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. 5 / 66	Number of Help Line calls received during month/past 12 months
	2. 3 / 44	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 8/31/2017
	4. 0	Number of open Help Line calls rated as High Priority as of 9/30/2017
	5. 1	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 25	Number of issues open as of 8/31/2017
	2. 14	Of the issues in item 1, __ remain open as of 9/30/2017
	3. 11	Number of issues from item 1 closed as of 9/30/2017
	4. 44%	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. 1	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. 1	Number of reviews from #1 expected to require repayment/processing of claims

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

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

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



HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners
Cc: Jeff Feasel, Chief Executive Officer
From: Shelly Shiflet, Vice President and Chief Compliance Officer
Date: September 18, 2017
Re: Compliance Dashboard Report for the month ended August 31, 2017

Enclosed is the Compliance Program Dashboard Report for August 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. Eight (8) of the thirteen (13) members (or 61.5%) attended the August 2, 2017 Compliance Committee meeting:

Members Present:

Shelly Shiflet, Vice President and Chief Compliance Officer;
Bill Griffin, Director, System Research and Planning;
Khalelah Jones, Privacy Officer;
Charlena Kowatch, Deputy Chief Compliance Officer;
Arvin Lewis, Senior Vice President and Chief Revenue Officer;
Tom Stafford, Vice President and Chief Information Officer;
Eric Peburn, Executive Vice President and Chief Financial Officer; and,
Jillian Wheelock, General Counsel Assistant (alternate for Vivian Gallo).

Members Absent:

Mark Billings, Executive Vice President and Chief Operating Officer;
Dr. Margaret Crossman, Chief Medical Officer;
Maria Crumlich, Director, Hospice;
Kim Fulcher, Senior Vice President and Chief Human Resources Officer; and,
Alberto Tineo, Senior Vice President, Operations.

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 – 8/31/2017

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. 4,260	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. 4,109	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. 5,013	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. 61.5%	% of members who attended the meeting (On Target at 70% or Greater) – meeting date 8/2/17
	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 / 61	Number of Help Line calls received during month/past 12 months
	2. 3 / 41	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 7/31/2017
	4. 0	Number of open Help Line calls rated as High Priority as of 8/31/2017
	5. 7	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 29	Number of issues open as of 7/31/2017
	2. 11	Of the issues in item 1, __ remain open as of 8/31/2017
	3. 18	Number of issues from item 1 closed as of 8/31/2017
	4. 62%	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. 2	Number of Compliance Policies reviewed/ updated in the last month (On Target at 1)
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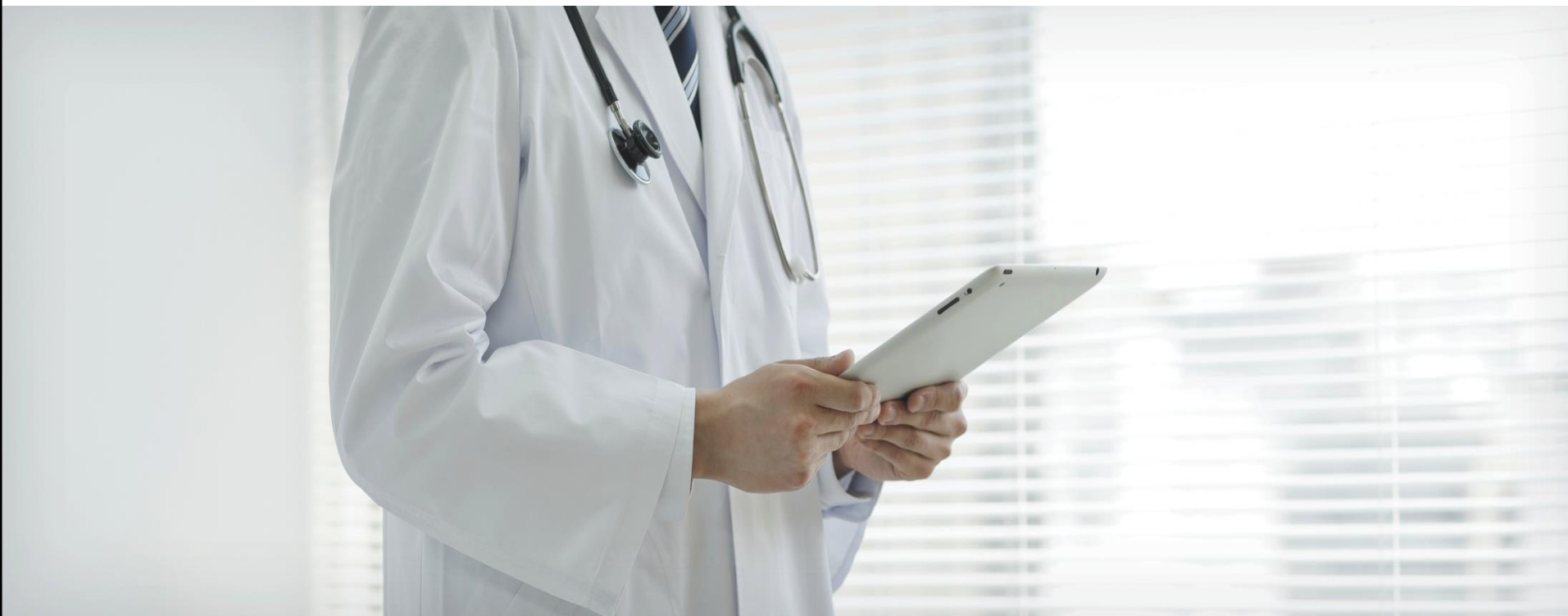
VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

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



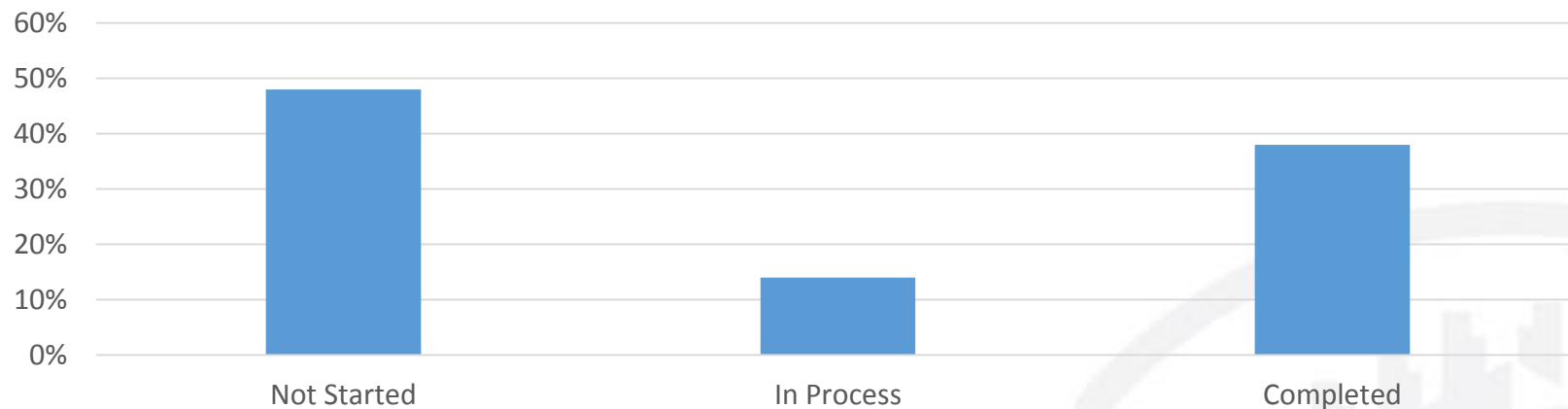
Audit Services Discussion & Analysis

Halifax Health Audit & Finance Committee

Presented November 1, 2017

For the period covering August 22, 2017 to October 23, 2017

Audit Plan: FY 17/18 Plan Status



FY Audit Plan	Internal	CoSource/External	Total Audits
Approved	11	3	14
Added	6	1	7
Cancelled	0	0	0
Revised Plan Total	17	4	21

See BoardEffect For Audit Plan Detail

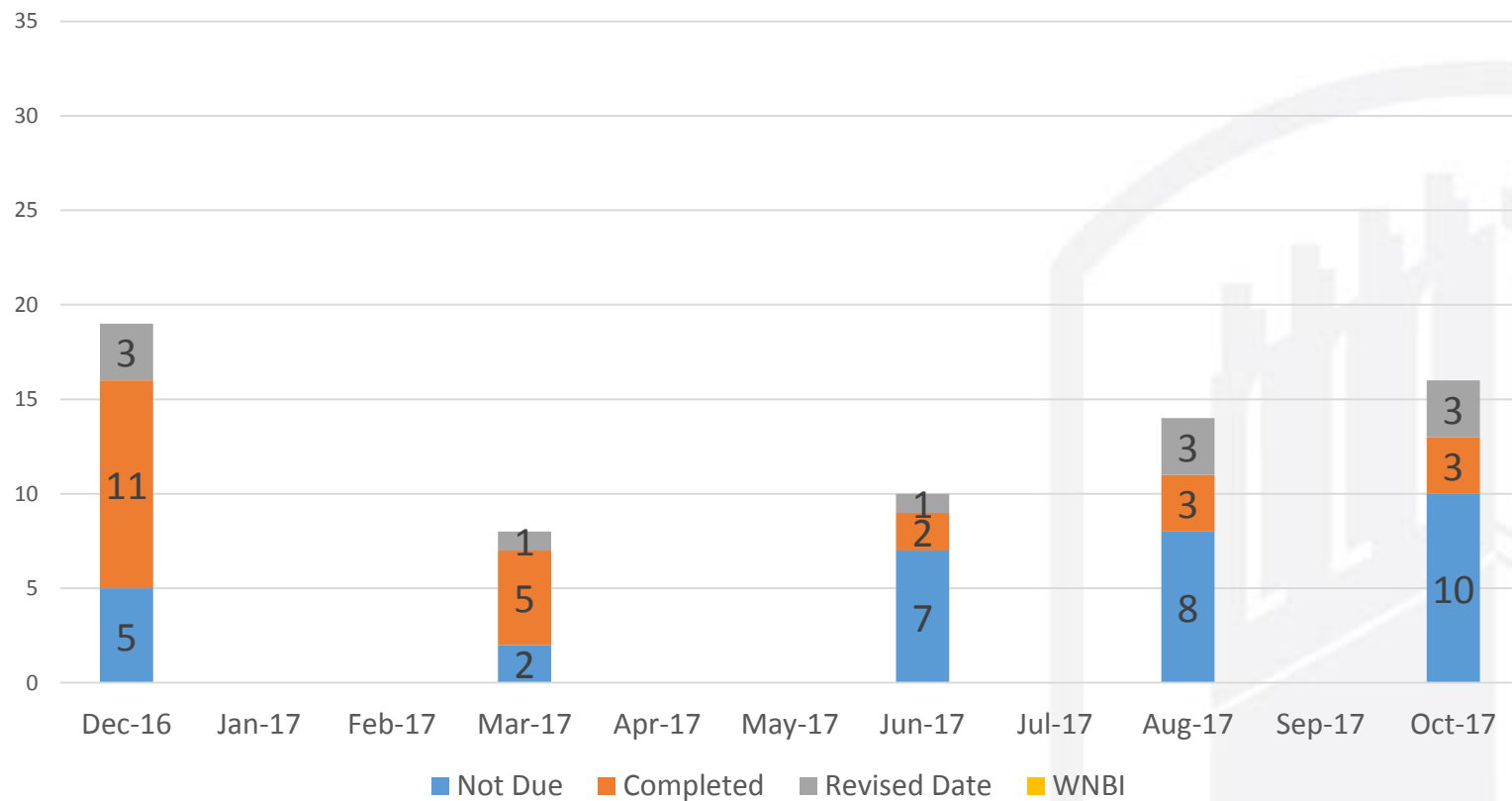
Results: FY 17/18 Audit Projects

Audit Source	Project Name	Issues by Impact Level		
		High	Moderate	Low
IAS	2016 YE Audit Assistance	RSM Submitted Results to Audit & Finance Committee		
Co-Source	Executive Compensation and Expenses	0	0	0
IAS	Meaningful Use Stage 2 – 2016 Validation Audit	0	0	0
IAS	Pharmacy Controls Audit	2	4	1
IAS	Diversion ROC Main Campus	1	0	0
IAS	Halifax Call Network Audit	1	4	1
Co-Source	Network Security Testing	0	2	2
IAS	2017 Interim Audit Assistance	Completed		
IAS	Cash Management Audit	Fieldwork		
IAS	Timekeeping Controls Audit	Fieldwork		
IAS	2017 YE Audit Assistance	Fieldwork		



Audit Follow-Up

Audit Issue Follow-Up: Status of Management Action Plans
October 31, 2017



See BoardEffect for Audit Follow Up Detail.

AUDIT FOLLOW-UP OPEN/CLOSED STATUS REPORT
HALIFAX HEALTH
AS OF OCTOBER 23, 2017

Audit	Findings	Actions Management Will Take	Action Plan Owner	Follow-up Comments	Action Plan Due Date*	Risk Rank
Pharmacy Controls Audit Report Date: 5/8/17	Issue 2: Scheduled II Medications Are Not Being Wasted At The Point Of Removal From Omnicell 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: • 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.	• 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) Expected Deliverable Due Date: 8/14/17 • 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. □	Shelly Jones - Director of Professional Development Dominick Damiani - Pharmacy Director	The Automated Dispensing Machine Procedure was revised to include that wasting medication activities must occur at the time the drug is pulled from Omnicell machine. Between 05/18/17 - 05/22/17 Nurses were trained on the revised procedure. IAS follow up testing of the timely wasting of medications, including C IIs, disclosed no exceptions. The Pharmacy Department and Omnicell Techs researched the possibility of a report that would identify issues with staff concerning the length of time to waste a drug. At this time existing system and software limitations prevent calculating the time to waste and define what an outlier is for the different drug admin procedures.	Completed 10/16/2017	High
Pharmacy Controls Audit Report Date: 5/8/17	Issue 3: Inadequate Inventory Controls Over HBS Day Treatment Drugs • HBS Day Treatment Center did not have documented policies and procedures for managing the receipt, inventory and return of HBS day treatment medications. • Internal Audit's walkthrough of the HBS Day Treatment Drug Inventory disclosed the following controls were missing: - Guardian's sign off for patient medications returned; - Medication log aligned with HBS processes; - Medications verified by Pharmacy; - An inventory retention limit or return period; and - Periodic inventory counts and reconciliations; □	• HBS Director and Pharmacy will develop Day Treatment procedures for patient medications. Procedures will include: - 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. Expected Deliverable Due Date: 8/14/17 • Copies of procedures and documents to address control gaps. • Internal Audit will perform limited testing to assess new processes. □	James Terry - Director, Service Line Psychology Dominick Damiani - Pharmacy Director	Day Treatment Policy and Procedures were completed on 10/17/17 and included parent sign-off on receipts & returns, Pharmacy Department verification of patient medications and a 10-day inventory limit. IAS was unable to complete follow up testing to assess the new process before the District's 10/25/17 cut off. Testing will be completed in November and results will be reported during the 1/3/17 Committee meeting.	9/1/2017	Medium
Pharmacy Controls Audit Report Date: 5/8/17	Issue 7: Inadequate Physical Security Over Controlled Substances Internal Audit's review of physical safeguards over medication inventory at outpatient locations disclosed the following: • 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)	• 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. Expected Deliverable Due Date: 7/14/17 • 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	Multiple cameras have been positioned within all three ROC locations and the HBS Day Treatment Center to record activity in and around the pharmacy inventory areas. These cameras feed into the Security Department surveillance system and recordings are monitored upon request. IAS verified the Omnicell box was programmed by the Pharmacy Department to track the Day Treatment Medication keys. Each time patient medications are required, the responsible RN must retrieve and return the keys to the Omnicell box. Omnicell system records user, date/time and inventory. Logs can be generated for management oversight purposes.	Completed 10/9/2017	Low

AUDIT FOLLOW-UP OPEN/CLOSED STATUS REPORT
HALIFAX HEALTH
AS OF OCTOBER 23, 2017

Audit	Findings	Actions Management Will Take	Action Plan Owner	Follow-up Comments	Action Plan Due Date*	Risk Rank
Pharmacy Controls Audit Report Date: 5/8/17	Issue 2: Scheduled II Medications Are Not Being Wasted At The Point Of Removal From Omnicell Internal Audit tested fifteen patient records to determine if policy was followed for the wasting of Schedule IIIs and if the patient dosage ordered, administered and wasted reconciles. Results of testing disclosed the following: • 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.	• 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) Expected Deliverable Due Date: 8/14/17 • 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. □	Shelly Jones - Director of Professional Development Dominick Damiani - Pharmacy Director	The Automated Dispensing Machine Procedure was revised to include that wasting medication activities must occur at the time the drug is pulled from Omnicell machine. Between 05/18/17 - 05/22/17 Nurses were trained on the revised procedure. IAS follow up testing of the timely wasting of medications, including C IIs, disclosed no exceptions. The Pharmacy Department and Omnicell Techs researched the possibility of a report that would identify issues with staff concerning the length of time to waste a drug. At this time existing system and software limitations prevent calculating the time to waste and define what an outlier is for the different drug admin procedures.	Completed 10/16/2017	High
Pharmacy Controls Audit Report Date: 5/8/17	Issue 3: Inadequate Inventory Controls Over HBS Day Treatment Drugs • HBS Day Treatment Center did not have documented policies and procedures for managing the receipt, inventory and return of HBS day treatment medications. • Internal Audit's walkthrough of the HBS Day Treatment Drug Inventory disclosed the following controls were missing: - Guardian's sign off for patient medications returned; - Medication log aligned with HBS processes; - Medications verified by Pharmacy; - An inventory retention limit or return period; and - Periodic inventory counts and reconciliations; □	• HBS Director and Pharmacy will develop Day Treatment procedures for patient medications. Procedures will include: - 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. Expected Deliverable Due Date: 8/14/17 • Copies of procedures and documents to address control gaps. • Internal Audit will perform limited testing to assess new processes. □	James Terry - Director, Service Line Psychology Dominick Damiani - Pharmacy Director	Day Treatment Policy and Procedures were completed on 10/17/17 and included parent sign-off on receipts & returns, Pharmacy Department verification of patient medications and a 10-day inventory limit. IAS was unable to complete follow up testing to assess the new process before the District's 10/25/17 cut off. Testing will be completed in November and results will be reported during the 1/3/17 Committee meeting.	9/1/2017	Medium
Pharmacy Controls Audit Report Date: 5/8/17	Issue 7: Inadequate Physical Security Over Controlled Substances Internal Audit's review of physical safeguards over medication inventory at outpatient locations disclosed the following: • 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)	• 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. Expected Deliverable Due Date: 7/14/17 • 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	Multiple cameras have been positioned within all three ROC locations and the HBS Day Treatment Center to record activity in and around the pharmacy inventory areas. These cameras feed into the Security Department surveillance system and recordings are monitored upon request. IAS verified the Omnicell box was programmed by the Pharmacy Department to track the Day Treatment Medication keys. Each time patient medications are required, the responsible RN must retrieve and return the keys to the Omnicell box. Omnicell system records user, date/time and inventory. Logs can be generated for management oversight purposes.	Completed 10/9/2017	Low

AUDIT FOLLOW-UP OPEN/CLOSED STATUS REPORT
HALIFAX HEALTH
AS OF OCTOBER 23, 2017

Audit	Findings	Actions Management Will Take	Action Plan Owner	Follow-up Comments	Action Plan Due Date*	Risk Rank
Pharmacy Diversion - Memo Report Date: 8/22/17	<p>Issue 1: Diversion Main ROC Cils.</p> <ul style="list-style-type: none"> • Diversion Incident concerning the ROC Pharmacist was reported to the Department Director on June 26, 2017. Drug test showed the ROC Pharmacist positive for opioids and marijuana. • 71 doses of Cils were stolen from the Main ROC Pharmacy during the weekend of July 21, 2017. • On July 24, 2017 a ROC Pharmacist was arrested and subsequently charged with theft of controlled substances and drug trafficking. • For FY 2017 ROC Pharmacists requisitioned 7K doses of Cils while only dispensing approximately 368 (5%) doses to Nurses for patient drug therapy. 	<ul style="list-style-type: none"> • Controlled substance activity in the ROC is now monitored using a security camera; • Cils have been transferred back to the Main Pharmacy; and • ROC procedures require a physician order to administer Cil to patients. • To control ROC floor stock, Omnicell is now in place and reporting records are being kept for Cils and a physical count is performed each every time Cils are removed to compare to the perpetual records. Discrepancies will be followed up and documented by Department Manager. Diversion will be reported to the Pharmacy Director and Human Resources for disciplinary actions. • The Director will analyze ARIA Physician orders against Omnicell Pharmacist orders for variances. Because ARIA Oncology system does not systemically update Omnicell for Physician orders and the ROC Pharmacist must manually input orders into the automatic dispenser, this compensating control is required to identify possible diversions. <p>Expected Deliverable Due Date: 11/1/17 • IAS will perform physical inventory of the ROCs to assess new controls.</p>	Dominick Damiani - Pharmacy Director		11/15/2017	High
Halifax Health Call Network Audit Report Date: 8/15/17	<p>ISSUE 1: Segregation of Duties Was Missing Because Of Incorrect TriZetto User Access</p> <ul style="list-style-type: none"> • Supervisor and Accountant had the ability to add Providers, adjudicate claims and approve the check register. • Two Claim Examiners and a Provider Relations Representative had the ability to add Providers and adjudicate claims. 	<p>Management to restructure staff and segregate tasks for the purposes of identifying issues when they occur.</p> <p>Expected Deliverable Due Date: 12/15/17 Signon Restriction Listing report reflecting segregation of duties.</p>	Bob Williams-Director, Population Health Business Development		12/29/2017	High
Halifax Health Call Network Audit Report Date: 8/15/17	<p>ISSUE 2: Claims Were Incorrectly Adjudicated Or Not Supported by Terms</p> <p>Internal Audit Service's review of 38 claims for appropriate adjudication and reimbursement disclosed issues with six (16%) claims. The following issues were identified:</p> <ul style="list-style-type: none"> • Two (5%) Physician claims with deleted 2009 Medicare CPT codes were reimbursed instead of held for incorrect billing. Terms required the Providers to be reimbursed at a percentage of the 2016 Medicare Fee Schedule. Net overpayments were approximately \$140.00. • A Physician claim was auto adjudicated at "lesser of bill charges." HCN terms stated reimbursement at a percentage of the Medicare Fee Schedule and did not include lesser of language. Net underpayment was approximately \$109.00. • Internal Audit Service was unable to verify if VHN appropriately processed three Gastroenterologist claims. Terms stated Physician reimbursement at 100% of the rate designated by the Compensation Committee. However, VHN and the Committee didn't have documentation to support the designated rate of 80% loaded into TriZetto's rate maintenance file. 	<ul style="list-style-type: none"> • VHN will work with TriZetto to research solutions to improve the quality of Medicare fee schedule loads and to auto adjudicate claims without lesser of language. Results of VHN and TriZetto efforts to improve Physician reimbursement will be reported to SVP & Chief Revenue Officer. (BW) • VHN will research and correct over/underpayments. (BW) • Compensation Committee will send a memo with the approved IMAC reimbursement rate to VHN. (AL) <p>Expected Deliverable Due Date: 12/15/17 • VHN management report to Arvin Lewis concerning process improvements. • TriZetto screen shots of correct Physician payments. • Copy of the memo with approved IMAC rate from Compensation Committee to VHN. • Internal Audit will perform limited testing to assess enhanced adjudication processes.</p>	<p>Arvin Lewis-SVP & Chief Revenue Officer</p> <p>Bob Williams-Director, Population Health Business Development</p>		12/29/2017	Medium

AUDIT FOLLOW-UP OPEN/CLOSED STATUS REPORT
HALIFAX HEALTH
AS OF OCTOBER 23, 2017

Audit	Findings	Actions Management Will Take	Action Plan Owner	Follow-up Comments	Action Plan Due Date*	Risk Rank
Halifax Health Call Network Audit Report Date: 8/15/17	<p>ISSUE 3: DAT Identified Overpayments and Missing Controls</p> <p>Internal Audit Service used DAT to analyze Meditech and VHN Physician payments from July 1, 2016 through December 31, 2016. Results of our review disclosed the following:</p> <ul style="list-style-type: none"> VHN did not process two termination notices from Halifax Legal Department. This resulted in forty-four claims for six Physicians incorrectly adjudicated. Claims should have been denied or retroactively adjudicated after VHN received notice from Halifax. Overpayments totaled \$19K. VHN processed nine claims for a Physician without an agreement. Overpayments totaled \$3K dollars. An Infectious Disease Specialist had two active agreements that permitted consults to be billed to Halifax's Accounts Payable and VHN. Because the payment systems cannot be integrated duplicate billings and payments could go undetected. 	<ul style="list-style-type: none"> VHN will develop documented procedures to manage provider maintenance and terminations, which will include verifying the Physician has an active agreement in Novatus before creating a profile in TriZetto and comparing the check register to the Novatus data base to prevent improper Physician payments. PBFS will also monitor HCN payments on a monthly basis. (BW,AL) Halifax Management and VHN have identified and corrected claims processed after term dates and started a complete recovery of overpayments. (BW, AL) PBFS will audit Specialist's AP bills and HCN claims for billing errors (e.g. duplicate patient consults). (AL) <p>Expected Deliverable Due Date: 12/15/17</p> <ul style="list-style-type: none"> Copy of provider maintenance and termination procedures. TriZetto screen shots of correct Physician payments. A copy of PBFS audit work. Internal Audit will perform limited testing to assess new processes. 	<p>Arvin Lewis-SVP & Chief Revenue Officer</p> <p>Bob Williams-Director, Population Health Business Development</p>		12/29/2017	Medium
Halifax Health Call Network Audit Report Date: 8/15/17	<p>ISSUE 4: There Are Operational Gaps in Existing HCN Procedures</p> <p>Documented guidance is needed in key areas, including:</p> <ul style="list-style-type: none"> Verifying patient services requests to protocols; Verifying the number of patient visits; Issuing VHN authorization numbers for patient visits; Verifying claims are received within 180-days of patient services; Ensuring claims are adjudicated within 30-days; Reviewing for coding accuracy and Medicare payment rules; Resolving claim disputes; Provider Maintenance (Includes set up, changes and terminations); Quality assurance reviews to ensure auto and manual adjudication rules are aligned with contract terms; Procedures to load and update fee schedules; Batch reconciliation steps for manual, OCR and EDI claim receipts; Verifying Medicaid Patient Prerequisite; Correcting overpayments and underpayments; and Notifying Halifax Compliance of overpayments/underpayments. 	<p>VHN will create or update their procedures to address operational gaps.</p> <p>Expected Deliverable Due Date: 11/17/17</p> <p>Copies of procedures and documents to address control gaps.</p>	<p>Bob Williams-Director, Population Health Business Development</p>		12/29/2017	Medium

AUDIT FOLLOW-UP OPEN/CLOSED STATUS REPORT
HALIFAX HEALTH
AS OF OCTOBER 23, 2017

Audit	Findings	Actions Management Will Take	Action Plan Owner	Follow-up Comments	Action Plan Due Date*	Risk Rank
Halifax Health Call Network Audit Report Date: 8/15/17	ISSUE 5: Controls Over the Medicaid Patient Prerequisite Terms Need To Be Improved <ul style="list-style-type: none"> Review of HCN paid claims for our audit period disclosed VHN adjudicated one claim for a Physician who did not have a Medicaid number. Overpayment was approximately \$921.00. The MPP file used by VHN to adjudicate claims was missing 25 HCN Physicians with active Medicaid numbers. The HCN Agreement terms stated Physicians shall obtain a Medicaid ID number upon and six months after the effective date of the agreement. Terms should be consistent for efficient and effective claim adjudication and assignment operations. 	<ul style="list-style-type: none"> PBFS will work with Legal and Compliance Departments to evaluate MPP that includes assessing overpayments and contract terms. Final decisions will be documented and submitted to VHN. (AL) In the interim VHN examiners will verify Physician's Medicaid number on the AHCA website. Physicians who submit a claim for a Medicaid patient without a Medicaid ID number will be denied. If VHN examiners cannot verify the physician's number, they must hold the claim, work with PBFS to adjudicate the claim, before releasing. (BW, AL) <p>Expected Deliverable Due Date: 11/17/17 <ul style="list-style-type: none"> Copy of the MPP report. Internal Audit will perform limited testing to assess MPP changes. </p>	Arvin Lewis-SVP & Chief Revenue Officer Bob Williams-Director, Population Health Business Development		12/29/2017	Medium
Network Security Testing Report Date 8/24/17	ISSUE 1: Confidential	Action Plan is Confidential	Tom Stafford, VP & Chief Information Officer	Action Plan is Confidential	12/28/2018	Low
Network Security Testing Report Date 8/24/17	ISSUE 2: Confidential	Action Plan is Confidential	Tom Stafford, VP & Chief Information Officer	Action Plan is Confidential	12/28/2018	Medium
Network Security Testing Report Date 8/24/17	ISSUE 3: Confidential	Action Plan is Confidential	Tom Stafford, VP & Chief Information Officer	Action Plan is Confidential	12/28/2018	Low
Network Security Testing Report Date 8/24/17	ISSUE 4: Confidential	Action Plan is Confidential	Tom Stafford, VP & Chief Information Officer	Action Plan is Confidential	12/28/2018	Medium

Recommended Committee Action

The following items need Committee approval:

- RSM Network Security Testing
- Summary of Audit Follow-Up Report as of October 23, 2017

Halifax Health
Summary Financial Narrative
For the twelve months ended September 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	2.3%	2.0%	Favorable	5.8%	Unfavorable
Operating Margin	0.6%	1.0%	Unfavorable	3.6%	Unfavorable
EBIDA Margin	9.7%	9.5%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.1%	8.6%	Unfavorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	7.4%	8.4%	Unfavorable	N/A	N/A
Days Cash on Hand	264	262	Favorable	249	Favorable
Cash to Debt	103.0%	98.9%	Favorable	189.9%	Unfavorable
Debt to Capitalization	55.4%	56.0%	Favorable	29.1%	Unfavorable

OG MADS Coverage	1.97	2.10	Unfavorable	4.50	Unfavorable
OG Debt to Capitalization	54.4%	55.0%	Favorable	29.1%	Unfavorable

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

Halifax Health Medical Center

Statistical Summary--

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

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 2.9% greater than budget.
- Total operating expenses for the fiscal year-to-date are 3.4% greater than budget.
- Loss from operations fiscal year-to-date of \$1.9 million compares unfavorably to budget by \$3.6 million.
- Nonoperating gains fiscal year-to-date of \$2.1 million, primarily consisting of net investment income, compares unfavorably to the budgeted amount by \$304,000.
- Increase in net position fiscal year-to-date of \$121,000 compares unfavorably to budget by \$4.0 million.

