



HALIFAX HEALTH

**Audit & Finance
Committee**

Wednesday, May 2, 2018

Meeting Location

Halifax Health

France Tower, Conference Room A

4:00 p.m.

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, May 2, 2018

AGENDA

I. CALL TO ORDER

II. MINUTES

Audit & Finance Committee Minutes

- February 28, 2018

portal page 4, **action requested**

III. AUDIT COMMITTEE

Corporate Compliance, Shelly Shiflet

- Monthly Compliance Dashboard Reports

portal page 7, **information only**

Internal Audit, Bill Rushton

- Audit Services Discussion and Analysis

portal page 11, **action requested**

Old Business

- Independent External Auditor & Charter Update, *Lisa Tyler*

portal page 24, **action requested**

IV. FINANCE COMMITTEE

Financial Report, Eric Peburn

- March 2018
- February 2018

portal page 28, **action requested**

portal page 52, **action requested**

Acquisitions, Leases and Disposals, Kent Bailey

- Capital Investment Strategy, March 2018
- Capital Expenditures \$50,000 and over
 - Data Center Construction*
 - Center for Oncology*
 - Ventilators for Respiratory Therapy*
 - Professional Development Renovation*
 - Replace/Upgrade Headwalls for Labor and Delivery*
 - Nurse Call System for Surgical Services*
 - Hemodialysis and Disinfection Equipment*
 - GE Ultrasound for Surgical Services*
- Operating Leases \$250,000 and over
 - Renewal of Facilities Lease with Halifax Management System, Inc. (1041 Dunlawton Blvd., Port Orange; 201 N Clyde Morris Blvd., Daytona Beach; and 1688 W. Granada Blvd., Ormond Beach)
- Disposals, March and February 2018
- Comparison of Projected and Actual Financial Results for Significant Projects

portal page 76, **information only**

portal page 80, **action requested**

\$2,000,000 (\$1.5 million, FEMA)

\$1,379,501

\$446,629

\$202,000

\$128,993

\$76,928

\$57,409

\$51,203

portal page 97, **action requested**

60 Months Lease Term

3.21% Interest Rate

Monthly payment ranges \$256,493 - \$283,120

portal page 98, **action requested**

none

Old Business

- Length of Stay Update Presentation
- Meeting Request Tracker/Checklist
 - Reconciliation of year over year salary benefits to include pension*
 - Actual orthopedic volume loss versus what was budgeted*

portal page 100, **information only**

portal page 113, **information only**

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

New Business

Information Only

- FY 2018A Floating Rate Notes Update portal page 116, [information only](#)
- Schedule Uses of Property Taxes, March 2018 portal page 117, [information only](#)
- Discharged Based -Average Length of Stay and Case Mix Index portal page 118, [information only](#)
- Investment Performance Reports, March and February 2018 portal page 120, [information only](#)
- Capital Expenditures \$25,000 - \$50,000 portal page 130, [information only](#)
 - *Radiology Workstations* \$47,374
 - *Sleeper Chairs for Pediatrics and PICU* \$47,272
 - *Table Tops for Spinal Surgery* \$45,082
 - *PBFS Workstation Expansion* \$35,800
 - *Microsoft SQL Licenses for Hospice* \$35,769
 - *Hospice Port Orange Care Center - HVAC replacement* \$28,143
 - *Infant Warmer Bed for NICU* \$25,785

V. OPEN DISCUSSION

- VI. NEXT MEETING **MONDAY, May 14, 2018, 4:00 p.m. – Investment Committee Meeting**
 WEDNESDAY, June 27, 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, February 28, 2018

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

Not Present: Decker Youngman, Member
Susan Schandel, Member & Treasurer, 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
Ben Eby, Director of Finance, Halifax Health Hospice
Khalelah Jones, Privacy Officer

The meeting was called to order at 4:00 p.m. by Ted Serbousek. Attendance was recorded.

MINUTES

Discussion: Minutes from the November 13, 2017 Investment Committee Meeting and from the January 3, 2018 Audit & Finance Committee Meeting were reviewed.

Action: Mr. Francati 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 January 2018 and December 2017, referencing no issues.

Action: None required.

INTERNAL AUDIT

Discussion: Mr. Rushton led committee members through the Audit Services Discussion and Analysis presentation, briefing the committee on highlights of the 14 approved projects, including the Meaningful Use Stage 2 – 2017 Validation Audit and the Team Member Timecard Review (Neurosurgery). He recommended approval of the Summary of Audit Reports and the Summary Audit Follow-Up Report.

Action: Mr. Motto moved to approve the Summary of Audit Reports and the Summary Audit Follow-Up Report as presented and recommends approval by the Halifax Health Board of Commissioners. Mr. Francati seconded the motion and it carried unanimously.

FY 2017 FINAL AUDITED FINANCIAL STATEMENTS

Discussion: FY 2017 Final Audited Financial Statements
Ms. Tyler reported that the FY 2017 Final Audited Financial Statements were available on the board portal and on the district website.

Action: None required.

NEW BUSINESS, AUDIT COMMITTEE

Discussion: Selection of Independent External Auditor and Audit Charter
Ms. Tyler reported that the five year engagement with RSM as Halifax Health's independent external auditors concluded with the issuance of the 2017 audited financial statements. The Audit Charter outlines the best practice, as specified by Sarbanes-Oxley regulations, to rotate the external audit partner (either lead partner or concurring partner). Discussion ensued regarding potential options moving forward which included the importance of maintaining continuity, especially regarding the Deltona market expansions underway.

Action: Mr. Peburn and Ms. Tyler stated a recommendation would be brought back to the committee for action at the next meeting.

FINANCE COMMITTEE

FINANCIAL REPORT

Discussion: Mr. Peburn reviewed the January 2018 Financial Report, presenting the statistical and financial summaries, adding that admissions are better than budget, the length of stay is on budget year-to-date, and total operating expenses are less than budget. A length of stay update will be presented at the next committee meeting. Discussion ensued. The following reports were requested as a result of the discussion:

- Reconciliation of year over year salary benefits to include pension (requested by Mr. Francati)
- Actual expenses regarding orthopedic volume versus what was budgeted (requested by Dr. Hemaïdan)

Mr. Peburn concluded his report by sharing that on October 1, 2017 Halifax Health adopted GASB statement 75 which required a change in how the long-term obligations associating with Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions are calculate/reported and the respective outcome (i.e. -\$21 million to net position).

Action: Mr. Francati moved to approve the January 2018 and December 2017 Financial Reports and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

ACQUISITIONS, LEASES & DISPOSALS

Discussion: Capital Investment Strategy

Action: None required.

Discussion: Capital Expenditures \$50,000 and over

• Cardiac Cath Lab Replacement	\$1,488,698
• Pediatric Telemetry Monitoring System	\$428,641
• Merge Hemodynamics System - Upgrade and Expansion	\$348,604
• Emergency Power Connection to Air Handler and Fan Coil Units at HHPO	\$300,000
• Access Control – License, Network Boards and Card Readers	\$118,687
• Hemodialysis and Disinfection Equipment	\$57,369

Action: Mr. Motto requested that future capital requisitions include the projected life of the requested equipment. Mr. Francati moved to approve the list of capital expenditures and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

Discussion: Disposals

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

Discussion: Sale of Portion of 120 Howland Blvd., Deltona

Action: Mr. Motto moved to approve the sale of the portion of 120 Howland Blvd., in Deltona and recommends approval by the Board of Commissioners. Mr. Francati 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

Action: No report; no action required.

NEW BUSINESS

Discussion: FY 2018A Floating Rate Notes and Supporting Documents
Mr. Peburn reported that in order to provide additional liquidity over the next few years, Halifax Hospital Medical Center (HHMC) is pursuing issuance of a variable rate borrowing pursuant to the Master Trust Indenture of the Obligated Group (HHMC and HH Holdings). He shared the key terms as well as the resolution of the Board of Commissioners to authorize the issuance and the related agreements. Discussion ensued.

Action: Dr. Hemaïdan moved to proceed with the FY 2018A Floating Rate Notes as outlined in the proposal, with the understanding if a better opportunity presents itself, management will bring back to the committee for discussion. Mr. Francati seconded the motion and it carried unanimously.

INFORMATIONAL REPORTS

Discussion: The Schedule of Uses of Property Taxes, December 2017, Discharged Based-Average Length of Stay and Case Mix Index, the Investment Performance Reports for January 2018 and December 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:

- Neonatal Incubator \$43,651
- Network Access Control Ports \$42,331
- EEG Cart for Halifax Health Main Campus \$42,177
- Omnicell Medication Dispensing Cabinet \$31,884
- Box Truck with Lift Gate \$26,500

Action: None required.

OPEN DISCUSSION

Discussion: Ms. Shiflet reported the annual report for the Corporate Integrity Act was submitted; all manager resolutions were signed and submitted.

NEXT MEETING DATE: WEDNESDAY, May 2, 2018, 4:00 p.m. – Regular scheduled meeting

ADJOURNMENT

Action: There being no further business, the meeting was adjourned.

Ted Serbousek, Chairman



HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners
Cc: Jeff Feasel, Chief Executive Officer
From: Shelly Shiflet, Vice President and Chief Compliance Officer
Date: April 23, 2018
Re: Compliance Dashboard Report for the month ended March 31, 2018

Enclosed is the Compliance Program Dashboard Report for March 2018.

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

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

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

Recommended Action: None. Information only.

Halifax Health
Corporate Compliance Program
Board Report – 3/31/2018

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 and other Covered Persons:

	➤	Code of Conduct Attestation¹
	1. 4,082	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

	➤	CIA Required Training²
	1. 3,934	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

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

	➤	Sanction Check for Covered Persons³
	1. 4,845	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. 100%	% of members who attended the meeting (On Target at 70% or Greater) – meeting date 2/28/2018
	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 / 57	Number of Help Line calls received during month/past 12 months
	2. 3 / 29	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 2/28/2018
	4. 0	Number of open Help Line calls rated as High Priority as of 3/31/2018
	5. 1	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 15	Number of issues open as of 2/28/2018
	2. 6	Of the issues in item 1, ___ remain open as of 3/31/2018
	3. 9	Number of issues from item 1 closed as of 3/31/2018
	4. 60%	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)
--	------	--

VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

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

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

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

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



HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners
Cc: Jeff Feasel, Chief Executive Officer
From: Shelly Shiflet, Vice President and Chief Compliance Officer
Date: March 19, 2018
Re: Compliance Dashboard Report for the month ended February 28, 2018

Enclosed is the Compliance Program Dashboard Report for February 2018.

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

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

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

Recommended Action: None. Information only.

Halifax Health
Corporate Compliance Program
Board Report – 2/28/2018

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. 4,090	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

	➤	CIA Required Training²
	1. 3,945	Number of Covered Persons and Board Members required to complete as of end of period
	2. 100%	% of Covered Persons who have completed (On Target at 100%)

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

	➤	Sanction Check for Covered Persons³
	1. 4,862	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. 85.7%	% of members who attended the meeting (On Target at 70% or Greater) – meeting date 1/31/2018
	3. 3	Number of meetings in the last quarter (On Target if 2 or more)

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

	1. 3 / 59	Number of Help Line calls received during month/past 12 months
	2. 0 / 30	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 1/31/2018
	4. 0	Number of open Help Line calls rated as High Priority as of 2/28/2018
	5. 6	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 31	Number of issues open as of 1/31/2018
	2. 11	Of the issues in item 1, __ remain open as of 2/28/2018
	3. 20	Number of issues from item 1 closed as of 2/28/2018
	4. 65%	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)
--	------	--

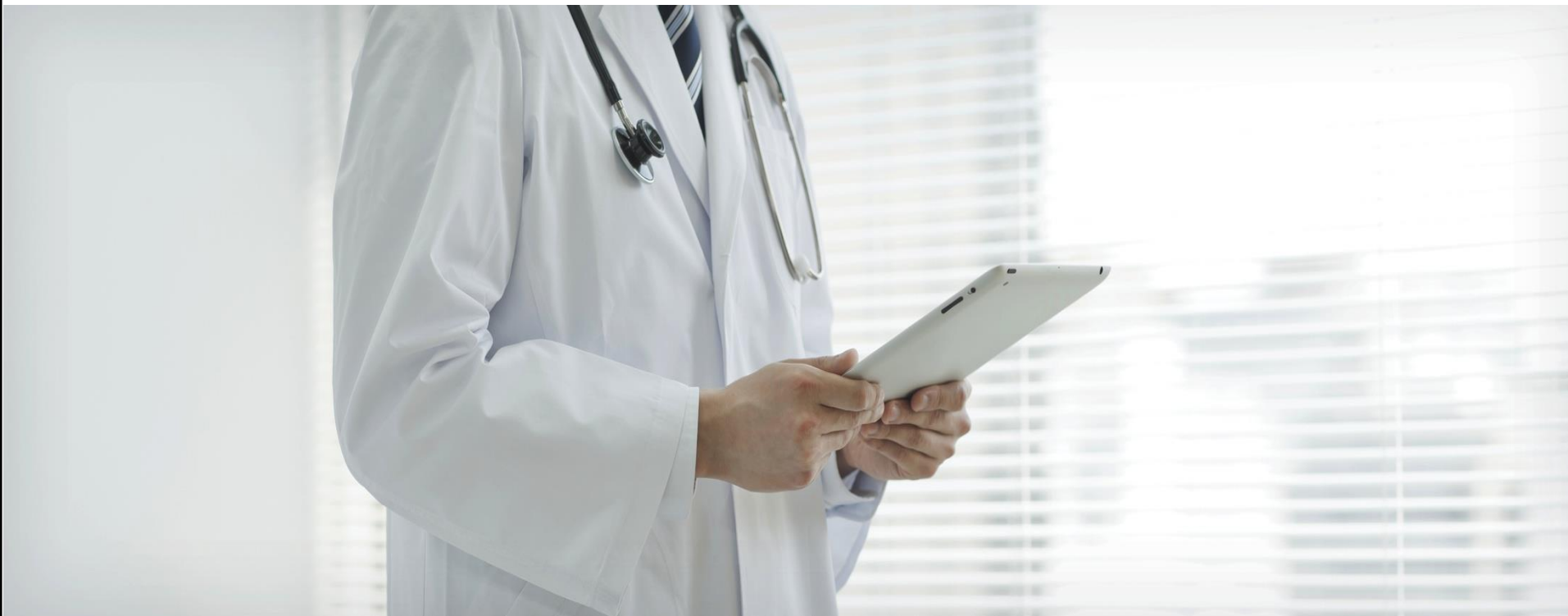
VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

	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*.



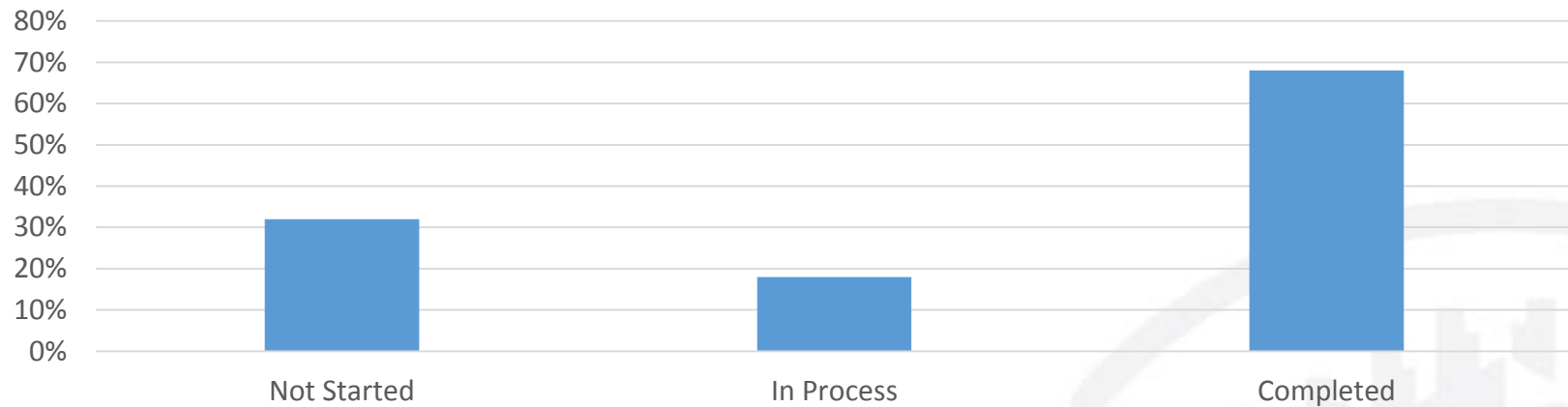
Audit Services Discussion & Analysis

Halifax Health Audit & Finance Committee

Presented May 2, 2018

For the period covering February 22, 2018 through April 23, 2018

Audit Plan: FY 17/18 Plan Status



FY Audit Plan	Internal	CoSource/External	Total Audits
Approved	11	3	14
Added	7	1	8
Removed	0	0	0
Revised Plan Total	18	4	22

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	Completed		
Co-Source	Executive Compensation and Expenses – FY 16	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	2	4	1
IAS	Timekeeping Controls Audit	Fieldwork		
IAS	2017 YE Audit Assistance	Completed		
IAS	Purchase Services Audit - Aramark	Fieldwork		
Co-Source	Executive Compensation and Expenses – FY 17	0	0	1
IAS	Secure32 & Check Printing Audit	0	0	3
IAS	Charge Master Supply Audit	Planning		
IAS	Deltona Construction Audit	Fieldwork		
IAS	Meaningful Use Stage 2 – 2017 Validation Audit	0	0	0
IAS	PCI Location Review	1	2	0

Summary of Halifax Health Audit Report

Audit Plan		Issues by Impact Level		
Secure32 & Check Printing Audit				
Objective – Determined whether security controls over check printing software and equipment were functioning as Management intended.		High	Moderate	Low
Key Risk(s) – Cash flow system allowing unauthorized access and activity to an individual or group to go unnoticed.		0	0	3
Significant Issue(s)	<ul style="list-style-type: none"> Based on the audit procedures performed low impact issues were identified. 			
IAS Conclusion	<ul style="list-style-type: none"> Opportunities exist to improve security controls over Secure32 backup files, access requests and check printer. Management will develop processes to enhance security of the AP check printing system. 			