Halifax Health Hospice

Statistical Summary --

- Patient days for the month are greater than budget and 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 4.0% less than budget.
- Loss from operations fiscal year-to-date of \$775,000 compares unfavorably to budget by \$1.5 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 \$7.7 million, including investment income of \$6.8 million, is greater than the budgeted amount by \$4.7 million.
- Increase in net position fiscal year-to-date of \$6.9 million compares favorably to budget by \$3.2 million.

Halifax Health
Summary Financial Indicators – Excluding Estimated Hurricane Matthew
and Hurricane Irma Costs
For the twelve months ended September 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 \$3.15 million of estimated Hurricane Matthew and Hurricane Irma 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	2.3%	2.7%	2.0%	Favorable	5.8%	Unfavorable
Operating Margin	0.6%	0.9%	1.0%	Unfavorable	3.6%	Unfavorable
EBIDA Margin	9.7%	10.0%	9.5%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.1%	8.4%	8.6%	Unfavorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin (1)	7.4%	7.8%	8.4%	Unfavorable	N/A	N/A
Days Cash on Hand	264	267	262	Favorable	249	Favorable
Cash to Debt	103.0%	103.5%	98.9%	Favorable	189.9%	Unfavorable
Debt to Capitalization	55.4%	55.2%	56.0%	Favorable	29.1%	Unfavorable
OG MADS Coverage	1.97	2.06	2.10	Unfavorable	4.50	Unfavorable
OG Debt to Capitalization	54.4%	54.3%	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 and Hurricane Irma costs of \$3.15 million.

Halifax Health Statistical Summary

Month Ended September 30,					Twelve Months Ended September 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>				
1,561	1,441	1,575	-8.5%	HHMC Adult/Ped Admissions	18,929	18,760	19,149	-2.0%
133	185	153	20.9%	HHMCPO Adult/Ped Admissions	1,715	1,833	1,858	-1.3%
167	142	163	-12.9%	Adult Psych Admissions	1,727	1,856	1,980	-6.3%
56	66	51	29.4%	Rehabilitative Admissions	655	764	616	24.0%
1,917	1,834	1,942	-5.6%	Total Adult/Ped Admissions	23,026	23,213	23,603	-1.7%
8,598	7,811	7,895	-1.1%	HHMC Adult/Ped Patient Days	99,241	99,677	95,893	3.9%
612	965	738	30.8%	HHMCPO Adult/Ped Patient Days	6,582	10,335	8,988	15.0%
1,502	1,553	1,795	-13.5%	Adult Psych Patient Days	17,677	17,249	21,240	-18.8%
853	931	838	11.1%	Rehabilitative Patient Days	10,395	10,577	10,197	3.7%
11,565	11,260	11,266	-0.1%	Total Adult/Ped Patient Days	133,895	137,838	136,318	1.1%
5.5	5.4	5.0	8.1%	HHMC Average Length of Stay	5.2	5.3	5.0	6.1%
4.6	5.2	4.8	8.1%	HHMCPO Average Length of Stay	3.8	5.6	4.8	16.6%
5.4	5.4	5.0	8.0%	HHMC/ HHMCPO Average Length of Stay	5.1	5.3	5.0	7.0%
9.0	10.9	11.0	-0.7%	Adult Psych Average Length of Stay	10.2	9.3	10.7	-13.4%
15.2	14.1	16.4	-14.2%	Rehabilitative Length of Stay	15.9	13.8	16.6	-16.4%
6.0	6.1	5.8	5.8%	Total Average Length of Stay	5.8	5.9	5.8	2.8%
386	375	376	-0.1%	Total Average Daily Census	366	378	373	1.1%
714	575	610	-5.7%	HHMC Observation Patient Day Equivalents	7,632	7,946	7,334	8.3%
109	118	99	19.2%	HHMCPO Observation Patient Day Equivalents	1,200	1,558	1,135	37.3%
823	693	709	-2.3%	Total Observation Patient Day Equivalents	8,832	9,504	8,469	12.2%
27	23	24	-4.2%	Observation Average Daily Census	24	26	23	13.0%
191	147	180	-18.3%	HHMC Newborn Births	1,981	1,761	1,918	-8.2%
353	263	350	-24.9%	HHMC Nursery Patient Days	3,820	3,224	3,820	-15.6%
461	402	476	-15.5%	HHMC Inpatient Surgeries	5,403	5,211	5,751	-9.4%
1	6	1	500.0%	HHMCPO Inpatient Surgeries	17	89	10	790.0%
462	408	477	-14.5%	Total Inpatient Surgeries	5,420	5,300	5,761	-8.0%
				<u>Inpatient Surgeries</u>				
187	157			Orthopedics	2,097	2,010		
91	48			General Surgery	987	816		
41	38			Neurosurgery	593	480		
18	25			Vascular	178	353		
17	21			Thoracic Surgery	254	312		
108	119			All Other	1,311	1,329		
462	408	477	-14.5%	Total Inpatient Surgeries	5,420	5,300	5,761	-8.0%

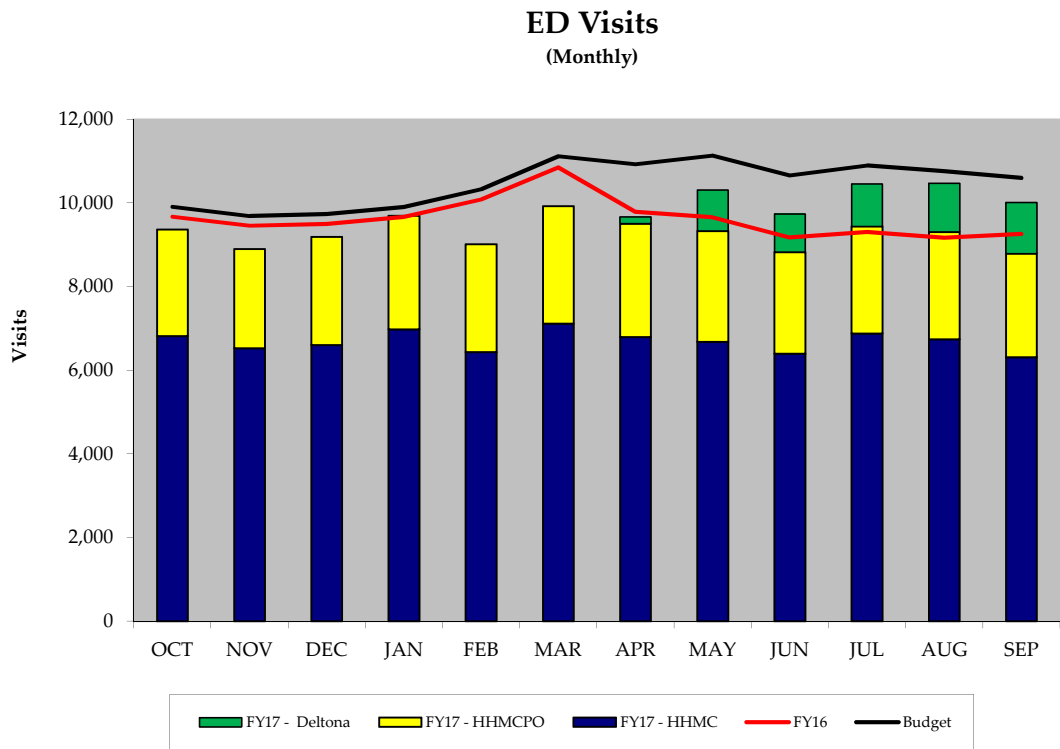
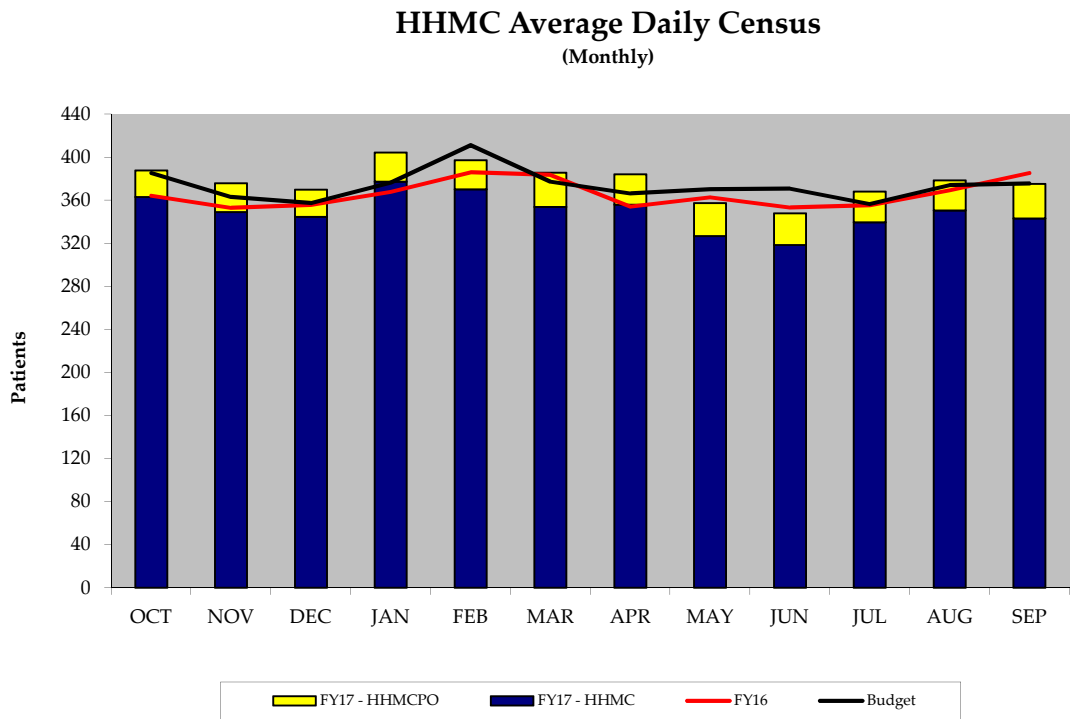
Halifax Health Statistical Summary

Month Ended September 30,					Twelve Months Ended September 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>				
6,683	6,314	6,568	-3.9%	HHMC ED Registrations	82,999	80,287	84,239	-4.7%
2,572	2,476	2,521	-1.8%	HHMCPO ED Registrations	32,581	30,999	33,783	-8.2%
0	1,222	1,509	-19.0%	Deltona ED Registrations	0	5,461	7,637	-28.5%
9,255	10,012	10,598	-5.5%	Total ED	115,580	116,747	125,659	-7.1%
441	325	450	-27.8%	HHMC Outpatient Surgeries	4,840	4,738	4,670	1.5%
71	1	75	-98.7%	HPC Outpatient Surgeries	1,137	311	1,167	-73.4%
0	72	0	0.0%	HHMCPO Outpatient Surgeries	3	732	4	18200.0%
382	284	316	-10.1%	Twin Lakes Surgeries	4,433	4,137	4,074	1.5%
894	682	841	-18.9%	Total Outpatient Surgeries	10,413	9,918	9,915	0.0%
				<u>Outpatient Surgeries</u>				
185	138			General Surgery	2,064	2,068		
175	118			Orthopedics	2,185	1,834		
84	89			Gastroenterology	1,176	1,038		
81	69			Obstetrics Gynecology	947	892		
66	55			Ophthalmology	736	740		
303	213			All Other	3,305	3,346		
894	682	841	-18.9%	Total Outpatient Surgeries	10,413	9,918	9,915	0.0%
				<u>Cardiology Procedures</u>				
14	11			Open Heart Cases	184	236		
135	121			Cardiac Caths	1,328	1,642		
33	16			CRM Devices	427	343		
38	37			EP Studies	373	458		
220	185	157	17.8%	Total Cardiology Procedures	2,312	2,679	2,305	16.2%
				<u>Interventional Radiology Procedures</u>				
7	6	6	0.0%	Vascular	93	71	80	-11.3%
157	147	179	-17.9%	Nonvascular	2,256	1,921	2,571	-25.3%
164	153	185	-17.3%	Total Interventional Radiology Procedures	2,349	1,992	2,651	-24.9%
175	185	178	3.9%	GI Lab Procedures	2,295	2,400	2,287	4.9%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
14,447	16,161	16,500	-2.1%	Volusia/ Flagler	197,591	187,326	200,750	-6.7%
684.0	1,548	1,050	47.4%	Orange/ Osceola	3,668.0	13,905	10,038	38.5%
15,131	17,709	17,550	0.9%	HH Hospice Patient Days	201,259	201,231	210,788	-4.5%
				<u>Average Daily Census</u>				
482	539	550	-2.1%	Volusia/ Flagler	540	513	550	-6.7%
23	52	35	47.4%	Orange/ Osceola	10	38	28	38.5%
505	591	585	0.9%	HH Hospice Average Daily Census	550	551	578	-4.5%

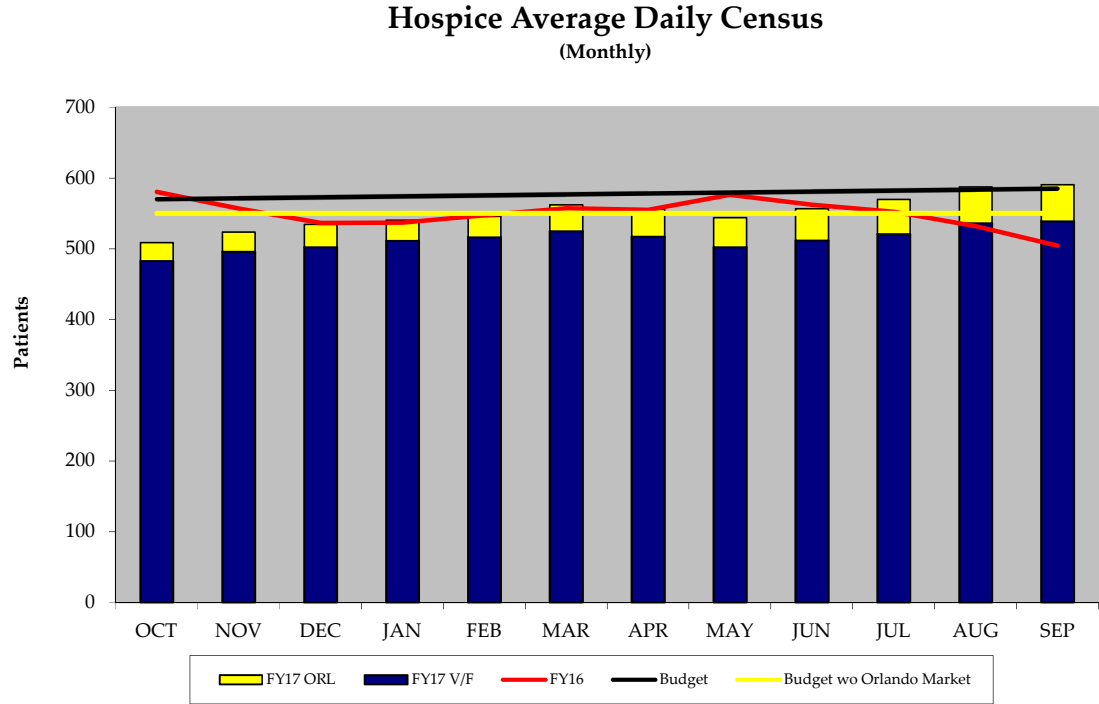
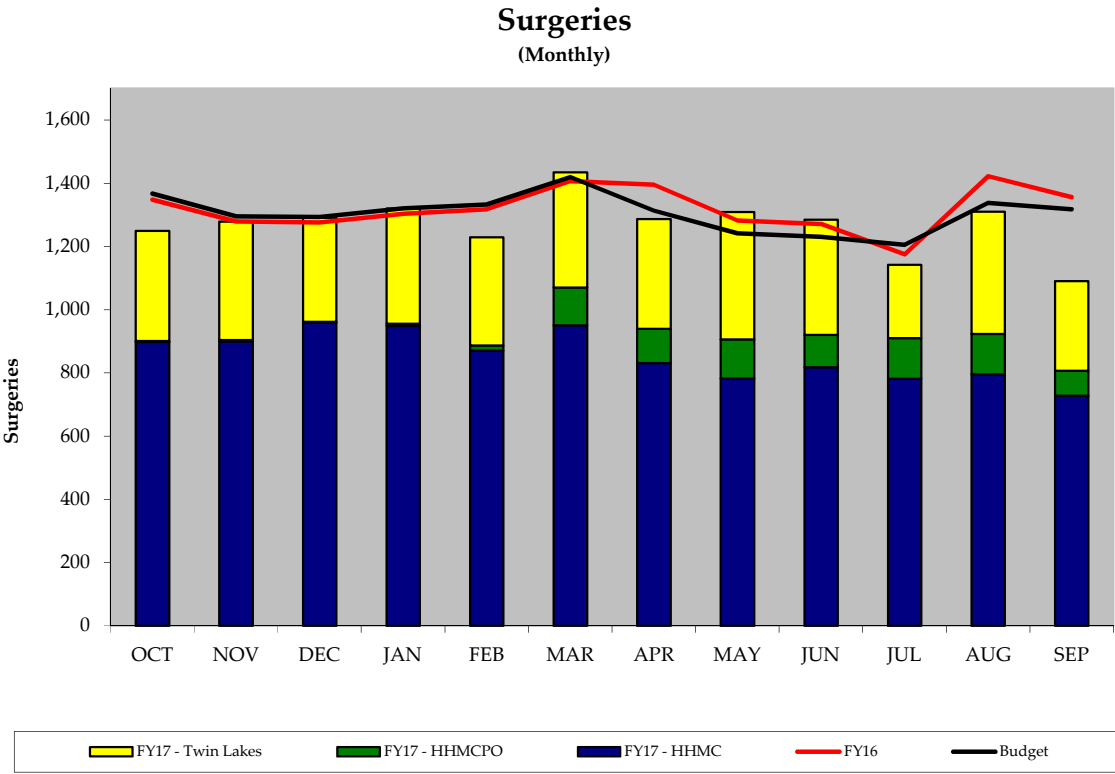
Halifax Health Statistical Summary

Month Ended September 30,				Twelve Months Ended September 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>							
315	230	664	-65.4%	Ormond Beach	3,126	3,955	8,083 -51.1%
1,057	904	1,097	-17.6%	Daytona Beach	12,935	12,067	12,944 -6.8%
493	452	673	-32.8%	Port Orange	4,903	7,875	10,497 -25.0%
217	230	463	-50.3%	Deltona	5,164	3,389	6,925 -51.1%
-	535	-	N/A	New Smyrna	-	3,979	- N/A
433	464	1,065	-56.4%	Ormond Beach (Women's/OB)	5,274	6,021	11,921 -49.5%
-	179	803	-77.7%	Ormond Beach - Urgent Care	-	1,320	9,669 -86.3%
2,515	2,994	4,765	-37.2%	Primary Care Visits	31,402	38,606	60,039 -35.7%
<u>Children's Medical Center Visits</u>							
789	483	1,316	-63.3%	Ormond Beach	8,859	9,798	14,000 -30.0%
391	198	418	-52.6%	Palm Coast	4,851	1,675	4,994 -66.5%
501	431	531	-18.8%	Port Orange	5,573	5,997	5,900 1.6%
1,681	1,112	2,265	-50.9%	Children's Medical Center Visits	19,283	17,470	24,894 -29.8%
<u>Community Clinic Visits</u>							
392	282	371	-24.0%	Keech Street	5,045	4,888	4,778 2.3%
199	111	199	-44.2%	Adult Community Clinic	4,133	2,777	4,133 -32.8%
591	393	570	-31.1%	Community Clinic Visits	9,178	7,665	8,911 -14.0%

Halifax Health
Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



Halifax Health

Condensed Statement of Net Position

(\$ in thousands)

	September 30,		
	2017	2016	Change
<u>Assets</u>			
Cash and cash equivalents	\$63,423	\$58,573	\$4,850
Investments	268,485	266,685	1,800
Board designated assets	45,158	45,053	105
Accounts receivable	62,459	60,604	1,855
Restricted assets whose use is limited	6,428	19,159	(12,731)
Other assets	45,507	39,014	6,493
Deferred outflow - swap	30,894	39,431	(8,537)
Deferred outflow - loss on bond refunding	16,455	17,351	(896)
Deferred outflow - pension	27,393	38,366	(10,973)
Property, plant and equipment	356,986	356,341	645
Total Assets	<u>\$923,188</u>	<u>\$940,577</u>	<u>(\$17,389)</u>
<u>Liabilities and Net position</u>			
Accounts payable	\$45,832	\$31,626	\$14,206
Other liabilities	78,392	82,993	(4,601)
Deferred inflow - pension	-	1,330	(1,330)
Net pension liability	106,856	129,142	(22,286)
Long-term debt	346,868	354,105	(7,237)
Premium on LTD, net	19,262	19,932	(670)
Long-term value of swap	30,894	39,431	(8,537)
Net position	<u>295,084</u>	<u>282,018</u>	<u>13,066</u>
Total Liabilities and Net position	<u>\$923,188</u>	<u>\$940,577</u>	<u>(\$17,389)</u>

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

Month ended September 30, 2017	Month ended September 30, 2016	Variance		Twelve Months ended September 30, 2017	Twelve Months ended September 30, 2016	Variance
			Cash flows from operating activities:			
\$41,857	\$43,266	(\$1,409)	Receipts from third party payors and patients	\$502,027	\$493,855	\$8,172
(21,951)	(19,220)	(2,731)	Payments to employees	(299,280)	(276,694)	(22,586)
(2,365)	(12,463)	10,098	Payments to suppliers	(179,607)	(178,881)	(726)
-	-	-	Receipt of ad valorem taxes	11,671	13,181	(1,510)
-	-	-	Receipt (payment) of State UPL funds, net	4,864	816	4,048
4,144	45	4,099	Other receipts	35,480	30,118	5,362
(3,472)	(2,663)	(809)	Other payments	(44,016)	(44,137)	121
18,213	8,965	9,248	Net cash provided by operating activities	31,139	38,258	(7,119)
			Cash flows from noncapital financing activities:			
120	57	63	Proceeds from donations received	1,013	1,980	(967)
(2)	(8)	6	Nonoperating gain (loss)	14	(14)	28
118	49	69	Net cash provided by noncapital financing activities	1,027	1,966	(939)
			Cash flows from capital and related financing activities:			
(6,606)	(1,473)	(5,133)	Acquisition of capital assets	(24,680)	(23,841)	(839)
(256)	(200)	(56)	Payment of long-term debt	(7,581)	(2,295)	(5,286)
-	-	-	Proceeds from issuance of long-term debt	-	175,424	(175,424)
7,248	-	7,248	Transfers to trustee held funds	12,722	(12,619)	25,341
-	-	-	Payment for defeasance of bonds	-	(168,728)	168,728
(292)	(294)	2	Payment of interest on long-term debt	(16,803)	(14,761)	(2,042)
-	-	-	Payment of bond issue costs	-	(1,774)	1,774
94	(1,967)	2,061	Net cash provided by (used in) capital financing activities	(36,342)	(48,594)	12,252
			Cash flows from investing activities:			
1,826	544	1,282	Realized investment income (loss)	6,802	8,515	(1,713)
(2,076)	(3,668)	1,592	Purchases of investments/limited use assets	(11,008)	(117,614)	106,606
3,605	6	3,599	Sales/Maturities of investments/limited use assets	13,205	120,289	(107,084)
3,355	(3,118)	6,473	Net cash provided by (used in) investing activities	8,999	11,190	(2,191)
21,780	3,929	17,851	Net increase in cash and cash equivalents	4,823	2,820	2,003
41,643	54,644	(13,001)	Cash and cash equivalents at beginning of period	58,600	55,753	2,847
<u>\$63,423</u>	<u>\$58,573</u>	<u>\$4,850</u>	Cash and cash equivalents at end of period	<u>\$63,423</u>	<u>\$58,573</u>	<u>\$4,850</u>

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

Actual Month Ended September 30, 2017	Actual Month Ended September 30, 2016	Favorable (Unfavorable) Variance		Actual Twelve Months September 30, 2017	Actual Twelve Months September 30, 2016	Favorable (Unfavorable) Variance
			Operating revenues:			
\$45,194	\$8,100	\$37,094	Net patient service revenue, before provision for bad debts	\$599,849	\$557,277	\$42,572
(5,219)	31,424	(36,643)	Provision for bad debts	(90,238)	(67,416)	(22,822)
39,975	39,524	451	Net patient service revenue	509,611	489,861	19,750
938	1,104	(166)	Ad valorem taxes	11,252	13,252	(2,000)
2,815	2,661	154	Other revenue	27,200	30,548	(3,348)
43,728	43,289	439	Total operating revenues	548,063	533,661	14,402
			Operating expenses:			
21,781	19,310	(2,471)	Salaries and benefits	279,206	254,499	(24,707)
6,604	8,169	1,565	Purchased services	78,891	80,911	2,020
8,736	8,020	(716)	Supplies	101,430	93,347	(8,083)
2,136	2,195	59	Depreciation and amortization	24,037	24,951	914
1,350	1,292	(58)	Interest	16,814	17,198	384
570	541	(29)	Ad valorem tax related expenses	7,417	7,460	43
821	819	(2)	Leases and rentals	9,591	9,142	(449)
2,427	1,501	(926)	Other	27,328	28,153	825
44,425	41,847	(2,578)	Total operating expenses	544,714	515,661	(29,053)
(697)	1,442	(2,139)	Excess (deficiency) of operating revenues over expenses	3,349	18,000	(14,651)
			Nonoperating revenues, expenses, and gains/(losses):			
1,826	765	1,061	Realized investment income/(losses)	6,801	8,737	(1,936)
(388)	(127)	(261)	Unrealized investment income/(losses)	1,886	3,576	(1,690)
121	52	69	Donation revenue	1,014	1,973	(959)
-	-	-	Interest - bond issue costs	-	(1,774)	1,774
(2)	(8)	6	Nonoperating gains/(losses), net	16	(14)	30
1,557	682	875	Total nonoperating revenues, expenses, and gains/(losses)	9,717	12,498	(2,781)
\$860	\$2,124	(\$1,264)	Increase in net position	\$13,066	\$30,498	(\$17,432)

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

Actual Month Ended September 30, 2017	Static Budget Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months Ended September 30, 2017	Static Budget Twelve Months Ended September 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$45,194	\$47,109	(\$1,915)	Net patient service revenue, before provision for bad debts	\$599,849	\$569,975	\$29,874
(5,219)	(5,809)	590	Provision for bad debts	(90,238)	(71,955)	(18,283)
39,975	41,300	(1,325)	Net patient service revenue	509,611	498,020	11,591
938	938	-	Ad valorem taxes	11,252	11,252	-
2,815	2,030	785	Other revenue	27,200	25,535	1,665
43,728	44,268	(540)	Total operating revenues	548,063	534,807	13,256
			Operating expenses:			
21,781	22,577	796	Salaries and benefits	279,206	281,557	2,351
6,604	5,901	(703)	Purchased services	78,891	70,254	(8,637)
8,736	7,727	(1,009)	Supplies	101,430	93,489	(7,941)
2,136	2,030	(106)	Depreciation and amortization	24,037	23,889	(148)
1,350	1,401	51	Interest	16,814	16,903	89
570	628	58	Ad valorem tax related expenses	7,417	7,518	101
821	767	(54)	Leases and rentals	9,591	8,821	(770)
2,427	2,262	(165)	Other	27,328	27,032	(296)
44,425	43,293	(1,132)	Total operating expenses	544,714	529,463	(15,251)
(697)	975	(1,672)	Excess (deficiency) of operating revenues over expenses	3,349	5,344	(1,995)
			Nonoperating revenues, expenses, and gains/(losses):			
1,826	385	1,441	Realized investment income/(losses)	6,801	4,625	2,176
(388)	-	(388)	Unrealized investment income/(losses)	1,886	-	1,886
121	60	61	Donation revenue	1,014	716	298
(2)	-	(2)	Nonoperating gains/(losses), net	16	-	16
1,557	445	1,112	Total nonoperating revenues, expenses, and gains/(losses)	9,717	5,341	4,376
\$860	\$1,420	(\$560)	Increase in net position	\$13,066	\$10,685	\$2,381

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

Actual Month Ended September 30, 2017	Static Budget Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months Ended September 30, 2017	Static Budget Twelve Months Ended September 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$41,522	\$43,428	(\$1,906)	Net patient service revenue, before provision for bad debts	\$557,175	\$525,640	\$31,535
(5,150)	(5,710)	560	Provision for bad debts	(88,979)	(70,766)	(18,213)
36,372	37,718	(1,346)	Net patient service revenue	468,196	454,874	13,322
938	938	-	Ad valorem taxes	11,252	11,252	-
1,575	1,314	261	Other revenue	16,450	16,941	(491)
38,885	39,970	(1,085)	Total operating revenues	495,898	483,067	12,831
			Operating expenses:			
19,839	20,525	686	Salaries and benefits	254,305	256,111	1,806
5,267	4,793	(474)	Purchased services	65,994	57,156	(8,838)
8,472	7,495	(977)	Supplies	98,664	90,700	(7,964)
2,003	1,903	(100)	Depreciation and amortization	22,434	22,295	(139)
1,349	1,400	51	Interest	16,710	16,799	89
570	628	58	Ad valorem tax related expenses	7,417	7,518	101
645	602	(43)	Leases and rentals	7,498	6,836	(662)
2,055	2,010	(45)	Other	24,770	24,022	(748)
40,200	39,356	(844)	Total operating expenses	497,792	481,437	(16,355)
(1,315)	614	(1,929)	Excess (deficiency) of operating revenues over expenses	(1,894)	1,630	(3,524)
			Nonoperating revenues, expenses, and gains/(losses):			
413	197	216	Realized investment income/(losses)	2,995	2,369	626
(267)	-	(267)	Unrealized investment income/(losses)	(1,105)	-	(1,105)
117	-	117	Donation revenue	159	-	159
(2)	-	(2)	Nonoperating gains/(losses), net	16	-	16
261	197	64	Total nonoperating revenues, expenses, and gains/(losses)	2,065	2,369	(304)
(\$1,054)	\$811	(\$1,865)	Increase (decrease) in net position	\$171	\$3,999	(\$3,828)

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

Actual Month Ended September 30, 2016		Actual Month Ended September 30, 2017		Static Budget Month Ended September 30, 2017			Actual Twelve Months Ended September 30, 2016		Actual Twelve Months Ended September 30, 2017		Static Budget Twelve Months Ended September 30, 2017	
\$144,758	100.00%	\$144,289	100.00%	\$148,958	100.00%	Gross charges	\$1,674,518	100.00%	\$1,827,859	100.00%	\$1,772,316	100.00%
(28,621)	-19.77%	(16,141)	-11.19%	(8,413)	-5.65%	Charity	(98,477)	-5.88%	(102,403)	-5.60%	(101,920)	-5.75%
(111,422)	-76.97%	(86,626)	-60.04%	(97,117)	-65.20%	Contractual adjustments	(1,061,957)	-63.42%	(1,168,281)	-63.92%	(1,144,756)	-64.59%
4,715	3.26%	41,522	28.78%	43,428	29.15%	Gross charges, before provision for bad debts	514,084	30.70%	557,175	30.48%	525,640	29.66%
31,598	21.83%	(5,150)	-3.57%	(5,710)	-3.83%	Provision for bad debts	(66,409)	-3.97%	(88,979)	-4.87%	(70,766)	-3.99%
\$36,313	25.09%	\$36,372	25.21%	\$37,718	25.32%	Net patient service revenue	\$447,675	26.73%	\$468,196	25.61%	\$454,874	25.67%

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

Actual Month Ended September 30, 2017	Static Budget Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months Ended September 30, 2017	Static Budget Twelve Months Ended September 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,672	\$3,681	(\$9)	Net patient service revenue, before provision for bad debts	\$42,674	\$44,335	(\$1,661)
(69)	(99)	30	Provision for bad debts	(1,259)	(1,189)	(70)
3,603	3,582	21	Net patient service revenue	41,415	43,146	(1,731)
132	199	(67)	Other revenue	1,975	2,390	(415)
3,735	3,781	(46)	Total operating revenues	43,390	45,536	(2,146)
			Operating expenses:			
1,881	1,978	97	Salaries and benefits	24,062	24,551	489
1,284	1,069	(215)	Purchased services	12,453	12,635	182
264	231	(33)	Supplies	2,763	2,779	16
66	60	(6)	Depreciation and amortization	804	795	(9)
171	160	(11)	Leases and rentals	2,032	1,924	(108)
241	182	(59)	Other	2,051	2,164	113
3,907	3,680	(227)	Total operating expenses	44,165	44,848	683
(172)	101	(273)	Excess (deficiency) of operating revenues over expenses	(775)	688	(1,463)
			Nonoperating revenues, expenses, and gains/(losses):			
1,413	188	1,225	Realized investment income/(losses)	3,806	2,256	1,550
(121)	-	(121)	Unrealized investment income/(losses)	2,991	-	2,991
4	60	(56)	Donation revenue	855	716	139
1,296	248	1,048	Total nonoperating revenues, expenses, and gains/(losses)	7,652	2,972	4,680
\$1,124	\$349	\$775	Increase in net position	\$6,877	\$3,660	\$3,217

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

Actual Month Ended September 30, 2017	Static Budget Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months Ended September 30, 2017	Static Budget Twelve Months Ended September 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	-	-	-
331	341	(10)	Other revenue	3,964	4,094	(130)
331	341	(10)	Total operating revenues	3,964	4,094	(130)
			Operating expenses:			
51	64	13	Salaries and benefits	719	770	51
53	35	(18)	Purchased services	429	418	(11)
-	1	1	Supplies	3	10	7
67	67	-	Depreciation and amortization	799	799	-
1	1	-	Interest	104	104	-
5	5	-	Leases and rentals	61	61	-
1	3	2	Other	13	40	27
178	176	(2)	Total operating expenses	2,128	2,202	74
153	165	(12)	Excess of operating revenues over expenses	1,836	1,892	(56)
			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)	-	-	-
\$153	\$165	(\$12)	Increase in net position	\$1,836	\$1,892	(\$56)

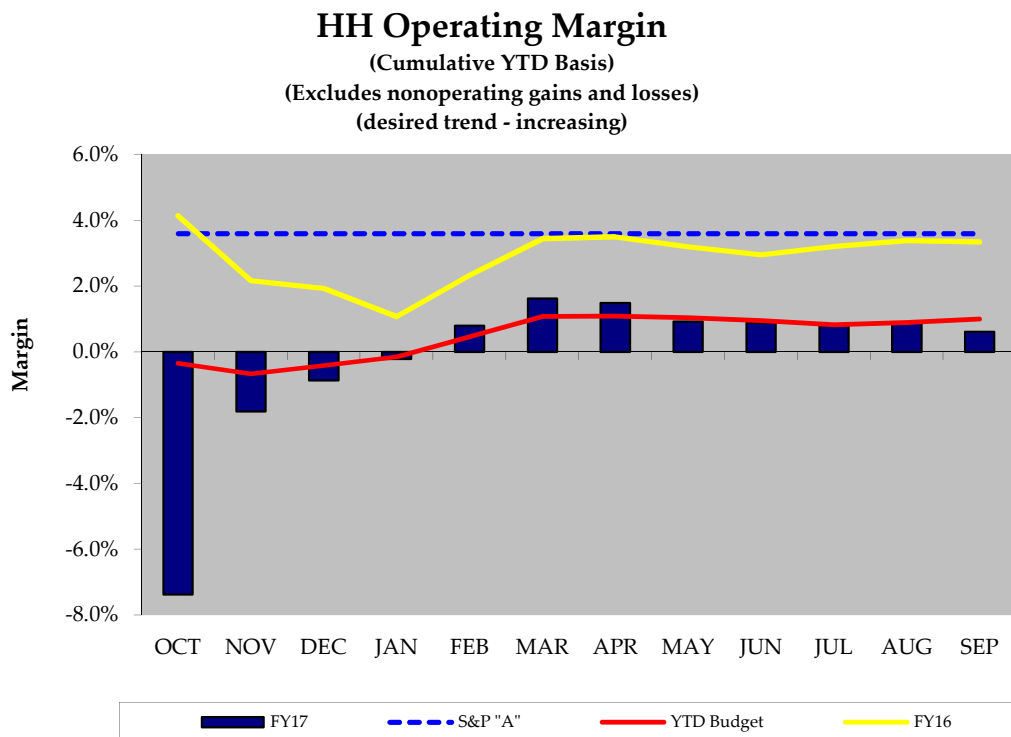
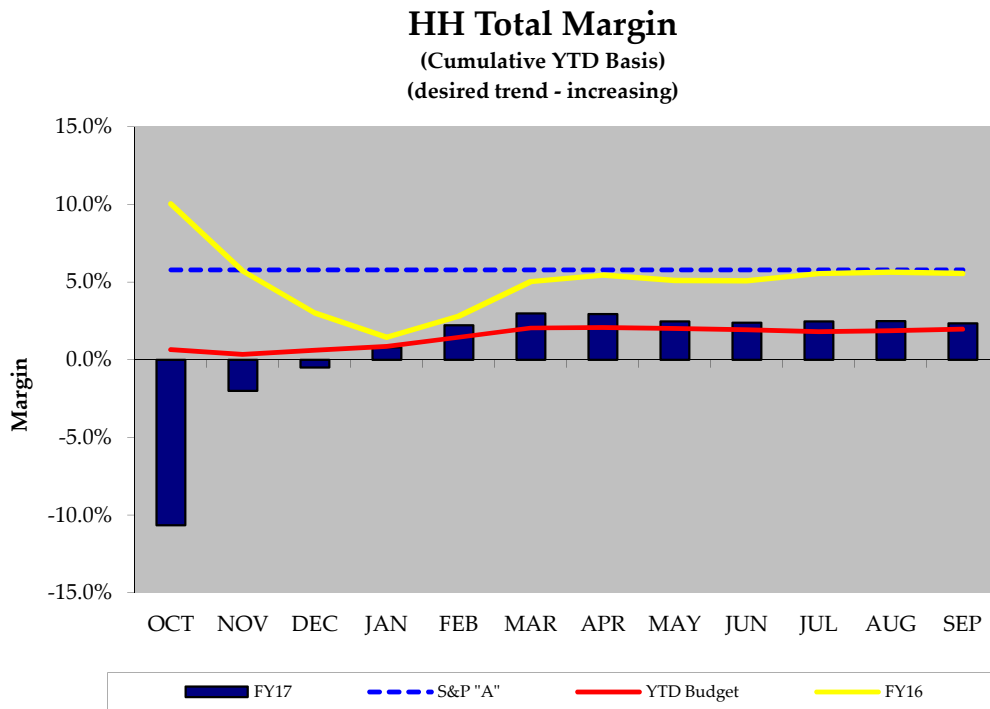
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended September 30, 2017	Static Budget Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months September 30, 2017	Static Budget Twelve Months September 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	-	-	-
252	105	147	Realized investment income/(losses)	1,497	1,260	237
492	-	492	Unrealized investment income/(losses)	2,206	-	2,206
33	71	(38)	Donation revenue	1,108	850	258
-	-	-	Other revenue	-	-	-
777	176	601	Total operating revenues	4,811	2,110	2,701
			Operating expenses:			
10	10	-	Salaries and benefits	120	125	5
-	4	4	Purchased services	15	45	30
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
130	67	(63)	Other	494	806	312
140	81	(59)	Total operating expenses	629	976	347
\$637	\$95	\$542	Increase in net position	\$4,182	\$1,134	\$3,048

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

Actual Month Ended September 30, 2017	Static Budget Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months September 30, 2017	Static Budget Twelve Months September 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$41,522	\$43,428	(\$1,906)	Net patient service revenue, before provision for bad debts	\$557,175	\$525,640	\$31,535
(5,150)	(5,710)	560	Provision for bad debts	(88,979)	(70,766)	(18,213)
36,372	37,718	(1,346)	Net patient service revenue	468,196	454,874	13,322
938	938	-	Ad valorem taxes	11,252	11,252	-
1,575	1,314	261	Other revenue	16,450	16,941	(491)
38,885	39,970	(1,085)	Total operating revenues	495,898	483,067	12,831
			Operating expenses:			
19,839	20,525	686	Salaries and benefits	254,305	256,111	1,806
5,267	4,793	(474)	Purchased services	65,994	57,156	(8,838)
8,472	7,495	(977)	Supplies	98,664	90,700	(7,964)
2,003	1,903	(100)	Depreciation and amortization	22,434	22,295	(139)
1,349	1,400	51	Interest	16,710	16,799	89
570	628	58	Ad valorem tax related expenses	7,417	7,518	101
645	602	(43)	Leases and rentals	7,498	6,836	(662)
2,055	2,010	(45)	Other	24,770	24,022	(748)
40,200	39,356	(844)	Total operating expenses	497,792	481,437	(16,355)
(1,315)	614	(1,929)	Excess (deficiency) of operating revenues over expenses	(1,894)	1,630	(3,524)
			Nonoperating revenues, expenses, and gains/(losses):			
413	197	216	Realized investment income/(losses)	2,995	2,369	626
(267)	-	(267)	Unrealized investment income/(losses)	(1,105)	-	(1,105)
117	-	117	Donation revenue	159	-	159
(2)	-	(2)	Nonoperating gains/(losses), net	16	-	16
261	197	64	Total nonoperating revenues, expenses, and gains/(losses)	2,065	2,369	(304)
(1,054)	811	(1,865)	Increase (decrease) in net position before other changes in net	171	3,999	(3,828)
1,914	609	1,305	Income from affiliates	12,895	6,686	6,209
\$860	\$1,420	(\$560)	Increase in net position	\$13,066	\$10,685	\$2,381

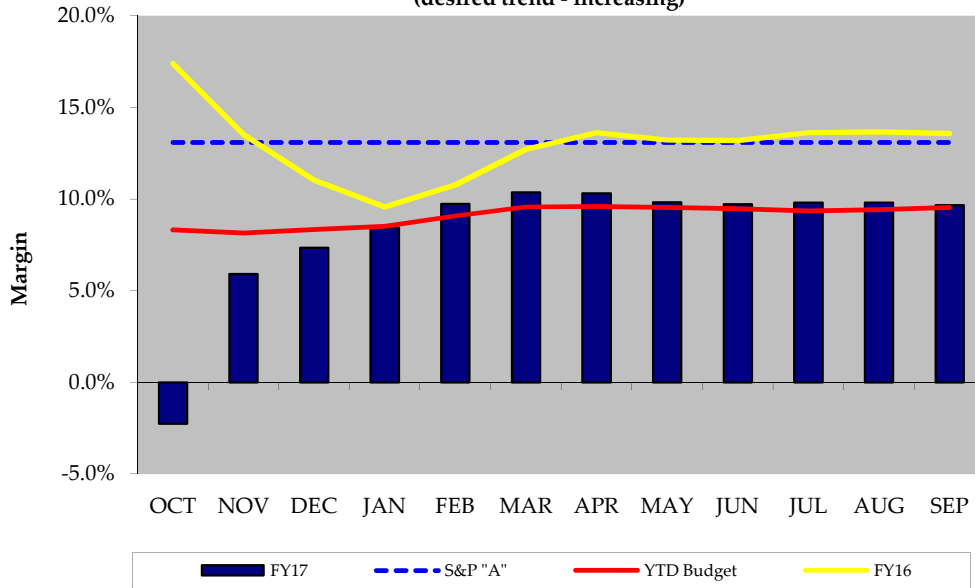
Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic

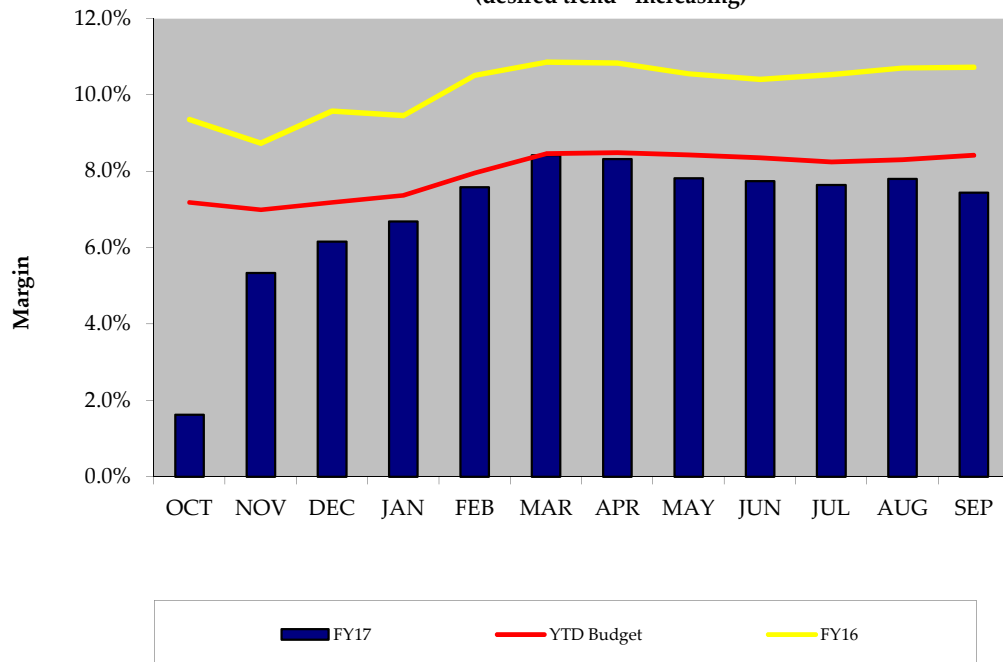
HH EBIDA Margin

(Cumulative YTD Basis)
(desired trend - increasing)



HH Adjusted Operating EBIDA Margin

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



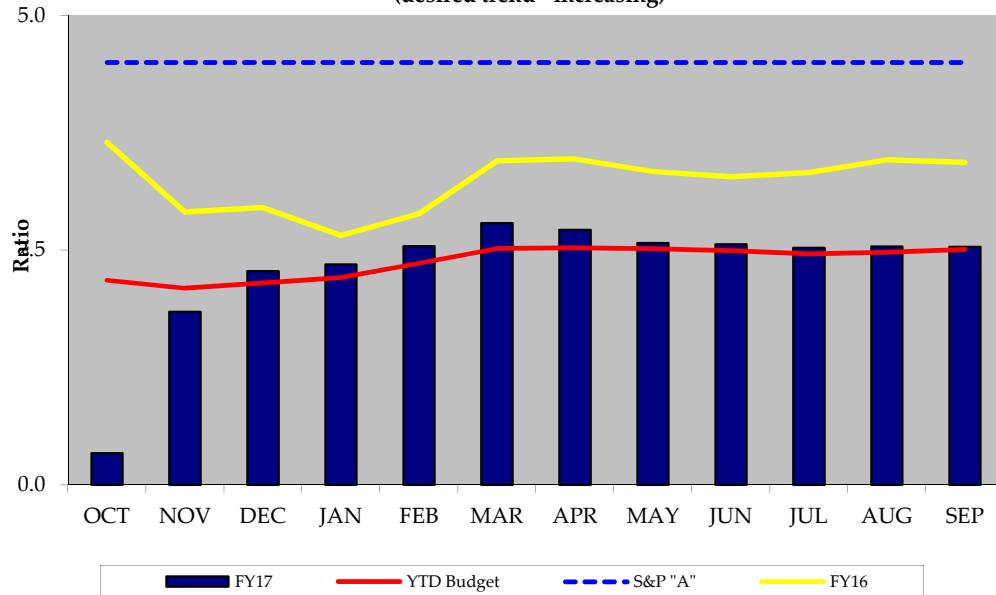
Halifax Health Financial Summary - Graphic

HH MADS Coverage Ratio

(Annualized Basis)

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

(desired trend - increasing)

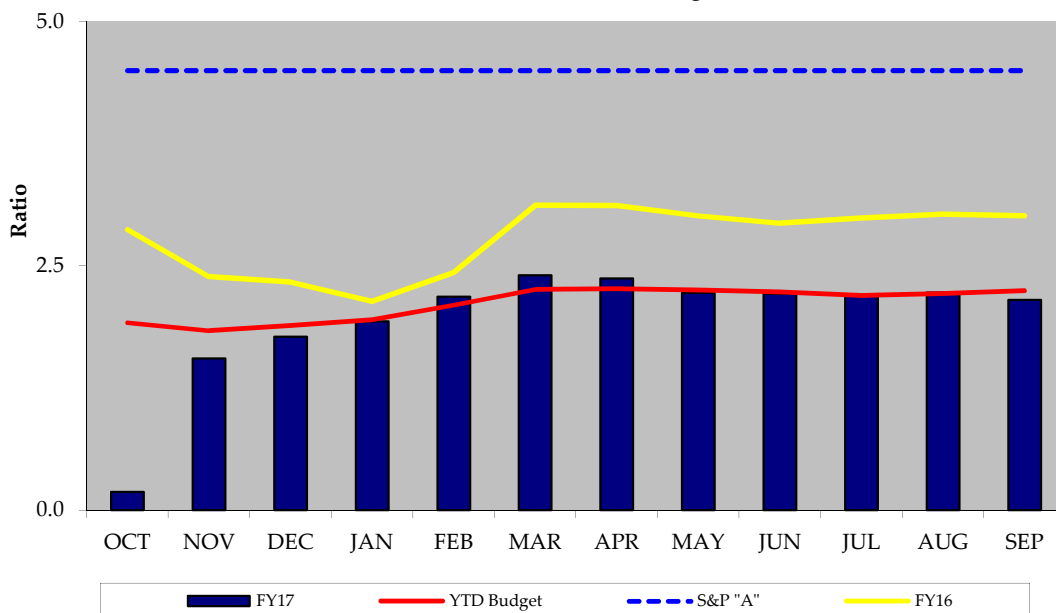


HH MADS Coverage Ratio - Operations Only

(Annualized Basis)

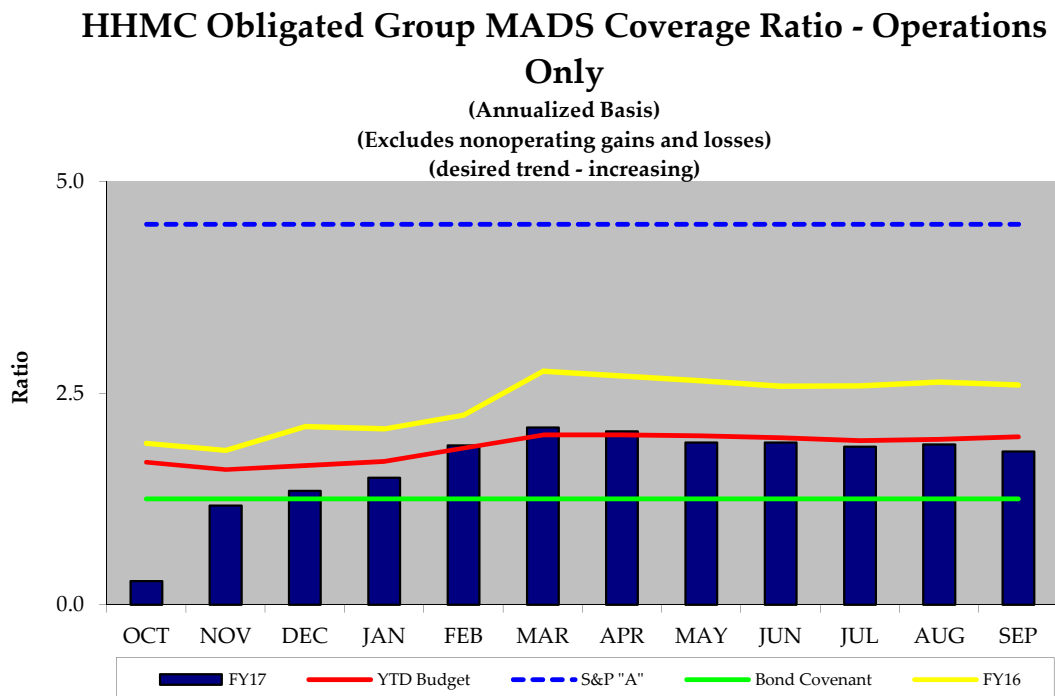
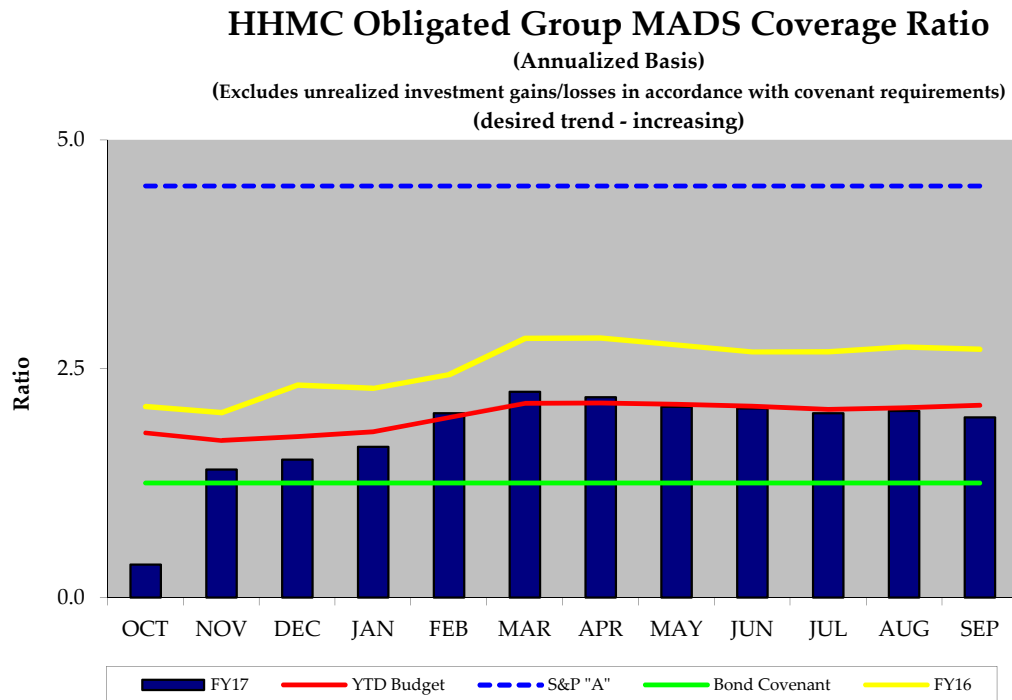
(Excludes nonoperating gains and losses)

(desired trend - increasing)



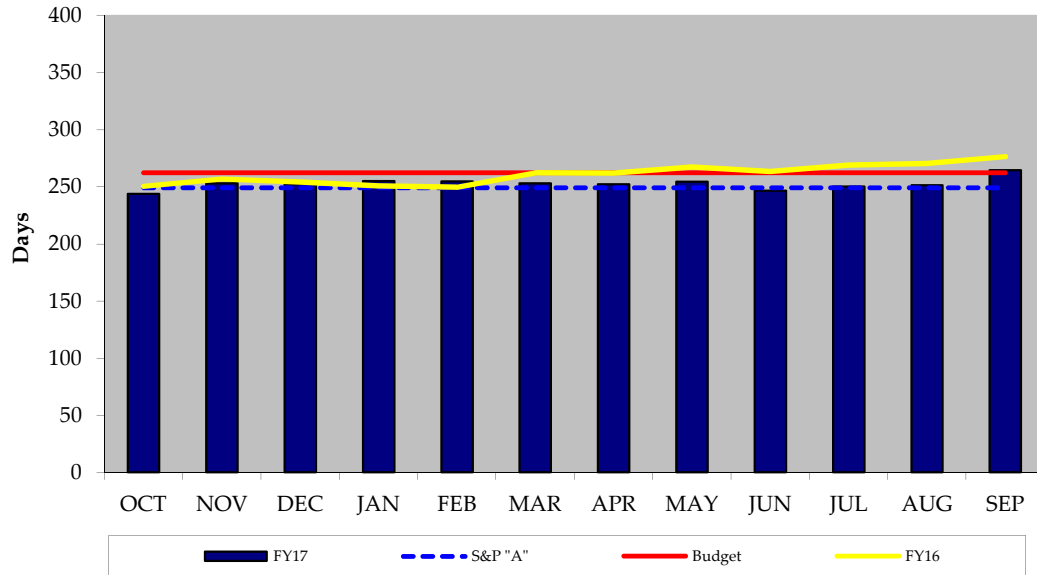
Halifax Health

Financial Summary - Graphic

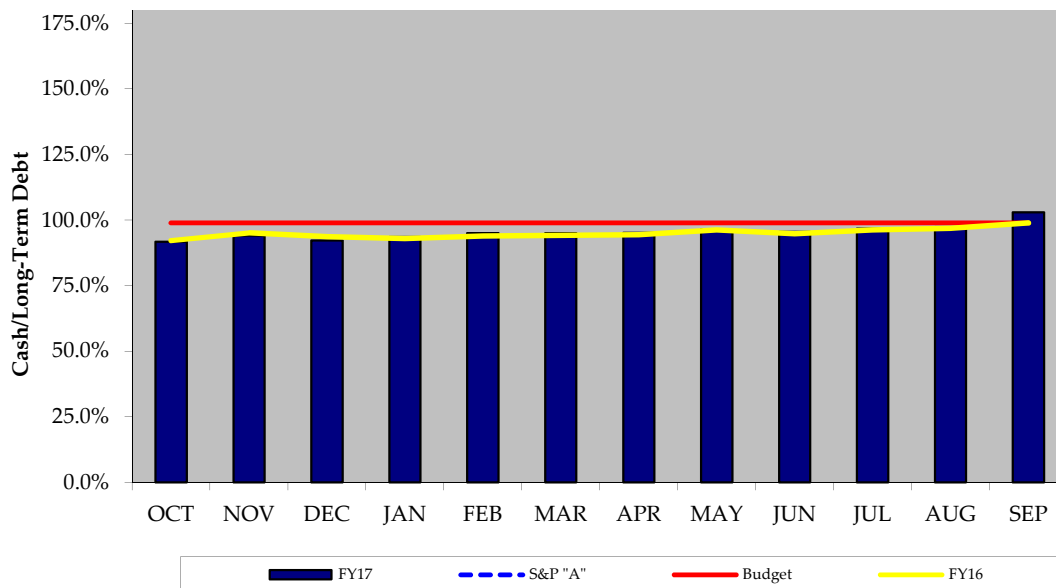


Halifax Health Financial Summary - Graphic

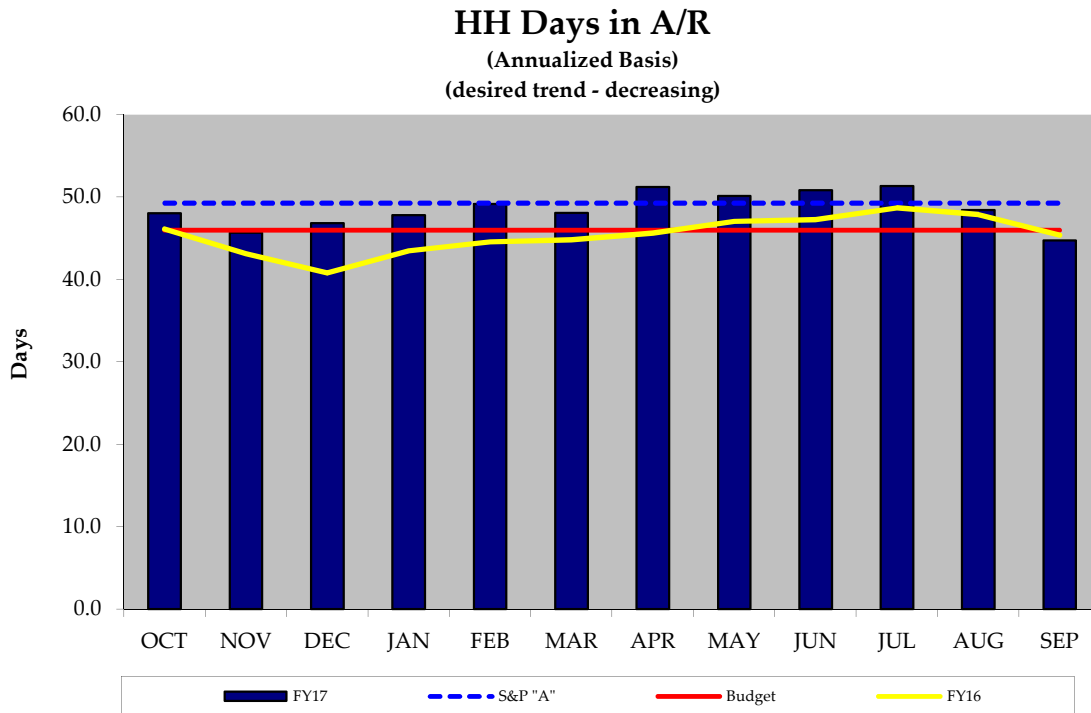
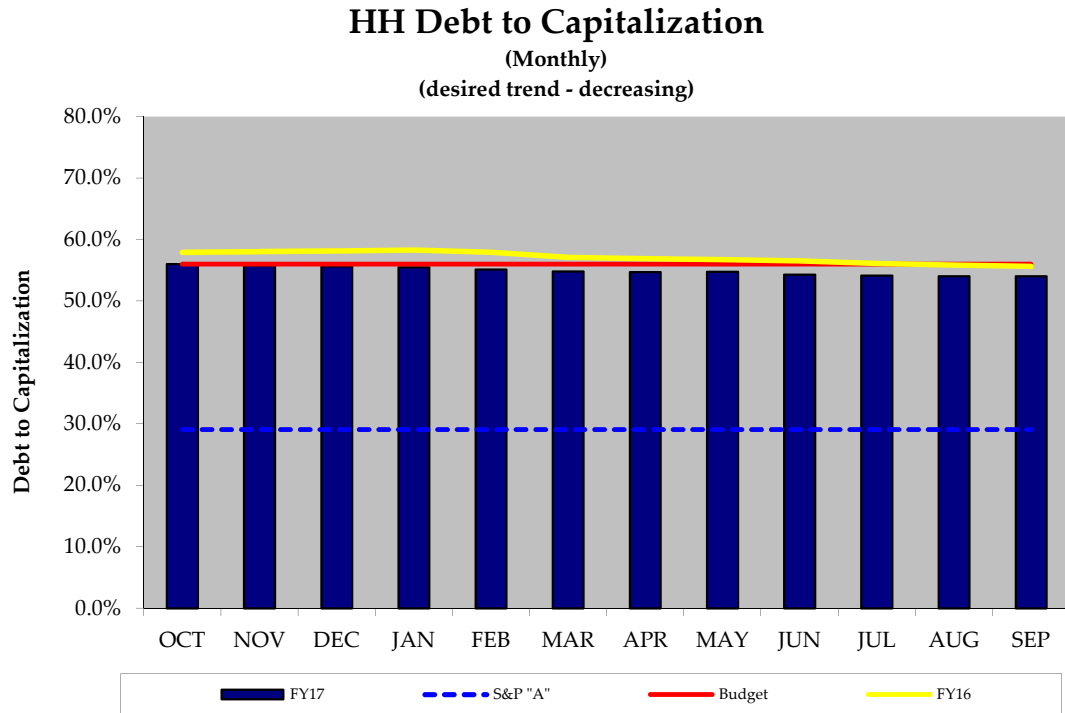
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