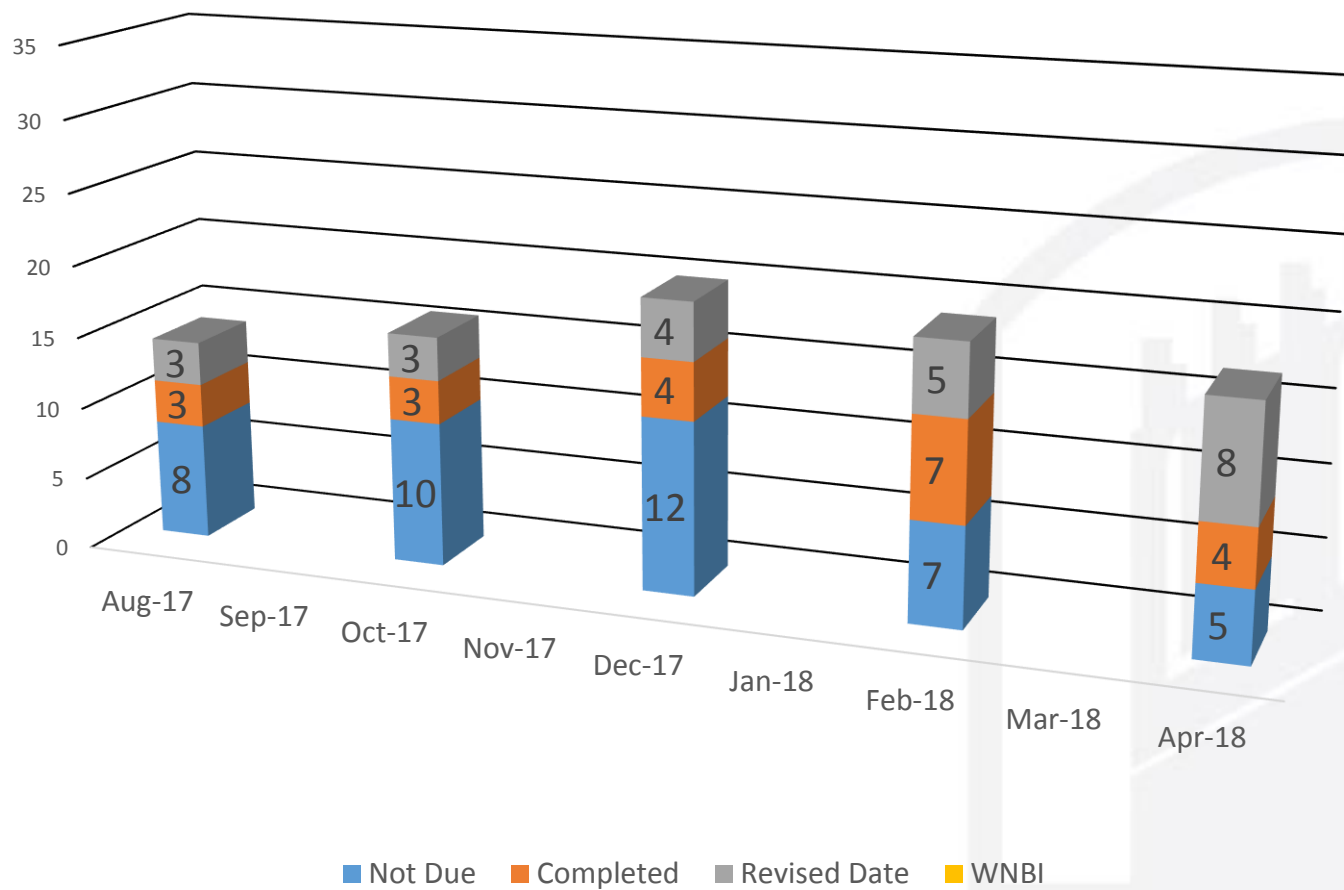
Audit Plan		Issues by Impact Level		
Administrative Payroll Component Audit				
Objective - Test whether controls over Halifax Staffing, Inc. Administrative payroll component and business expense were functioning as intended.		High	Moderate	Low
Key Risk(s) – People, processes and technology are not aligned with required procedures and criteria to process administrative compensation and expenses.		0	0	1
Significant Issue(s)	<ul style="list-style-type: none"> Based on the audit procedures performed a low impact issue with the Group Term Life (GTL) calculation for two Team Members was identified. 			
IAS Conclusion	<ul style="list-style-type: none"> The GTL calculation issue was an isolated occurrence, immaterial amount and corrected immediately by Management. 			

Summary of Halifax Health Audit Report

Special Project Assistance		Payment Card Information Location Review			Issues by Impact Level		
Objective – At the request of the Audit and Finance Committee, Internal Audit Services assessed inventory of credit card devices, location access points and merchant requirements.					High	Moderate	Low
Key Risk(s) – Halifax risks losing the ability to process credit cards if 3 rd party processors and credit card companies find Halifax being non-compliant with Payment Card Information standards.					1	2	0
Significant Issue(s)		<ul style="list-style-type: none"> Sensitive Authentication Data (SAD) cannot be stored or retained. Cardholder data with SAD (e.g. three or four digit security code) was documented on various paper forms at six (10%) locations and retained after patient card data was processed at three. 					
IAS Conclusion		<ul style="list-style-type: none"> Halifax Health is expected to demonstrate compliance with PCI standards. This helps maintain a healthy business relationship with card companies, 3rd party processors and avert non-compliance liabilities. Through training, removing paper from the process and researching handheld technology, Management will make sure locations are adequately protected. 					

Audit Follow-Up

Audit Issue Follow-Up: Status of Management Action Plans



See BoardEffect for Audit Follow Up Detail.

Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Halifax Health Call Network Audit Report Date: 8/15/17	<u>ISSUE 1: Segregation of Duties Was Missing Because Of Incorrect TriZetto User Access</u> <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. 	Management to restructure staff and segregate tasks for the purposes of identifying issues when they occur.	Bob Williams-Director, Population Health Business Development	12/29/2017 Revised 5/30/18	High
Halifax Health Call Network Audit Report Date: 8/15/17	<u>ISSUE 2: Claims Were Incorrectly Adjudicated Or Not Supported by Terms</u> Internal Audit Service's review of 38 claims for appropriate adjudication and reimbursement disclosed issues with six (16%) claims. The following issues were identified: <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 lessor 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) Expected Deliverable Due Date: 12/15/17 <ul style="list-style-type: none"> • 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. 	Arvin Lewis-SVP & Chief Revenue Officer Bob Williams-Director, Population Health Business Development	12/29/2017 Revised 5/30/18	Medium

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Network Security Testing Report Date 8/24/17	<u>ISSUE 4: Confidential</u>	Action Plan is Confidential	Tom Stafford, VP & Chief Information Officer	12/28/2018 Revised 2/28/18	Medium
Cash Collections Management Audit Report Date 12/20/17	<u>ISSUE 1: Physician Offices Do Not Have Proper Controls Over Cash Collection Processes</u> • New Smyrna Beach - Cashier credited \$65 dollars in co-pays to her own and an Associate accounts receivable (AR) balance. Although this was the Physician and not Halifax Health's AR Balance, Cashiers are never permitted to access their own or an Associate's account. - Supervisor and Cashier prepared four (80%) Balancing Sheets two to six days after patient collections. Sheets included incorrect receipt amounts and processing dates, missing check documentation and one incorrect bank deposit totaling \$65 dollars. - The cash bank, totaling \$179 dollars, was located in an unlocked drawer. • Care for Women - The cash bank was stolen and has not been replenished. - Cashier prepared and Supervisor approved the Cashiering Balancing Sheet without an opening count of the cash bank. - Supervisor and Cashiering Balancing Sheet submitted to Accounting seven days after completion. - Management did not recall or document changing the combination to the safe. Safe secured pending cash deposit transfers to the Cashiering Office. • Neurosurgery - Six (55%) Supervisor and Cashiering Balancing Sheets submitted to Accounting two to five days after completion. - Two (18%) cash deposits, totaling \$98 dollars, transferred to the Cashiering Office two and nine business days after the Supervisor Prepared the Daily Balancing Sheet. - Ten (91%) Supervisor Daily Balancing Sheets were missing the default date and attestation statement. • Urgent Care - Cashier prepared and Supervisor approved five (100%) Cashiering Balancing Sheets without an opening count of the cash bank. - Supervisor and Cashiering Balancing Sheets submitted to Accounting two to five days after completion. - Management did not recall or document changing the combination to the safe. Safe secured \$200 cash bank and pending cash deposit transfers to the Cashiering Office.	• Supervisors and Cashiers will receive additional Cash Balancing training that includes proper patient collections and adjustments. • A lock box or a lock for the desk drawer will be obtained for NSB Primary Care Office. • Leadership will monitor department cash balancing progress by conducting monthly audits. Issues will be addressed with Associates for the purposes of corrective action. • Safe combinations will be changed biannually or when an Associate with knowledge of the combination leaves. • Care for Women Cash Bank will be replenished to \$50 dollars.	Shanie Foster, Director of Physician Services Matthew Hoffman, Director of Specialty Services	2/28/2018 Revised 5/17/18	High

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Cash Collections Management Audit Report Date 12/20/17	<u>ISSUE 2: Emergency Departments Do Not Have Proper Controls Over Cash Collection Processes</u> <ul style="list-style-type: none"> • Cashiers documented nine credit card payments on "yellow slips" instead of processing the payment directly to Meditech. Slips contained patients' card numbers, security codes and expiration dates. (PO) • Cashiers voided three patient transactions totaling \$350 dollars without Supervisor approval. (Main, PO) • Supervisors and Cashiers prepared four (40%) Daily Balancing sheets or deposits two to seven days after patient collections. This included an unsigned Cashiering Balancing Sheet. (Deltona, Main, PO) • Departments did not document cash collections for four days or 177 patient visits. (Deltona, PO) • Management did not recall or document changing combinations to the safes. Safes secured pending cash deposit transfers to the Cashiering Office. (Main, PO) 	<ul style="list-style-type: none"> • Yellow Slips will be removed from ED areas to prevent non-compliance with PHI and PCI regulations. • Cashiers and Supervisors will receive additional Cash Balancing training that includes proper patient collections and adjustments and protecting patient information. • Manager will monitor department cash balancing progress by conducting monthly audits. Issues will be addressed with associates for the purposes of corrective action. • Safe combinations will be changed biannually or when an Associate with knowledge of the combination leaves. 	Angela Bolte, Manager Patient Access Services	2/28/2018 Revised 5/17/18	High
Cash Collections Management Audit Report Date 12/20/17	<u>ISSUE 3: Port Orange Thrift Does Not Have Proper Controls Over Cash Collection Processes</u> <ul style="list-style-type: none"> • Cash deposits to CHASE Bank exceeded \$1k dollars and are processed by Associates and not a formal courier service. • Three register drawers with \$100 dollar balances each are missing supervisor keys and are unlocked. • Management did not recall or document changing the combination to the safe. Safe secured up to \$2K dollars in cash banks, bank deposits and a change fund. • There are no security cameras. Retail stores are viewed as a high risk for theft and should have multiple physical controls such as alarms, safes and cameras. • IAS was unable to test for timeliness because Cash Balancing Reports were missing date fields. 	<ul style="list-style-type: none"> • Leadership will research courier services for the purposes of transferring cash to CHASE. • Keys will be obtained and registers will be locked at all times. • Safe combinations will be changed annually or when an Associate with knowledge of the combination leaves. • Leadership will research the cost/benefit of cameras for Port Orange Thrift and other stores. • Cash Balancing Reports will be updated to include dates. 	Anthony Trovato, Director Halifax Hospice Administration	3/30/2018 Revised 5/17/18	Medium

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Cash Collections Management Audit Report Date 12/20/17	<u>ISSUE 4: Oncology Offices Do Not Have Proper Controls Over Cash Collection Processes</u> <ul style="list-style-type: none"> Supervisors and Cashiers prepared 27 (90%) Daily Balancing Sheets three to 16 days after patient collections. Further, sheets were missing opening cash balances completion dates and/or attestations. (Main, Ormond, PO) Four (29%) cash deposits, totaling \$490 dollars, transferred to the Cashiering Office before Supervisor approval. (Main) Management did not recall or document changing the combination to the safes. Safes secured multiple cash banks totaling \$275 dollars and pending cash deposit transfers to the Cashiering Office. (Main, Ormond, PO) 	<ul style="list-style-type: none"> Supervisors and Cashiers will receive additional Cash Balancing training that includes cash balancing documentation, timely cash transfers and proper secondary review. Manager will monitor department cash balancing progress by conducting monthly audits. Issues will be addressed with associates for the purposes of corrective action. Safe combinations will be changed biannually or when an Associate with knowledge of the combination leaves. 	Angela Bolte, Manager Patient Access Services	2/28/2018 Revised 5/17/18	Medium
Cash Collections Management Audit Report Date 12/20/17	<u>ISSUE 6: Cash Office Does Not Have Proper Controls Over Cash Collection Processes</u> <ul style="list-style-type: none"> Supervisor reviewed and approved five (100%) Daily Balancing Sheets five to nine days after the Cashiering Balancing Sheet was completed. Management did not recall or document changing the combination to the safe. Safe secured \$150 dollar cash bank and pending cash deposit transfers to the Cashiering Office. 	<ul style="list-style-type: none"> Supervisors will receive additional Cash Balancing training. Manager will monitor department cash balancing progress by conducting monthly audits. Issues will be addressed with associates for the purposes of corrective action. Safe combinations will be changed biannually or when an Associate with knowledge of the combination leaves. 	Angela Bolte, Manager Patient Access Services	2/28/2018 Revised 5/17/18	Medium
Secure32 & Check Printing Audit Report Date 3/20/18	<u>ISSUE 1: Security Documentation Over Secure 32 Needs Improvement.</u> <ul style="list-style-type: none"> Although back up files to print checks were stored in a safe and have controls to record usage of files, there was no evidence documenting the combination was changed for a recent termination. Secure 32 application has defined access roles and the ability to produce user access lists and reports, however, there was no documented evidence of an approved access request. 	<ul style="list-style-type: none"> Going forward Management will retain access request and approval documents. Safe combination was changed on March 6, 2018. Missing Facility work order was an isolated human error. 	Lisa Tyler, Corporate Controller	6/29/2018	Low

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Executive Payroll & Expense Review Report Date 3/30/18	Incorrect group term life calculations for two Team Members resulted in a net overpayment of \$27 dollars.	• This was an isolated instance and Team Members pay will be corrected.	Lisa Tyler, Corporate Controller	5/20/2018	Low
PCI Review of Locations Report Date 4/17/18	<p>• PCI standards require data retention methods containing Primary Account Number (PAN), cardholder name and expiration date to be unreadable immediately after usage. Further, Sensitive Authentication Data (SAD) cannot be stored or retained after usage.</p> <p>Cardholder data that included SAD (e.g. three or four digit security code) was documented on paper at six (10%) access points and retained when no longer needed at three. Following locations were not aligned with PCI standards:</p> <ul style="list-style-type: none"> - Hospice Patient Accounting – Document had SAD - EmployMed Port Orange – Document had SAD - HMC Foundation– Document had SAD - Primary Care Daytona - Daytona Area Senior Services - Outpatient and Inpatient Patient Access Specialists 	• Cash collection education and procedures will state not to use any form of paper to record cardholder data. Also, Management will explore the use of handhelds for Halifax Inpatient Patient Access Specialists.	Arvin Lewis-SVP & Chief Revenue Officer	9/3/2018	High
PCI Review of Locations Report Date 4/17/18	<p>• PCI oversight includes an inventory of devices to store, process and transmit cardholder data to support cardholder data procedures, network diagrams and general controls. Management maintained an inventory of merchant locations, but not devices deployed within Halifax Health organization.</p>	<p>• Inventory device list with access points, Merchant numbers and Media Access Control numbers will be maintained by Accounting and copy of this inventory will be retained by Information Technology.</p>	<p>Tom Stafford, VP & Chief Information Officer</p> <p>Lisa Tyler, Corporate Controller</p>	9/3/2018	Medium
PCI Review of Locations Report Date 4/17/18	<p>• Annual SAQ-A and attestation of compliance from outsourced PCI DSS 3rd party Service was not available at the time of our review.</p>	<p>• The annual SAQ-A and attestation of compliance from outsourced PCI DSS 3rd party Service will be forward to IAS for review.</p>	Lisa Tyler, Corporate Controller	9/3/2018	Medium



Audit Plan Changes

Removed

- **Physician Compensation** – Compliance programs under the CIA perform similar compensation, coding, E/M documentation reviews.
- **IT Security Review** – Based on discussions with IT Management this audit will not begin until 2nd quarter FY 19. Accordingly IAS proposes deferring it from FY 18 to FY 19.

Additions

- **Medical Fund Review** – Added at the request of Management based on concerns operational controls were missing.
- **Deltona Construction** – Added at the request of Management based on the risk payments are not aligned with contracts.
- **PCI Review of Locations** – Added at the request of the Audit Committee based on PCI issues identified during the Cash Controls Audit.

Recommended Committee Action

Internal Audit recommends the following for Committee's approval:

- Summary of Audit Reports
- Audit Follow-up Summary Report
- FY 2018 Audit Plan Changes

Halifax Hospital Medical Center Audit Committee Charter of the Audit and Finance Committee

I. PURPOSE

The Halifax Hospital Medical Center (Halifax) Audit Committee is responsible for assisting the Board of Commissioners in fulfilling its oversight responsibilities relative to auditing, the financial reporting process, and supporting a reliable system of internal controls. In doing so, it is the responsibility of the Audit Committee to maintain free and open communication between the Board of Commissioners, the internal auditors, the external auditors, and the senior management of Halifax.

The Audit Committee is established pursuant to the provisions of the Sarbanes-Oxley Act. The Audit Committee shall recommend and adopt specific portions of Sarbanes-Oxley, even though Halifax is not subject to the provisions of Sarbanes-Oxley.

II. AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matters. It is empowered to:

- Appoint, compensate, and oversee the work of the public accounting firm employed by Halifax to conduct the annual audit.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and permitted non-audit services performed by Halifax's external audit firm.
- Retain independent counsel, accountants or others to advise the committee or assist in the conduct of an investigation.
- Meet with the Halifax officers, external auditors or outside counsel as necessary.

III. COMPOSITION AND QUALIFICATIONS OF MEMBERS

The Audit Committee will consist of a minimum of five members with at least one member being a member of the Board of Commissioners. The Audit Committee Chair will be selected by the Chair of the Board of Commissioners and approved by the Board of Commissioners. At least one member of the Audit Committee will be a financial expert (as defined by Sarbanes-Oxley) approved by the Board of Commissioners. All Audit Committee members will be independent of Halifax Hospital Medical Center management.

Audit Committee members shall serve initial terms of one year, but shall continue to serve until a successor is appointed and accepts the appointment. Reappointment terms shall be for a period of two years. Each member of the Audit Committee shall have the right to exercise one vote.

**Halifax Hospital Medical Center
Audit Committee Charter
of the Audit and Finance Committee**

IV. MEETINGS

The Audit Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via teleconference. Attendance of 50% of the members shall constitute a quorum. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

V. RESPONSIBILITIES

The Audit Committee will carry out the following responsibilities:

A. Financial Reporting Process

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered, and all matters required to be communicated to the committee under generally accepted auditing standards.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Understand the financial reporting process.

B. Internal Control

- Consider the effectiveness of the Halifax internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

**Halifax Hospital Medical Center
Audit Committee Charter
of the Audit and Finance Committee**

C. Internal Audit

- Review with management and the Director of Audit Services:
 - the annual audit plan and progress on the annual audit plan;
 - audit reports;
 - audit follow-up results;
 - staffing; and
 - organizational structure of the internal audit function.

The activities of the Audit Services department shall be presented to the Audit Committee on a quarterly basis.

- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Director of Audit Services.
- Review and approve performance evaluations and salary increases for the Director of Audit Services.
- Review the audits of the business practices of the CEO.
- Request special audits when deemed necessary.

D. External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and recommend to the Board the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and Halifax, including non-audit services, and discussing the relationships with the auditors.
- Ensure the rotation of the external audit partner, as specified under Sarbanes-Oxley.
- Ensure that no personnel employed by the external auditor are hired in certain key financial oversight positions (CEO, CFO, controller, etc.) within a year of working on the audit, unless approved by the Audit Committee, in compliance with Sarbanes-Oxley.
- Assure that the external auditors understand that their accountability is to the Board of Commissioners and the Audit Committee.
- Review the following with the external auditors and/or management:
 - Draft of the audit report;
 - Management Letter; and
 - Matters required to be communicated to the Audit Committee by the Statements of Auditing Standards, including audit adjustments made and passed.

E. Reporting Responsibilities

- Regularly report to the Board of Commissioners about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between the internal auditors, the external auditors, and the Board of Commissioners.
- Review any other reports Halifax issues that relate to Committee responsibilities.

**Halifax Hospital Medical Center
Audit Committee Charter
of the Audit and Finance Committee**

F. Risk Assessment

- Inquire of management, the internal auditors and the external auditors concerning significant risks or exposures and assess the steps management has taken to minimize such risk to Halifax Hospital Medical Center.

G. Other Responsibilities

- Perform other activities related to this charter as requested by the Board of Commissioners.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Complete an annual self-assessment to confirm that all responsibilities outlined in this charter have been carried out.
- Provide sufficient opportunity for the internal auditors and external auditors to meet with the members of the Audit Committee without members of management present.
- Monitor management's corrective action taken on issues identified in Management Letters and Internal Audit Reports.

Halifax Health

Summary Financial Narrative

For the six months ended March 31, 2018

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

Financial Indicator	YTD Actual FY 18	YTD Budget FY 18	YTD Actual vs. Budget	S&P "A"	YTD Actual FY 18 vs. S&P "A"
Total Margin	2.6%	3.0%	Unfavorable	5.8%	Unfavorable
Operating Margin	1.8%	2.1%	Unfavorable	3.6%	Unfavorable
EBIDA Margin	10.1%	10.2%	Unfavorable	13.1%	Unfavorable
Operating EBIDA Margin	9.4%	9.4%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	9.2%	9.2%	Favorable	N/A	N/A
Days Cash on Hand	238	258	Unfavorable	249	Unfavorable
Cash to Debt	93.1%	102.8%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	54.9%	53.3%	Unfavorable	29.1%	Unfavorable
OG MADS Coverage	2.37	2.41	Unfavorable	4.50	Unfavorable
OG Debt to Capitalization	54.1%	52.9%	Unfavorable	29.1%	Unfavorable

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

Halifax Health Medical Center

Statistical Summary--

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

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 2.0% less than budget.
- Total operating expenses for the fiscal year-to-date are 0.9% less than budget.
- Income from operations for the fiscal year-to-date of \$2.5 million compares unfavorably to budget by \$1.5 million.
- Nonoperating gains/losses for the fiscal year-to-date of \$119,000, primarily consisting of investment income/losses, compares unfavorably to the budgeted amount by \$1.0 million.
- The increase in net position, before other changes in net position, for the fiscal year-to-date of \$2.7 million compares unfavorably to budget by \$2.5 million.

Halifax Health Hospice

Statistical Summary --

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

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 2.7% greater than budget.
- Income from operations for the fiscal year-to-date of \$314,000 compares favorably to budget by \$275,000.
- Nonoperating gains/losses for the fiscal year-to-date of \$2.0 million, primarily consisting of investment income, compares favorably to the budgeted amount by \$500,000.
- The increase in net position, before other changes in net position, for the fiscal year-to-date of \$2.3 million compares favorably to budget by \$775,000.

Other Component Units - The financial performance is consistent with budgeted expectations.

Halifax Health Statistical Summary

Month Ended March 31,					Six Months Ended March 31,			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>		<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
				<u>Inpatient Activity</u>				
1,682	1,720	1,758	-2.2%	HHMC Adult/Ped Admissions	9,575	9,626	9,821	-2.0%
172	201	165	21.8%	HHMCPO Adult/Ped Admissions	882	1,081	935	15.6%
144	176	169	4.1%	Adult Psych Admissions	918	1,108	959	15.5%
73	64	64	0.0%	Rehabilitative Admissions	393	393	370	6.2%
2,071	2,161	2,156	0.2%	Total Adult/Ped Admissions	11,768	12,208	12,085	1.0%
8,552	9,060	8,473	6.9%	HHMC Adult/Ped Patient Days	51,201	48,393	47,323	2.3%
978	686	702	-2.3%	HHMCPO Adult/Ped Patient Days	4,928	3,937	3,991	-1.4%
1,488	1,282	1,671	-23.3%	Adult Psych Patient Days	8,796	8,245	9,498	-13.2%
935	1,066	929	14.7%	Rehabilitative Patient Days	5,448	5,835	5,408	7.9%
11,953	12,094	11,775	2.7%	Total Adult/Ped Patient Days	70,373	66,410	66,220	0.3%
5.1	5.3	4.8	9.3%	HHMC Average Length of Stay	5.3	5.0	4.8	4.3%
5.7	3.4	4.3	-19.8%	HHMCPO Average Length of Stay	5.6	3.6	4.3	-14.7%
5.1	5.1	4.8	6.3%	HHMC/ HHMCPO Average Length of Stay	5.4	4.9	4.8	2.4%
10.3	7.3	9.9	-26.3%	Adult Psych Average Length of Stay	9.6	7.4	9.9	-24.9%
12.8	16.7	14.5	14.7%	Rehabilitative Length of Stay	13.9	14.8	14.6	1.6%
5.8	5.6	5.5	2.5%	Total Average Length of Stay	6.0	5.4	5.5	-0.7%
386	390	380	2.7%	Total Average Daily Census	387	365	364	0.3%
928	835	859	-2.8%	HHMC Observation Patient Day Equivalents	5,310	5,236	4,691	11.6%
253	207	202	2.5%	HHMCPO Observation Patient Day Equivalents	1,093	1,150	1,093	5.2%
1,181	1,042	1,061	-1.8%	Total Observation Patient Day Equivalents	6,403	6,386	5,784	10.4%
38	34	34	0.0%	Observation Average Daily Census	35	35	32	9.4%
158	109	169	-35.5%	HHMC Newborn Births	880	826	938	-11.9%
290	237	316	-25.0%	HHMC Nursery Patient Days	1,650	1,535	1,788	-14.1%
497	586	512	14.5%	HHMC Inpatient Surgeries	2,697	2,983	2,815	6.0%
9	10	3	233.3%	HHMCPO Inpatient Surgeries	26	50	18	177.8%
506	596	515	15.7%	Total Inpatient Surgeries	2,723	3,033	2,833	7.1%
				<u>Inpatient Surgeries</u>				
213	188			Orthopedics	1,076	996		
73	84			General Surgery	436	403		
49	47			Neurosurgery	263	208		
31	31			Vascular	158	191		
0	47			Gastroenterology	6	207		
140	199			All Other	784	1,028		
506	596	515	15.7%	Total Inpatient Surgeries	2,723	3,033	2,833	7.1%

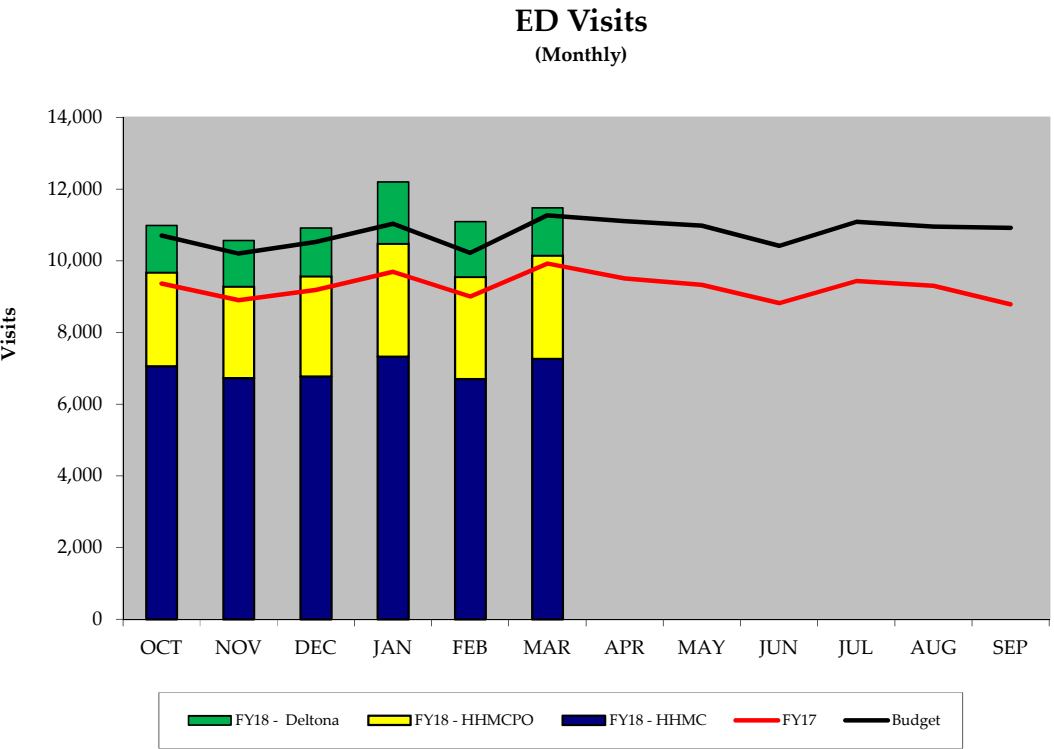
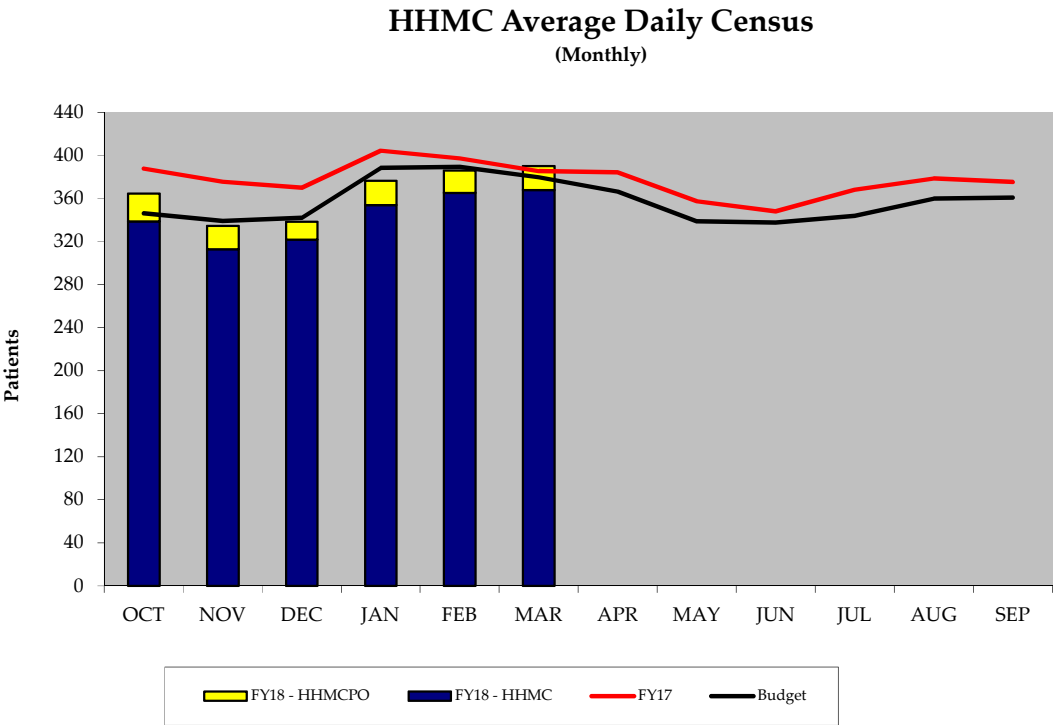
Halifax Health Statistical Summary

Month Ended March 31,				Six Months Ended March 31,				
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>		<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
7,119	7,266	7,185	1.1%	HHMC ED Registrations	40,489	41,877	40,871	2.5%
2,808	2,884	2,817	2.4%	HHMCPO ED Registrations	15,602	16,844	15,650	7.6%
0	1,331	1,271	4.7%	Deltona ED Registrations	0	8,547	7,462	14.5%
9,927	11,481	11,273	1.8%	Total ED	56,091	67,268	63,983	5.1%
450	373	424	-12.0%	HHMC Outpatient Surgeries	2,522	2,215	2,324	-4.7%
3	0	0	0.0%	HPC Outpatient Surgeries	306	2	0	0.0%
111	136	110	23.6%	HHMCPO Outpatient Surgeries	126	739	647	14.2%
364	278	300	-7.3%	Twin Lakes Surgeries	2,123	1,861	1,876	-0.8%
928	787	834	-5.6%	Total Outpatient Surgeries	5,077	4,817	4,847	-0.6%
				<u>Outpatient Surgeries</u>				
187	128			General Surgery	1,093	902		
177	112			Orthopedics	996	757		
71	94			Gastroenterology	449	566		
93	77			Obstetrics Gynecology	453	436		
76	72			Ophthalmology	359	415		
324	304			All Other	1,727	1,741		
928	787	834	-5.6%	Total Outpatient Surgeries	5,077	4,817	4,847	-0.6%
				<u>Cardiology Procedures</u>				
23	29			Open Heart Cases	111	126		
135	187			Cardiac Caths	766	991		
23	31			CRM Devices	190	187		
31	34			EP Studies	233	254		
212	281	250	12.4%	Total Cardiology Procedures	1,300	1,558	1,322	17.9%
				<u>Interventional Radiology Procedures</u>				
6	13	7	85.7%	Vascular	36	52	42	23.8%
173	195	178	9.6%	Nonvascular	944	1,020	972	4.9%
179	208	185	12.4%	Total Interventional Radiology Procedures	980	1,072	1,014	5.7%
208	221	227	-2.6%	GI Procedures	1,211	1,322	1,214	8.9%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
16,273	15,734	15,501	1.5%	Volusia/ Flagler	91,978	95,514	91,006	5.0%
1,139	1,521	1,522	-0.1%	Orange/ Osceola	5,472	8,344	8,103	3.0%
17,412	17,255	17,023	1.4%	HH Hospice Patient Days	97,450	103,858	99,109	4.8%
				<u>Average Daily Census</u>				
525	508	500	1.5%	Volusia/ Flagler	505	525	500	5.0%
37	49	49	-0.1%	Orange/ Osceola	30	46	45	3.0%
562	557	549	1.4%	HH Hospice Average Daily Census	535	571	545	4.8%

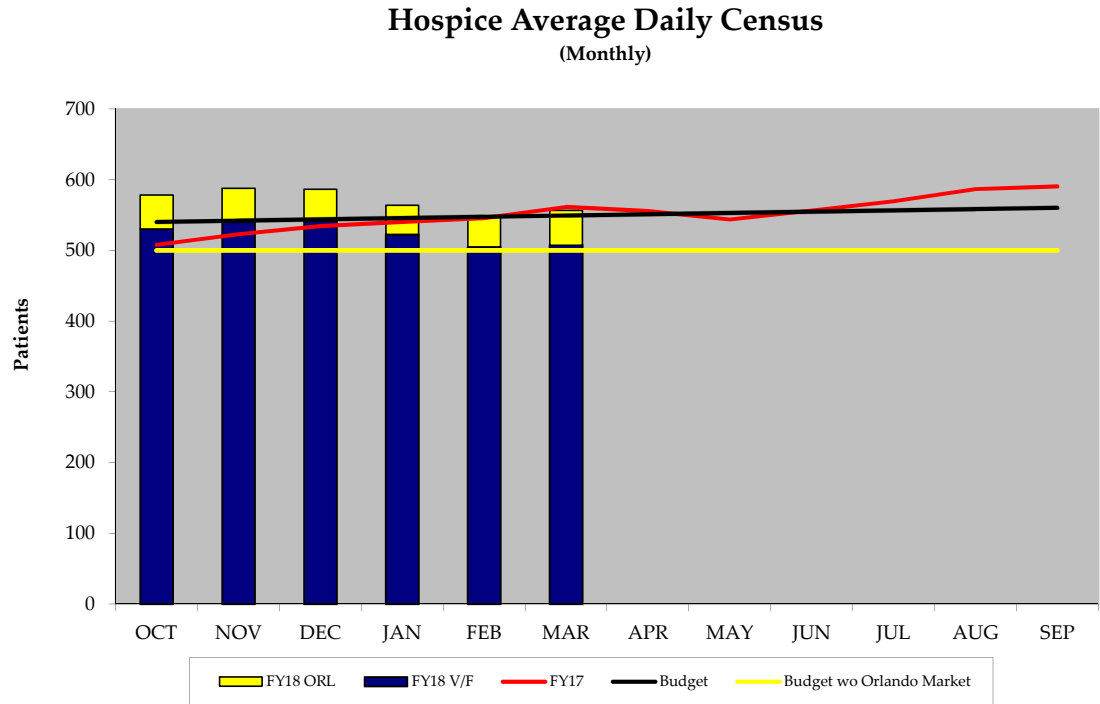
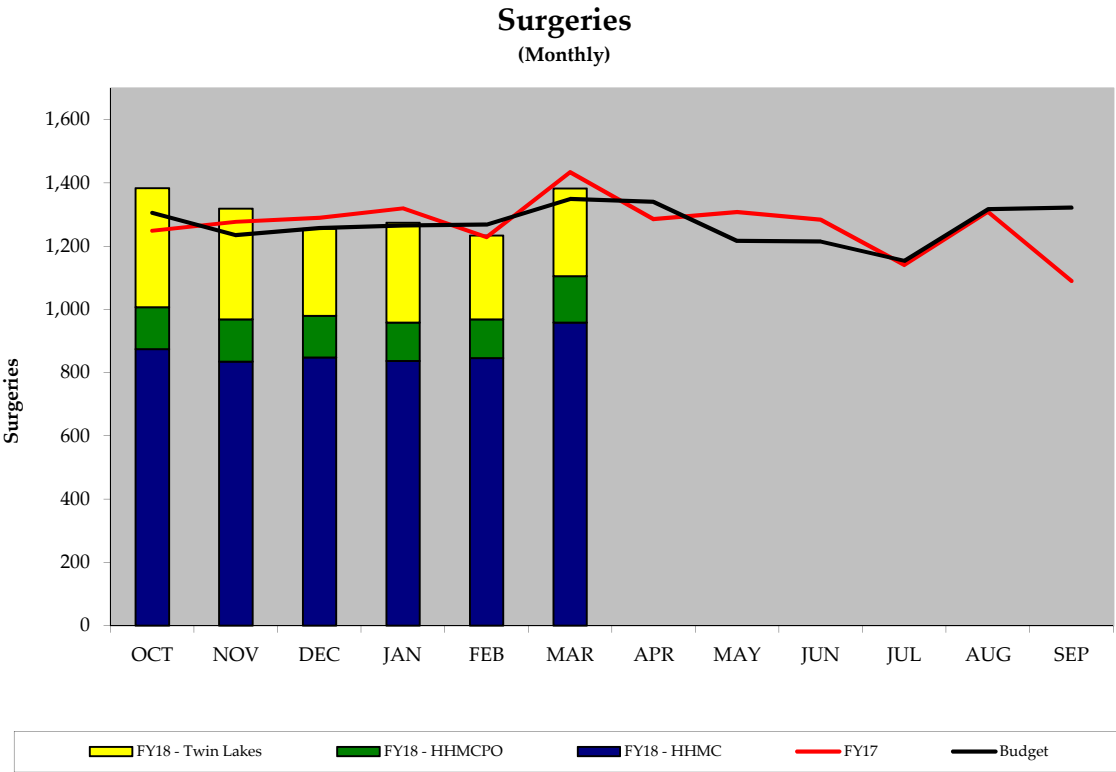
Halifax Health Statistical Summary