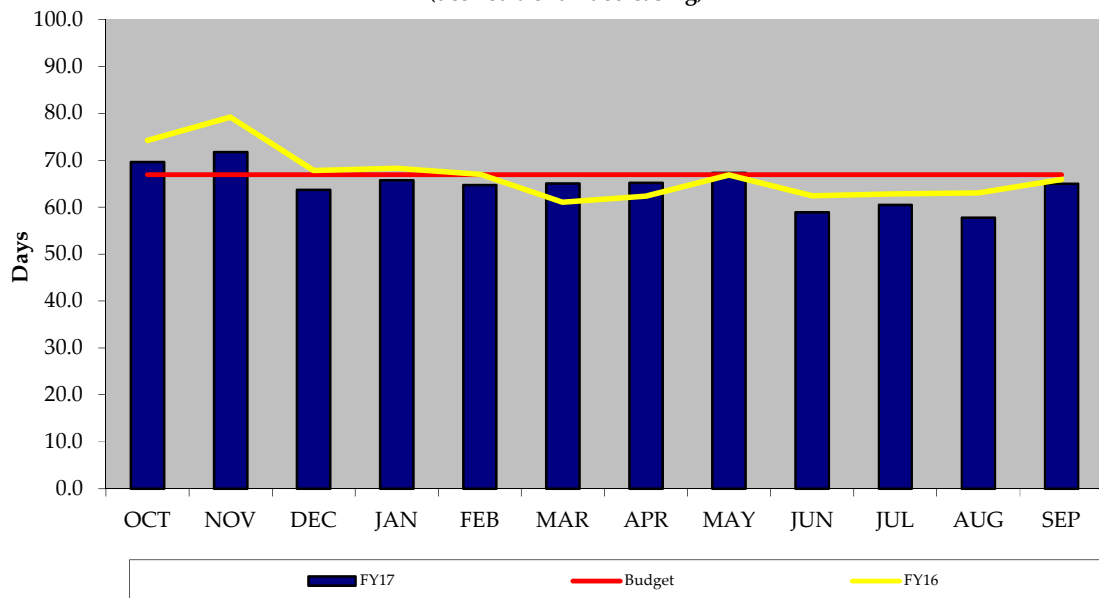


Halifax Health Financial Summary - Graphic

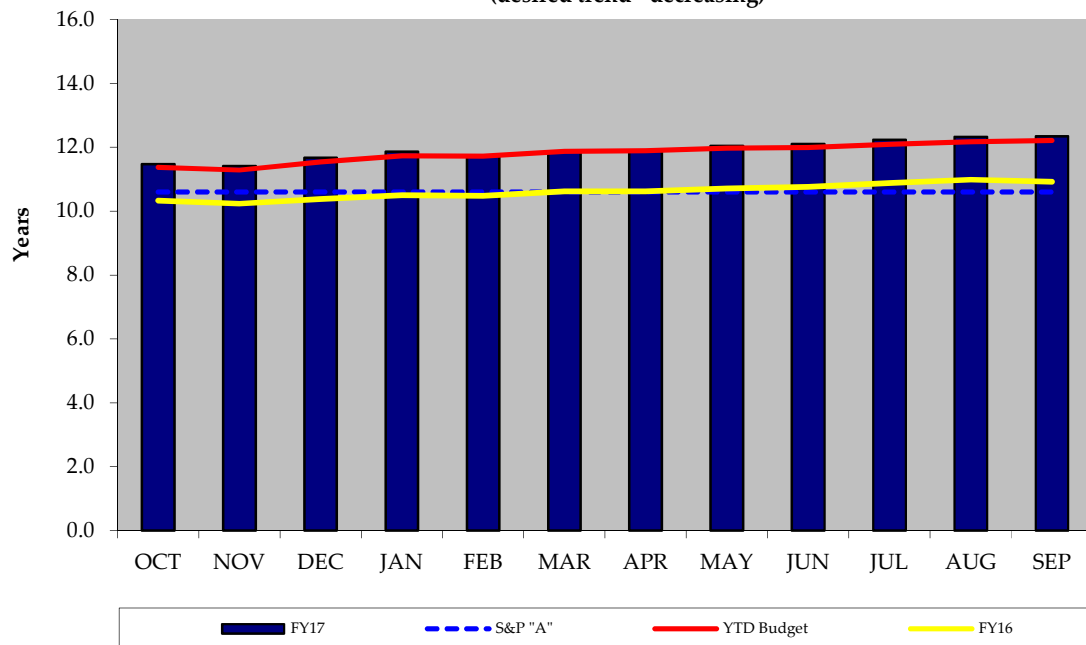


Halifax Health Financial Summary - Graphic

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 eleven months ended August 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%	1.9%	Favorable	5.8%	Unfavorable
Operating Margin	0.9%	0.9%	Neutral	3.6%	Unfavorable
EBIDA Margin	9.8%	9.4%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.3%	8.5%	Unfavorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	7.8%	8.3%	Unfavorable	N/A	N/A
Days Cash on Hand	251	262	Unfavorable	249	Favorable
Cash to Debt	97.3%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	55.4%	56.0%	Favorable	29.1%	Unfavorable
OG MADS Coverage	2.04	2.07	Unfavorable	4.50	Unfavorable
OG Debt to Capitalization	54.4%	55.0%	Favorable	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 fiscal year-to-date are greater than budget and last year.
 - Observation patient days for the month and 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 greater than last year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 3.0% greater than budget.
- Total operating expenses for the fiscal year-to-date are 2.9% greater than budget.
- Loss from operations fiscal year-to-date of \$72,000 compares unfavorably to budget by \$1.1 million.
- Nonoperating gains fiscal year-to-date of \$1.8 million, primarily consisting of net investment income, compares unfavorably to the budgeted amount by \$366,000.
- Increase in net position fiscal year-to-date of \$1.7 million compares unfavorably to budget by \$1.5 million.

Halifax Health Hospice

Statistical Summary --

- Patient days for the month are greater than budget and 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 4.4% less than budget.
- Loss from operations fiscal year-to-date of \$603,000 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 \$6.4 million, including investment income of \$5.5 million, is greater than the budgeted amount by \$3.6 million.
- Increase in net position fiscal year-to-date of \$5.8 million compares favorably to budget by \$2.4 million.

Halifax Health
Summary Financial Indicators – Excluding Estimated Hurricane Matthew Costs
For the eleven months ended August 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%	2.8%	1.9%	Favorable	5.8%	Unfavorable
Operating Margin	0.9%	1.3%	0.9%	Favorable	3.6%	Unfavorable
EBIDA Margin	9.8%	10.2%	9.4%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	8.3%	8.7%	8.5%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin (1)	7.8%	8.2%	8.3%	Unfavorable	N/A	N/A
Days Cash on Hand	251	253	262	Unfavorable	249	Favorable
Cash to Debt	97.3%	97.8%	98.9%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	55.4%	55.2%	56.0%	Favorable	29.1%	Unfavorable
OG MADS Coverage	2.04	2.13	2.07	Favorable	4.50	Unfavorable
OG Debt to Capitalization	54.4%	54.3%	55.0%	Favorable	29.1%	Unfavorable

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

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

Halifax Health Statistical Summary

Month Ended August 31,					Eleven Months Ended August 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>				
1,619	1,597	1,623	-1.6%	HHMC Adult/Ped Admissions	17,368	17,325	17,574	-1.4%
127	179	157	14.0%	HHMCPO Adult/Ped Admissions	1,582	1,648	1,706	-3.4%
179	190	167	13.8%	Adult Psych Admissions	1,560	1,714	1,817	-5.7%
56	63	51	23.5%	Rehabilitative Admissions	599	697	564	23.6%
1,981	2,029	1,998	1.6%	Total Adult/Ped Admissions	21,109	21,384	21,661	-1.3%
8,482	8,396	8,136	3.2%	HHMC Adult/Ped Patient Days	90,643	91,866	87,997	4.4%
533	874	761	14.8%	HHMCPO Adult/Ped Patient Days	5,970	9,370	8,250	13.6%
1,530	1,626	1,834	-11.3%	Adult Psych Patient Days	16,175	15,696	19,445	-19.3%
901	844	866	-2.5%	Rehabilitative Patient Days	9,542	9,646	9,359	3.1%
11,446	11,740	11,597	1.2%	Total Adult/Ped Patient Days	122,330	126,578	125,051	1.2%
5.2	5.3	5.0	4.9%	HHMC Average Length of Stay	5.2	5.3	5.0	5.9%
4.2	4.9	4.8	0.7%	HHMCPO Average Length of Stay	3.8	5.7	4.8	17.6%
5.2	5.2	5.0	4.4%	HHMC/ HHMCPO Average Length of Stay	5.1	5.3	5.0	6.9%
8.5	8.6	11.0	-22.1%	Adult Psych Average Length of Stay	10.4	9.2	10.7	-14.4%
16.1	13.4	17.0	-21.1%	Rehabilitative Length of Stay	15.9	13.8	16.6	-16.6%
5.8	5.8	5.8	-0.3%	Total Average Length of Stay	5.8	5.9	5.8	2.5%
369	379	374	1.2%	Total Average Daily Census	364	378	373	1.2%
680	738	610	21.0%	HHMC Observation Patient Day Equivalents	6,918	7,371	6,725	9.6%
107	145	100	45.0%	HHMCPO Observation Patient Day Equivalents	1,091	1,440	1,035	39.1%
787	883	710	24.4%	Total Observation Patient Day Equivalents	8,009	8,811	7,760	13.5%
25	28	23	21.7%	Observation Average Daily Census	24	26	23	13.0%
199	156	186	-16.1%	HHMC Newborn Births	1,790	1,611	1,738	-7.3%
367	272	362	-24.9%	HHMC Nursery Patient Days	3,467	2,961	3,470	-14.7%
462	424	492	-13.8%	HHMC Inpatient Surgeries	4,943	4,808	5,275	-8.9%
1	14	1	1300.0%	HHMCPO Inpatient Surgeries	16	83	9	822.2%
463	438	493	-11.2%	Total Inpatient Surgeries	4,959	4,891	5,284	-7.4%
				<u>Inpatient Surgeries</u>				
157	143			Orthopedics	1,911	1,853		
90	74			General Surgery	896	767		
54	34			Neurosurgery	552	443		
17	34			Vascular	160	328		
23	20			Thoracic Surgery	237	291		
122	133			All Other	1,203	1,209		
463	438	493	-11.2%	Total Inpatient Surgeries	4,959	4,891	5,284	-7.4%

Halifax Health Statistical Summary

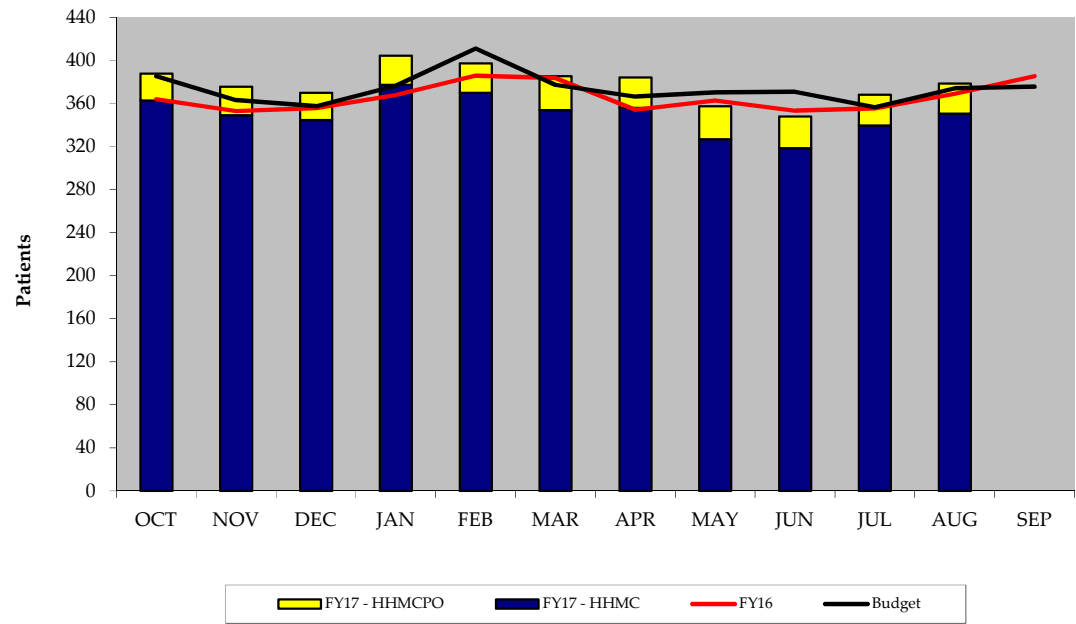
Month Ended				Eleven Months Ended				
August 31,				August 31,				
2016	2017	Budget	Var.		2016	2017	Budget	Var.

Halifax Health Statistical Summary

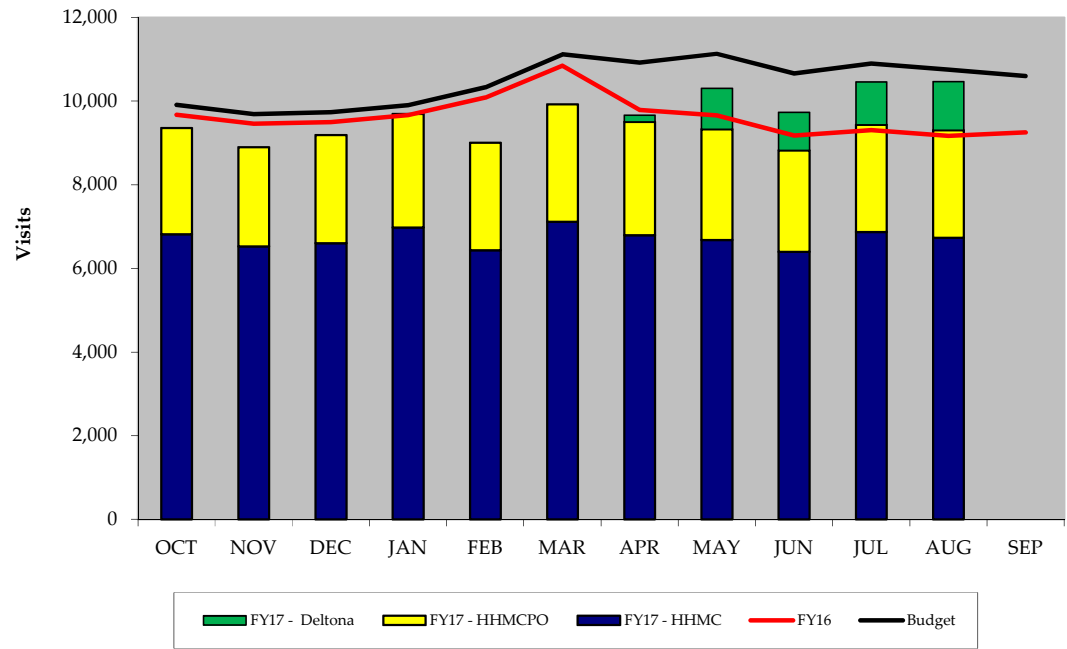
Month Ended August 31,				Eleven Months Ended August 31,			
<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>	<u>2016</u>	<u>2017</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>							
<u>Primary Care Visits</u>							
322	476	687	-30.7%	Ormond Beach	2,811	3,725	7,419 -49.8%
1,136	1,062	1,133	-6.3%	Daytona Beach	11,878	11,163	11,848 -5.8%
578	661	681	-2.9%	Port Orange	4,410	7,423	9,824 -24.4%
366	350	478	-26.8%	Deltona	4,947	3,159	6,462 -51.1%
-	681	-	N/A	New Smyrna	-	3,444	- N/A
482	696	1,101	-36.8%	Ormond Beach (Women's/OB)	4,841	5,557	10,856 -48.8%
-	224	806	-72.2%	Ormond Beach - Urgent Care	-	1,141	8,866 -87.1%
2,884	4,150	4,886	-15.1%	Primary Care Visits	28,887	35,612	55,275 -35.6%
<u>Children's Medical Center Visits</u>							
865	844	1,360	-37.9%	Ormond Beach	8,070	9,315	12,684 -26.6%
421	298	432	-31.0%	Palm Coast	4,460	1,477	4,576 -67.7%
518	612	548	11.7%	Port Orange	5,072	5,566	5,369 3.7%
1,804	1,754	2,340	-25.0%	Children's Medical Center Visits	17,602	16,358	22,629 -27.7%
<u>Community Clinic Visits</u>							
562	479	532	-10.0%	Keech Street	4,653	4,606	4,407 4.5%
311	223	311	-28.3%	Adult Community Clinic	3,934	2,666	3,934 -32.2%
873	702	843	-16.7%	Community Clinic Visits	8,587	7,272	8,341 -12.8%

Halifax Health Statistical Summary - Graphic

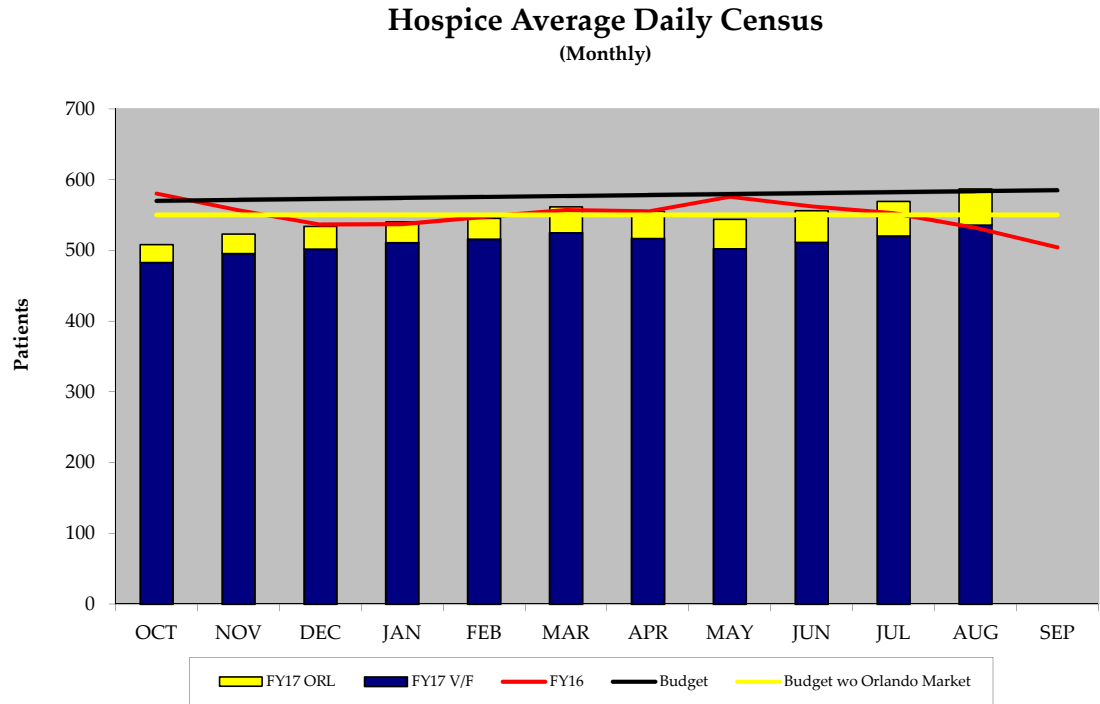
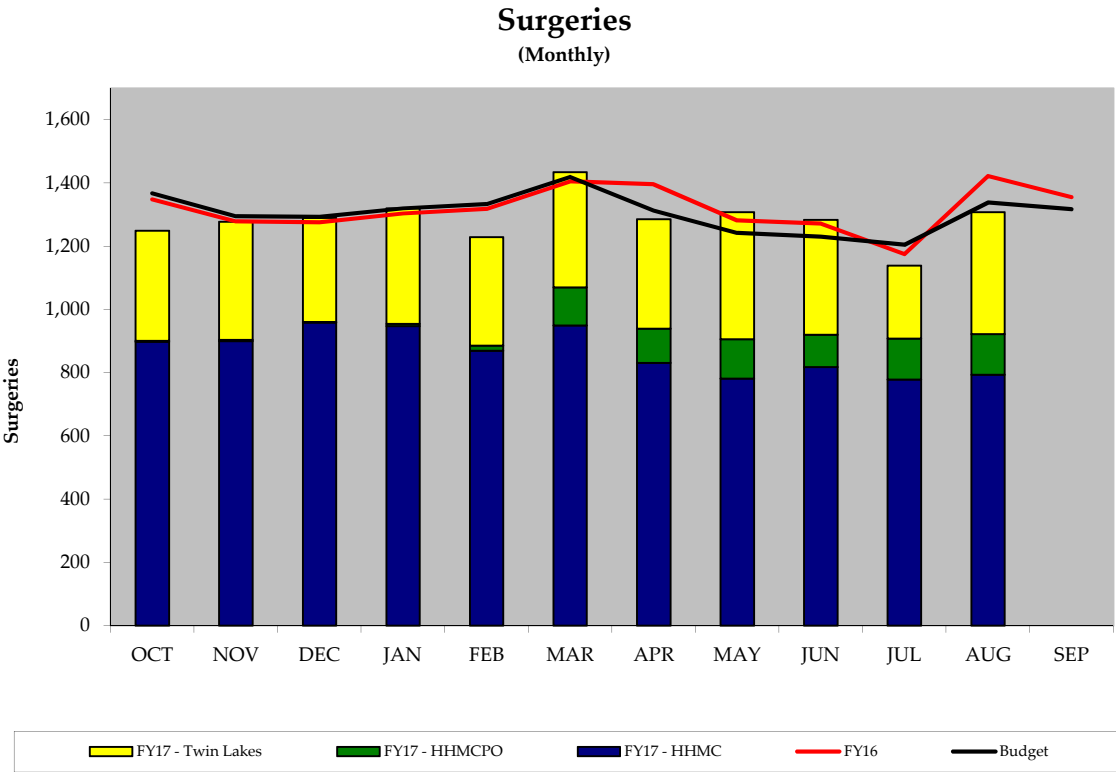
HHMC Average Daily Census (Monthly)



ED Visits (Monthly)



Halifax Health Statistical Summary - Graphic



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

	<u>August 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>Change</u>
<u>Assets</u>			
Cash and cash equivalents	\$41,607	\$54,644	(\$13,037)
Investments	269,863	262,890	6,973
Board designated assets	45,190	44,969	221
Accounts receivable	67,597	64,197	3,400
Restricted assets whose use is limited	13,690	19,131	(5,441)
Other assets	39,985	38,395	1,590
Deferred outflow - swap	33,119	44,636	(11,517)
Deferred outflow - loss on bond refunding	16,532	17,456	(924)
Deferred outflow - pension	27,466	37,204	(9,738)
Property, plant and equipment	352,469	359,928	(7,459)
Total Assets	<u>\$907,518</u>	<u>\$943,450</u>	<u>(\$35,932)</u>
<u>Liabilities and Net position</u>			
Accounts payable	\$29,755	\$30,987	(\$1,232)
Other liabilities	76,632	82,318	(5,686)
Net pension liability	106,228	130,372	(24,144)
Long-term debt	347,070	354,593	(7,523)
Premium on LTD, net	19,318	19,987	(669)
Long-term value of swap	33,119	44,636	(11,517)
Net position	295,396	280,557	14,839
Total Liabilities and Net position	<u>\$907,518</u>	<u>\$943,450</u>	<u>(\$35,932)</u>

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

Month ended August 31, 2017	Month ended August 31, 2016	Variance		Eleven Months ended August 31, 2017	Eleven Months ended August 31, 2016	Variance
			Cash flows from operating activities:			
\$46,834	\$43,392	\$3,442	Receipts from third party payors and patients	\$458,312	\$450,589	\$7,723
(22,019)	(22,085)	66	Payments to employees	(275,302)	(257,474)	(17,828)
(19,550)	(15,586)	(3,964)	Payments to suppliers	(177,648)	(166,418)	(11,230)
34	15	19	Receipt of ad valorem taxes	11,671	13,181	(1,510)
-	-	-	Receipt (payment) of State UPL funds, net	4,864	816	4,048
2,380	1,795	585	Other receipts	31,347	30,073	1,274
(3,935)	(3,636)	(299)	Other payments	(40,376)	(41,474)	1,098
3,744	3,895	(151)	Net cash provided by operating activities	12,868	29,293	(16,425)
			Cash flows from noncapital financing activities:			
25	754	(729)	Proceeds from donations received	893	1,923	(1,030)
-	-	-	Nonoperating gain (loss)	16	(6)	22
25	754	(729)	Net cash provided by noncapital financing activities	909	1,917	(1,008)
			Cash flows from capital and related financing activities:			
(1,804)	(2,186)	382	Acquisition of capital assets	(18,025)	(22,368)	4,343
(201)	(195)	(6)	Payment of long-term debt	(7,325)	(2,095)	(5,230)
-	-	-	Proceeds from issuance of long-term debt	-	175,424	(175,424)
-	558	(558)	Transfers to trustee held funds	5,474	(12,619)	18,093
-	-	-	Payment for defeasance of bonds	-	(168,728)	168,728
(337)	(356)	19	Payment of interest on long-term debt	(16,511)	(14,467)	(2,044)
-	-	-	Payment of bond issue costs	-	(1,774)	1,774
(2,342)	(2,179)	(163)	Net cash used in capital financing activities	(36,387)	(46,627)	10,240
			Cash flows from investing activities:			
237	1,623	(1,386)	Realized investment income (loss)	4,976	7,971	(2,995)
(230)	(12,956)	12,726	Purchases of investments/limited use assets	(8,932)	(113,946)	105,014
(39)	10,517	(10,556)	Sales/Maturities of investments/limited use assets	9,600	120,283	(110,683)
(32)	(816)	784	Net cash provided by (used in) investing activities	5,644	14,308	(8,664)
1,395	1,654	(259)	Net increase (decrease) in cash and cash equivalents	(16,966)	(1,109)	(15,857)
40,212	52,990	(12,778)	Cash and cash equivalents at beginning of period	58,573	55,753	2,820
\$41,607	\$54,644	(\$13,037)	Cash and cash equivalents at end of period	\$41,607	\$54,644	(\$13,037)