Month Ended March 31,				Six Months Ended March 31,			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>	<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>							
<u>Primary Care Visits</u>							
383	638	309	106.5%	Ormond Beach	1,862	2,804	1,705 64.5%
1,124	1,107	1,159	-4.5%	Daytona Beach	6,096	6,371	6,287 1.3%
758	595	687	-13.4%	Port Orange	4,207	4,419	3,855 14.6%
300	182	619	-70.6%	Deltona	1,812	1,436	3,738 -61.6%
-	628	800	-21.5%	New Smyrna	-	4,661	4,800 -2.9%
591	501	476	5.3%	Ormond Beach (Women's/OB)	2,923	3,325	2,795 19.0%
164	430	876	-50.9%	Ormond Beach - Urgent Care	231	2,458	5,143 -52.2%
3,320	4,081	4,926	-17.2%	Primary Care Visits	17,131	25,474	28,323 -10.1%
<u>Children's Medical Center Visits</u>							
1,002	598	932	-35.8%	Ormond Beach	5,622	3,477	5,386 -35.4%
31	386	384	0.5%	Palm Coast	324	2,161	1,993 8.4%
522	528	730	-27.7%	Port Orange	3,026	2,995	4,230 -29.2%
1,555	1,512	2,046	-26.1%	Children's Medical Center Visits	8,972	8,633	11,609 -25.6%
<u>Community Clinic Visits</u>							
526	350	539	-35.1%	Keech Street	2,496	1,866	2,560 -27.1%
294	-	-	0.0%	Adult Community Clinic	1,494	92	75 22.7%
820	350	539	-35.1%	Community Clinic Visits	3,990	1,958	2,635 -25.7%

Halifax Health
Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



Halifax Health

Condensed Statement of Net Position

(\$ in thousands)

	March 31,		
	2018	2017	Change
<u>Assets</u>			
Cash and cash equivalents	\$30,314	\$44,188	(\$13,874)
Investments	263,915	265,332	(1,417)
Board designated assets	45,135	44,841	294
Accounts receivable	68,950	66,548	2,402
Restricted assets whose use is limited	6,214	13,670	(7,456)
Other assets	51,592	48,559	3,033
Deferred outflow - swap	26,441	29,980	(3,539)
Deferred outflow - loss on bond refunding	15,993	16,917	(924)
Deferred outflow - pension	26,787	27,833	(1,046)
Property, plant and equipment	357,106	353,603	3,503
Total Assets	\$892,447	\$911,471	(\$19,024)
<u>Liabilities and Net position</u>			
Accounts payable	\$31,860	\$31,386	\$474
Other liabilities	99,097	83,282	15,815
Deferred inflow - pension	2,646	-	2,646
Net pension liability	69,161	103,087	(33,926)
Long-term debt	345,475	353,221	(7,746)
Premium on LTD, net	18,927	19,597	(670)
Long-term value of swap	26,441	29,980	(3,539)
Net position	298,840	290,918	7,922
Total Liabilities and Net position	\$892,447	\$911,471	(\$19,024)

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

Month ended March 31, 2018	Month ended March 31, 2017	Variance		Six Months ended March 31, 2018	Six Months ended March 31, 2017	Variance
			Cash flows from operating activities:			
\$42,752	\$43,951	(\$1,199)	Receipts from third party payors and patients	\$254,685	\$241,194	\$13,491
(20,515)	(21,304)	789	Payments to employees	(154,727)	(158,532)	3,805
(15,447)	(14,779)	(668)	Payments to suppliers	(108,094)	(90,536)	(17,558)
195	286	(91)	Receipt of ad valorem taxes	1,000	10,086	(9,086)
(5,073)	(5,360)	287	Receipt (payment) of State UPL funds, net	(5,073)	(5,360)	287
3,686	2,558	1,128	Other receipts	18,836	16,748	2,088
(3,415)	(3,678)	263	Other payments	(21,810)	(21,207)	(603)
2,183	1,674	509	Net cash provided by (used in) operating activities	(15,183)	(7,607)	(7,576)
			Cash flows from noncapital financing activities:			
102	246	(144)	Proceeds from donations received	468	463	5
-	(8)	8	Nonoperating gain (loss)	(7)	(8)	1
102	238	(136)	Net cash provided by noncapital financing activities	461	455	6
			Cash flows from capital and related financing activities:			
(3,142)	(2,105)	(1,037)	Acquisition of capital assets	(14,749)	(9,100)	(5,649)
(16)	(195)	179	Payment of long-term debt	(1,390)	(1,170)	(220)
(344)	(350)	6	Payment of interest on long-term debt	(8,324)	(8,443)	119
(3,502)	(2,650)	(852)	Net cash used in capital financing activities	(24,463)	(13,239)	(11,224)
			Cash flows from investing activities:			
442	637	(195)	Realized investment income (loss)	2,914	3,470	(556)
(553)	(740)	187	Purchases of investments/limited use assets	(4,027)	(7,018)	2,991
7,106	7,005	101	Sales/Maturities of investments/limited use assets	7,189	9,554	(2,365)
6,995	6,902	93	Net cash provided by (used in) investing activities	6,076	6,006	70
5,778	6,164	(386)	Net increase (decrease) in cash and cash equivalents	(33,109)	(14,385)	(18,724)
24,536	38,024	(13,488)	Cash and cash equivalents at beginning of period	63,423	58,573	4,850
<u>\$30,314</u>	<u>\$44,188</u>	<u>(\$13,874)</u>	Cash and cash equivalents at end of period	<u>\$30,314</u>	<u>\$44,188</u>	<u>(\$13,874)</u>

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

Actual Month Ended March 31, 2018	Actual Month Ended March 31, 2017	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Actual Six Months Ended March 31, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$55,652	\$55,840	(\$188)	Net patient service revenue, before provision for bad debts	\$311,936	\$299,145	\$12,791
(10,785)	(9,935)	(850)	Provision for bad debts	(51,338)	(47,215)	(4,123)
44,867	45,905	(1,038)	Net patient service revenue	260,598	251,930	8,668
504	938	(434)	Ad valorem taxes	3,024	5,626	(2,602)
2,529	2,310	219	Other revenue	14,201	13,786	415
47,900	49,153	(1,253)	Total operating revenues	277,823	271,342	6,481
			Operating expenses:			
23,646	24,020	374	Salaries and benefits	137,722	138,999	1,277
7,409	6,629	(780)	Purchased services	41,536	37,091	(4,445)
9,092	9,047	(45)	Supplies	50,082	49,329	(753)
2,165	1,947	(218)	Depreciation and amortization	12,765	11,840	(925)
1,388	1,409	21	Interest	8,332	8,449	117
516	626	110	Ad valorem tax related expenses	3,284	3,732	448
797	743	(54)	Leases and rentals	4,836	4,405	(431)
2,462	2,098	(364)	Other	14,131	13,099	(1,032)
47,475	46,519	(956)	Total operating expenses	272,688	266,944	(5,744)
425	2,634	(2,209)	Excess of operating revenues over expenses	5,135	4,398	737
			Nonoperating revenues, expenses, and gains/(losses):			
442	637	(195)	Realized investment income/(losses)	2,914	3,471	(557)
(509)	(287)	(222)	Unrealized investment income/(losses)	(1,298)	(86)	(1,212)
103	246	(143)	Donation revenue	468	464	4
36	588	(552)	Total nonoperating revenues, expenses, and gains/(losses)	2,077	3,842	(1,765)
461	3,222	(2,761)	Increase in net position before other changes in net position	7,212	8,240	(1,028)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
\$461	\$3,222	(\$2,761)	Increase (decrease) in net position	(\$13,887)	\$8,240	(\$22,127)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended March 31, 2018	Static Budget Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Static Budget Six Months Ended March 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$55,652	\$55,437	\$215	Net patient service revenue, before provision for bad debts	\$311,936	\$313,357	(\$1,421)
(10,785)	(8,469)	(2,316)	Provision for bad debts	(51,338)	(48,525)	(2,813)
44,867	46,968	(2,101)	Net patient service revenue	260,598	264,832	(4,234)
504	504	-	Ad valorem taxes	3,024	3,024	-
2,529	2,178	351	Other revenue	14,201	13,023	1,178
47,900	49,650	(1,750)	Total operating revenues	277,823	280,879	(3,056)
			Operating expenses:			
23,646	24,984	1,338	Salaries and benefits	137,722	145,817	8,095
7,409	6,291	(1,118)	Purchased services	41,536	37,305	(4,231)
9,092	8,796	(296)	Supplies	50,082	49,235	(847)
2,165	2,007	(158)	Depreciation and amortization	12,765	12,041	(724)
1,388	1,392	4	Interest	8,332	8,361	29
516	523	7	Ad valorem tax related expenses	3,284	3,239	(45)
797	806	9	Leases and rentals	4,836	4,825	(11)
2,462	2,352	(110)	Other	14,131	14,105	(26)
47,475	47,151	(324)	Total operating expenses	272,688	274,928	2,240
425	2,499	(2,074)	Excess of operating revenues over expenses	5,135	5,951	(816)
			Nonoperating revenues, expenses, and gains/(losses):			
442	365	77	Realized investment income/(losses)	2,914	2,194	720
(509)	(2)	(507)	Unrealized investment income/(losses)	(1,298)	(10)	(1,288)
103	58	45	Donation revenue	468	346	122
36	421	(385)	Total nonoperating revenues, expenses, and gains/(losses)	2,077	2,530	(453)
461	2,920	(2,459)	Increase in net position before other changes in net position	7,212	8,481	(1,269)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
\$461	\$2,920	(\$2,459)	Increase (decrease) in net position	(\$13,887)	\$8,481	(\$22,368)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended March 31, 2018	Static Budget Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Static Budget Six Months Ended March 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$51,870	\$51,784	\$86	Net patient service revenue, before provision for bad debts	\$289,898	\$292,008	(\$2,110)
(10,656)	(8,382)	(2,274)	Provision for bad debts	(50,698)	(48,009)	(2,689)
41,214	43,402	(2,188)	Net patient service revenue	239,200	243,999	(4,799)
504	504	-	Ad valorem taxes	3,024	3,024	-
1,989	1,405	584	Other revenue	9,538	8,389	1,149
43,707	45,311	(1,604)	Total operating revenues	251,762	255,412	(3,650)
			Operating expenses:			
21,506	22,827	1,321	Salaries and benefits	125,506	133,295	7,789
6,318	5,181	(1,137)	Purchased services	34,616	30,800	(3,816)
8,906	8,568	(338)	Supplies	48,924	47,904	(1,020)
2,034	1,881	(153)	Depreciation and amortization	11,981	11,285	(696)
1,389	1,389	-	Interest	8,310	8,334	24
516	523	7	Ad valorem tax related expenses	3,284	3,239	(45)
624	633	9	Leases and rentals	3,784	3,799	15
2,112	2,120	8	Other	12,826	12,721	(105)
43,405	43,122	(283)	Total operating expenses	249,231	251,377	2,146
302	2,189	(1,887)	Excess of operating revenues over expenses	2,531	4,035	(1,504)
			Nonoperating revenues, expenses, and gains/(losses):			
262	180	82	Realized investment income/(losses)	1,398	1,082	316
(28)	(2)	(26)	Unrealized investment income/(losses)	(1,377)	(10)	(1,367)
100	-	100	Donation revenue	105	-	105
334	178	156	Total nonoperating revenues, expenses, and gains/(losses)	119	1,072	(953)
636	2,367	(1,731)	Increase in net position before other changes in net position	2,650	5,107	(2,457)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(19,962)	-	(19,962)
-	-	-	Total other changes in net position	(19,962)	-	(19,962)
\$636	\$2,367	(\$1,731)	Increase (decrease) in net position	(\$17,312)	\$5,107	(\$22,419)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended March 31, 2017		Actual Month Ended March 31, 2018		Static Budget Month Ended March 31, 2018			Actual Six Months Ended March 31, 2017		Actual Six Months Ended March 31, 2018		Static Budget Six Months Ended March 31, 2018	
\$163,776	100.00%	\$178,055	100.00%	\$173,432	100.00%	Gross charges	\$907,728	100.00%	\$995,407	100.00%	\$977,745	100.00%
(4,082)	-2.49%	(10,784)	-6.06%	(9,087)	-5.24%	Charity	(43,502)	-4.79%	(59,785)	-6.01%	(51,182)	-5.23%
(107,560)	-65.68%	(115,401)	-64.81%	(112,561)	-64.90%	Contractual adjustments	(583,838)	-64.32%	(645,724)	-64.87%	(634,555)	-64.90%
52,134	31.83%	51,870	29.13%	51,784	29.86%	Gross charges, before provision for bad debts	280,388	30.89%	289,898	29.12%	292,008	29.87%
(9,801)	-5.98%	(10,656)	-5.98%	(8,382)	-4.83%	Provision for bad debts	(46,636)	-5.14%	(50,698)	-5.09%	(48,009)	-4.91%
\$42,333	25.85%	\$41,214	23.15%	\$43,402	25.03%	Net patient service revenue	\$233,752	25.75%	\$239,200	24.03%	\$243,999	24.96%

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

Actual Month Ended March 31, 2018	Static Budget Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Static Budget Six Months Ended March 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,782	\$3,653	\$129	Net patient service revenue, before provision for bad debts	\$22,038	\$21,349	\$689
(129)	(87)	(42)	Provision for bad debts	(640)	(516)	(124)
3,653	3,566	87	Net patient service revenue	21,398	20,833	565
195	199	(4)	Other revenue	1,102	1,194	(92)
3,848	3,765	83	Total operating revenues	22,500	22,027	473
			Operating expenses:			
2,073	2,087	14	Salaries and benefits	11,810	12,103	293
1,054	1,067	13	Purchased services	6,689	6,251	(438)
186	227	41	Supplies	1,157	1,326	169
64	59	(5)	Depreciation and amortization	384	356	(28)
168	168	-	Leases and rentals	1,021	995	(26)
316	161	(155)	Other	1,125	957	(168)
3,861	3,769	(92)	Total operating expenses	22,186	21,988	(198)
(13)	(4)	(9)	Excess (deficiency) of operating revenues over expenses	314	39	275
			Nonoperating revenues, expenses, and gains/(losses):			
180	185	(5)	Realized investment income/(losses)	1,516	1,112	404
(481)	-	(481)	Unrealized investment income/(losses)	79	-	79
3	58	(55)	Donation revenue	363	346	17
(298)	243	(541)	Total nonoperating revenues, expenses, and gains/(losses)	1,958	1,458	500
(311)	239	(550)	Increase (decrease) in net position before other changes in net position	2,272	1,497	775
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(1,137)	-	(1,137)
-	-	-	Total other changes in net position	(1,137)	-	(1,137)
(\$311)	\$239	(\$550)	Increase (decrease) in net position	\$1,135	\$1,497	(\$362)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended March 31, 2018	Static Budget Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Static Budget Six Months Ended March 31, 2018	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	-	-	-
350	352	(2)	Other revenue	2,093	2,110	(17)
350	352	(2)	Total operating revenues	2,093	2,110	(17)
			Operating expenses:			
57	60	3	Salaries and benefits	345	356	11
37	39	2	Purchased services	225	232	7
-	1	1	Supplies	1	5	4
67	67	-	Depreciation and amortization	400	400	-
(1)	3	4	Interest	22	27	5
5	5	-	Leases and rentals	31	31	-
-	4	4	Other	4	24	20
165	179	14	Total operating expenses	1,028	1,075	47
185	173	12	Excess of operating revenues over expenses	1,065	1,035	30
			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)	-	-	-
\$185	\$173	\$12	Increase in net position	\$1,065	\$1,035	\$30

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

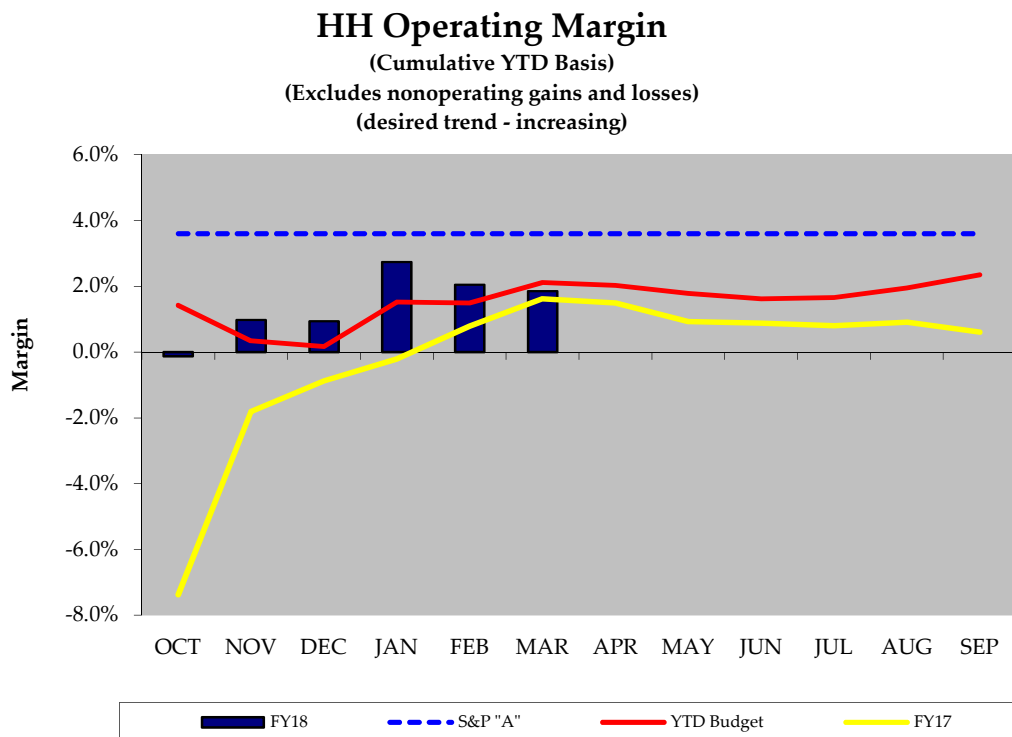
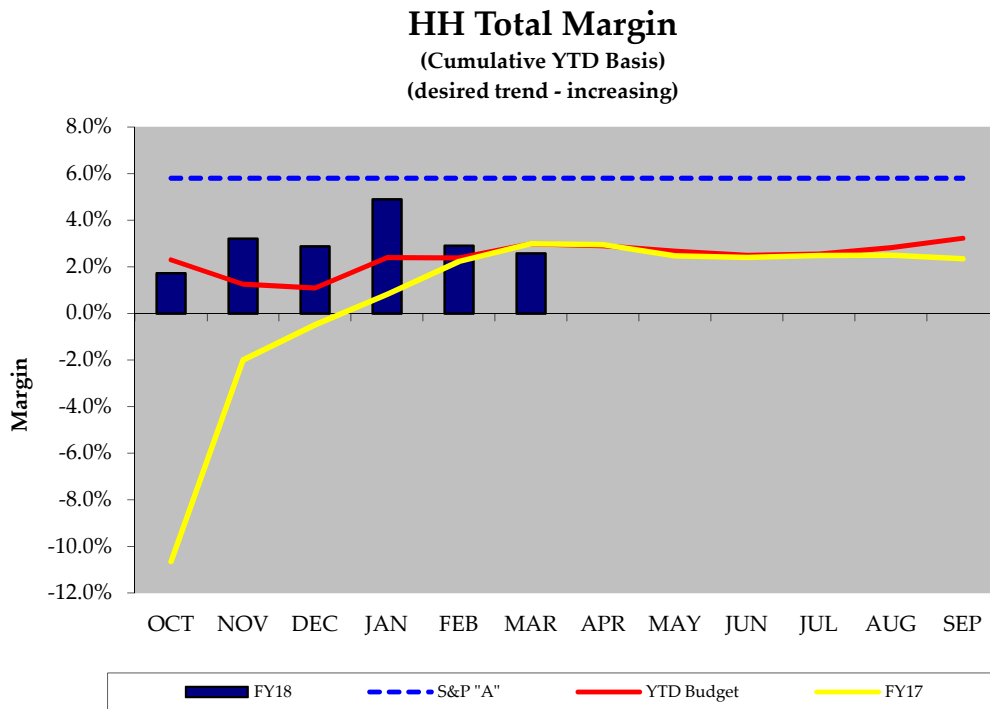
Actual Month Ended March 31, 2018	Static Budget Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Static Budget Six Months Ended March 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
101	114	(13)	Realized investment income/(losses)	968	683	285
(280)	-	(280)	Unrealized investment income/(losses)	(155)	-	(155)
174	108	66	Donation revenue	655	647	8
-	-	-	Other revenue	-	-	-
(5)	222	(227)	Total operating revenues	1,468	1,330	138
			Operating expenses:			
10	10	-	Salaries and benefits	61	63	2
-	4	4	Purchased services	6	22	16
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
34	67	33	Other	176	403	227
44	81	37	Total operating expenses	243	488	245
(\$49)	\$141	(\$190)	Increase (decrease) in net position	\$1,225	\$842	\$383

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

Actual Month Ended March 31, 2018	Static Budget Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2018	Static Budget Six Months Ended March 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$51,870	\$51,784	\$86	Net patient service revenue, before provision for bad debts	\$289,898	\$292,008	(\$2,110)
(10,656)	(8,382)	(2,274)	Provision for bad debts	(50,698)	(48,009)	(2,689)
41,214	43,402	(2,188)	Net patient service revenue	239,200	243,999	(4,799)
504	504	-	Ad valorem taxes	3,024	3,024	-
1,989	1,405	584	Other revenue	9,538	8,389	1,149
43,707	45,311	(1,604)	Total operating revenues	251,762	255,412	(3,650)
			Operating expenses:			
21,506	22,827	1,321	Salaries and benefits	125,506	133,295	7,789
6,318	5,181	(1,137)	Purchased services	34,616	30,800	(3,816)
8,906	8,568	(338)	Supplies	48,924	47,904	(1,020)
2,034	1,881	(153)	Depreciation and amortization	11,981	11,285	(696)
1,389	1,389	-	Interest	8,310	8,334	24
516	523	7	Ad valorem tax related expenses	3,284	3,239	(45)
624	633	9	Leases and rentals	3,784	3,799	15
2,112	2,120	8	Other	12,826	12,721	(105)
43,405	43,122	(283)	Total operating expenses	249,231	251,377	2,146
302	2,189	(1,887)	Excess of operating revenues over expenses	2,531	4,035	(1,504)
			Nonoperating revenues, expenses, and gains/(losses):			
262	180	82	Realized investment income/(losses)	1,398	1,082	316
(28)	(2)	(26)	Unrealized investment income/(losses)	(1,377)	(10)	(1,367)
100	-	100	Donation revenue	105	-	105
(175)	553	(728)	Income from affiliates	3,425	3,374	51
159	731	(572)	Total nonoperating revenues, expenses, and gains/(losses)	3,544	4,446	(902)
461	2,920	(2,459)	Increase in net position before other changes in net position	6,075	8,481	(2,406)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(19,962)	-	(19,962)
-	-	-	Total other changes in net position	(19,962)	-	(19,962)
\$461	\$2,920	(\$2,459)	Increase (decrease) in net position	(\$13,887)	\$8,481	(\$22,368)

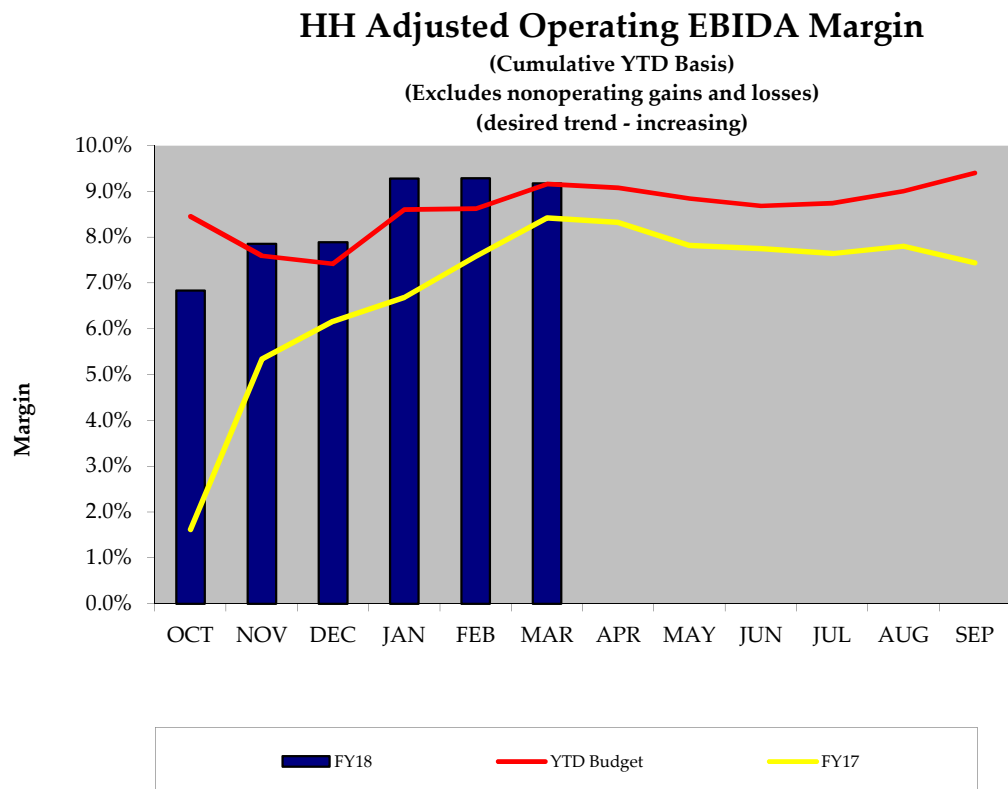
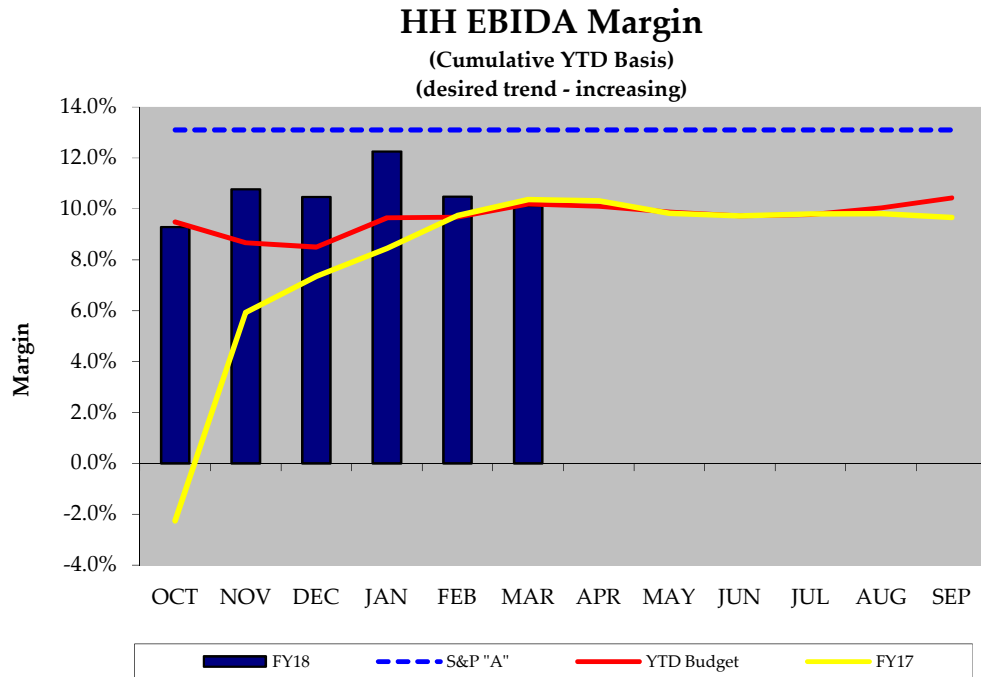
⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

Halifax Health Financial Summary - Graphic

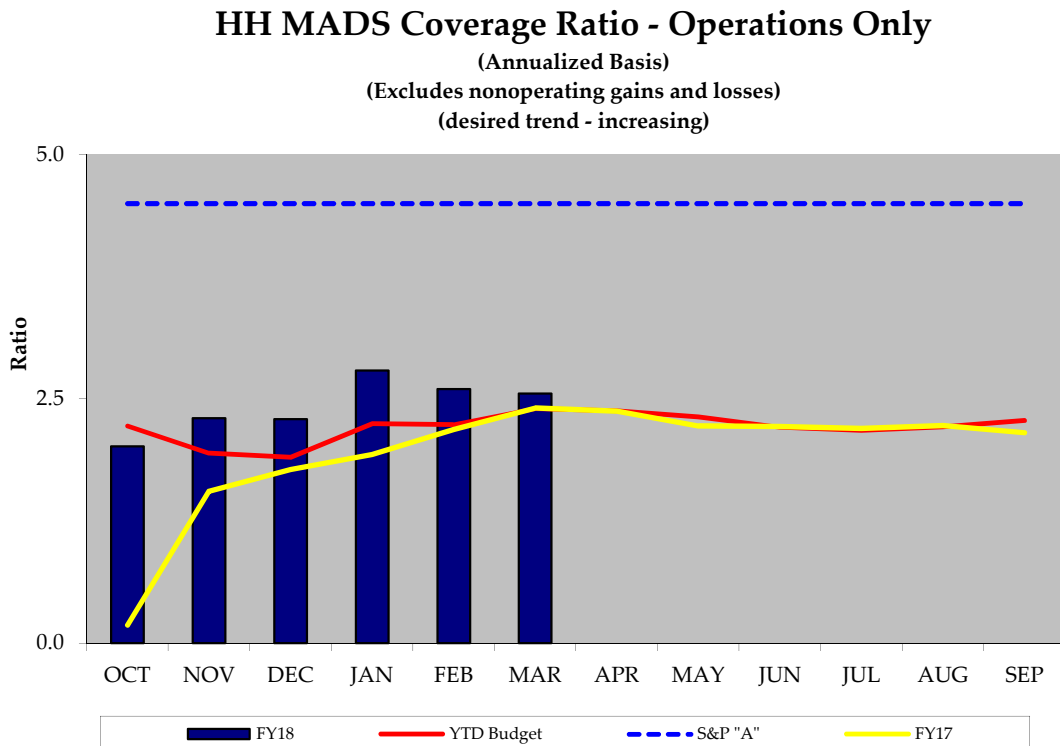
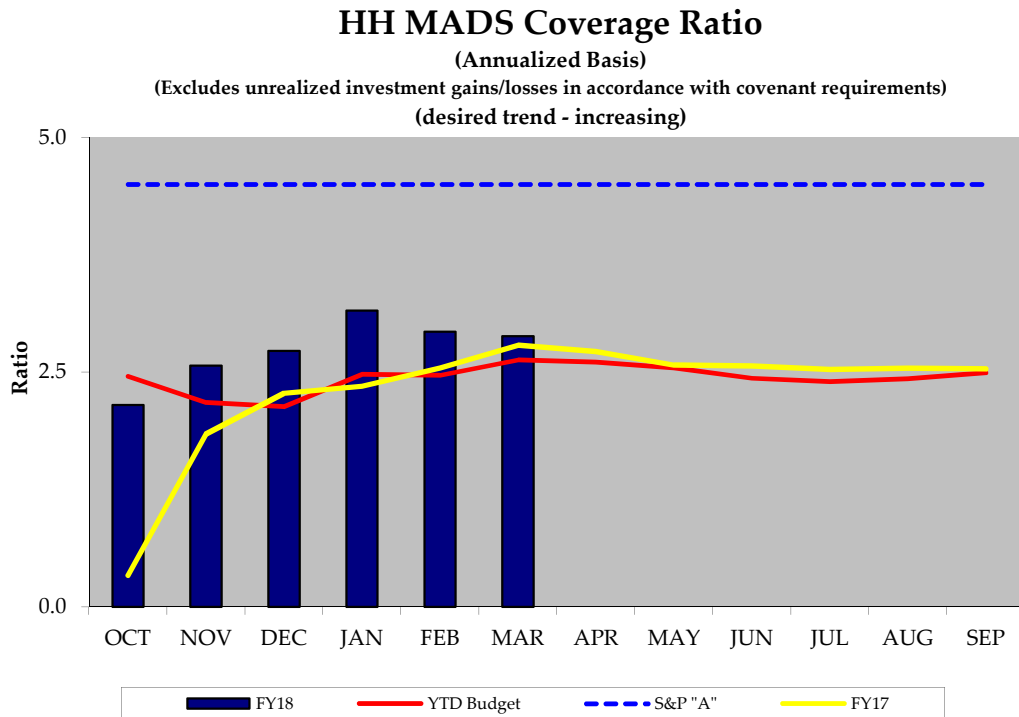