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

Actual Month Ended August 31, 2017	Actual Month Ended August 31, 2016	Favorable (Unfavorable) Variance		Actual Eleven Months August 31, 2017	Actual Eleven Months August 31, 2016	Favorable (Unfavorable) Variance
			Operating revenues:			
\$58,290	\$50,113	\$8,177	Net patient service revenue, before provision for bad debts	\$552,373	\$549,177	\$3,196
(14,290)	(7,800)	(6,490)	Provision for bad debts	(85,020)	(98,840)	13,820
44,000	42,313	1,687	Net patient service revenue	467,353	450,337	17,016
938	1,104	(166)	Ad valorem taxes	10,314	12,148	(1,834)
1,879	2,518	(639)	Other revenue	24,385	27,887	(3,502)
46,817	45,935	882	Total operating revenues	502,052	490,372	11,680
			Operating expenses:			
23,128	20,975	(2,153)	Salaries and benefits	255,377	235,185	(20,192)
6,757	6,998	241	Purchased services	71,781	72,742	961
8,669	8,443	(226)	Supplies	92,630	85,327	(7,303)
2,038	2,093	55	Depreciation and amortization	21,897	22,756	859
1,395	1,435	40	Interest	15,464	15,906	442
630	600	(30)	Ad valorem tax related expenses	6,847	6,919	72
845	746	(99)	Leases and rentals	8,722	8,323	(399)
2,460	2,320	(140)	Other	24,780	26,651	1,871
45,922	43,610	(2,312)	Total operating expenses	497,498	473,809	(23,689)
895	2,325	(1,430)	Excess of operating revenues over expenses	4,554	16,563	(12,009)
			Nonoperating revenues, expenses, and gains/(losses):			
237	1,623	(1,386)	Realized investment income/(losses)	4,975	7,972	(2,997)
106	(1,755)	1,861	Unrealized investment income/(losses)	2,276	3,703	(1,427)
25	754	(729)	Donation revenue	895	1,922	(1,027)
-	-	-	Interest - bond issue costs	-	(1,774)	1,774
-	-	-	Nonoperating gains/(losses), net	18	(6)	24
368	622	(254)	Total nonoperating revenues, expenses, and gains/(losses)	8,164	11,817	(3,653)
\$1,263	\$2,947	(\$1,684)	Increase in net position	\$12,718	\$28,380	(\$15,662)

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

Actual Month Ended August 31, 2017	Static Budget Month Ended August 31, 2017	Favorable (Unfavorable) Variance		Actual Eleven Months August 31, 2017	Static Budget Eleven Months August 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$58,290	\$48,312	\$9,978	Net patient service revenue, before provision for bad debts	\$552,373	\$522,866	\$29,507
(14,290)	(5,981)	(8,309)	Provision for bad debts	(85,020)	(66,146)	(18,874)
44,000	42,331	1,669	Net patient service revenue	467,353	456,720	10,633
938	938	-	Ad valorem taxes	10,314	10,314	-
1,879	2,036	(157)	Other revenue	24,385	23,504	881
46,817	45,305	1,512	Total operating revenues	502,052	490,538	11,514
			Operating expenses:			
23,128	23,675	547	Salaries and benefits	255,377	258,981	3,604
6,757	5,939	(818)	Purchased services	71,781	64,353	(7,428)
8,669	7,908	(761)	Supplies	92,630	85,762	(6,868)
2,038	2,003	(35)	Depreciation and amortization	21,897	21,859	(38)
1,395	1,407	12	Interest	15,464	15,502	38
630	628	(2)	Ad valorem tax related expenses	6,847	6,889	42
845	770	(75)	Leases and rentals	8,722	8,053	(669)
2,460	2,264	(196)	Other	24,780	24,770	(10)
45,922	44,594	(1,328)	Total operating expenses	497,498	486,169	(11,329)
895	711	184	Excess of operating revenues over expenses	4,554	4,369	185
			Nonoperating revenues, expenses, and gains/(losses):			
237	385	(148)	Realized investment income/(losses)	4,975	4,240	735
106	-	106	Unrealized investment income/(losses)	2,276	-	2,276
25	60	(35)	Donation revenue	895	656	239
-	-	-	Nonoperating gains/(losses), net	18	-	18
368	445	(77)	Total nonoperating revenues, expenses, and gains/(losses)	8,164	4,896	3,268
\$1,263	\$1,156	\$107	Increase in net position	\$12,718	\$9,265	\$3,453

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

Actual Month Ended August 31, 2017	Static Budget Month Ended August 31, 2017	Favorable (Unfavorable) Variance		Actual Eleven Months Ended August 31, 2017	Static Budget Eleven Months Ended August 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$54,139	\$44,520	\$9,619	Net patient service revenue, before provision for bad debts	\$513,371	\$482,212	\$31,159
(13,996)	(5,882)	(8,114)	Provision for bad debts	(83,830)	(65,056)	(18,774)
40,143	38,638	1,505	Net patient service revenue	429,541	417,156	12,385
938	938	-	Ad valorem taxes	10,314	10,314	-
1,320	1,320	-	Other revenue	14,875	15,627	(752)
42,401	40,896	1,505	Total operating revenues	454,730	443,097	11,633
			Operating expenses:			
21,083	21,549	466	Salaries and benefits	232,419	235,586	3,167
5,562	4,793	(769)	Purchased services	60,222	52,363	(7,859)
8,446	7,669	(777)	Supplies	90,128	83,205	(6,923)
1,910	1,876	(34)	Depreciation and amortization	20,426	20,391	(35)
1,388	1,400	12	Interest	15,361	15,399	38
630	628	(2)	Ad valorem tax related expenses	6,847	6,889	42
665	602	(63)	Leases and rentals	6,805	6,234	(571)
2,305	2,010	(295)	Other	22,594	22,012	(582)
41,989	40,527	(1,462)	Total operating expenses	454,802	442,079	(12,723)
412	369	43	Excess (deficiency) of operating revenues over expenses	(72)	1,018	(1,090)
			Nonoperating revenues, expenses, and gains/(losses):			
176	197	(21)	Realized investment income/(losses)	2,582	2,172	410
247	-	247	Unrealized investment income/(losses)	(837)	-	(837)
5	-	5	Donation revenue	43	-	43
-	-	-	Nonoperating gains/(losses), net	18	-	18
428	197	231	Total nonoperating revenues, expenses, and gains/(losses)	1,806	2,172	(366)
\$840	\$566	\$274	Increase in net position	\$1,734	\$3,190	(\$1,456)

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

Actual Month Ended August 31, 2016		Actual Month Ended August 31, 2017		Static Budget Month Ended August 31, 2017			Actual Eleven Months Ended August 31, 2016		Actual Eleven Months Ended August 31, 2017		Static Budget Eleven Months Ended August 31, 2017	
\$146,749	100.00%	\$162,652	100.00%	\$152,554	100.00%	Gross charges	\$1,529,760	100.00%	\$1,680,883	100.00%	\$1,623,358	100.00%
(8,437)	-5.75%	(6,621)	-4.07%	(8,646)	-5.67%	Charity	(69,857)	-4.57%	(86,262)	-5.13%	(93,507)	-5.76%
(91,693)	-62.48%	(101,892)	-62.64%	(99,388)	-65.15%	Contractual adjustments	(950,535)	-62.14%	(1,081,250)	-64.33%	(1,047,639)	-64.54%
46,619	31.77%	54,139	33.29%	44,520	29.18%	Gross charges, before provision for bad debts	509,368	33.30%	513,371	30.54%	482,212	29.70%
(7,763)	-5.29%	(13,996)	-8.60%	(5,882)	-3.86%	Provision for bad debts	(98,006)	-6.41%	(83,830)	-4.99%	(65,056)	-4.01%
\$38,856	26.48%	\$40,143	24.68%	\$38,638	25.33%	Net patient service revenue	\$411,362	26.89%	\$429,541	25.55%	\$417,156	25.70%

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

Actual Month Ended August 31, 2017	Static Budget Month Ended August 31, 2017	Favorable (Unfavorable) Variance		Actual Eleven Months Ended August 31, 2017	Static Budget Eleven Months Ended August 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$4,151	\$3,792	\$359	Net patient service revenue, before provision for bad debts	\$39,002	\$40,654	(\$1,652)
(294)	(99)	(195)	Provision for bad debts	(1,190)	(1,090)	(100)
3,857	3,693	164	Net patient service revenue	37,812	39,564	(1,752)
168	199	(31)	Other revenue	1,843	2,190	(347)
4,025	3,892	133	Total operating revenues	39,655	41,754	(2,099)
			Operating expenses:			
1,978	2,051	73	Salaries and benefits	22,181	22,573	392
1,158	1,107	(51)	Purchased services	11,169	11,566	397
223	238	15	Supplies	2,499	2,548	49
61	60	(1)	Depreciation and amortization	738	735	(3)
175	163	(12)	Leases and rentals	1,861	1,763	(98)
153	184	31	Other	1,810	1,982	172
3,748	3,803	55	Total operating expenses	40,258	41,167	909
277	89	188	Excess (deficiency) of operating revenues over expenses	(603)	587	(1,190)
			Nonoperating revenues, expenses, and gains/(losses):			
61	188	(127)	Realized investment income/(losses)	2,393	2,068	325
(141)	-	(141)	Unrealized investment income/(losses)	3,113	-	3,113
20	60	(40)	Donation revenue	852	656	196
-	-	-	Nonoperating gains/(losses), net	-	-	-
(60)	248	(308)	Total nonoperating revenues, expenses, and gains/(losses)	6,358	2,724	3,634
\$217	\$337	(\$120)	Increase in net position	\$5,755	\$3,311	\$2,444

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

Actual Month Ended August 31, 2017	Static Budget Month Ended August 31, 2017	Favorable (Unfavorable) Variance		Actual Eleven Months August 31, 2017	Static Budget Eleven Months August 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	-	-	-
326	341	(15)	Other revenue	3,633	3,753	(120)
326	341	(15)	Total operating revenues	3,633	3,753	(120)
			Operating expenses:			
57	65	8	Salaries and benefits	667	707	40
36	35	(1)	Purchased services	376	383	7
-	1	1	Supplies	3	9	6
67	67	-	Depreciation and amortization	733	733	-
7	7	-	Interest	103	103	-
5	5	-	Leases and rentals	56	56	-
1	3	2	Other	12	37	25
173	183	10	Total operating expenses	1,950	2,028	78
153	158	(5)	Excess of operating revenues over expenses	1,683	1,725	(42)
			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)	-	-	-
\$153	\$158	(\$5)	Increase in net position	\$1,683	\$1,725	(\$42)

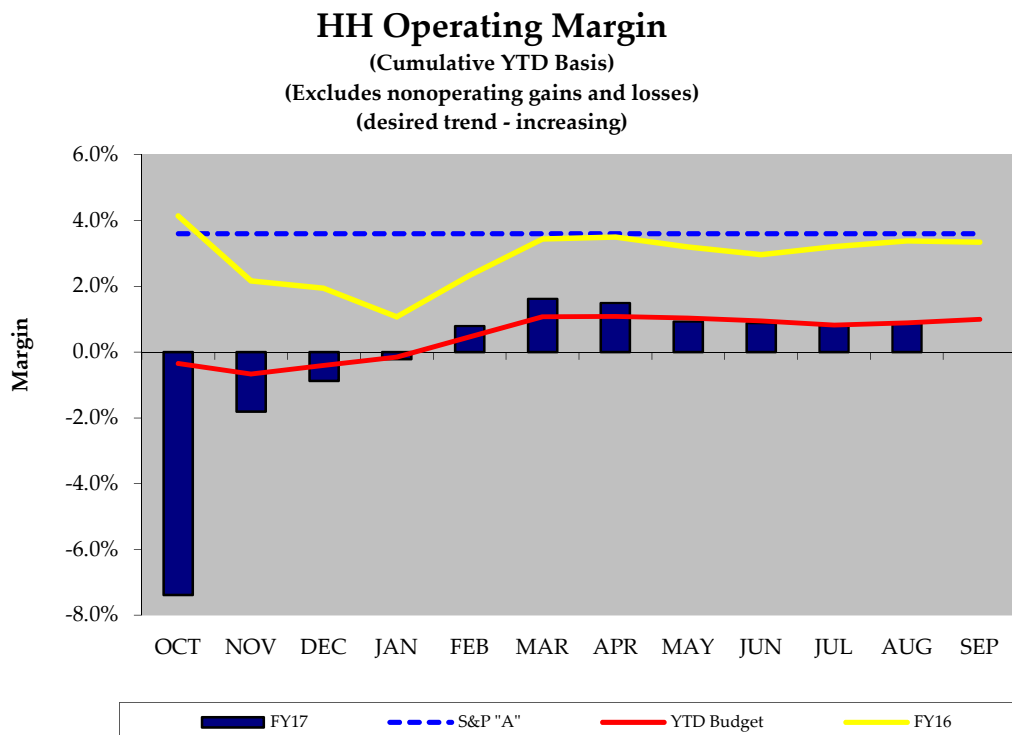
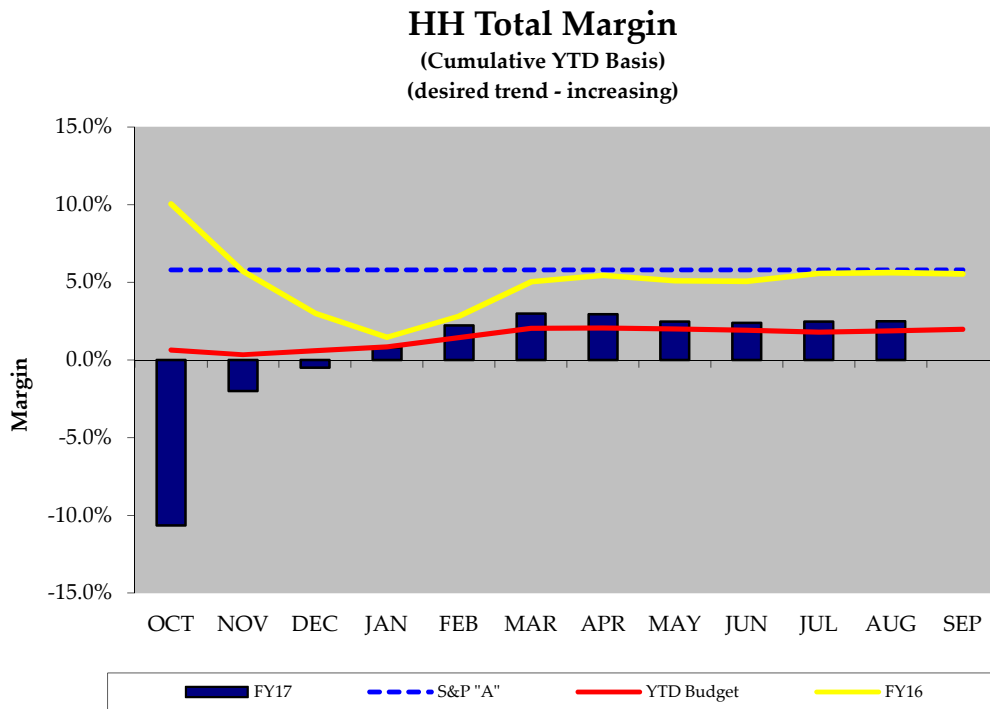
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended August 31, 2017	Static Budget Month Ended August 31, 2017	Favorable (Unfavorable) Variance		Actual Eleven Months August 31, 2017	Static Budget Eleven Months Ended August 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	-	-	-
37	105	(68)	Realized investment income/(losses)	1,245	1,155	90
(108)	-	(108)	Unrealized investment income/(losses)	1,714	-	1,714
136	71	65	Donation revenue	1,075	779	296
-	-	-	Other revenue	-	-	-
65	176	(111)	Total operating revenues	4,034	1,934	2,100
			Operating expenses:			
10	10	-	Salaries and benefits	110	115	5
1	4	3	Purchased services	14	41	27
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
1	67	66	Other	364	739	375
12	81	69	Total operating expenses	488	895	407
\$53	\$95	(\$42)	Increase in net position	\$3,546	\$1,039	\$2,507

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

Actual Month Ended August 31, 2017	Static Budget Month Ended August 31, 2017	Favorable (Unfavorable) Variance		Actual Eleven Months Ended August 31, 2017	Static Budget Eleven Months Ended August 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$54,139	\$44,520	\$9,619	Net patient service revenue, before provision for bad debts	\$513,371	\$482,212	\$31,159
(13,996)	(5,882)	(8,114)	Provision for bad debts	(83,830)	(65,056)	(18,774)
40,143	38,638	1,505	Net patient service revenue	429,541	417,156	12,385
938	938	-	Ad valorem taxes	10,314	10,314	-
1,320	1,320	-	Other revenue	14,875	15,627	(752)
42,401	40,896	1,505	Total operating revenues	454,730	443,097	11,633
			Operating expenses:			
21,083	21,549	466	Salaries and benefits	232,419	235,586	3,167
5,562	4,793	(769)	Purchased services	60,222	52,363	(7,859)
8,446	7,669	(777)	Supplies	90,128	83,205	(6,923)
1,910	1,876	(34)	Depreciation and amortization	20,426	20,391	(35)
1,388	1,400	12	Interest	15,361	15,399	38
630	628	(2)	Ad valorem tax related expenses	6,847	6,889	42
665	602	(63)	Leases and rentals	6,805	6,234	(571)
2,305	2,010	(295)	Other	22,594	22,012	(582)
41,989	40,527	(1,462)	Total operating expenses	454,802	442,079	(12,723)
412	369	43	Excess (deficiency) of operating revenues over expenses	(72)	1,018	(1,090)
			Nonoperating revenues, expenses, and gains/(losses):			
176	197	(21)	Realized investment income/(losses)	2,582	2,172	410
247	-	247	Unrealized investment income/(losses)	(837)	-	(837)
5	-	5	Donation revenue	43	-	43
-	-	-	Nonoperating gains/(losses), net	18	-	18
428	197	231	Total nonoperating revenues, expenses, and gains/(losses)	1,806	2,172	(366)
840	566	274	Increase in net position before other changes in net position	1,734	3,190	(1,456)
423	590	(167)	Income from affiliates	10,984	6,075	4,909
\$1,263	\$1,156	\$107	Increase in net position	\$12,718	\$9,265	\$3,453

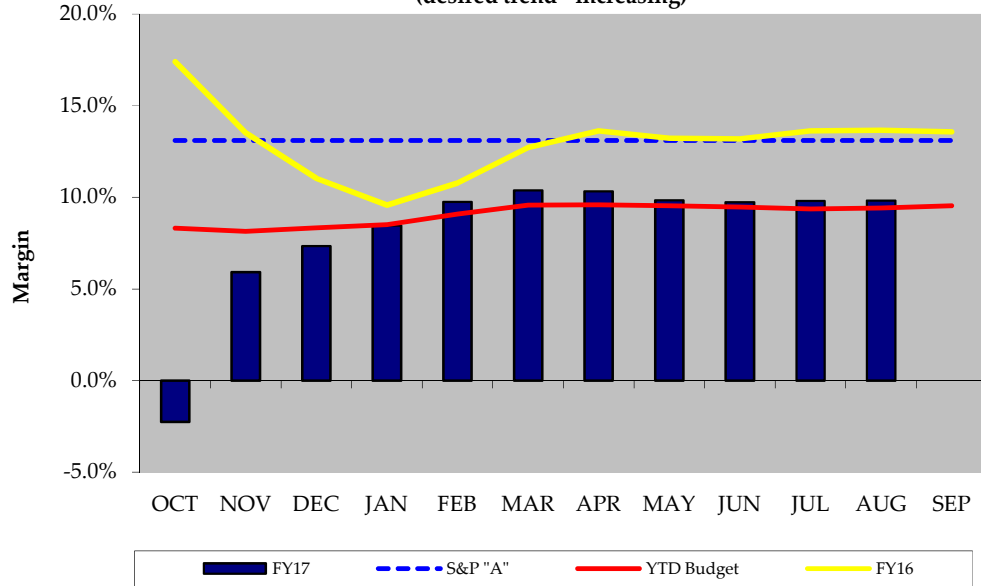
Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic

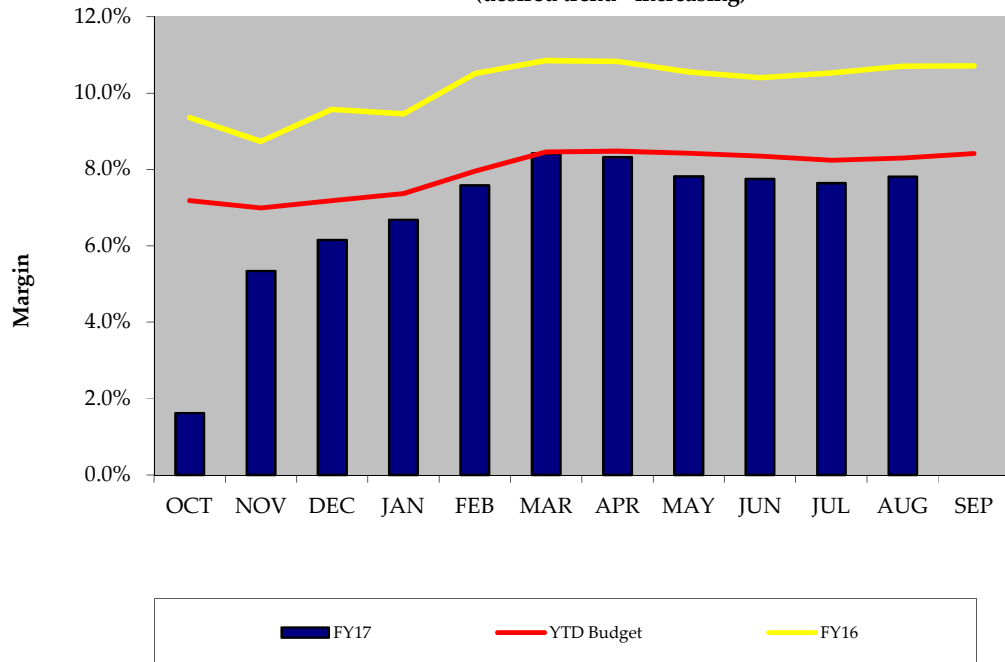
HH EBIDA Margin

(Cumulative YTD Basis)
(desired trend - increasing)



HH Adjusted Operating EBIDA Margin

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



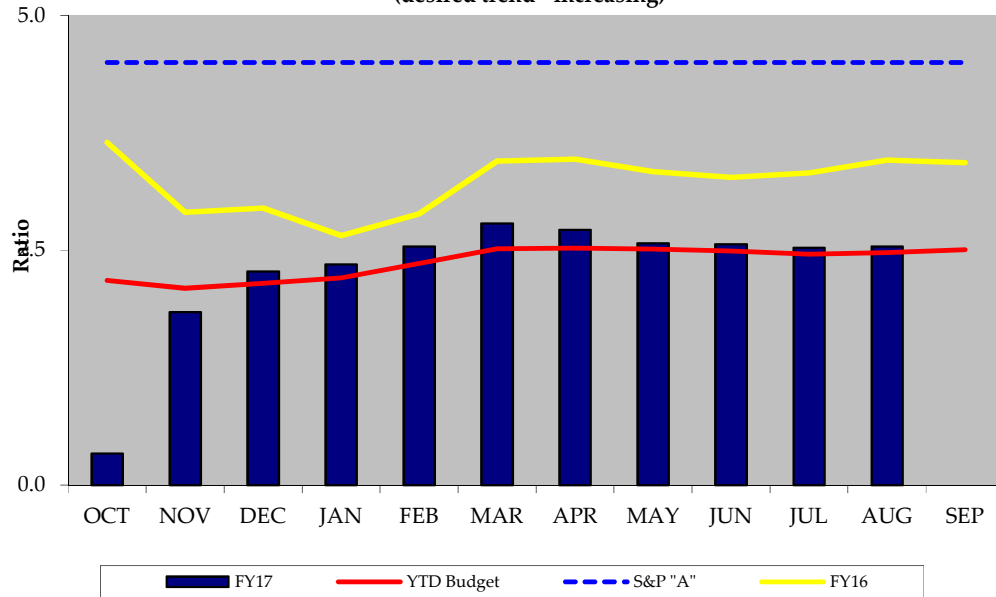
Halifax Health Financial Summary - Graphic

HH MADS Coverage Ratio

(Annualized Basis)

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

(desired trend - increasing)

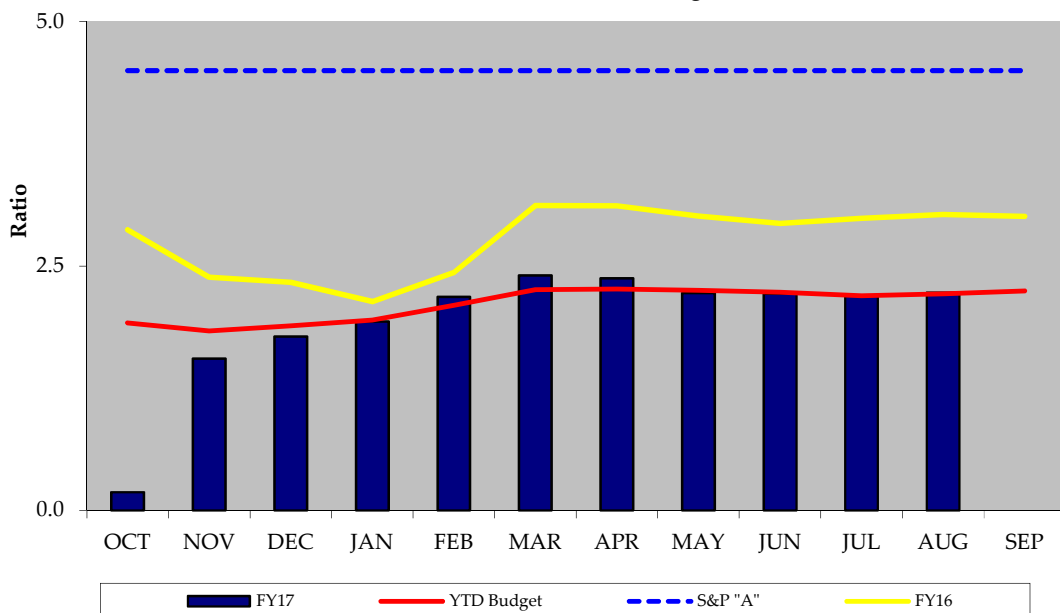


HH MADS Coverage Ratio - Operations Only

(Annualized Basis)

(Excludes nonoperating gains and losses)

(desired trend - increasing)



Halifax Health

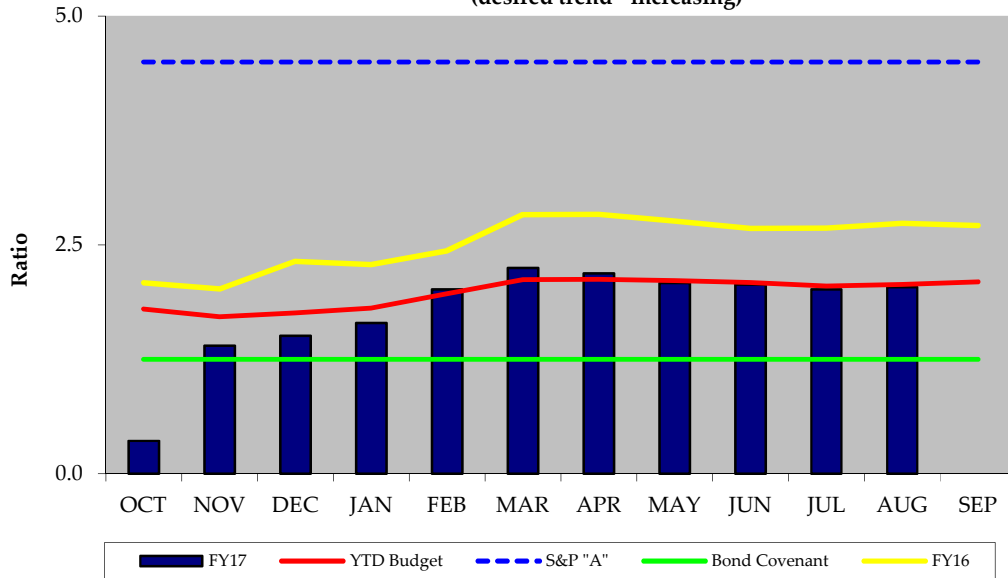
Financial Summary - Graphic

HHMC Obligated Group MADS Coverage Ratio

(Annualized Basis)

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

(desired trend - increasing)

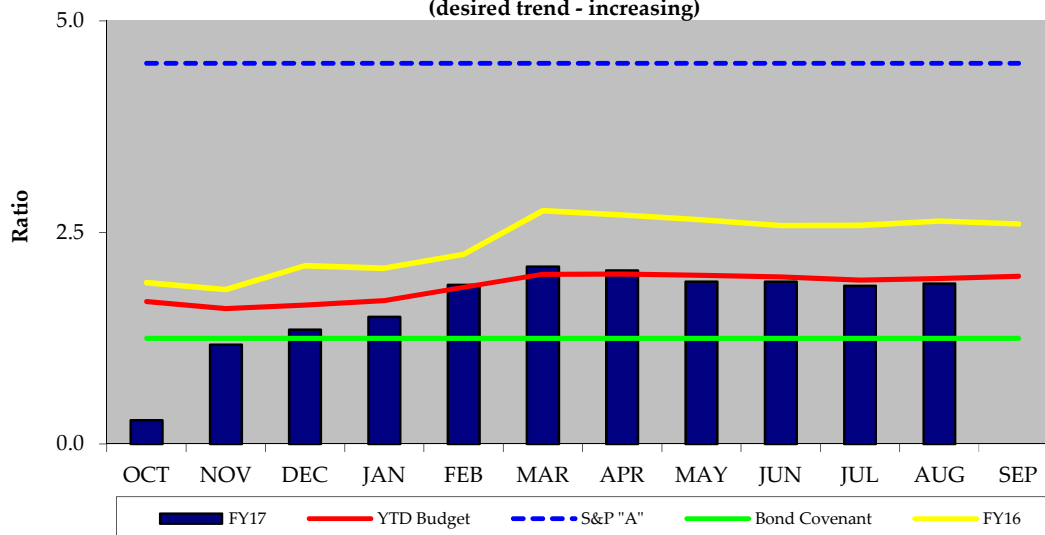


HHMC Obligated Group MADS Coverage Ratio - Operations Only

(Annualized Basis)