Halifax Health

Financial Summary - Graphic

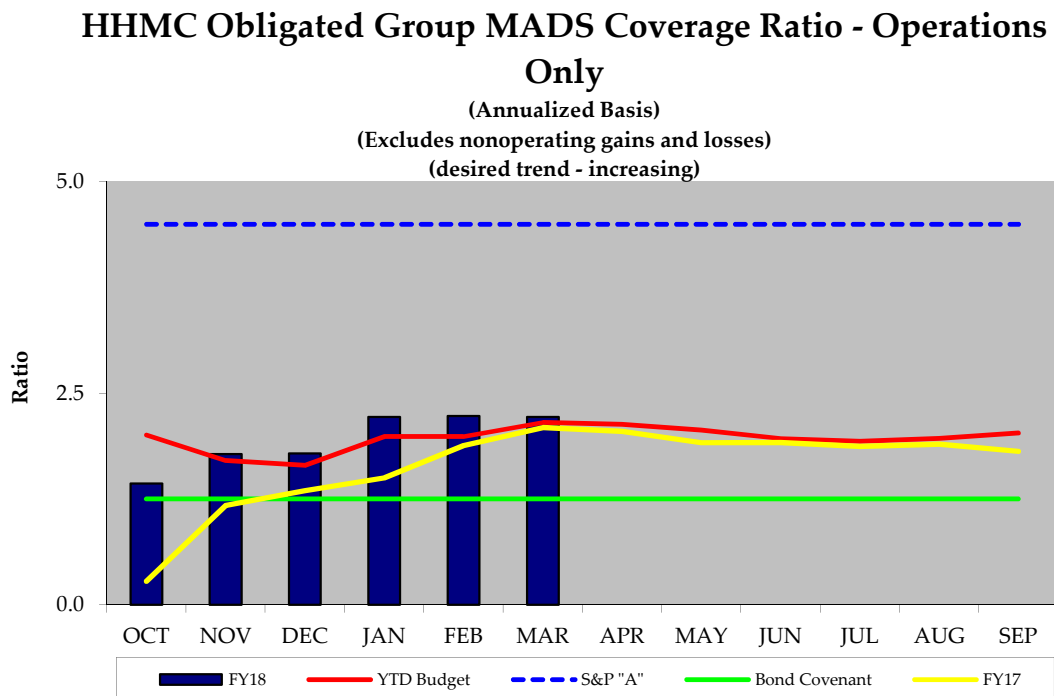
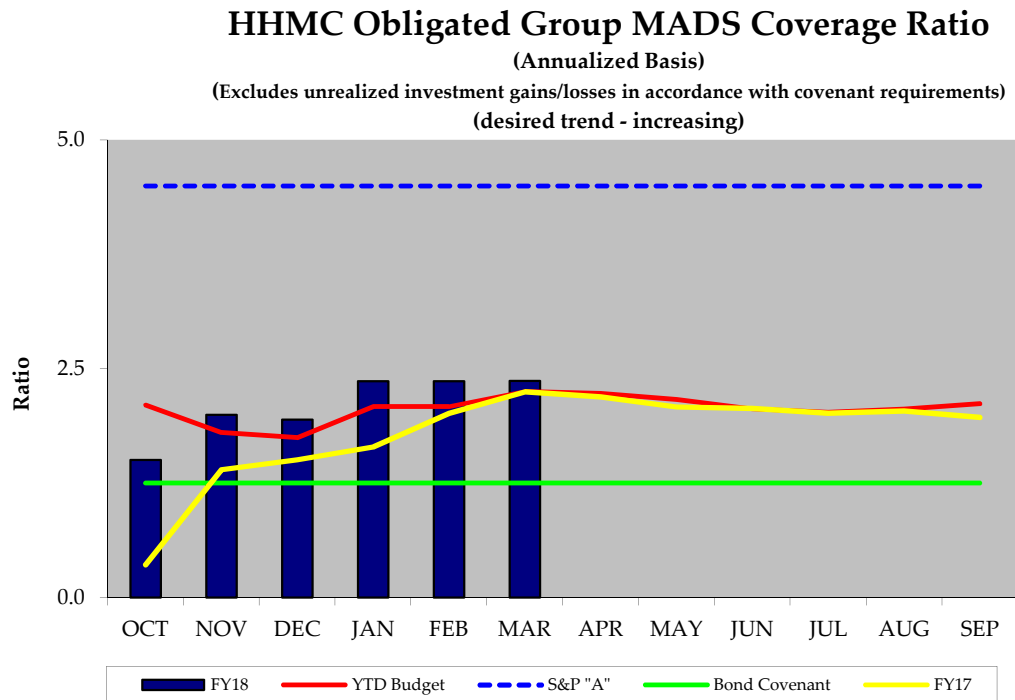


Halifax Health Financial Summary - Graphic



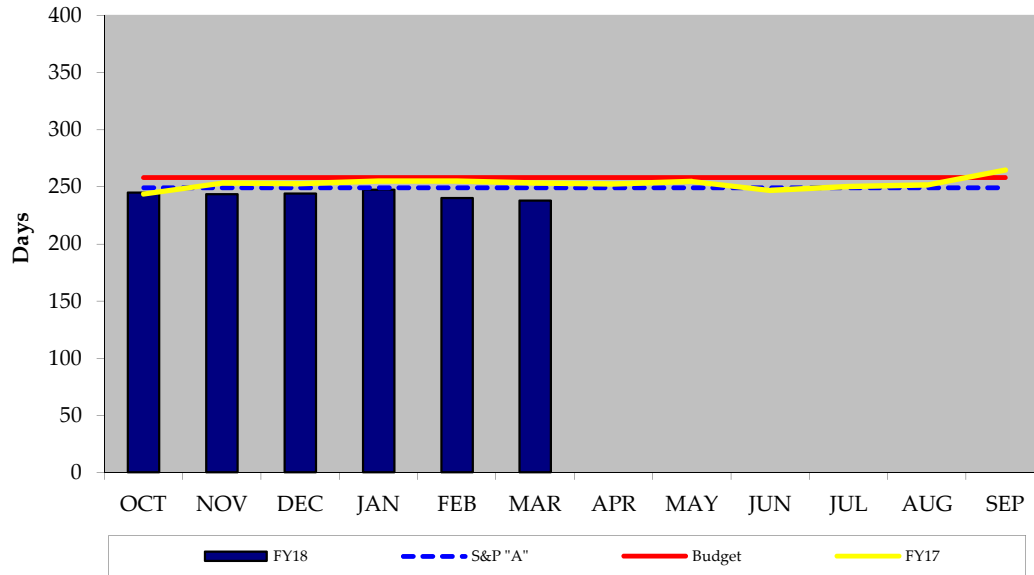
Halifax Health

Financial Summary - Graphic

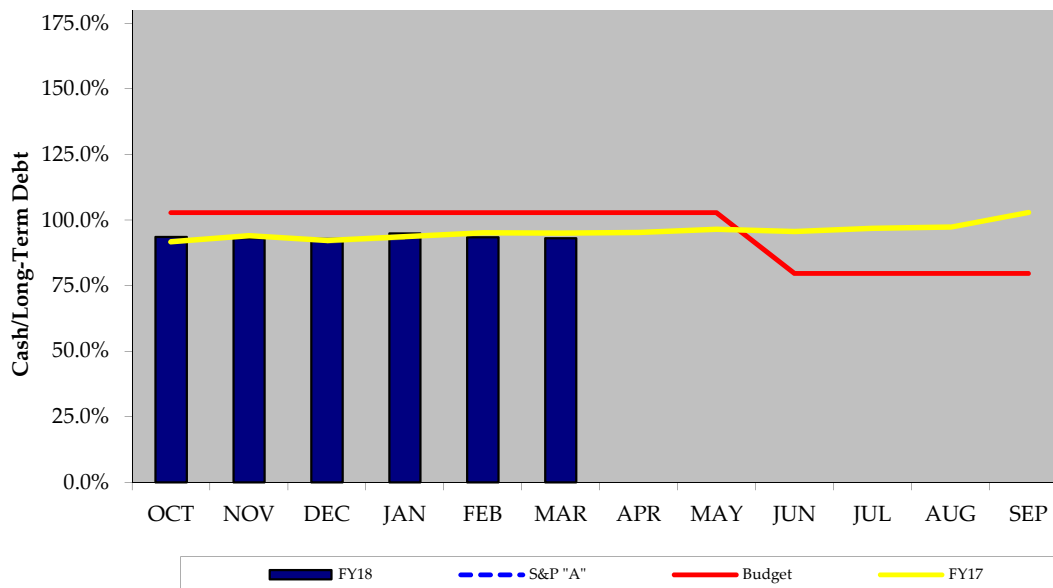


Halifax Health Financial Summary - Graphic

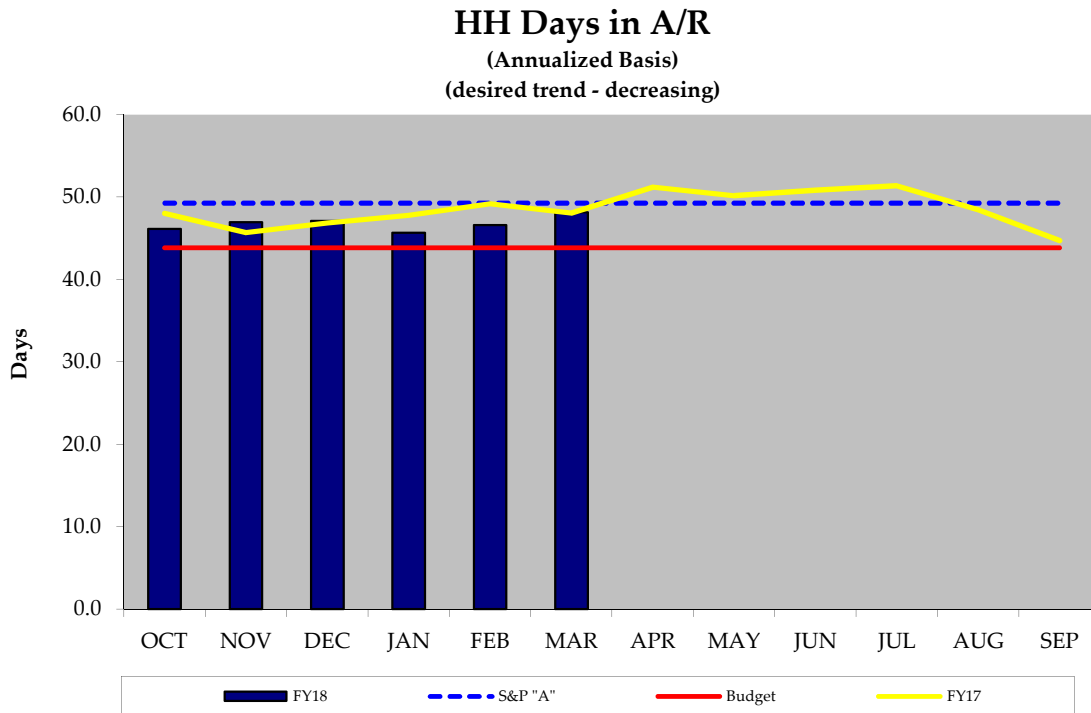
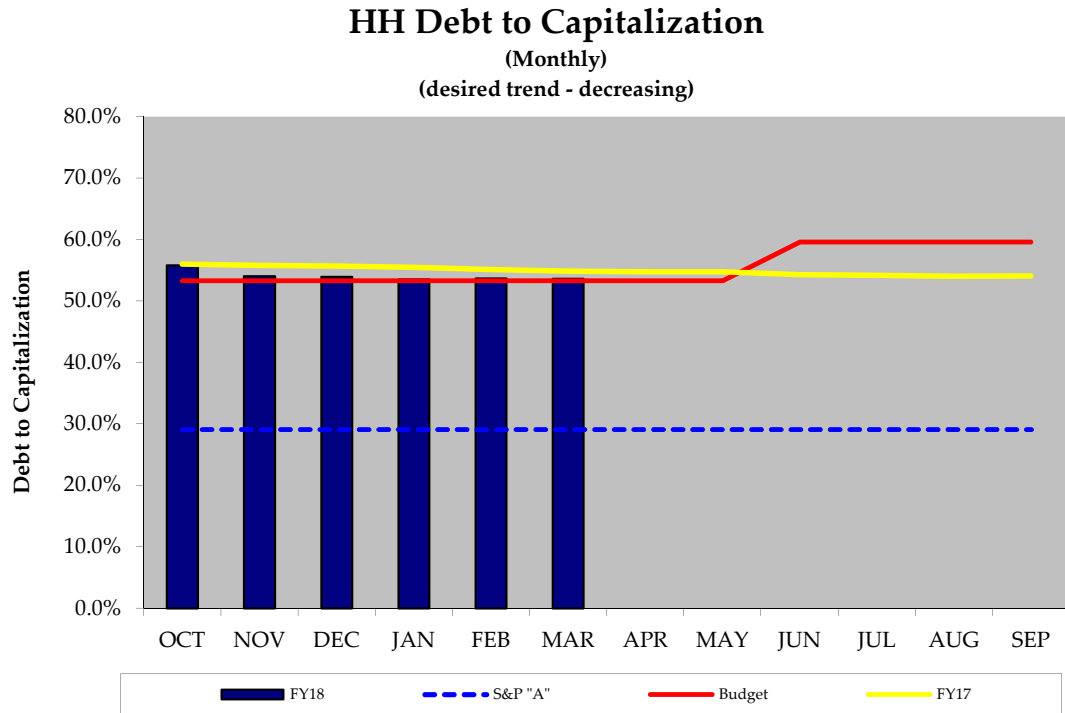
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

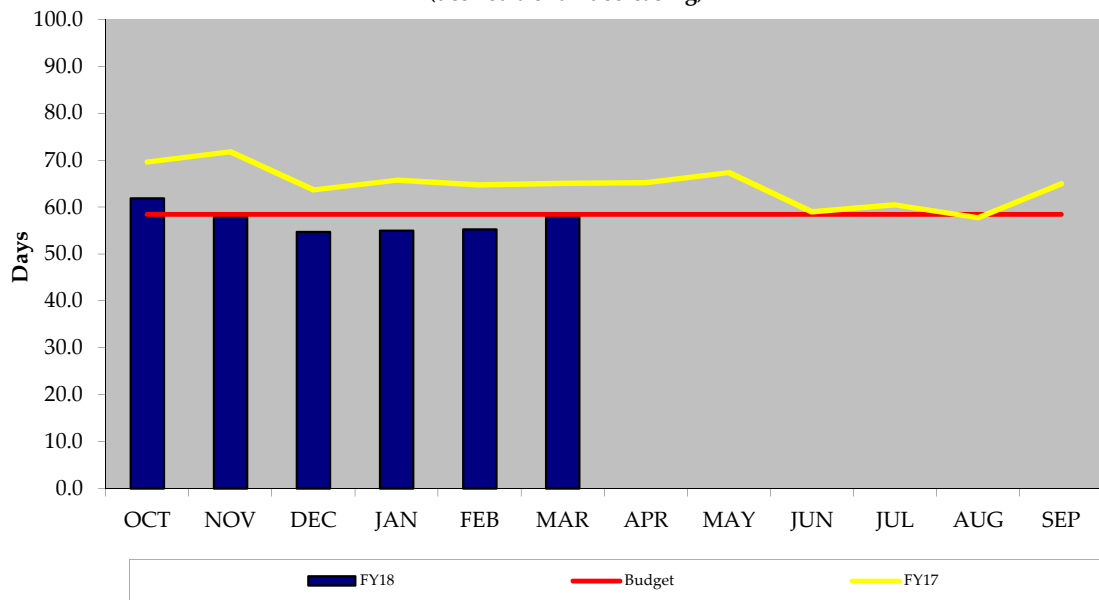


Halifax Health Financial Summary - Graphic

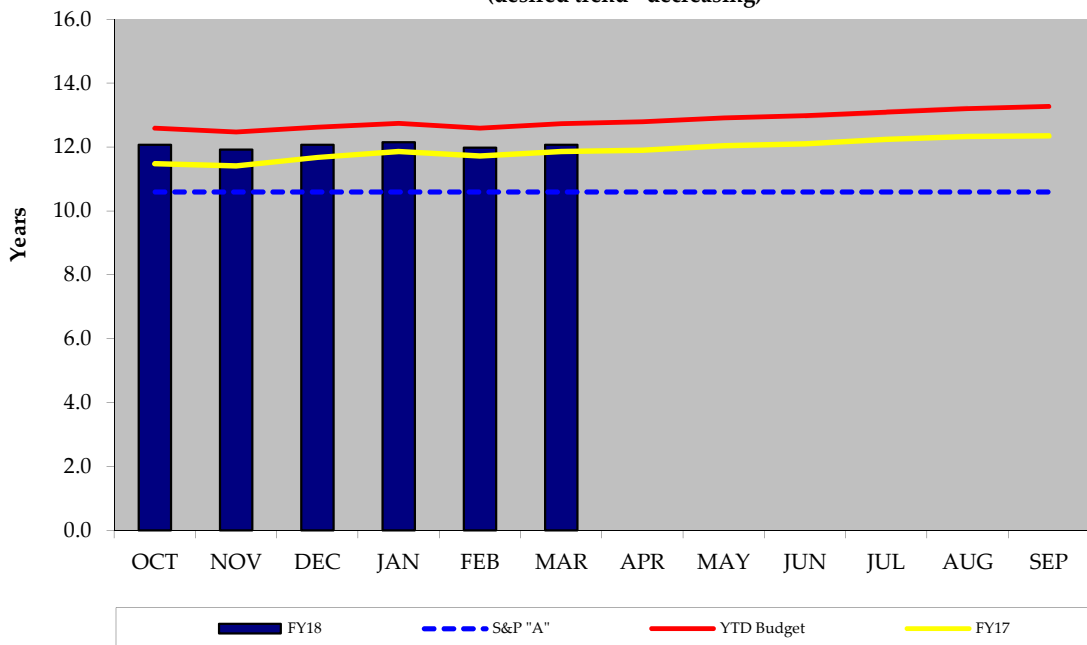


Halifax Health Financial Summary - Graphic

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



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



Halifax Health
Financial Ratios and Operating Indicators
Definitions and Calculations

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

Halifax Health

Summary Financial Narrative

For the five months ended February 28, 2018

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

Financial Indicator	YTD Actual FY 18	YTD Budget FY 18	YTD Actual vs. Budget	S&P "A"	YTD Actual FY 18 vs. S&P "A"
Total Margin	2.9%	2.4%	Favorable	5.8%	Unfavorable
Operating Margin	2.0%	1.5%	Favorable	3.6%	Unfavorable
EBIDA Margin	10.5%	9.7%	Favorable	13.1%	Unfavorable
Operating EBIDA Margin	9.7%	8.8%	Favorable	10.8%	Unfavorable
Adjusted Operating EBIDA Margin *	9.3%	8.6%	Favorable	N/A	N/A
Days Cash on Hand	240	258	Unfavorable	249	Unfavorable
Cash to Debt	93.5%	102.8%	Unfavorable	189.9%	Unfavorable
Debt to Capitalization	55.0%	53.3%	Unfavorable	29.1%	Unfavorable

OG MADS Coverage	2.36	2.13	Favorable	4.50	Unfavorable
OG Debt to Capitalization	54.1%	52.9%	Unfavorable	29.1%	Unfavorable

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

Halifax Health Medical Center

Statistical Summary--

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

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 1.3% less than budget.
- Total operating expenses for the fiscal year-to-date are 1.2% less than budget.
- Income from operations for the fiscal year-to-date of \$2.2 million compares favorably to budget by \$382,000.
- Nonoperating gains/losses for the fiscal year-to-date of negative \$213,000, primarily consisting of investment income/losses, compares unfavorably to the budgeted amount by \$1.1 million.
- The increase in net position for the fiscal year-to-date of \$2.0 million compares unfavorably to budget by \$725,000.

Halifax Health Hospice

Statistical Summary --

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

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 2.8% greater than budget.
- Income from operations for the fiscal year-to-date of 326,000 compares favorably to budget by \$286,000.
- Nonoperating gains/losses for the fiscal year-to-date of \$2.3 million, primarily consisting of investment income, compares favorably to the budgeted amount by \$1.0 million.
- The increase in net position for the fiscal year-to-date of \$2.6 million compares favorably to budget by \$1.3 million.

Other Component Units - The financial performance is consistent with budgeted expectations.

Halifax Health Statistical Summary

Month Ended February 28,					Five Months Ended February 28,			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>		<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
<u>Inpatient Activity</u>								
1,561	1,500	1,620	-7.4%	HHMC Adult/Ped Admissions	7,893	7,912	8,063	-1.9%
146	190	152	25.0%	HHMCPO Adult/Ped Admissions	710	880	771	14.1%
145	172	156	10.3%	Adult Psych Admissions	774	932	790	18.0%
60	71	63	12.7%	Rehabilitative Admissions	320	328	306	7.2%
1,912	1,933	1,991	-2.9%	Total Adult/Ped Admissions	9,697	10,052	9,930	1.2%
8,158	7,718	7,805	-1.1%	HHMC Adult/Ped Patient Days	42,649	39,333	38,850	1.2%
761	578	648	-10.8%	HHMCPO Adult/Ped Patient Days	3,950	3,251	3,289	-1.2%
1,293	1,493	1,543	-3.2%	Adult Psych Patient Days	7,308	6,963	7,827	-11.0%
912	1,019	907	12.3%	Rehabilitative Patient Days	4,513	4,769	4,479	6.5%
11,124	10,808	10,903	-0.9%	Total Adult/Ped Patient Days	58,420	54,316	54,445	-0.2%
5.2	5.1	4.8	6.8%	HHMC Average Length of Stay	5.4	5.0	4.8	3.2%
5.2	3.0	4.3	-28.6%	HHMCPO Average Length of Stay	5.6	3.7	4.3	-13.4%
5.2	4.9	4.8	2.9%	HHMC/ HHMCPO Average Length of Stay	5.4	4.8	4.8	1.5%
8.9	8.7	9.9	-12.2%	Adult Psych Average Length of Stay	9.4	7.5	9.9	-24.6%
15.2	14.4	14.4	-0.3%	Rehabilitative Length of Stay	14.1	14.5	14.6	-0.7%
5.8	5.6	5.5	2.1%	Total Average Length of Stay	6.0	5.4	5.5	-1.4%
397	386	389	-0.9%	Total Average Daily Census	387	360	361	-0.2%
821	837	754	11.0%	HHMC Observation Patient Day Equivalents	4,382	4,401	3,832	14.8%
147	235	181	29.8%	HHMCPO Observation Patient Day Equivalents	840	942	892	5.6%
968	1,072	935	14.7%	Total Observation Patient Day Equivalents	5,222	5,343	4,724	13.1%
35	38	33	15.2%	Observation Average Daily Census	35	35	31	12.9%
128	129	136	-5.1%	HHMC Newborn Births	722	711	769	-7.5%
244	257	264	-2.7%	HHMC Nursery Patient Days	1,360	1,298	1,472	-11.8%
402	453	474	-4.4%	HHMC Inpatient Surgeries	2,200	2,384	2,303	3.5%
4	5	3	66.7%	HHMCPO Inpatient Surgeries	17	40	15	166.7%
406	458	477	-4.0%	Total Inpatient Surgeries	2,217	2,424	2,318	4.6%
<u>Inpatient Surgeries</u>								
164	148			Orthopedics	863	805		
65	48			General Surgery	363	319		
41	28			Neurosurgery	214	159		
25	33			Vascular	127	160		
0	29			Gastroenterology	6	161		
111	172			All Other	644	820		
406	458	477	-4.0%	Total Inpatient Surgeries	2,217	2,424	2,318	4.6%

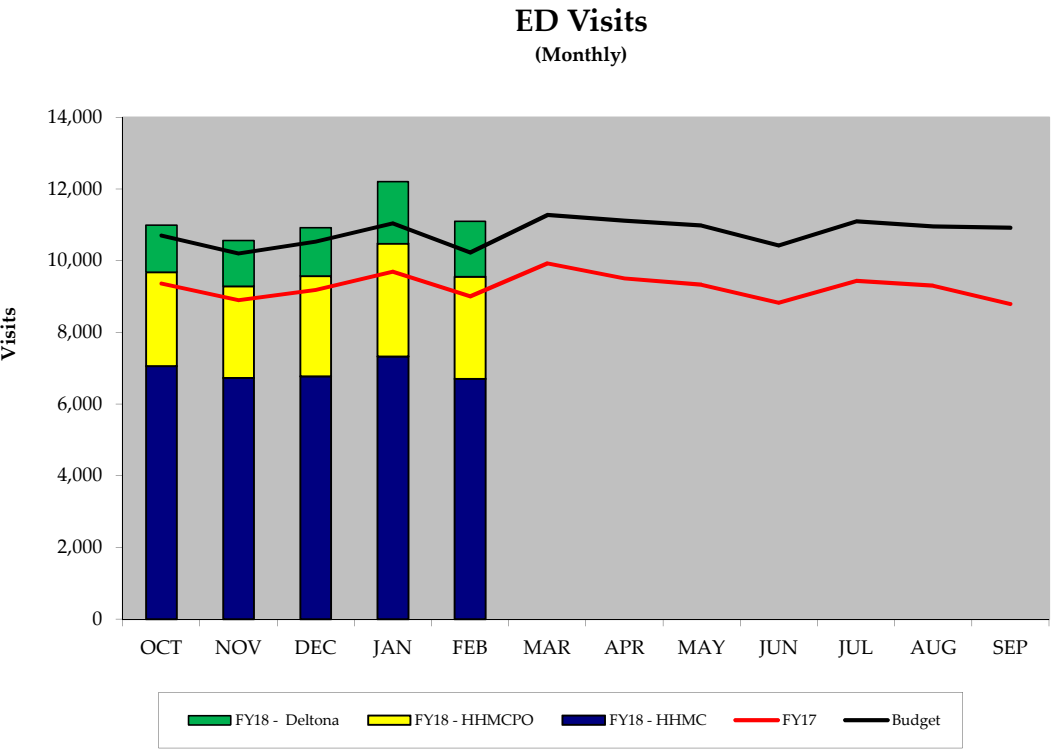
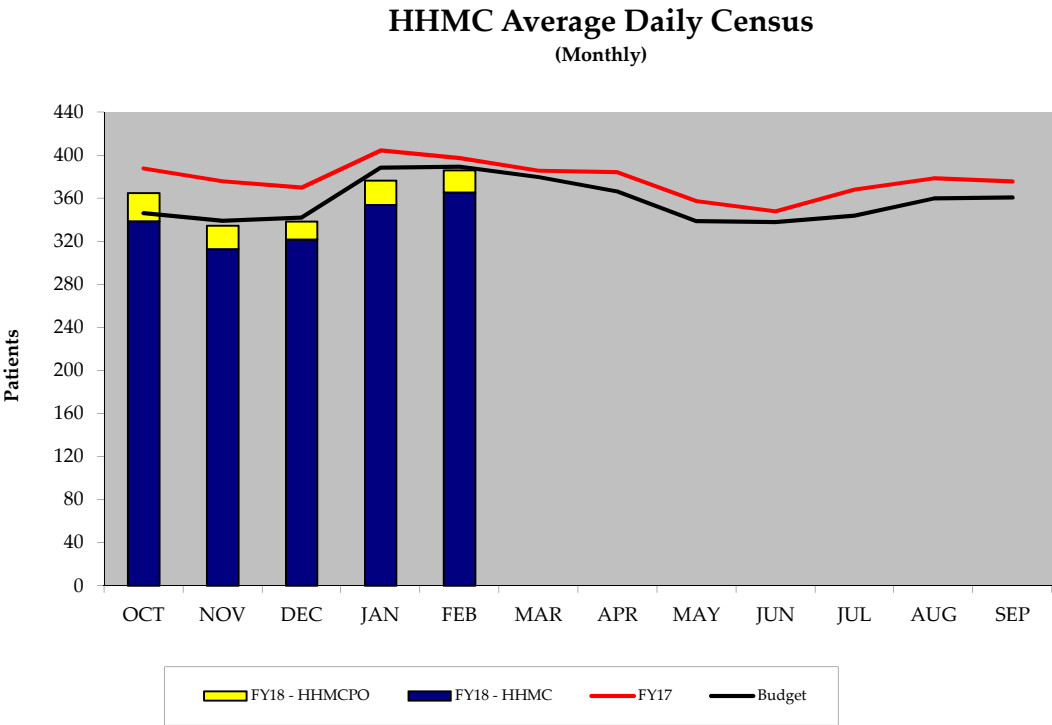
Halifax Health Statistical Summary

Month Ended February 28,				Five Months Ended February 28,				
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>		<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
6,436	6,705	6,497	3.2%	HHMC ED Registrations	33,370	34,611	33,686	2.7%
2,575	2,850	2,583	10.3%	HHMCPO ED Registrations	12,794	13,960	12,833	8.8%
0	1,543	1,148	34.4%	Deltona ED Registrations	0	7,216	6,191	16.6%
9,011	11,098	10,228	8.5%	Total ED	46,164	55,787	52,710	5.8%
412	391	363	7.7%	HHMC Outpatient Surgeries	2,072	1,844	1,900	-2.9%
56	1	0	0.0%	HPC Outpatient Surgeries	303	2	0	0.0%
12	118	100	18.0%	HHMCPO Outpatient Surgeries	15	603	537	12.3%
343	265	328	-19.2%	Twin Lakes Surgeries	1,759	1,583	1,576	0.4%
823	775	791	-2.0%	Total Outpatient Surgeries	4,149	4,032	4,013	0.5%
				<u>Outpatient Surgeries</u>				
163	146			General Surgery	906	774		
163	112			Orthopedics	819	645		
82	75			Gastroenterology	378	472		
70	65			Obstetrics Gynecology	360	359		
56	77			Ophthalmology	283	343		
289	300			All Other	1,403	1,439		
823	775	791	-2.0%	Total Outpatient Surgeries	4,149	4,032	4,013	0.5%
				<u>Cardiology Procedures</u>				
18	15			Open Heart Cases	88	97		
126	159			Cardiac Caths	631	804		
35	27			CRM Devices	167	156		
35	40			EP Studies	202	220		
214	241	194	24.2%	Total Cardiology Procedures	1,088	1,277	1,072	19.1%
				<u>Interventional Radiology Procedures</u>				
6	4	7	-42.9%	Vascular	30	39	35	11.4%
137	178	141	26.2%	Nonvascular	771	825	794	3.9%
143	182	148	23.0%	Total Interventional Radiology Procedures	801	864	829	4.2%
200	226	195	15.9%	GI Procedures	1,003	1,101	987	11.6%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
14,449	14,141	14,000	1.0%	Volusia/ Flagler	75,705	79,780	75,505	5.7%
824.0	1,213	1,324	-8.4%	Orange/ Osceola	4,333.0	6,823	6,581	3.7%
15,273	15,354	15,324	0.2%	HH Hospice Patient Days	80,038	86,603	82,086	5.5%
				<u>Average Daily Census</u>				
516	505	500	1.0%	Volusia/ Flagler	501	528	500	5.7%
29	43	47	-8.4%	Orange/ Osceola	29	45	44	3.7%
545	548	547	0.2%	HH Hospice Average Daily Census	530	574	544	5.5%

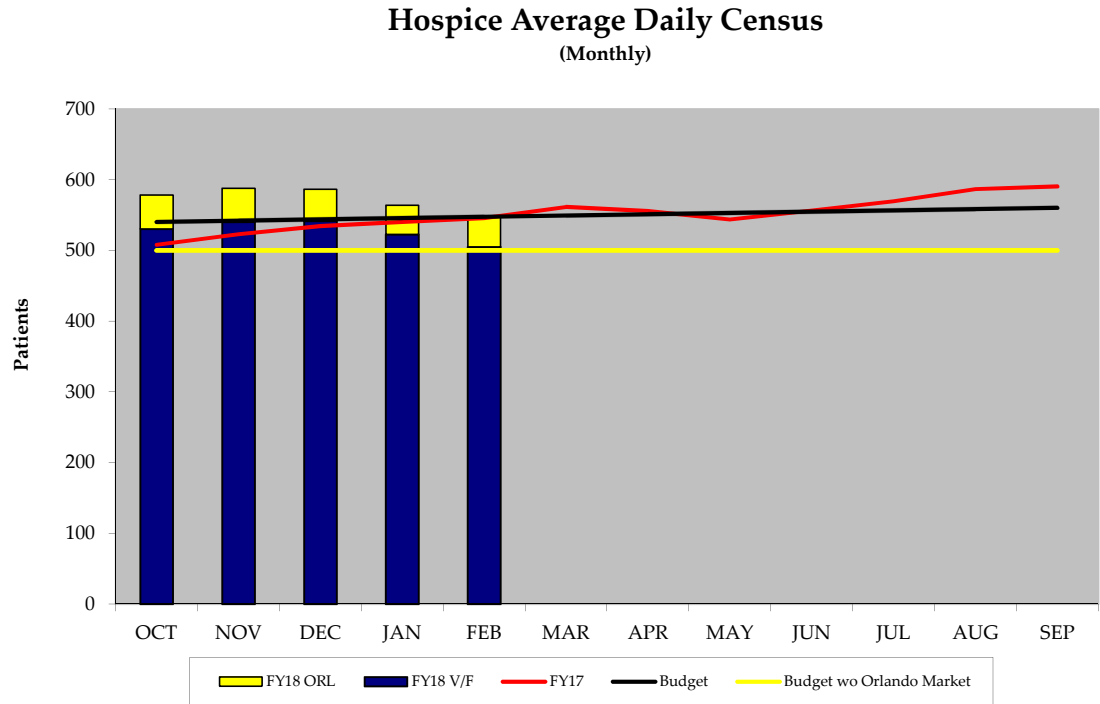
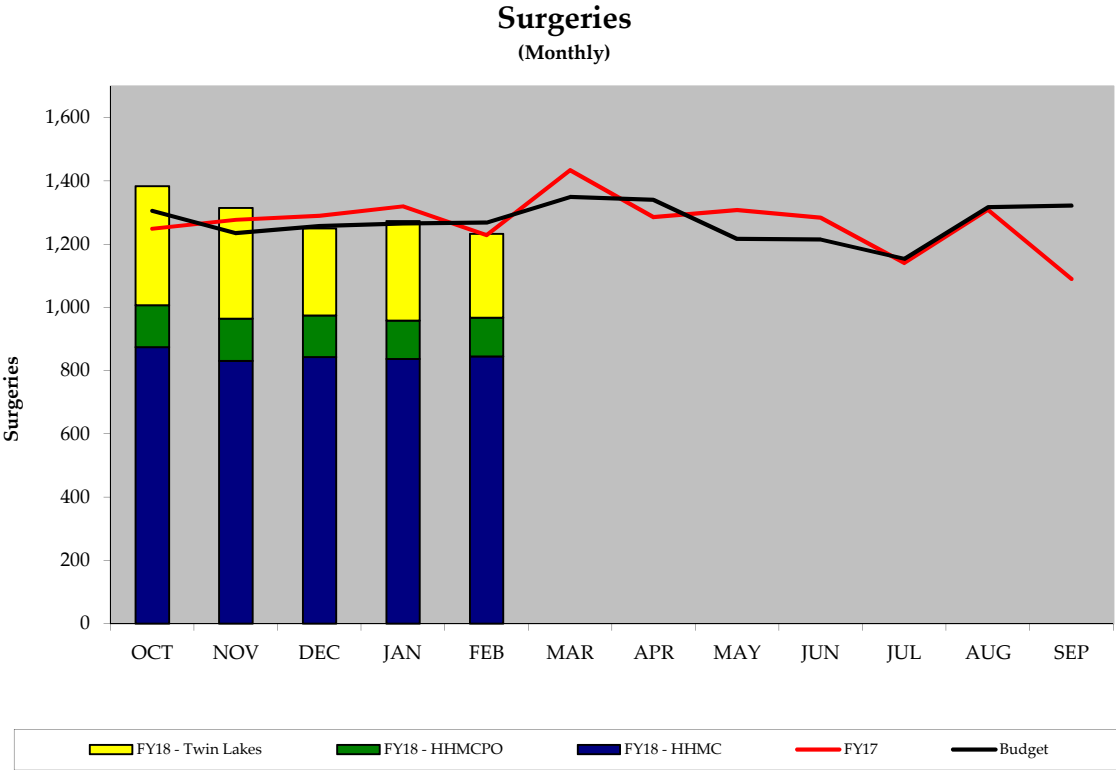
Halifax Health Statistical Summary

Month Ended February 28,				Five Months Ended February 28,			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>	<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>							
<u>Primary Care Visits</u>							
387	528	319	65.5%	Ormond Beach	1,479	2,166	1,396 55.2%
893	813	921	-11.7%	Daytona Beach	4,972	5,264	5,128 2.7%
721	566	654	-13.5%	Port Orange	3,449	3,824	3,168 20.7%
271	113	559	-79.8%	Deltona	1,512	1,254	3,119 -59.8%
-	521	800	-34.9%	New Smyrna	-	4,033	4,000 0.8%
474	426	430	-0.9%	Ormond Beach (Women's/OB)	2,332	2,824	2,319 21.8%
67	437	791	-44.8%	Ormond Beach - Urgent Care	67	2,028	4,267 -52.5%
2,813	3,404	4,474	-23.9%	Primary Care Visits	13,811	21,393	23,397 -8.6%
<u>Children's Medical Center Visits</u>							
994	486	932	-47.9%	Ormond Beach	4,620	2,879	4,454 -35.4%
-	364	322	13.0%	Palm Coast	293	1,775	1,609 10.3%
533	484	745	-35.0%	Port Orange	2,504	2,467	3,500 -29.5%
1,527	1,334	1,999	-33.3%	Children's Medical Center Visits	7,417	7,121	9,563 -25.5%
<u>Community Clinic Visits</u>							
462	267	474	-43.7%	Keech Street	1,970	1,249	2,021 -38.2%
240	-	-	0.0%	Adult Community Clinic	1,200	92	75 22.7%
702	267	474	-43.7%	Community Clinic Visits	3,170	1,341	2,096 -36.0%

Halifax Health
Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



Halifax Health

Condensed Statement of Net Position

(\$ in thousands)

	February 28,		
	2018	2017	Change
<u>Assets</u>			
Cash and cash equivalents	\$24,536	\$38,024	(\$13,488)
Investments	271,386	272,016	(630)
Board designated assets	45,002	44,792	210
Accounts receivable	66,615	67,109	(494)
Restricted assets whose use is limited	6,226	13,681	(7,455)
Other assets	52,183	43,118	9,065
Deferred outflow - swap	30,297	30,473	(176)
Deferred outflow - loss on bond refunding	16,068	16,994	(926)
Deferred outflow - pension	27,530	27,906	(376)
Property, plant and equipment	355,758	353,446	2,312
Total Assets	\$895,601	\$907,559	(\$11,958)
<u>Liabilities and Net position</u>			
Accounts payable	\$31,026	\$31,652	(\$626)
Other liabilities	99,229	82,211	17,018
Deferred inflow - pension	2,968	-	2,968
Net pension liability	69,227	102,459	(33,232)
Long-term debt	345,491	353,417	(7,926)
Premium on LTD, net	18,983	19,653	(670)
Long-term value of swap	30,297	30,473	(176)
Net position	298,380	287,694	10,686
Total Liabilities and Net position	\$895,601	\$907,559	(\$11,958)