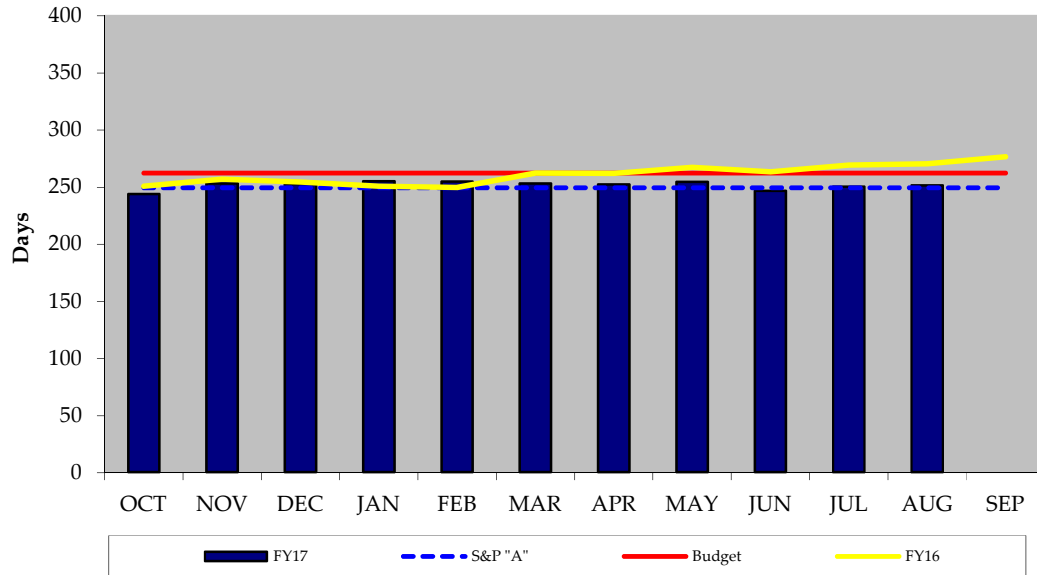
(Excludes nonoperating gains and losses)

(desired trend - increasing)

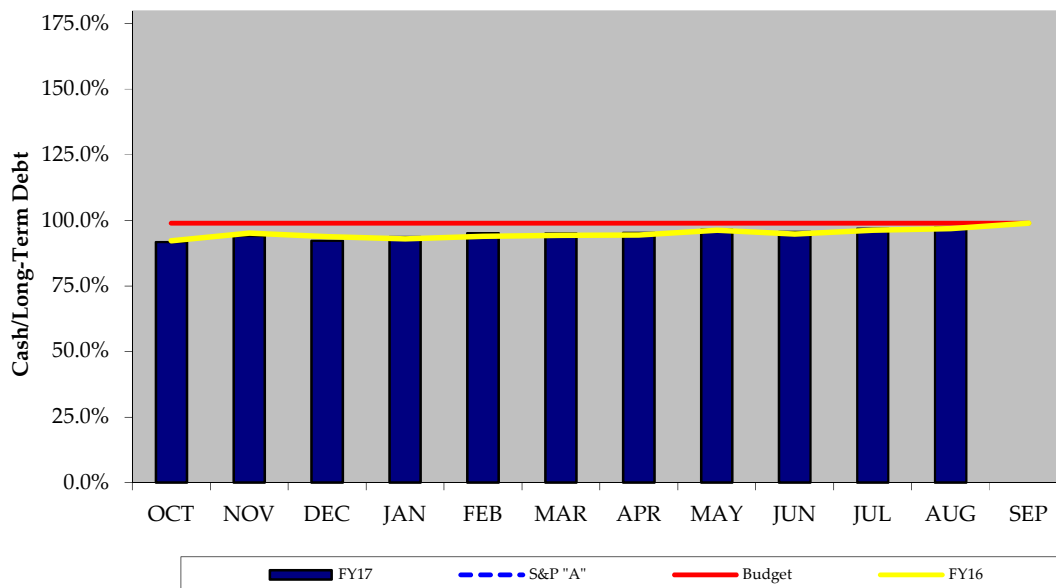


Halifax Health Financial Summary - Graphic

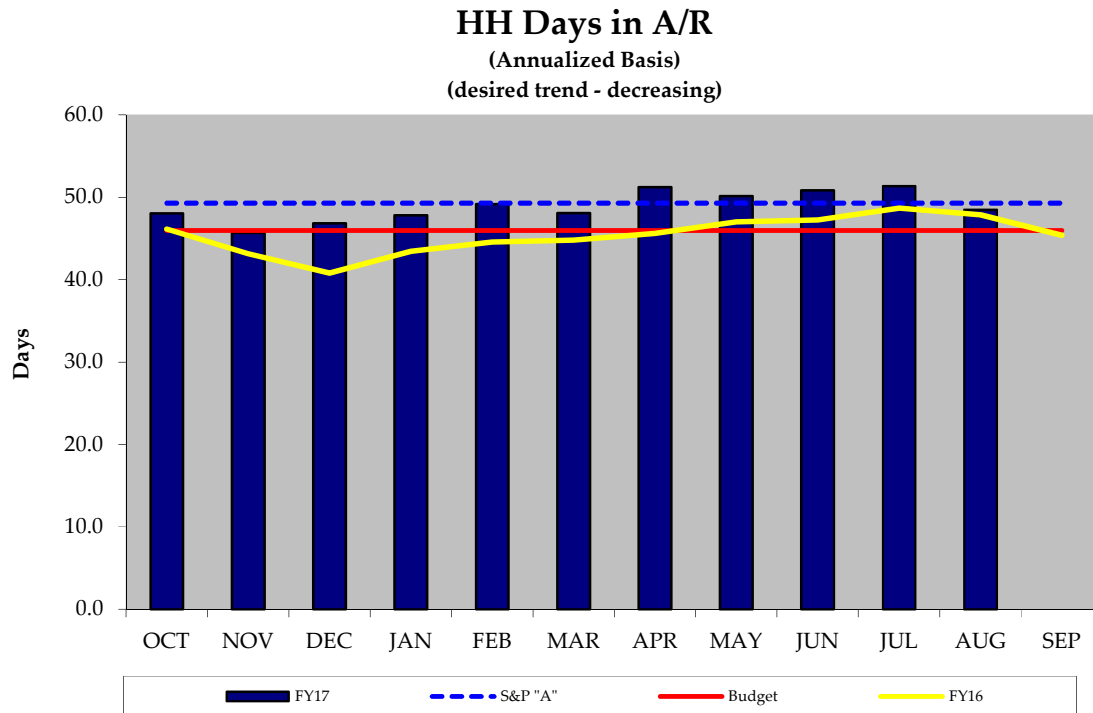
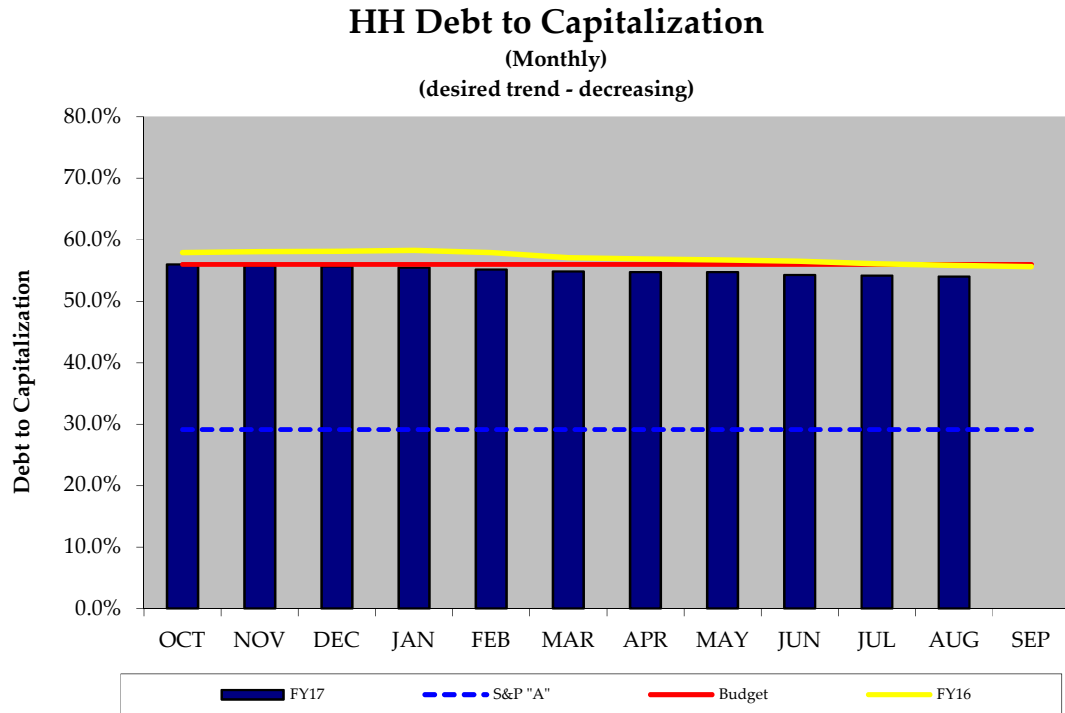
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

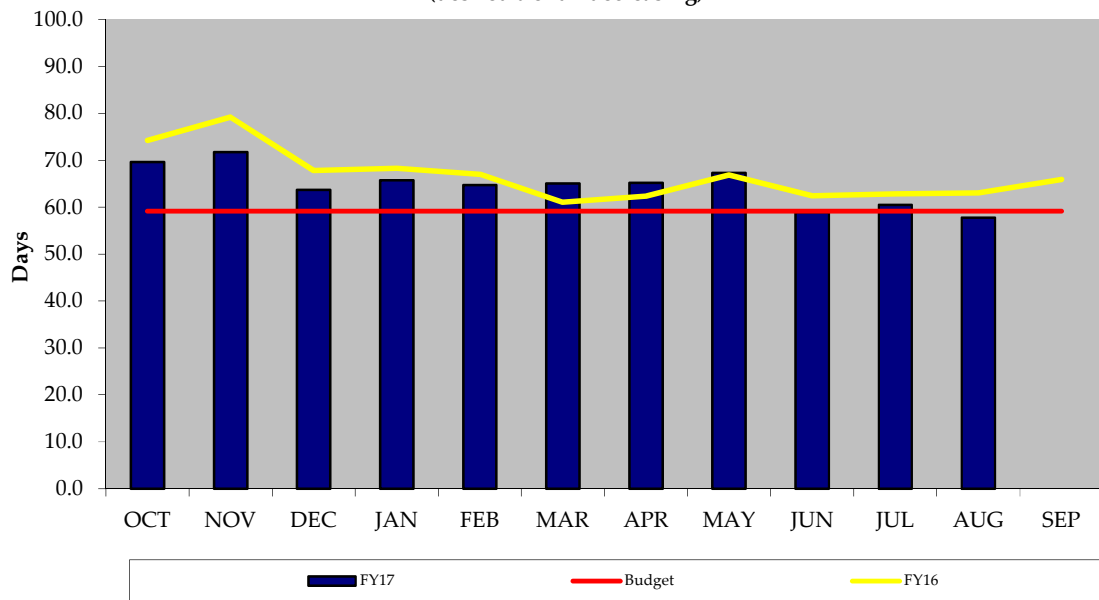


Halifax Health Financial Summary - Graphic

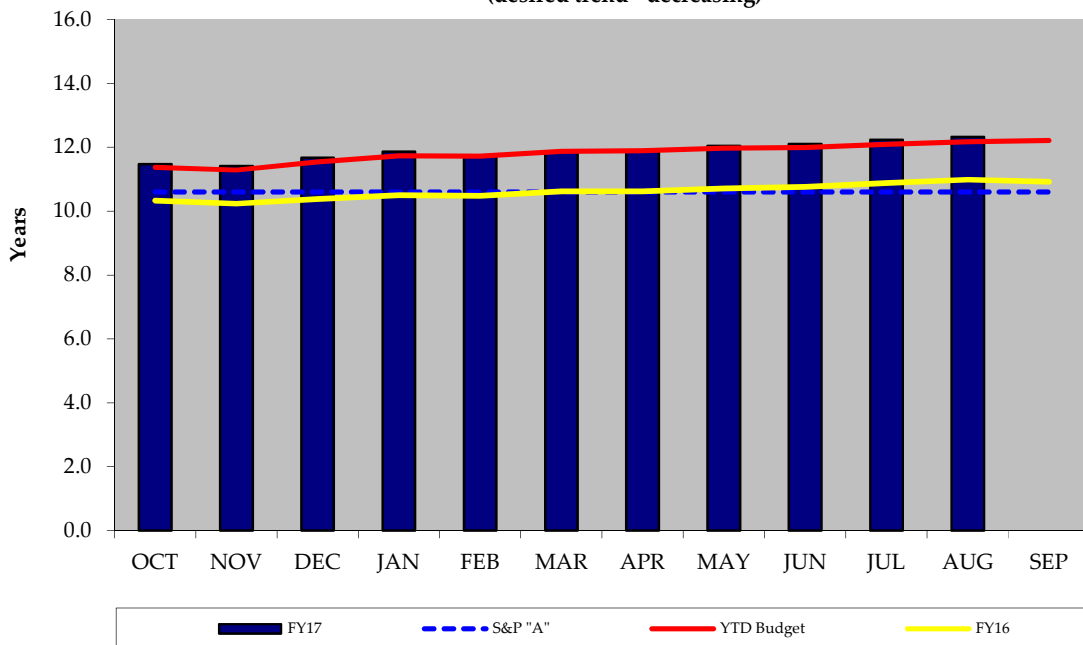


Halifax Health Financial Summary - Graphic

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
FY2017 Capital Investment Strategy
Executive Summary
As of September 30, 2017
(\$ in thousands)

Targeted Unrestricted Cash and Investments - September 30, 2018 (258 days cash on hand)	\$ 369,463
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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	\$ 22,500	=	This amount is greater than the projected capital expenditures for FY 2018
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Capital Strategy Justifications for Approval of Proposed Capital Projects:

1. The targeted unrestricted cash and investments for September 30, 2018 (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 2018 capital budget.

Halifax Health
FY2017 Capital Investment Strategy
As of September 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 September 30, 2017	\$109,558	\$161,592	\$271,150	\$36,768	\$71,456	\$377,059
Days cash on hand [S&P Calculation]	84.6	N/A	209.4	N/A	601.5	265.7
Days cash on hand including bad debt [Bond Compliance Calculation]	71.2	N/A	176.2	N/A	584.5	228.2
Projection of Cash Available for Capital Investment - FY 2018						
Actual Cash and Investments as of September 30, 2017	\$109,558	\$161,592	\$271,150	\$36,768	\$71,456	\$377,059
Budgeted Cash and Investments at September 30, 2018	92,181	164,611	256,792	37,215	75,456	369,463
Difference	17,377	(3,019)	14,358	(447)	(4,000)	7,596
Calculation of Cash from Operations Available for Capital Investment						
Gain from operations - budgeted FY 2018- Remaining	\$8,093	\$612	\$8,705	\$1,684	\$610	\$13,180
GASB 68 pension accounting - budgeted FY 2018- Remaining	5,506	-	5,506	-	72	5,578
Depreciation expense - budgeted FY 2018- Remaining	21,771	799	22,570	-	712	24,081
Expected cash from operations- budgeted FY 2018- Remaining	35,370	1,411	36,781	1,684	1,394	42,839
Donations and nonoperating gains, net- budgeted FY 2018- Remaining	-	-	-	-	692	692
Investment gains- budgeted FY 2018- Remaining	\$577	\$1,566	\$2,143	\$0	\$2,224	\$4,368
Portion being made available for capital expenditures	100% 577	100% 1,566	100% 2,143	100% -	100% 2,224	100% 4,368
Pension Funding	(17,627)	-	(17,627)	-	(1,959)	(19,585)
Expected changes in working capital through September 30, 2018	(6,660)	-	(6,660)	-	-	(6,660)
Principal payments on debt	(6,750)	-	(6,750)	-	-	(6,750)
Total expected cash and investments available for capital expenditures	(A) \$22,287	(A) (\$42)	(A) \$22,245	(A) \$1,237	(A) (\$1,649)	(A) \$22,500
Projected Capital Investments FY 2018						
Capital projects approved in FY 2017 and prior - not expended at September 30, 2017	\$14,834	\$0	\$14,834	\$0	\$78	\$14,912
FY 2017 carryover not approved by CIC	2,300	-	2,300	-	-	2,300
FY 2018 budgeted projects approved in FY 2017 or prior	(2,200)	-	(2,200)	-	-	(2,200)
FY2018 capital budget	19,700	-	19,700	-	300	20,000
Estimated carryover of approved projects to FY 2019	(13,000)	-	(13,000)	-	-	(13,000)
Projected capital expenditures	(B) 21,634	(B) -	(B) 21,634	(B) -	(B) 378	(B) 22,012
Projected funds available in excess of capital expenditures	(A)-(B) \$653	(A)-(B) (\$42)	(A)-(B) \$611	(A)-(B) \$1,237	(A)-(B) (\$2,027)	(A)-(B) \$488
Summary of Capital Approvals						
FY 2018 Capital Budget	\$19,700	\$0	\$19,700	\$0	\$300	\$20,000
Projected funds available in excess of FY 2018 Capital Investment	653	(42)	611	1,237	(2,027)	488
FY 2018 Capital Budget plus projected excess funds	(C) 20,353	(C) (42)	(C) 20,311	(C) 1,237	(C) (1,727)	(C) 20,488
FY2018 Board of Commissioners approved projects	-	-	-	-	-	-
FY 2018 CIC approved projects, net of those subsequently approved by the Board	-	-	-	-	-	-
Approved capital projects	(D) -	(D) -	(D) -	(D) -	(D) -	(D) -
Adjustments (FY 2018 board approvals, approved by CIC in FY 2017)	(E) 302	(E) -	(E) 302	(E) -	(E) -	(E) 302
Available for new projects	(C)-(D)-(E) 20,051	(C)-(D)-(E) (42)	(C)-(D)-(E) 20,009	(C)-(D)-(E) 1,237	(C)-(D)-(E) (1,727)	(C)-(D)-(E) 20,186
Project(s) proposed for Board of Commissioners approval:						
Orthopedic Hana Surgical Table	(\$93)	\$0	(\$93)	\$0	\$0	(\$93)
Orthopedic Surgical Tables (x2)	(110)	-	(110)	-	-	(110)
Orthopedic Office Acquisition	(898)	-	(898)	-	-	(898)
GI Lab Relocation	(684)	-	(684)	-	-	(684)
Urinalysis Analyzer	(100)	-	(100)	-	-	(100)
Available Capital if Proposed Projects are Approved	\$18,166	(\$42)	\$18,124	\$1,237	(\$1,727)	\$18,301

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

Halifax Health
Capital Budget
FY 2018 Budget - September 30, 2017 Evaluation
(in Thousands)

		(A)	(B)	(C)	(A)+(B)+(C)		
		FY 18 Capital Budget	FY18 Adjustments	FY 18 Activity/ Approvals	Remaining Balance as of 9/30/17	Current CIC Submitted Projects	Remaining Capital with CIC Projects Approved
Item	Information Technology						
1	IT Enterprise Projects	\$461			\$461		\$461
2	IT Internal Resource Capitalization	500			500		500
3	Laptop/Desktop Replacement (rolling 4-5 year cycle)	600			600		600
4	WOW Replacement (rolling 7 year cycle) - 50/yr.	300			300		300
5	Wireless Upgrade	350			350		350
6	PBX Room Decomission	200			200		200
7	Security Camera Upgrade to IP	150			150		150
8	Enterprise Infrastructure	439			439		439
	Total Information Technology	\$3,000	\$0	\$0	\$3,000	\$0	\$3,000
Item	Medical Equipment						
9	Brain Lab- Upgrade System (Aero CT)	\$1,800			\$1,800		\$1,800
10	VNA Imaging *	1,400		(1,400)	-		(1,400)
11	IV Pumps	800		(800)	-		0
12	Ventilators (57)	475			475		475
13	Patient Monitoring- PICU/Pediatrics	403			403		403
14	Echo Cart for EP lab	235			235		235
15	Portable X-Ray Systems (5)	185			185		185
16	Varian Accelerator Upgrade (Hardware/ Software)	156			156		156
17	Ultrasound Replacement	150			150		150
18	Diagnostic reading monitors	150			150		150
19	Patient Monitoring- HHPO Switch Upgrade	150			150		150
20	OeC OR C-Arm	125			125		125
21	Medical Equipment Emergency Purchases	1,000			1,000		1,000
22	Medical Equipment Projects under \$100,000	1,000			1,000		1,000
	Total Medical Equipment	\$8,029	\$0	(\$2,200)	\$5,829	\$0	\$5,829
Item	Infrastructure/Facilities						
23	Chilled Water Project	\$435			\$435		\$435
24	Lab roof	265			265		265
25	MSR1 Switchgear	800			800		800
26	Daytona ROC Oncology Renovation	1,500			1,500		1,500
27	Infrastructure Emergency Purchases	1,000			1,000		1,000
28	Infrastructure Projects under \$100,000	1,000			1,000		1,000
	Total Infrastructure/Facilities	\$5,000	\$0	\$0	\$5,000	\$0	\$5,000
Item	Hospice Capital Expenditures						
29	SEVC Range Hood	\$100			\$100		\$100
30	Hospice Capital	200			200		200
	Total Hospice Capital Expenditures	\$300	\$0	\$0	\$300	\$0	\$300
Item	Other						
31	Service Expansion	\$3,521			\$3,521		\$3,521
32	First Steps Shelter	150			150		150
	Subtotal Other Projects	\$3,671	\$0	\$0	\$3,671	\$0	\$3,671
	Total HH Capital Expenditures	\$20,000	\$0	(\$2,200)	\$17,800	\$0	\$17,800

* 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 2018 and Prior Approved Capital Projects and Expenditures
As of September, 2017
(\$ in thousands)

	Project Approval Date	Total Carryover and Approved	Spent During FY 2018	HMC Remaining to be Spent	HH Holdings Remaining to be Spent	Hospice Remaining to be Spent
Capital funds required for projects approved in FY 2017 and prior						
IV Pumps	9/5/2017	\$ 2,317	\$ -	\$ 2,317		
Vendor Neutral Archive (VNA) for Enterprise Imaging	8/8/2016	2,251	-	2,251		
Cath Lab Renovation	8/16/2017 *	1,800	-	1,800		
Cardiac Cath & Electrophysiology Lab Replacement	11/7/2016	1,601	-	1,601		
Fire Alarm System	3/16/2016	675	-	675		
Surgical Power Equipment- Small Bone Orthopedics	3/6/2017	471	-	471		
AHUs #1, #3, #4, #5 for OR Areas	3/6/2017	465	-	465		
Medical Oncology Expansion-Port Orange	5/1/2017	433	-	433		
Bronchoscopy Lab Construction	5/1/2017	427	-	427		
Pediatric Rehab Renovation	5/1/2017	352	-	352		
Air Handling Unit #5 for Facility Expansion Roof	8/24/2016	223	-	223		
CVICU & CPCU Renovation	12/5/2016	203	-	203		
Air Handling Unit #1 for SPD Area	8/24/2016	186	-	186		
Port Orange Equipment Refresh	2/17/2016	186	-	186		
Fairwarning Patient Privacy System	5/1/2017	182	-	182		
Brain Path Kit	5/1/2017	181	-	181		
Data Center Cooling Replacement	9/21/2016	163	-	163		
New Smyrna Beach Family Practice-Expansion	9/5/2017	138	-	138		
Outpatient Rehab JV Renovations	6/6/2016	137	-	137		
Access Control-Lenel License & Network Boards	7/10/2017	125	-	125		
Chiller #1 for HHPO	3/7/2016	123	-	123		
Plasma Pheresis Systems (Qty 5)	3/6/2017	122	-	122		
Diagnostic (Xray) Equipment Retro Fit for HHPO	7/10/2017	100	-	100		
Subtotal of approved items less than \$100k		1,748	-	1,670	78	-
Total Capital funds required for projects approved in FY 2017 and prior		\$ 14,607	\$ -	\$ 14,529	\$ 78	\$ -
Projects proposed for Board of Commissioners approval						
Orthopedic Hana Surgical Table	9/20/2017 *	\$ 93	\$ -	\$ 93		
Orthopedic Surgical Tables (x2)	8/16/2017 *	110	-	110		
Orthopedic Medical Office Acquisition		898		898		
GI Lab Relocation	10/18/2017 *	684	-	684		
Urinalysis Analyzer	8/16/2017 *	100	-	100		
Total Project(s) proposed for Board approval		\$ 1,884	\$ -	\$ 1,884	\$ -	\$ -

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

^ CIC approved project in FY 2017

CAPITAL EXPENDITURES & OPERATING LEASES

Audit & Finance Committee

September 2017

Capital Expenditures \$50,000 and over

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Development of Road & Utility Infrastructure, West of Clyde Morris	Land	80% related land sale proceeds plus 20% from Highbridge Care	\$2,530,000
Acquisition of Orthopedic Medical Office	Physician Services	Working Capital	\$898,250
Gastroenterology (GI) Relocation Project	Surgical Services	Working Capital	\$683,995
Phase I Road & Utility Infrastructure, 120 Howland Blvd.	Land	Related land sale proceeds	\$430,000
Surgical Tables	Surgical Services	Working Capital	\$109,840
Urinalysis Analyzer	Laboratory	Working Capital	\$99,590
Orthopedic Surgical Table	Surgical Services	Working Capital	\$93,057

Operating Leases \$250,000 and over

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Bill Griffin, Director, Research and Planning
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: October 26, 2017
RE: Sale of a Portion of Vacant Land West of Clyde Morris Blvd.

The vacant real estate parcel located west of Clyde Morris Blvd (across from the main campus), consisting of 77+/- acres is owned by Halifax Hospital Medical Center ("**HHMC**"). Development of a portion of this parcel is planned, including road, stormwater, and utility infrastructure.

The HHMC Board of Commissioners previously approved (June 2015) a land lease of approximately 8 acres to Highbridge Care LLC ("**Highbridge**") for the development of a traumatic brain injury/spinal cord injury ("**TBI/SCI**") post-acute rehab and a memory care assisted living facility ("**ALF**"). During the development planning, both parties believe that a land sale to Highbridge rather than a lease would be in the best interest of both parties.

The negotiated purchase price for 11.68 acres of land depicted below (the "**Sale Parcel**") is \$2,336,000 (\$200,000 per acre), subject to adjustment once the lots are platted and a survey is obtained to confirm the acreage of the Sale Parcel.

In addition, Highbridge has agreed to fund a pro rata share of the cost of constructing access road, stormwater, and utility infrastructure for the overall site. HHMC's estimated cost of road, stormwater, and utility infrastructure is \$2,530,000, of which approximately 20% is to be paid by Highbridge, resulting in a total purchase price of \$2,852,880.00 (i.e. \$2,336,000 for the land and \$516,880.00 for Highbridge's pro rata share of the infrastructure construction costs). If the infrastructure construction contract comes in for less than the \$2,530,000, or if the survey establishes the Sale Parcel is less than 11.68 gross acres, Highbridge's contribution amount would decrease pro rata.

Additional background on proposed sale:

- This west Clyde Morris land was donated to the Halifax Hospital District in 1935, the book value includes the investment made for wetland mitigation
- Highbridge's proposed use: post-acute care spinal cord/traumatic head injury and memory care ALF.
- Provides new and needed service to our area with 30 TBI/SCI beds for post-acute care and a 20 bed transitional housing for these patients, also up to a 60 bed memory care ALF for those suffering from Alzheimer's disease and related disorders, with up to 115,000 enclosed square feet. Highbridge would reserve the right for a future Phase II project consisting of 30 TBI/SCI beds and 40 beds for transitional programs, up to an additional 52,000 enclosed square feet.
- Highbridge would make good faith efforts to make 1 TBI/SCI bed and 2 memory care ALF beds available to the District for uncompensated patient care (subject to reasonable availability)
- Complements Halifax Health existing services in trauma, stroke and brain injury

- HHMC has certain architectural design review and approval rights regarding Highbridge's development.
- Initiates development of the overall site to attract other interest/development
- Net Gain on sale – Approximately \$2 million

We request the Halifax Hospital Medical Center Board of Commissioners provide approval to:

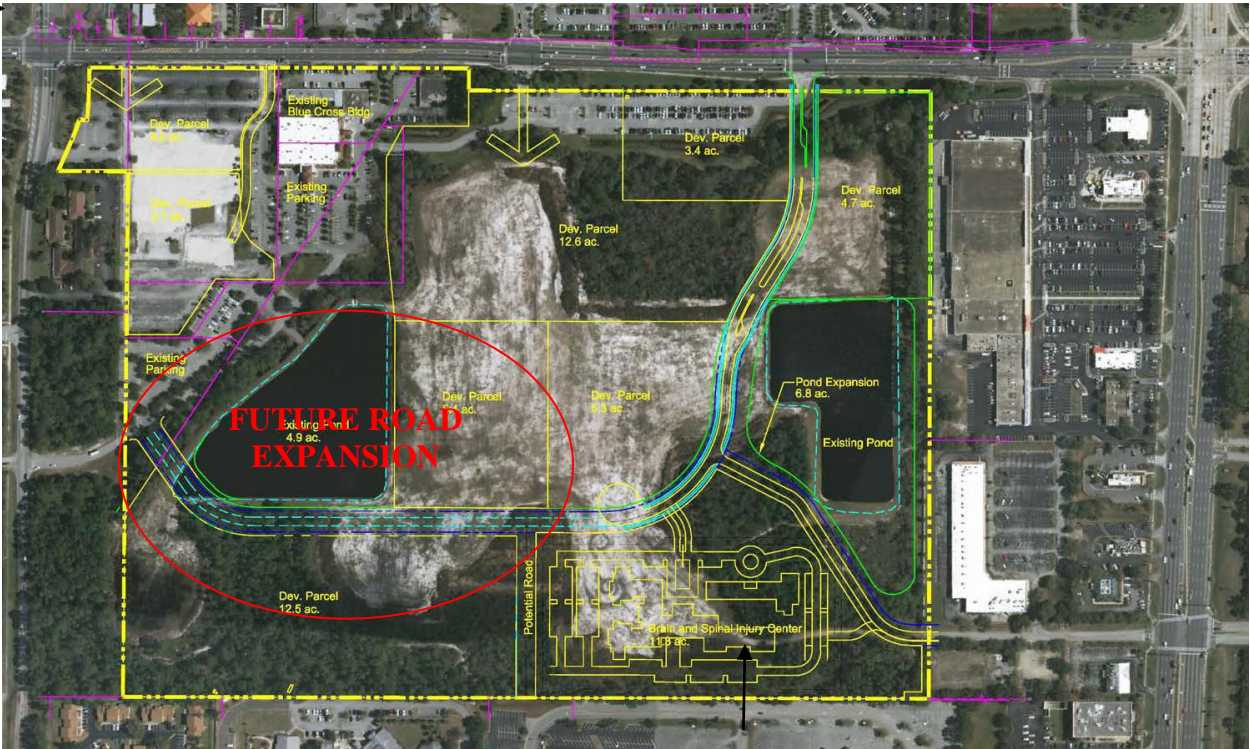
- 1. Sell the real estate parcel described above and authorize the Chief Executive Officer or the Chief Financial Officer to execute any related sales documents or agreements, plats, property owner's association documents, and related development approval documents.**
- 2. Incur capital costs of up to \$2,530,000 for the development of road, stormwater, and utility infrastructure for the overall site.**

{Proposed Site Map On Next Page}

Proposed Site West of Main Campus on Clyde Morris Blvd

ISB
↓

Clyde Morris Blvd →



Proposed Site



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Bill Griffin, Director, Research and Planning
Jeanne Connelly, Executive Director, Physician Services
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: October 17, 2017
RE: Acquisition of Orthopedic Medical Office

Halifax Health is pursuing a strategic direction to develop a closely affiliated orthopedic service to best position Halifax Health to meet the access needs and choice options for the residents of the service area in need of orthopedic services and fulfill its mission. Orthopedics is a major service line requiring a closely affiliated relationship to meet the expectations of payers and patients for high value as demonstrated by positive outcomes and reduced cost of care.

CMS (Medicare/Medicaid) is rapidly moving to a bundled payment approach for orthopedic services. This methodology requires committed and active management to best practice care models to deliver quality outcomes and efficiency. The bundled payments include all the care associated with high volume orthopedic procedures (i.e., joint replacements), including pre hospital care and post hospital rehabilitation and recovery care. Successful performance under this methodology requires orthopedic surgeons to be committed and involved in the protocol development and management.

The most effective and efficient means of achieving this strategic position is to employ and partner with orthopedic physicians to create, implement and manage the system of orthopedic surgical services. Employing an established orthopedic surgeon provides the foundation for the recruitment of the next generation of orthopedic surgeons to meet the needs of our residents and the strategic direction of Halifax Health.

The integration of the practice of Dr. Norman Seltzer provides a well-respected, experienced orthopedic surgeon who has the capacity for an additional surgeon in his practice. Dr. Seltzer will enter into an employment agreement and continue to provide medical services in the purchased medical office.

The real estate has been appraised and the appraisals (3) support the real estate negotiated purchase price. The equipment and furnishings have also been appraised and the negotiated amount is supported by the appraisal.

We request that the Halifax Hospital Medical Center Board approve the acquisition of Dr. Seltzer's real estate, equipment and furnishing as reflected below.

TOTAL CAPITAL COSTS

Office real estate (614 N. Peninsula Drive, Daytona Beach)	\$853,000
Office equipment, furnishings and IT infrastructure	<u>45,250</u>
Total	<u>\$898,250</u>



Halifax Health

Project Evaluation

Orthopedic Medical Office

Chief Financial Officer:	Eric Peburn
Executive Director, Physician Services:	Jeanne Connelly
Director, Research and Planning:	Bill Griffin
Finance Analysis by:	Steve Mach

Summary

Purpose:

The project is for the acquisition of an Orthopedic Medical Office and equipment.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	X
Image	X
Efficiency	

Investment Request for Approval **\$898,250**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Matt Petkus, Vice President Surgical Services
DATE: October 19, 2017
RE: Gastroenterology (GI) Relocation Project

Halifax Health Surgical Services is requesting funds to renovate space on the third floor of the Fountain building adjacent to the main operating room for the relocation of GI procedure services. The relocation project includes building two procedural suites and a cleaning room for scopes.

The project will improve operating efficiencies while enhancing patient and surgeon satisfaction. The operating efficiencies will provide an estimated internal rate of return of 39% and a payback of project costs of 2.1 years.

This project was approved by the Capital Investment Committee on October 18, 2017.

TOTAL CAPITAL COSTS	<u>\$683,995</u>
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Halifax Health Project Evaluation

Relocation of Gastroenterology (GI) Lab

Chief Operating Officer:	Mark Billings
Vice President, Surgical Services:	Matt Petkus
Director, Surgical Services:	Deborah Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will relocate two GI procedural suites and a cleaning room adjacent to the third floor Main Operating Room.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	X
Image	X
Efficiency	X

Investment/Return:

	Investment Cash Flow	Operations Cash Flow	Cumulative Cash Flow
Year 0 ¹	(\$683,995)	\$0	(\$683,995)
Year 1	\$0	\$321,469	(\$362,526)
Year 2	\$0	\$327,898	(\$34,628)
Year 3	\$0	\$334,456	\$299,827
Year 4	\$0	\$341,145	\$640,972
Year 5	\$0	\$347,968	\$988,940
Terminal Value ²	\$0	\$0	\$988,940

Decision Metrics

Required rate of Return	7.5%
Internal Rate of Return (IRR)	39.0%
5 Year Net Present Value (NPV)	\$664,078
Payback Period (in Years)	2.1

Investment Request for Approval **\$683,995**

¹ Includes capital acquisition and project startup costs

² Terminal value is estimated at \$0 for evaluation purposes.



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: October 17, 2017
RE: Sale of portion of Deltona parcel 120 Howland Blvd.

The real estate parcel located at 120 Howland Boulevard, Deltona, consisting of 12.5 acres is owned by H.H. Holdings, Inc. (Holdings). Development of this parcel is being planned, including road and utility infrastructure.

Holdings has been approached by two potential buyers to sell approximately 5 acres of the 12.5 acre parcel. Utilizing the assistance of outside legal counsel, Holdings negotiated the 'highest and best offer' from the two buyers of \$375,000 per acre, for a total purchase price of \$1,875,000.

In addition, the potential buyer has agreed to fund a pro rata share of the cost for infrastructure of access road, utilities and platting. Estimated cost of Phase 1 road and utility infrastructure is \$787,000, the not to exceed prorata portion to be paid by Holdings is \$430,000.

Additional background on proposed sale:

- Buyer's proposed use: grocery and related retail
- Remaining parcel for Holdings development is approximately 5.9 acres, for urgent care, physician offices and support services
- Approximately 0.425 acres allocated for entry road and storm water retention

Evaluation of proposed selling price:

- Cost basis of land to be sold - \$1,175,200
- Net gain on sale – Approximately \$750,000

We request the H. H. Holdings, Inc. Board of Directors provide approval to:

- 1. Sell the real estate parcel described above and authorize the Chief Executive Officer or the Chief Financial Officer to execute any related sales documents or agreements.**
- 2. Incur capital costs of up to \$430,000 for the development of road and utility infrastructure for the property.**

Proposed Site





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
Matt Petkus, Vice President Surgical Services
DATE: September 18, 2017
RE: Surgical Tables

Halifax Health Surgical Services is requesting funds to purchase two (2) surgical tables. The tables are needed to replace tables that have been removed from service because they cannot be repaired. The tables are more than 18 years old and repair parts are no longer available.

The new tables have a 650 pound weight capacity, provide additional safety features and accommodates full-length C-arm imaging in the operating room. The surgical tables will be used for a variety of surgeries including orthopedic and neurosurgery.

The project was approved at the Capital Investment Committee meeting on August 16, 2017.

TOTAL CAPITAL COSTS \$109,840



Halifax Health Project Evaluation

Orthopedic Surgical Tables (2)

Chief Operating Officer:	Mark Billings
Vice President Surgical Services:	Matt Petkus
Director, Surgical Services:	Deb Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to replace two (2) Orthopedic Surgical tables. The new model includes updated safety features and increased weight capacity.

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	

Investment Request for Approval **\$109,840**

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: September 18, 2017
RE: Urinalysis Analyzer

Halifax Health Laboratory is requesting funds to purchase a urinalysis analyzer. The current analyzer is in excess of 10 years old and has required frequent repairs.

The urinalysis analyzer is used to perform routine and STAT (immediate) analysis on urine specimens to determine infection or metabolic disorders. Urine analysis is one of the most highly requested STAT tests in the laboratory. Both the emergency department and the obstetrics emergency department rely on a timely turnaround time for patient throughput. The analyzer also performs body fluid analysis on cerebrospinal, pleural, peritoneal and synovial fluids.

The project was approved at the Capital Investment Committee meeting on August 16, 2017.

TOTAL CAPITAL COST \$99,590



Halifax Health Project Evaluation

Urinalysis Analyzer

Chief Operating Officer:	Mark Billings
Sr. Vice President, Operations:	Alberto Tineo
Manager, Lab:	Laurie Koelker
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to replace urine analyzer used by the Lab department.

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	

Investment Request for Approval \$99,590

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
Matt Petkus, Vice President Surgical Services
DATE: October 17, 2017
RE: Orthopedic Surgical Table

Halifax Health Surgical Services is requesting funds to purchase a Hana orthopedic specialty table. This table is used primarily when performing anterior approach hip replacements.

Anterior approach hip replacement has become increasingly popular with patients due to the reduced muscle trauma, lessened blood loss, shorter hospital stay and reduced recuperation period. Due to the increase in these procedures, scheduling delays for these procedures have occurred.

The project was approved at the Capital Investment Committee meeting on September 20, 2017.

TOTAL CAPITAL COSTS \$93,057



Halifax Health Project Evaluation

Hana Orthopedic Surgical Table

Chief Operating Officer:	Mark Billings
Vice President Surgical Services:	Matt Petkus
Director, Surgical Services:	Deb Moore
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to add a Hana orthopedic surgical table used in anterior approach hip replacement surgery.

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	X
Image	
Efficiency	

Investment Request for Approval **\$93,057**

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

**Halifax Health Medical Center
Capital Disposals
OCTOBER 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
50799	BARCODE SCANNER	CATH LAB	04/22/99		2,000.00	-
59199	21" MEDICAL GRADE MONITOR	EP/PACER	04/26/17		2,950.00	-
55085	TOPSIDER KIT (infection control cube)	FACILITY OPERATIONS	12/01/05		2,750.25	-
45842	UPPER BODY ERGOMETER	PULMONARY REHABILITATION	05/04/94		2,464.50	-
45839	UPPER BODY ERGOMETER	CARDIAC REHABILITATION	05/04/94		2,464.50	-
52495	TEE TRANSDUCER	ECHO	03/03/11		28,000.00	-
49515	BIRTHING BED	LABOR & DELIVERY	08/17/98		9,369.60	-
49522	BIRTHING BED	LABOR & DELIVERY	08/17/98		9,369.60	-
55516	VITAL SIGNS MONITOR	HHPO ED	11/20/06		2,432.10	-
55513	VITAL SIGNS MONITOR	HHPO ED	11/20/06		2,432.10	-
56012	BIZHUB 350 COPIER	HHPO ED	02/01/07		3,160.00	-
50798	BARCODE SCANNER	CATH LAB	04/22/99		2,000.00	-
58073	SOFABED	5 NORTH	06/30/09		1,848.77	-
58084	SOFABED	5 NORTH	06/30/09		1,848.77	-
58092	SOFABED	5 NORTH	06/30/09		1,848.77	-
57561	RECLINER	5 NORTH	06/30/09		1,425.00	-
57562	RECLINER	5 NORTH	06/30/09		1,425.00	-
57563	RECLINER	5 NORTH	06/30/09		1,425.00	-
57564	RECLINER	5 NORTH	06/30/09		1,425.00	-
57565	RECLINER	5 NORTH	06/30/09		1,425.00	-
57566	RECLINER	5 NORTH	06/30/09		1,425.00	-
57567	RECLINER	5 NORTH	06/30/09		1,425.00	-
57570	RECLINER	5 NORTH	06/30/09		1,425.00	-
57571	RECLINER	5 NORTH	06/30/09		1,425.00	-
57572	RECLINER	5 NORTH	06/30/09		1,425.00	-
57573	RECLINER	5 NORTH	06/30/09		1,425.00	-
57577	RECLINER	5 NORTH	06/30/09		1,425.00	-
57579	RECLINER	5 NORTH	06/30/09		1,425.00	-
57580	RECLINER	5 NORTH	06/30/09		1,425.00	-
57581	RECLINER	5 NORTH	06/30/09		1,425.00	-
57582	RECLINER	5 NORTH	06/30/09		1,425.00	-
57583	RECLINER	5 NORTH	06/30/09		1,425.00	-
57584	RECLINER	5 NORTH	06/30/09		1,425.00	-
57585	RECLINER	5 NORTH	06/30/09		1,425.00	-
57587	RECLINER	5 NORTH	06/30/09		1,425.00	-
57588	RECLINER	5 NORTH	06/30/09		1,425.00	-
57589	RECLINER	5 NORTH	06/30/09		1,425.00	-
57590	RECLINER	5 NORTH	06/30/09		1,425.00	-
57592	RECLINER	5 NORTH	06/30/09		1,425.00	-
57593	RECLINER	5 NORTH	06/30/09		1,425.00	-
57594	RECLINER	5 NORTH	06/30/09		1,425.00	-
56514	AUTO-PRINT BAGGING SYSTEM	PHARMACY	07/02/07		19,300.00	-
35100	PROJECT SCREEN	MEDICAL STAFF SERVICES	10/01/87		1,502.16	-

Total to be Disposed: \$ 132,791.12 \$ -

**Halifax Health Medical Center
Capital Disposals
September 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
47118	LAMINAR FLOOD HOOD	PHARMACY	05/11/95		5,372.00	-
39396	CARPET EXTRACTOR W/ATTACH	ENV. SERVICES	02/14/90		1,889.00	-
45554	EXTRACTOR SELECTRIC	ENV. SERVICES	03/24/94		3,479.15	-
45899	VACUUM WIDE AREA W/ATTACH	ENV. SERVICES	05/13/94		1,450.00	-
46250	EXTRACTOR SELECTRIC	ENV. SERVICES	04/22/94		3,225.00	-
50174	BURNISHER	ENV. SERVICES	11/27/02		4,846.87	-
48525	EXTRACTOR SELECTRIC	ENV. SERVICES	05/30/94		3,225.00	-
57728	HELD HP SERVER BLADES	I.T.	06/30/09		21,540.98	-
59059	HELD HP SERVER BLADES	I.T.	11/23/11		38,000.00	-
56970	AMSCO TABLE	L & D	10/31/08		18,970.00	-
58516	HELD HP SERVER BLADES	I.T.	09/30/09		8,497.00	-
58517	HELD HP SERVER BLADES	I.T.	10/02/09		25,786.82	-
63009-12	10FT NORTEL STACKING CABLE	I.T.	06/30/09		987.87	-
45893	MAIL OPENER AUTO	PBFS ADMINISTRATION	05/04/94		1,993.25	-
56004	KUBE TOPSIDER ENCLOSURE	FACILITY OPERATIONS	02/14/07		1,045.93	-
56005	KUBE TOPSIDER ENCLOSURE	FACILITY OPERATIONS	02/14/07		1,045.93	-
56006	KUBE TOPSIDER ENCLOSURE	FACILITY OPERATIONS	02/14/07		1,045.93	-
56997	CT MARKER SET	RADIATION ONCOLOGY	12/19/08		2,333.00	-
54736	PACKAGING SYSTEMS/SOLIDS	PO PHARMACY	11/17/06		14,357.50	-
54737	PACKAGING SYSTEMS/LIQUIDS	PHARMACY	07/05/05		16,309.75	-
56759	FUJITSU LIFE BOOK LAPTOP W/SIGNATURE PAI HIM		02/25/08		1,774.23	-
48067	ICE MACHINE	CVICU	10/31/97		3,550.16	-
54386	ZOLL M SERIES BIPHASIC DEFIB/MONITOR	CVICU	06/29/04		9,883.88	-
50980	MED CART	7 EAST	03/09/00		2,199.00	-
50981	MED CART	7 EAST	03/09/00		2,199.00	-
54208	MINOLTA COPIER	LAB	02/20/04		4,437.00	-
56645	CYTOFUGE STAT SPIN	LAB HEMATOLOGY	10/02/07		2,995.00	-
54269	COPIER	FACILITY OPERATIONS	04/06/04		4,437.00	-
54554	MINOLTA DI251 COPIER	FACILITY OPERATIONS	04/06/04		2,987.00	-
41518	WATER CONDITIONER	FACILITY OPERATIONS	03/25/91		4,295.00	-
41622	CULLIGAN WATER SOFTNER	FACILITY OPERATIONS	03/25/91		4,095.00	-
46976	TRACTOR JOHN DEERE	FACILITY OPERATIONS	04/27/95		2,499.00	-
35096	CARPET & TILE IN MAINTENANCE OFFICE	FACILITY OPERATIONS	10/01/87		1,426.81	-
49766	RETRACTOR DIAMOND FLEX LIVER	OR	09/26/01		1,481.57	-
50371	RETRACTOR DIAMOND FLEX LIVER	OR	01/26/98		1,486.62	-
55417	AUTOMATED SINGLE SLIDE STAINER	ORMOND LAB	07/18/06		2,150.00	-
54456	INCUBATOR BID	MICRO-LAB	11/09/04		4,645.00	-
56974	ENDO CLIP APPLIER	OR	09/19/08		1,182.00	-
56975	ENDO CLIP APPLIER	OR	09/19/08		1,380.00	-
Total to be Disposed:					\$ 234,504.25	\$ -

Halifax Health Audit & Finance Committee

Request Tracker/Checklist

Meeting Date	Request	Projected Timeline	Frequency of Future Updates/Reports	Completed (Y/N)	Other
April 28, 2017	Center for Rehabilitation Service Line Report and Annual Update	Changed from November 1, 2017 to January 3, 2018	Annually, Same Timeframe		Will include fiscal year-end reporting when presented in January 2018

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF HALIFAX HOSPITAL MEDICAL CENTER, AS THE OBLIGATED GROUP REPRESENTATIVE, ON BEHALF OF THE OBLIGATED GROUP COMPRISED OF HALIFAX HOSPITAL MEDICAL CENTER AND H.H. HOLDINGS, INC. DECLARING THE OFFICIAL INTENT OF THE OBLIGATED GROUP TO REIMBURSE ITSELF FROM THE PROCEEDS OF DEBT TO BE ISSUED FOR EXPENSES TO BE INCURRED WITH RESPECT TO THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND IMPROVEMENT OF HOSPITAL FACILITIES TO INCLUDE ALL REQUIRED SUPPORT INFRASTRUCTURE AND ANCILLARY SERVICES FOR A FULL SERVICE ACUTE CARE HOSPITAL LOCATED IN DELTONA, FLORIDA; PROVIDING CERTAIN FINDINGS AND AUTHORIZATIONS WITH RESPECT TO THE FOREGOING; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Halifax Hospital Medical Center ("HHMC") that:

Section 1. Authority. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 2003-374, laws of Florida, as amended, and other applicable provisions of law.

Section 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meaning as ascribed to them in the Master Trust Indenture dated as of June 1, 2006 (the "Master Indenture"), between HHMC, as the Obligated Group Representative on behalf of the Obligated Group thereunder (in such capacity, the "Obligated Group Representative"), and Wells Fargo Bank, National Association, as Master Trustee (in such capacity, the "Master Trustee").

Section 3. Findings.

(a) Pursuant to Section 2.03 of the Master Indenture, HHMC is designated as the Obligated Group Representative and is appointed as the agent of the Members of the Obligated Group with the power to prepare and execute on behalf of the Obligated Group documents in connection with the issuance of Obligations and Related Bonds.

(b) In connection with the acquisition, construction, renovation, equipping and improvement of healthcare facilities of the Obligated Group, including, but not limited to hospital facilities to include all required support infrastructure and ancillary

services for a full service acute care hospital located in Deltona, Florida (the "Project"), the Obligated Group expects to incur expenses for which the Obligated Group or an affiliate will advance internal funds.

(c) The Obligated Group intends to reimburse itself for all or a portion of such expenses related to the Project from the proceeds of debt to be issued on behalf of the Obligated Group.

Section 4. Declaration of Official Intent. HHMC, as the Obligated Group Representative, for and on behalf of the Obligated Group, hereby declares the official intent to be reimbursed from the proceeds of debt to be issued on behalf of the Obligated Group for expenses incurred with respect to the Project within 60 days prior to the date of this Resolution and subsequent to the date of this Resolution. This Resolution is intended as a declaration of official intent under Treasury Regulation Section 1.150-2. The debt to be issued to finance the Project is expected not to exceed an aggregate principal amount of \$115,000,000.

Section 5. Authorizations. The Chairman or Vice Chairman and Secretary or Assistant Secretary of HHMC are hereby authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts, as may be necessary or appropriate for the full, punctual and complete performance of all the matters contemplated herein, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

Passed and Adopted in public session of the Board of Commissioners of Halifax Hospital Medical Center this ____ day of _____, 2017.

HALIFAX HOSPITAL MEDICAL CENTER

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS OF HALIFAX MANAGEMENT SYSTEMS, INC. DECLARING THE OFFICIAL INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF TAX-EXEMPT DEBT TO BE ISSUED FOR EXPENSES TO BE INCURRED WITH RESPECT TO THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND IMPROVEMENT OF HOSPITAL FACILITIES TO INCLUDE ALL REQUIRED SUPPORT INFRASTRUCTURE AND ANCILLARY SERVICES FOR A FULL SERVICE ACUTE CARE HOSPITAL LOCATED IN DELTONA, FLORIDA; PROVIDING CERTAIN FINDINGS AND AUTHORIZATIONS WITH RESPECT TO THE FOREGOING; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Halifax Management Systems, Inc. (the "Corporation") that:

Section 1. Authority. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 2003-374, laws of Florida, as amended, and other applicable provisions of law.

Section 2. Findings.

(a) In connection with the acquisition, construction, renovation, equipping and improvement of healthcare facilities of the Corporation, including, but not limited to hospital facilities to include all required support infrastructure and ancillary services for a full service acute care hospital located in Deltona, Florida (the "Project"), the Corporation expects to incur expenses for which the Corporation or an affiliate will advance internal funds.

(b) The Corporation intends to reimburse itself for all or a portion of such expenses related to the Project from the proceeds of debt to be issued on behalf of the Corporation.

Section 3. Declaration of Official Intent. The Corporation hereby declares the official intent to be reimbursed from the proceeds of debt to be issued on behalf of the Corporation for expenses incurred with respect to the Project within 60 days prior to the date of this Resolution and subsequent to the date of this Resolution. This Resolution is intended as a declaration of official intent under Treasury Regulation Section 1.150-2. The debt to be issued to finance the Project is expected not to exceed an aggregate principal amount of \$115,000,000.

Section 4. Authorizations. The President, Vice President, Secretary, Assistant Secretary, and such other officers and employees of the Corporation as may be designated by

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the President or Vice President are hereby authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts, as may be necessary or appropriate for the full, punctual and complete performance of all the matters contemplated herein, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

Section 5. Effective Date. This Resolution shall become effective immediately upon its adoption.

Passed and Adopted in public session of the Board of Directors of Halifax Management Systems, Inc. this ____ day of _____ 2017.

HALIFAX MANAGEMENT SYSTEMS, INC.

(SEAL)

By: _____

ATTEST:

By: _____



HALIFAX HEALTH

To: Jeff Feasel, President & CEO
From: Eric Peburn, Executive Vice President & Chief Financial Officer
CC: Lisa Tyler, Corporate Controller
Date: October 23, 2017
Re: Banking and Treasury Services

Halifax Health Accounting Department is requesting the Finance Committee and Board of Commissioners' approval to proceed with the addition of a relationship for banking and treasury services with US Bank.

Halifax Health entered into an agreement with AthenaHealth to become the provider for EMR and Practice Management Services. Based on their existing relationship and program specifications, it is recommended that we utilize their relationship with US Bank for deposit purposes to achieve optimum cost and time saving features of their system configurations.



HALIFAX HEALTH

To: Jeff Feasel, President & CEO
From: Eric Peburn, Executive Vice President & Chief Financial Officer
CC: Vivian Gallo, General Counsel
Lisa Tyler, Corporate Controller
Date: October 25, 2017
Re: Banking and Treasury Services – Intracoastal Bank

Halifax Health Accounting Department, on behalf of the Medical Staff, is requesting the Finance Committee and Board of Commissioners' approval to proceed with the addition of a relationship for banking and treasury services for the benefit of Medical Staff with Intracoastal Bank.

The Medical Staff would like to develop this relationship based on Intracoastal Bank's focus on the community and local customer service.

Halifax Health Committee Meetings, 2018 Schedule

Finance, Audit, Investment, Orientation/Strategic Planning, Board of Commissioners (All Meetings - 4 p.m., France Tower, Conference Room A)

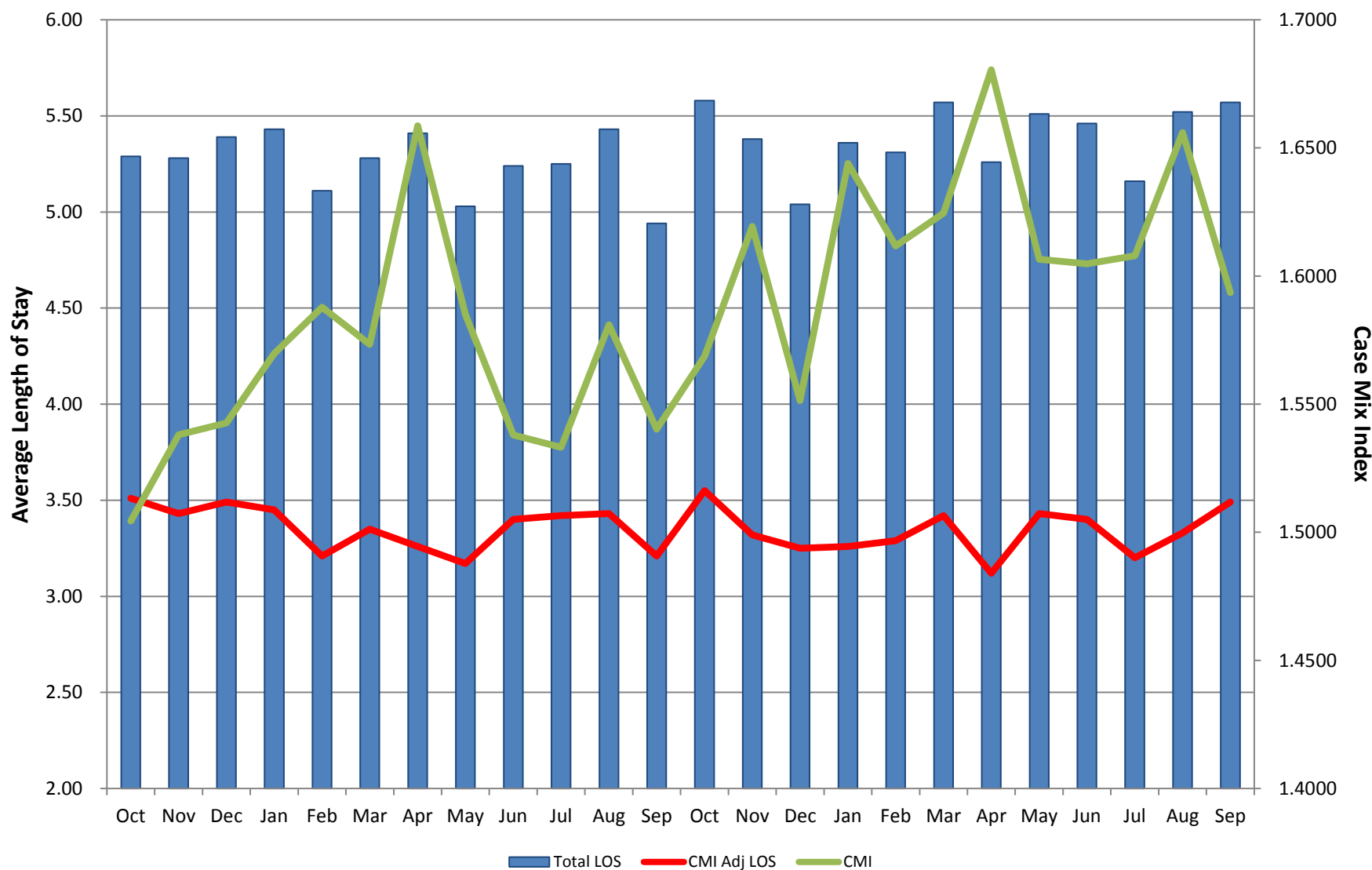
Month	Month End Financial ¹	Date	Investment Committee	Audit Committee	Finance Committee	Orientation/Strategic Planning	Board of Commissioners
January	11/30/17	Wednesday, January 3, 2018		X	X		
		Monday, January 8, 2018					X
February	12/31/2017 *	Monday, February 5, 2018				X	
		Monday, February 12, 2018	X				
		Wednesday, February 28, 2018			X		
March	1/30/18	Monday, March 5, 2018					X
April	3/31/18	Monday, April 2, 2018				X	
May		Wednesday, May 2, 2018		X	X		
		Monday, May 7, 2018					X
		Monday, May 14, 2018	X				
June	5/31/18	Monday, June 4, 2018				X	
		Wednesday, June 27, 2018			X		
July		Monday, July 9, 2018					X
August	7/31/18	Budget Workshop (BOC & Finance)			X		X
		Monday, August 6, 2018				X	
		Monday, August 13, 2018	X				
		Wednesday, August 29, 2018		X	X		
September		Tuesday, September 4, 2018					X
		First Public Hearing - September 5, 2017					X
		Final Public Hearing - TBD					X
October		Monday, October 1, 2018				X	
		Wednesday, October 31, 2018		X	X		
		Monday, November 5, 2018					X
		Monday, November 12, 2018	X				
December		Monday, December 3, 2018				X	
January	11/30/18	Wednesday, January 2, 2019		X	X		
		Monday, January 7, 2019					X

¹ Monthly Financial Report Distributed by the last Wednesday of each month or the Wednesday prior to the Finance Committee meeting.

Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended September 30, 2017

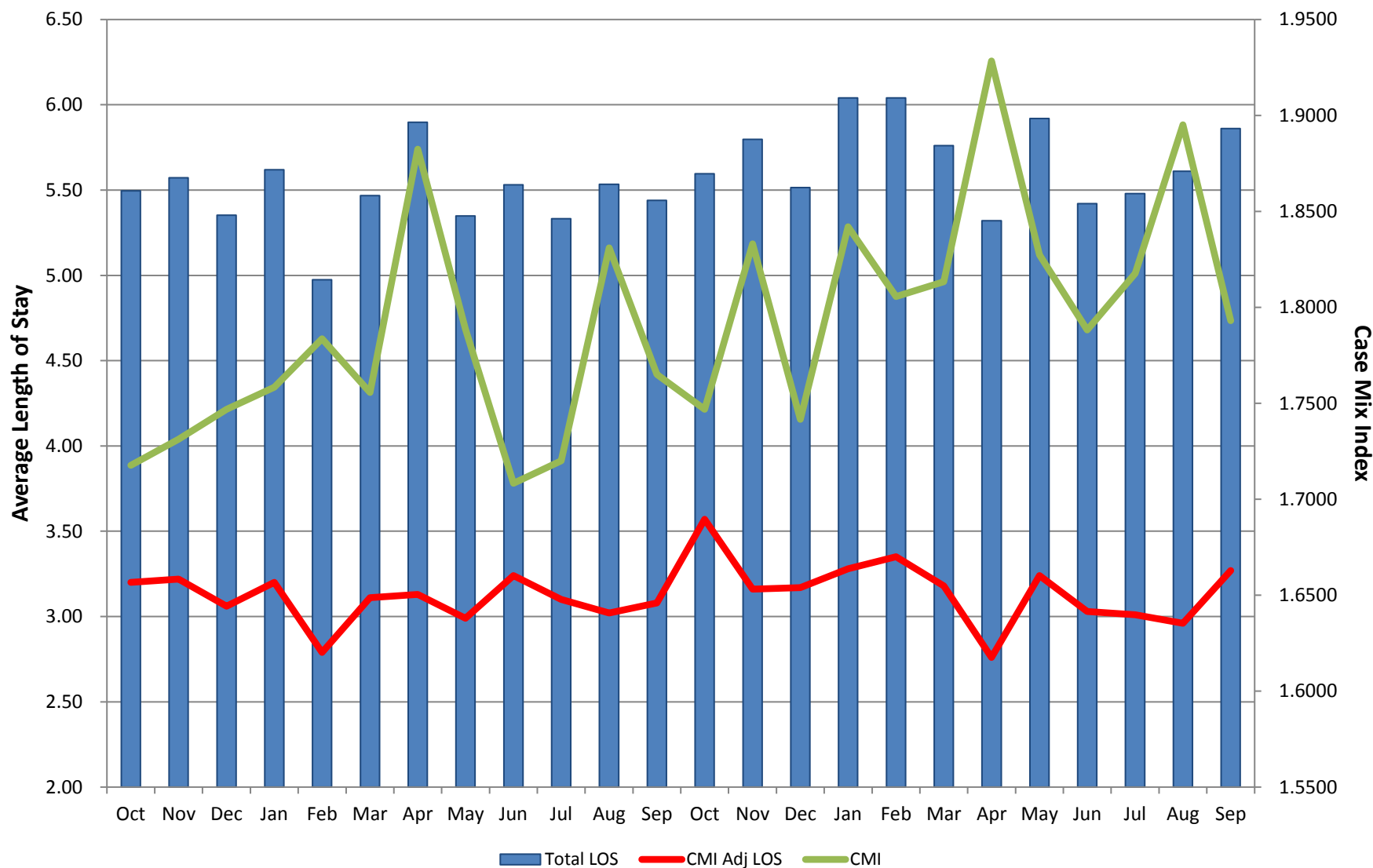
Excludes Newborns and Inpatient Rehabilitation



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended September 30, 2017

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



HALIFAX HEALTH MEDICAL CENTER
SCHEDULE OF USES OF PROPERTY TAXES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

		in mills
Gross property tax levy	\$11,251,944	0.7561
Tax discounts and uncollectible taxes	(299,879)	(0.0202)
Net property taxes collected	10,952,065	0.7359
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(374,316)	(0.0252)
Volusia County Medicaid matching assessment	(2,919,477)	(0.1962)
Redevelopment taxes paid to Cities	(585,370)	(0.0393)
Subtotal	(3,879,163)	(0.2607)
Net taxes available for community health, wellness and readiness	7,072,902	0.4752
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(1,344,485)	(0.0903)
Physician services	(8,801,230)	(0.5914)
Trauma services	(6,060,895)	(0.4073)
Pediatric and neonatal intensive care services	(325,433)	(0.0219)
Child and adolescent behavioral services	(601,977)	(0.0405)
Subtotal	(17,134,020)	(1.1514)
Deficiency of net taxes available to fund hospital operating expenses	(10,061,118)	(0.6762)
Uncompensated care provided by Halifax Health, <i>at cost</i>	(44,451,481)	(2.9870)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	(54,512,599)	(3.6632)
Proforma tax levy to cover uncompensated care, at cost:		
Gross property tax levy		0.7561
Subsidized uncompensated care costs by operations		3.6632
Equivalent property tax levy expended *		4.4193

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

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

		September Performance	Calendar YTD	Calendar 2016	Fiscal Year
Fixed Income					
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	-0.14%	2.20%	2.85%	1.36%
	BMK	-0.27%	1.58%	1.56%	0.51%
VSGDX - Vanguard Short-Term Federal	Perf	-0.26%	0.98%	1.24%	0.13%
	BMK	-0.34%	1.09%	1.02%	-0.07%
Ponder Short-term Government/Corporate	Perf	-0.20%	1.69%	1.95%	0.33%
	BMK	-0.34%	1.09%	1.56%	0.51%
Ponder US Treasury Account	Perf	0.08%	0.62%	0.30%	0.44%
	BMK	-0.34%	1.09%	-0.44%	0.15%
Ponder Short-Term Government	Perf	-0.16%	1.10%	0.88%	0.26%
	BMK	-0.34%	1.09%	1.02%	-0.07%
Ponder 2016 Project Fund	Perf	0.06%	0.58%	0.43%	1.02%
	BMK	-0.12%	1.06%	0.29%	0.67%
Weighted Composite	Perf	-0.11%	1.74%	1.99%	0.98%
	BMK	-0.30%	1.39%	1.07%	0.38%
Equities					
DFSVX - DFA Small Cap Value	Perf	7.92%	3.96%	28.26%	19.61%
	BMK	7.08%	5.68%	31.74%	20.54%
DFLVX - DFA Large Cap Value	Perf	3.85%	10.70%	18.89%	20.25%
	BMK	2.96%	7.92%	17.34%	15.12%
DFIVX - DFA International Value	Perf	3.57%	19.60%	8.41%	25.69%
	BMK	2.59%	19.17%	2.75%	18.75%
DFEVX - DFA Emerging Markets	Perf	-2.24%	23.95%	19.84%	22.75%
	BMK	-0.40%	27.78%	11.19%	22.46%
VGELX - Vanguard Energy	Perf	8.35%	-2.99%	33.18%	2.31%
	BMK	8.06%	-0.04%	27.66%	7.40%
VENAX - Vanguard Energy Index	Perf	10.42%	-8.28%	28.94%	-1.33%
	BMK	8.06%	-0.04%	27.66%	7.40%
VIGIX -Vanguard Large-Cap Growth	Perf	1.04%	20.32%	6.13%	19.81%
	BMK	1.30%	20.72%	7.08%	21.95%
VGHAX - Vanguard Health Care	Perf	0.89%	18.99%	-8.94%	11.91%
	BMK	1.38%	18.65%	-6.83%	12.16%
VSGIX - Vanguard Small-Cap Growth	Perf	3.81%	15.29%	10.74%	16.93%
	BMK	5.45%	16.81%	11.32%	20.98%
Weighted Composite	Perf	3.82%	13.63%	15.17%	19.43%
	BMK	3.60%	14.01%	13.82%	18.18%

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

	Invested Balance	September Performance	Calendar YTD	Fiscal YTD
HH Holdings				
VFSIX - Vanguard Short-Term Invest Grade	\$ 53,746,971	Perf -0.14%	2.20%	1.36%
		BMK -0.27%	1.58%	0.51%
Ponder Short-Term Gov't/Corporate	32,185,171	Perf -0.20%	1.69%	0.33%
		BMK -0.34%	1.09%	0.51%
Ponder US Treasury Account	73,704,944	Perf 0.08%	0.62%	0.44%
		BMK -0.34%	1.09%	0.15%
Total HH Holdings	<u>\$ 159,637,086</u>	Composite -0.05%	1.37%	0.73%
		Budget		1.00%
HHMC				
Ponder Short-Term Government	\$ 42,416,447	Perf -0.16%	1.10%	0.26%
		BMK -0.34%	1.09%	-0.07%
VSGDX - Vanguard Short-Term Federal	64,627	Perf -0.26%	0.98%	0.13%
		BMK -0.34%	1.09%	-0.07%
Wells Fargo Halifax Hospital Trust	551,270	Perf 0.07%	0.50%	0.50%
		BMK -0.34%	1.09%	-0.07%
Ponder 2016 Project Fund	205	Perf 0.06%	0.58%	1.02%
		BMK -0.12%	1.06%	0.67%
Total HHMC	<u>\$ 43,032,549</u>	Composite -0.16%	1.09%	0.26%
		Budget		1.00%

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

	Invested Balance	September Performance	Calendar YTD	Fiscal YTD
Foundation				
VFSIX - Vanguard Short-Term Invest Grade	\$ 23,063,990	Perf -0.14% BMK -0.27%	2.20% 1.58%	1.36% 0.51%
DFSVX - DFA Small Cap Value	3,766,776	Perf 7.92% BMK 7.08%	3.96% 5.68%	19.61% 20.54%
DFIVX - DFA International Value	1,988,198	Perf 3.57% BMK 2.59%	19.60% 19.17%	25.69% 18.75%
DFEVX - DFA Emerging Markets	783,454	Perf -2.24% BMK -0.40%	23.95% 27.78%	22.75% 22.46%
DFLVX - DFA Large Cap Value	8,234,389	Perf 3.85% BMK 2.96%	10.70% 7.92%	20.25% 15.12%
VGELX - Vanguard Energy	475,951	Perf 8.35% BMK 8.06%	-2.99% -0.04%	2.31% 7.40%
VENAX - Vanguard Energy Index	214,513	Perf 10.42% BMK 8.06%	-8.28% -0.04%	-1.33% 7.40%
VIGIX -Vanguard Large-Cap Growth	4,193,118	Perf 1.04% BMK 1.30%	20.32% 20.72%	19.81% 21.95%
VGHAX - Vanguard Health Care	745,413	Perf 0.89% BMK 1.38%	18.99% 18.65%	11.91% 12.16%
VSGIX - Vanguard Small-Cap Growth	3,956,561	Perf 3.81% BMK 5.45%	15.29% 16.81%	16.93% 20.98%
Total Foundation	<u>\$ 47,422,363</u>	Composite Budget	1.90% 7.76%	10.56% 4.00%

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

	Invested Balance	September Performance	Calendar YTD	Fiscal YTD
Hospice				
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,193,713	Perf -0.14% BMK -0.27%	2.20% 1.58%	1.36% 0.51%
DFSVX - DFA Small Cap Value	5,852,386	Perf 7.92% BMK 7.08%	3.96% 5.68%	19.61% 20.54%
DFIVX - DFA International Value	3,462,531	Perf 3.57% BMK 2.59%	19.60% 19.17%	25.69% 18.75%
DFEVX - DFA Emerging Markets	1,400,147	Perf -2.24% BMK -0.40%	23.95% 27.78%	22.75% 22.46%
DFLVX - DFA Large Cap Value	11,667,209	Perf 3.85% BMK 2.96%	10.70% 7.92%	20.25% 15.12%
VGELX - Vanguard Energy	105,171	Perf 8.35% BMK 8.06%	-2.99% -0.04%	2.31% 7.40%
VENAX - Vanguard Energy Index	571,751	Perf 10.42% BMK 8.06%	-8.28% -0.04%	-1.33% 7.40%
VIGIX - Vanguard Large-Cap Growth	5,614,193	Perf 1.04% BMK 1.30%	20.32% 20.72%	19.81% 21.95%
VGHAX - Vanguard Health Care	648,163	Perf 0.89% BMK 1.38%	18.99% 18.65%	11.91% 12.16%
VSGIX - Vanguard Small-Cap Growth	5,513,022	Perf 3.81% BMK 5.45%	15.29% 16.81%	16.93% 20.98%
Total Hospice	<u>\$ 69,028,286</u>	Composite 1.88% Budget	7.68%	10.58% 4.00%

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

	Invested Balance	September Performance	Calendar YTD	Fiscal YTD
Pension				
VFSIX - Vanguard Short-Term Invest Grade	\$ 132,311,686	Perf -0.14%	2.20%	1.36%
		BMK -0.27%	1.58%	0.51%
DFSVX - DFA Small Cap Value	21,499,087	Perf 7.92%	3.96%	19.61%
		BMK 7.08%	5.68%	20.54%
DFIVX - DFA International Value	33,978,622	Perf 3.57%	19.60%	25.69%
		BMK 2.59%	19.17%	18.75%
DFEVX - DFA Emerging Markets	11,169,572	Perf -2.24%	23.95%	22.75%
		BMK -0.40%	27.78%	22.46%
DFLVX - DFA Large Cap Value	21,401,560	Perf 3.85%	10.70%	20.25%
		BMK 2.96%	7.92%	15.12%
VGELX - Vanguard Energy	4,388,881	Perf 8.35%	-2.99%	2.31%
		BMK 8.06%	-0.04%	7.40%
VENAX - Vanguard Energy Index	4,777,557	Perf 10.42%	-8.28%	-1.33%
		BMK 8.06%	-0.04%	7.40%
VIGIX -Vanguard Large-Cap Growth	13,525,779	Perf 1.04%	20.32%	19.81%
		BMK 1.30%	20.72%	21.95%
VGHAX - Vanguard Health Care	9,448,611	Perf 0.89%	18.99%	11.91%
		BMK 1.38%	18.65%	12.16%
VSGIX - Vanguard Small-Cap Growth	13,553,646	Perf 3.81%	15.29%	16.93%
		BMK 5.45%	16.81%	20.98%
Wells Fargo Cash	302,302			
Wells Fargo Money Market	1,982			
Total Pension	<u>\$ 266,359,285</u>	Composite	1.84%	8.06%
		Budget		10.42%
Total Halifax Health, including Pension	<u>\$ 585,479,569</u>			6.75%
Total Halifax Health, excluding Pension	<u>\$ 319,120,284</u>			

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

		August Performance	Calendar YTD	Calendar 2016	Fiscal Year
Fixed Income					
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.36%	2.34%	2.85%	1.50%
	BMK	0.35%	1.85%	1.56%	0.78%
VSGDX - Vanguard Short-Term Federal	Perf	0.21%	1.25%	1.24%	0.40%
	BMK	0.35%	1.43%	1.02%	0.26%
Ponder Short-term Government/Corporate	Perf	0.38%	1.88%	1.95%	0.51%
	BMK	0.35%	1.85%	1.56%	0.78%
Ponder US Treasury Account	Perf	0.12%	0.54%	0.30%	0.36%
	BMK	0.35%	1.43%	-0.44%	0.49%
Ponder Short-Term Government	Perf	0.27%	1.26%	0.88%	0.42%
	BMK	0.35%	1.43%	1.02%	0.26%
Ponder 2016 Project Fund	Perf	0.09%	0.46%	0.43%	0.90%
	BMK	0.20%	1.18%	0.29%	0.79%
Weighted Composite	Perf	0.30%	1.82%	1.99%	1.08%
	BMK	0.35%	1.71%	1.07%	0.67%
Equities					
DFSVX - DFA Small Cap Value	Perf	-2.55%	-3.67%	28.26%	10.83%
	BMK	-2.46%	-1.31%	31.74%	12.57%
DFLVX - DFA Large Cap Value	Perf	-0.94%	6.60%	18.89%	15.80%
	BMK	-1.16%	4.81%	17.34%	11.80%
DFIVX - DFA International Value	Perf	-0.11%	15.48%	8.41%	21.36%
	BMK	-0.02%	16.15%	2.75%	15.74%
DFEVX - DFA Emerging Markets	Perf	2.50%	26.80%	19.84%	25.57%
	BMK	2.23%	28.29%	11.19%	22.95%
VGELX - Vanguard Energy	Perf	-3.76%	-10.47%	33.18%	-5.58%
	BMK	-2.53%	-7.50%	27.66%	-0.62%
VENAX - Vanguard Energy Index	Perf	-5.50%	-16.94%	28.94%	-10.64%
	BMK	-2.53%	-7.50%	27.66%	-0.62%
VIGIX -Vanguard Large-Cap Growth	Perf	1.21%	19.09%	6.13%	18.59%
	BMK	1.83%	19.17%	7.08%	20.39%
VGHAX - Vanguard Health Care	Perf	-0.55%	17.94%	-8.94%	10.92%
	BMK	0.97%	17.03%	-6.83%	10.63%
VSGIX - Vanguard Small-Cap Growth	Perf	-0.36%	11.06%	10.74%	12.64%
	BMK	-0.12%	10.78%	11.32%	14.73%
Weighted Composite	Perf	-0.57%	10.16%	15.17%	15.43%
	BMK	-0.31%	10.62%	13.82%	14.33%

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

	Invested Balance	August Performance	Calendar YTD	Fiscal YTD
HH Holdings				
VFSIX - Vanguard Short-Term Invest Grade	\$ 53,820,844	Perf 0.36% BMK 0.35%	2.34% 1.85%	1.50% 0.78%
Ponder Short-Term Gov't/Corporate	32,248,460	Perf 0.38% BMK 0.35%	1.88% 1.85%	0.51% 0.78%
Ponder US Treasury Account	73,644,996	Perf 0.12% BMK 0.35%	0.54% 1.43%	0.36% 0.49%
Total HH Holdings	<u>\$ 159,714,300</u>	Composite Budget	0.25% 1.42%	0.78% 0.92%
HHMC				
Ponder Short-Term Government	\$ 42,485,362	Perf 0.27% BMK 0.35%	1.26% 1.43%	0.42% 0.26%
VSGDX - Vanguard Short-Term Federal	64,798	Perf 0.21% BMK 0.35%	1.25% 1.43%	0.40% 0.26%
Wells Fargo Halifax Hospital Trust	555,872	Perf 0.08% BMK 0.35%	0.43% 1.43%	0.50% 0.26%
Ponder 2016 Project Fund	7,243,528	Perf 0.09% BMK 0.20%	0.46% 1.18%	0.90% 0.79%
Total HHMC	<u>\$ 50,349,560</u>	Composite Budget	0.27% 1.25%	0.43% 0.92%

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

Foundation	Invested Balance	August Performance	Calendar YTD	Fiscal YTD
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,595,423	Perf 0.36% BMK 0.35%	2.34% 1.85%	1.50% 0.78%
DFSVX - DFA Small Cap Value	3,490,421	Perf -2.55% BMK -2.46%	-3.67% -1.31%	10.83% 12.57%
DFIVX - DFA International Value	2,162,458	Perf -0.11% BMK -0.02%	15.48% 16.15%	21.36% 15.74%
DFEVX - DFA Emerging Markets	801,430	Perf 2.50% BMK 2.23%	26.80% 28.29%	25.57% 22.95%
DFLVX - DFA Large Cap Value	7,929,111	Perf -0.94% BMK -1.16%	6.60% 4.81%	15.80% 11.80%
VGELX - Vanguard Energy	439,288	Perf -3.76% BMK -2.53%	-10.47% -7.50%	-5.58% -0.62%
VENAX - Vanguard Energy Index	194,278	Perf -5.50% BMK -2.53%	-16.94% -7.50%	-10.64% -0.62%
VIGIX -Vanguard Large-Cap Growth	4,149,961	Perf 1.21% BMK 1.83%	19.09% 19.17%	18.59% 20.39%
VGHAX - Vanguard Health Care	738,803	Perf -0.55% BMK 0.97%	17.94% 17.03%	10.92% 10.63%
VSGIX - Vanguard Small-Cap Growth	4,052,994	Perf -0.36% BMK -0.12%	11.06% 10.78%	12.64% 14.73%
Total Foundation	<u>\$ 46,554,167</u>	Composite Budget	-0.13% 5.94%	8.50% 3.67%

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

	Invested Balance	August Performance	Calendar YTD	Fiscal YTD
Hospice				
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,741,472	Perf 0.36%	2.34%	1.50%
		BMK 0.35%	1.85%	0.78%
DFSVX - DFA Small Cap Value	5,423,018	Perf -2.55%	-3.67%	10.83%
		BMK -2.46%	-1.31%	12.57%
DFIVX - DFA International Value	3,343,250	Perf -0.11%	15.48%	21.36%
		BMK -0.02%	16.15%	15.74%
DFEVX - DFA Emerging Markets	1,432,272	Perf 2.50%	26.80%	25.57%
		BMK 2.23%	28.29%	22.95%
DFLVX - DFA Large Cap Value	12,445,152	Perf -0.94%	6.60%	15.80%
		BMK -1.16%	4.81%	11.80%
VGELX - Vanguard Energy	97,069	Perf -3.76%	-10.47%	-5.58%
		BMK -2.53%	-7.50%	-0.62%
VENAX - Vanguard Energy Index	517,816	Perf -5.50%	-16.94%	-10.64%
		BMK -2.53%	-7.50%	-0.62%
VIGIX -Vanguard Large-Cap Growth	6,802,111	Perf 1.21%	19.09%	18.59%
		BMK 1.83%	19.17%	20.39%
VGHAX - Vanguard Health Care	642,415	Perf -0.55%	17.94%	10.92%
		BMK 0.97%	17.03%	10.63%
VSGIX - Vanguard Small-Cap Growth	5,891,901	Perf -0.36%	11.06%	12.64%
		BMK -0.12%	10.78%	14.73%
Total Hospice	<u>\$ 71,336,476</u>	Composite -0.10%	6.03%	8.66%
		Budget		3.67%

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

	Invested Balance	August Performance	Calendar YTD	Fiscal YTD
Pension				
VFSIX - Vanguard Short-Term Invest Grade	\$ 128,491,396	Perf 0.36%	2.34%	1.50%
		BMK 0.35%	1.85%	0.78%
DFSVX - DFA Small Cap Value	19,921,774	Perf -2.55%	-3.67%	10.83%
		BMK -2.46%	-1.31%	12.57%
DFIVX - DFA International Value	35,235,598	Perf -0.11%	15.48%	21.36%
		BMK -0.02%	16.15%	15.74%
DFEVX - DFA Emerging Markets	11,425,844	Perf 2.50%	26.80%	25.57%
		BMK 2.23%	28.29%	22.95%
DFLVX - DFA Large Cap Value	20,608,127	Perf -0.94%	6.60%	15.80%
		BMK -1.16%	4.81%	11.80%
VGELX - Vanguard Energy	4,050,791	Perf -3.76%	-10.47%	-5.58%
		BMK -2.53%	-7.50%	-0.62%
VENAX - Vanguard Energy Index	4,326,877	Perf -5.50%	-16.94%	-10.64%
		BMK -2.53%	-7.50%	-0.62%
VIGIX -Vanguard Large-Cap Growth	14,381,514	Perf 1.21%	19.09%	18.59%
		BMK 1.83%	19.17%	20.39%
VGHAX - Vanguard Health Care	9,364,810	Perf -0.55%	17.94%	10.92%
		BMK 0.97%	17.03%	10.63%
VSGIX - Vanguard Small-Cap Growth	13,539,234	Perf -0.36%	11.06%	12.64%
		BMK -0.12%	10.78%	14.73%
Wells Fargo Cash	1,981			
Wells Fargo Money Market	1,737,938			
Total Pension	<u>\$ 263,085,884</u>	Composite	-0.12%	6.43%
		Budget		6.19%
Total Halifax Health, including Pension	<u><u>\$ 591,040,387</u></u>			
Total Halifax Health, excluding Pension	<u><u>\$ 327,954,503</u></u>			

INFORMATIONAL REPORT

September 2017

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

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Omnicell Medication Dispensing Cabinet	Pharmacy	Working Capital	\$33,214
Vaginal CT/MRI Multi Channel Applicator for Radiation Oncology	Center for Radiation Oncology	Working Capital	\$29,473
Port Orange Care Center HVAC Replacement	Halifax Health Hospice	Working Capital	\$28,600*
Meditech Interface for Laboratory-Blood Glucose Meter	Laboratory	Working Capital	\$25,350

*Note this needs to be brought to Hospice Board of Directors.

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

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
Alberto Tineo, Vice President Operations
DATE: September 18, 2017
RE: Omnicell Medication Dispensing Cabinet

Halifax Health Pharmacy is requesting funds to purchase an Omnicell automated medication dispensing cabinet for the Port Orange Oncology Center.

The Omnicell unit will allow medications to be dispensed safely and securely. The automated equipment will help to prevent the diversion of controlled substances.

TOTAL CAPITAL COSTS \$33,214



Halifax Health Project Evaluation

Omniceil Medication Dispensing Cabinet

Chief Operating Officer:	Mark Billings
Sr. Vice President, Operations:	Alberto Tineo
Director, Pharmacy:	Dominick Damiani
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to purchase an Omnicell automated medication dispensing cabinet for the Port Orange Oncology Center.

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	
Efficiency	

Investment Request for Approval **\$33,214**

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: October 17, 2017
RE: Vaginal CT/MRI Multi Channel Applicator for Radiation Oncology

Halifax Health Center for Radiation Oncology is requesting funds to purchase a replacement Vaginal CT/MRI Multi Channel Applicator for the High Dose Radiation treatment system.

This system provides a unique treatment option for advanced vaginal and cervical tumors utilizing the High Dose Radiation treatment modality. The cylindrical applicator enables optimal dosage through its dome-shaped treatment channels. The equipment is non-metallic and fully compatible with CT and MRI imaging modalities. Use of this device reduces potential toxicity to adjacent organs. The existing applicator is not functioning. A loaner from the vendor is being utilized.

The project was approved at the Capital Investment Committee meeting on September 20, 2017.

TOTAL CAPITAL COSTS \$29,473



Halifax Health Project Evaluation

Vaginal CT/ MRI Multi Channel Applicator for Radiation Oncology
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Chief Operating Officer:	Mark Billings
Sr. Vice President, Operations:	Alberto Tineo
Service Line Administrator, Oncology:	Debra Trovato
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to purchase a replacement vaginal CT/ MRI multi channel applicator used in the high dose radiation treatment modality for vaginal and cervical tumors.

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 **\$29,473**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Mary Jo Allen, Executive Director-Halifax Health Hospice
DATE: September 18, 2017
RE: Port Orange Care Center HVAC Replacement

Halifax Health Hospice is requesting funds for the replacement of the HVAC system for the Port Orange Care Center. The system provides heating, ventilating and air conditioning to the volunteer center, kitchen, and pantry areas of the care center.

The current HVAC system is 23 years old and cannot keep the areas properly conditioned.

The project was approved at the Capital Investment Committee meeting on August 16, 2017.

TOTAL CAPITAL COSTS \$28,600



Halifax Health Project Evaluation

Port Orange Care Center HVAC replacement

Chief Financial Officer:	Eric Peburn
Executive Director, HH Hospice:	Mary Jo Allen
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project will replace a HVAC system at the Halifax Health Hospice Port Orange Care Center. The system provides heating and air conditioning to the volunteer center, kitchen, and pantry areas of the care center.

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	X
Efficiency	

Investment Request for Approval **\$28,600**

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: October 17, 2017
RE: Meditech Interface for Laboratory-Blood Glucose Meter

Halifax Health Laboratory is requesting funds to purchase a Meditech Blood Glucose Meter (BGM) Interface. The BGM Interface will improve efficiencies and enhance patient safety.

The BGM interface will automatically generate a lab order and transfer the result to the electronic medical record (EMR). The clinician will have immediate access to the lab result and the capability to trend values and improve patient management. In addition, accessing the data in the patient's record greatly enhances the records audit for compliance of physician orders.

The project was approved at the Capital Investment Committee meeting on September 20, 2017.

TOTAL CAPTIAL COSTS \$25,350



Halifax Health Project Evaluation

Meditech Interface for Laboratory-Blood Glucose Meter

Chief Operating Officer:	Mark Billings
Sr. Vice President, Operations:	Alberto Tineo
Manager, Laboratory:	Laurie Koelker
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to purchase a Meditech Blood Glucose Meter interface to improve laboratory efficiency.

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	
Image	
Efficiency	X

Investment Request for Approval \$25,350

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