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

Month ended February 28, 2018	Month ended February 28, 2017	Variance		Five Months ended February 28, 2018	Five Months ended February 28, 2017	Variance
			Cash flows from operating activities:			
\$40,451	\$36,430	\$4,021	Receipts from third party payors and patients	\$211,933	\$197,243	\$14,690
(21,238)	(21,108)	(130)	Payments to employees	(134,212)	(137,228)	3,016
(17,349)	(13,903)	(3,446)	Payments to suppliers	(92,647)	(75,757)	(16,890)
185	368	(183)	Receipt of ad valorem taxes	805	9,800	(8,995)
2,710	2,370	340	Other receipts	15,150	14,190	960
(3,634)	(3,638)	4	Other payments	(18,395)	(17,529)	(866)
1,125	519	606	Net cash provided by (used in) operating activities	(17,366)	(9,281)	(8,085)
			Cash flows from noncapital financing activities:			
94	12	82	Proceeds from donations received	366	217	149
-	(2)	2	Nonoperating gain (loss)	(7)	-	(7)
94	10	84	Net cash provided by noncapital financing activities	359	217	142
			Cash flows from capital and related financing activities:			
(2,495)	(2,031)	(464)	Acquisition of capital assets	(11,607)	(6,995)	(4,612)
(571)	(195)	(376)	Payment of long-term debt	(1,374)	(975)	(399)
-	5,474	(5,474)	Transfers to trustee held funds	-	5,474	(5,474)
(333)	(316)	(17)	Payment of interest on long-term debt	(7,980)	(8,093)	113
(3,399)	2,932	(6,331)	Net cash provided by (used in) capital financing activities	(20,961)	(10,589)	(10,372)
			Cash flows from investing activities:			
239	194	45	Realized investment income (loss)	2,472	2,833	(361)
(350)	(240)	(110)	Purchases of investments/limited use assets	(3,474)	(6,278)	2,804
59	10	49	Sales/Maturities of investments/limited use assets	83	2,549	(2,466)
(52)	(36)	(16)	Net cash provided by (used in) investing activities	(919)	(896)	(23)
(2,232)	3,425	(5,657)	Net increase (decrease) in cash and cash equivalents	(38,887)	(20,549)	(18,338)
26,768	34,599	(7,831)	Cash and cash equivalents at beginning of period	63,423	58,573	4,850
<u>\$24,536</u>	<u>\$38,024</u>	<u>(\$13,488)</u>	Cash and cash equivalents at end of period	<u>\$24,536</u>	<u>\$38,024</u>	<u>(\$13,488)</u>

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

Actual Month Ended February 28, 2018	Actual Month Ended February 28, 2017	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Actual Five Months Ended February 28, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$45,077	\$47,856	(\$2,779)	Net patient service revenue, before provision for bad debts	\$256,284	\$243,305	\$12,979
(2,735)	(5,371)	2,636	Provision for bad debts	(40,554)	(37,280)	(3,274)
42,342	42,485	(143)	Net patient service revenue	215,730	206,025	9,705
504	938	(434)	Ad valorem taxes	2,520	4,688	(2,168)
1,048	2,422	(1,374)	Other revenue	11,672	11,476	196
43,894	45,845	(1,951)	Total operating revenues	229,922	222,189	7,733
			Operating expenses:			
22,032	22,237	205	Salaries and benefits	114,076	114,980	904
6,996	6,055	(941)	Purchased services	34,127	30,462	(3,665)
8,078	8,395	317	Supplies	40,990	40,283	(707)
2,155	1,948	(207)	Depreciation and amortization	10,600	9,892	(708)
1,379	1,375	(4)	Interest	6,943	7,040	97
519	631	112	Ad valorem tax related expenses	2,768	3,106	338
834	748	(86)	Leases and rentals	4,039	3,662	(377)
2,288	2,306	18	Other	11,669	11,001	(668)
44,281	43,695	(586)	Total operating expenses	225,212	220,426	(4,786)
(387)	2,150	(2,537)	Excess (deficiency) of operating revenues over expenses	4,710	1,763	2,947
			Nonoperating revenues, expenses, and gains/(losses):			
239	194	45	Realized investment income/(losses)	2,472	2,834	(362)
(2,493)	1,224	(3,717)	Unrealized investment income/(losses)	(788)	201	(989)
94	11	83	Donation revenue	365	217	148
(2,160)	1,427	(3,587)	Total nonoperating revenues, expenses, and gains/(losses)	2,042	3,253	(1,211)
(2,547)	3,577	(6,124)	Increase (decrease) in net position before other changes in net position	6,752	5,016	1,736
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
(\$2,547)	\$3,577	(\$6,124)	Increase (decrease) in net position	(\$14,347)	\$5,016	(\$19,363)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended February 28, 2018	Static Budget Month Ended February 28, 2018	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Static Budget Five Months Ended February 28, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$45,077	\$50,283	(\$5,206)	Net patient service revenue, before provision for bad debts	\$256,284	\$257,920	(\$1,636)
(2,735)	(7,819)	5,084	Provision for bad debts	(40,554)	(40,055)	(499)
42,342	42,464	(122)	Net patient service revenue	215,730	217,865	(2,135)
504	504	-	Ad valorem taxes	2,520	2,520	-
1,048	2,155	(1,107)	Other revenue	11,672	10,845	827
43,894	45,123	(1,229)	Total operating revenues	229,922	231,230	(1,308)
			Operating expenses:			
22,032	23,365	1,333	Salaries and benefits	114,076	120,832	6,756
6,996	6,169	(827)	Purchased services	34,127	31,015	(3,112)
8,078	7,895	(183)	Supplies	40,990	40,439	(551)
2,155	2,007	(148)	Depreciation and amortization	10,600	10,034	(566)
1,379	1,393	14	Interest	6,943	6,969	26
519	523	4	Ad valorem tax related expenses	2,768	2,716	(52)
834	799	(35)	Leases and rentals	4,039	4,019	(20)
2,288	2,346	58	Other	11,669	11,754	85
44,281	44,497	216	Total operating expenses	225,212	227,778	2,566
(387)	626	(1,013)	Excess (deficiency) of operating revenues over expenses	4,710	3,452	1,258
			Nonoperating revenues, expenses, and gains/(losses):			
239	365	(126)	Realized investment income/(losses)	2,472	1,829	643
(2,493)	(2)	(2,491)	Unrealized investment income/(losses)	(788)	(8)	(780)
94	58	36	Donation revenue	365	289	76
(2,160)	421	(2,581)	Total nonoperating revenues, expenses, and gains/(losses)	2,042	2,110	(68)
(2,547)	1,047	(3,594)	Increase (decrease) in net position before other changes in net position	6,752	5,562	1,190
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
(\$2,547)	\$1,047	(\$3,594)	Increase (decrease) in net position	(\$14,347)	\$5,562	(\$19,909)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended February 28, 2018	Static Budget Month Ended February 28, 2018	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Static Budget Five Months Ended February 28, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$41,759	\$46,992	(\$5,233)	Net patient service revenue, before provision for bad debts	\$238,028	\$240,225	(\$2,197)
(2,654)	(7,738)	5,084	Provision for bad debts	(40,042)	(39,626)	(416)
39,105	39,254	(149)	Net patient service revenue	197,986	200,599	(2,613)
504	504	-	Ad valorem taxes	2,520	2,520	-
1,479	1,382	97	Other revenue	7,549	6,984	565
41,088	41,140	(52)	Total operating revenues	208,055	210,103	(2,048)
			Operating expenses:			
20,080	21,386	1,306	Salaries and benefits	104,000	110,468	6,468
5,913	5,141	(772)	Purchased services	28,298	25,619	(2,679)
7,888	7,687	(201)	Supplies	40,018	39,336	(682)
2,023	1,881	(142)	Depreciation and amortization	9,947	9,404	(543)
1,377	1,389	12	Interest	6,920	6,945	25
519	523	4	Ad valorem tax related expenses	2,768	2,716	(52)
668	634	(34)	Leases and rentals	3,160	3,166	6
2,134	2,120	(14)	Other	10,714	10,601	(113)
40,602	40,761	159	Total operating expenses	205,825	208,255	2,430
486	379	107	Excess of operating revenues over expenses	2,230	1,848	382
			Nonoperating revenues, expenses, and gains/(losses):			
172	180	(8)	Realized investment income/(losses)	1,137	902	235
(617)	(2)	(615)	Unrealized investment income/(losses)	(1,348)	(8)	(1,340)
-	-	-	Donation revenue	5	-	5
(445)	178	(623)	Total nonoperating revenues, expenses, and gains/(losses)	(213)	894	(1,107)
41	557	(516)	Increase in net position before other changes in net position	2,017	2,742	(725)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(19,962)	-	(19,962)
-	-	-	Total other changes in net position	(19,962)	-	(19,962)
\$41	\$557	(\$516)	Increase (decrease) in net position	(\$17,945)	\$2,742	(\$20,687)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended February 28, 2017		Actual Month Ended February 28, 2018		Static Budget Month Ended February 28, 2018			Actual Five Months Ended February 28, 2017		Actual Five Months Ended February 28, 2018		Static Budget Five Months Ended February 28, 2018	
\$147,537	100.00%	\$158,018	100.00%	\$156,810	100.00%	Gross charges	\$743,953	100.00%	\$817,353	100.00%	\$804,313	100.00%
(3,682)	-2.50%	(10,156)	-6.43%	(8,121)	-5.18%	Charity	(39,419)	-5.30%	(49,001)	-6.00%	(42,096)	-5.23%
(97,825)	-66.31%	(106,103)	-67.15%	(101,697)	-64.85%	Contractual adjustments	(476,278)	-64.02%	(530,324)	-64.88%	(521,992)	-64.90%
46,030	31.20%	41,759	26.43%	46,992	29.97%	Gross charges, before provision for bad debts	228,256	30.68%	238,028	29.12%	240,225	29.87%
(5,381)	-3.65%	(2,654)	-1.68%	(7,738)	-4.93%	Provision for bad debts	(36,834)	-4.95%	(40,042)	-4.90%	(39,626)	-4.93%
\$40,649	27.55%	\$39,105	24.75%	\$39,254	25.03%	Net patient service revenue	\$191,422	25.73%	\$197,986	24.22%	\$200,599	24.94%

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

Actual Month Ended February 28, 2018	Static Budget Month Ended February 28, 2018	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Static Budget Five Months Ended February 28, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,318	\$3,291	\$27	Net patient service revenue, before provision for bad debts	\$18,256	\$17,695	\$561
(81)	(81)	-	Provision for bad debts	(512)	(429)	(83)
3,237	3,210	27	Net patient service revenue	17,744	17,266	478
165	199	(34)	Other revenue	907	995	(88)
3,402	3,409	(7)	Total operating revenues	18,651	18,261	390
			Operating expenses:			
1,886	1,913	27	Salaries and benefits	9,737	10,017	280
1,042	985	(57)	Purchased services	5,635	5,184	(451)
190	207	17	Supplies	971	1,099	128
65	59	(6)	Depreciation and amortization	320	297	(23)
161	160	(1)	Leases and rentals	853	827	(26)
145	155	10	Other	809	797	(12)
3,489	3,479	(10)	Total operating expenses	18,325	18,221	(104)
(87)	(70)	(17)	Excess (deficiency) of operating revenues over expenses	326	40	286
			Nonoperating revenues, expenses, and gains/(losses):			
67	185	(118)	Realized investment income/(losses)	1,335	927	408
(1,876)	-	(1,876)	Unrealized investment income/(losses)	560	-	560
94	58	36	Donation revenue	360	289	71
(1,715)	243	(1,958)	Total nonoperating revenues, expenses, and gains/(losses)	2,255	1,216	1,039
(1,802)	173	(1,975)	Increase (decrease) in net position before other changes in net position	2,581	1,256	1,325
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(1,137)	-	(1,137)
-	-	-	Total other changes in net position	(1,137)	-	(1,137)
(\$1,802)	\$173	(\$1,975)	Increase (decrease) in net position	\$1,444	\$1,256	\$188

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended February 28, 2018	Static Budget Month Ended February 28, 2018	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Static Budget Five Months Ended February 28, 2018	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	-	-	-
346	352	(6)	Other revenue	1,743	1,758	(15)
346	352	(6)	Total operating revenues	1,743	1,758	(15)
			Operating expenses:			
56	56	-	Salaries and benefits	288	295	7
38	39	1	Purchased services	188	193	5
-	1	1	Supplies	1	4	3
67	67	-	Depreciation and amortization	333	333	-
2	4	2	Interest	23	24	1
5	5	-	Leases and rentals	26	26	-
1	4	3	Other	4	20	16
169	176	7	Total operating expenses	863	895	32
177	176	1	Excess of operating revenues over expenses	880	863	17
			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)	-	-	-
\$177	\$176	\$1	Increase in net position	\$880	\$863	\$17

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

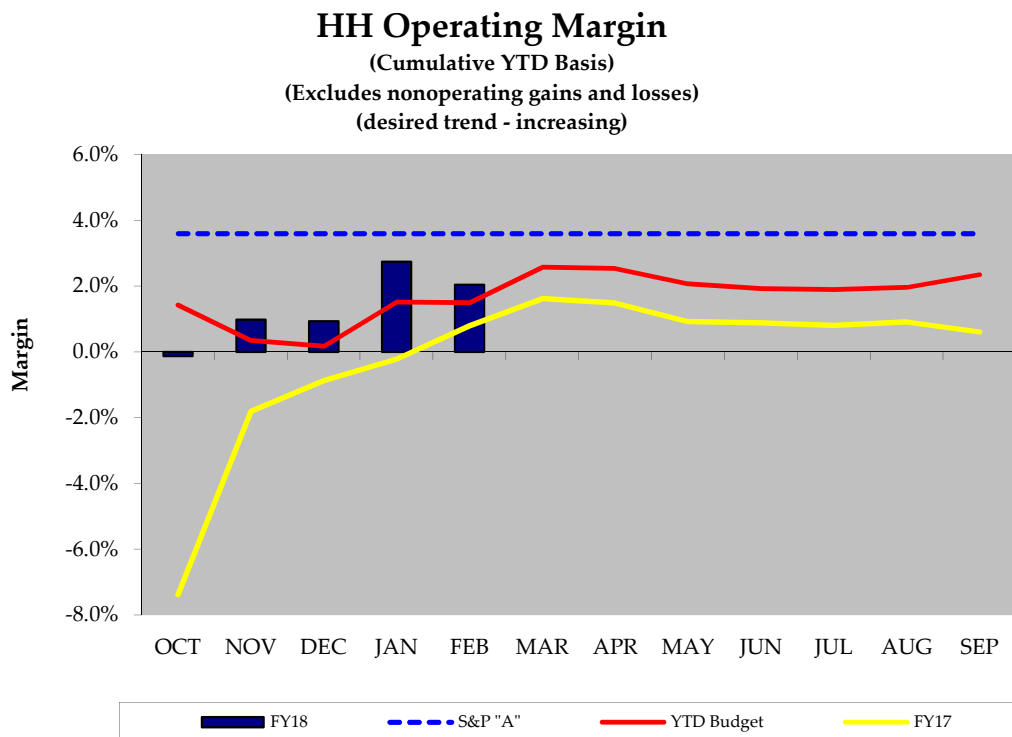
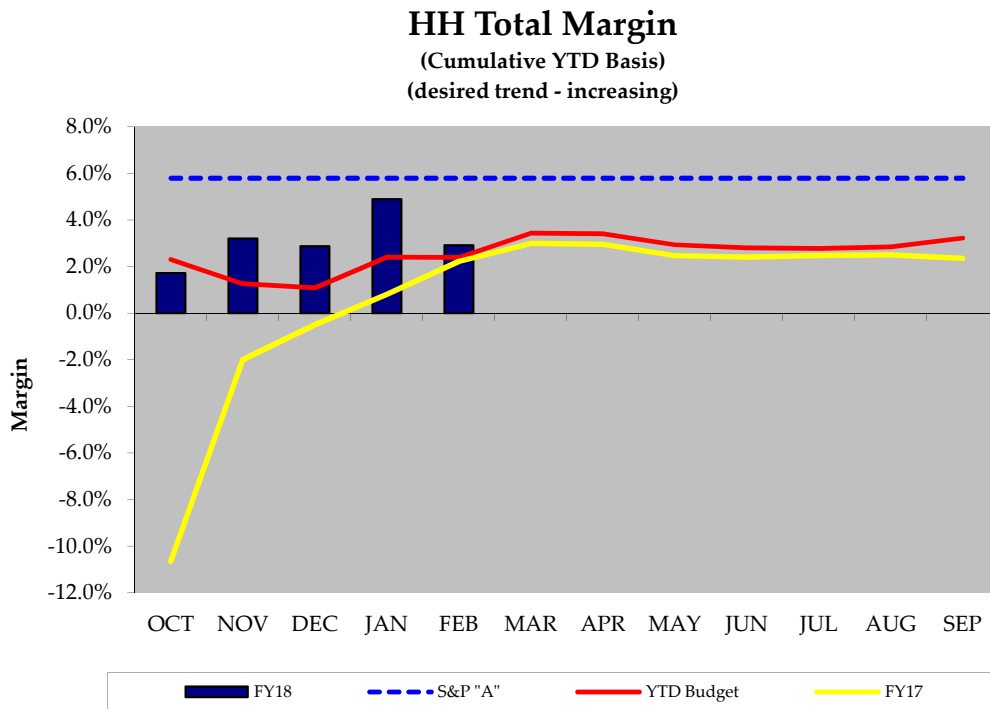
Actual Month Ended February 28, 2018	Static Budget Month Ended February 28, 2018	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Static Budget Five Months Ended February 28, 2018	Favorable (Unfavorable) Variance
\$0	\$0	\$0	Operating revenues:			
-	-	-	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
42	114	(72)	Net patient service revenue	-	-	-
(1,085)	-	(1,085)	Realized investment income/(losses)	867	569	298
101	108	(7)	Unrealized investment income/(losses)	125	-	125
-	-	-	Donation revenue	481	539	(58)
-	-	-	Other revenue	-	-	-
(942)	222	(1,164)	Total operating revenues	1,473	1,108	365
10	10	-	Operating expenses:			
3	4	1	Salaries and benefits	51	52	1
-	-	-	Purchased services	6	19	13
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
8	67	59	Other	142	336	194
21	81	60	Total operating expenses	199	407	208
(\$963)	\$141	(\$1,104)	Increase (decrease) in net position	\$1,274	\$701	\$573

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

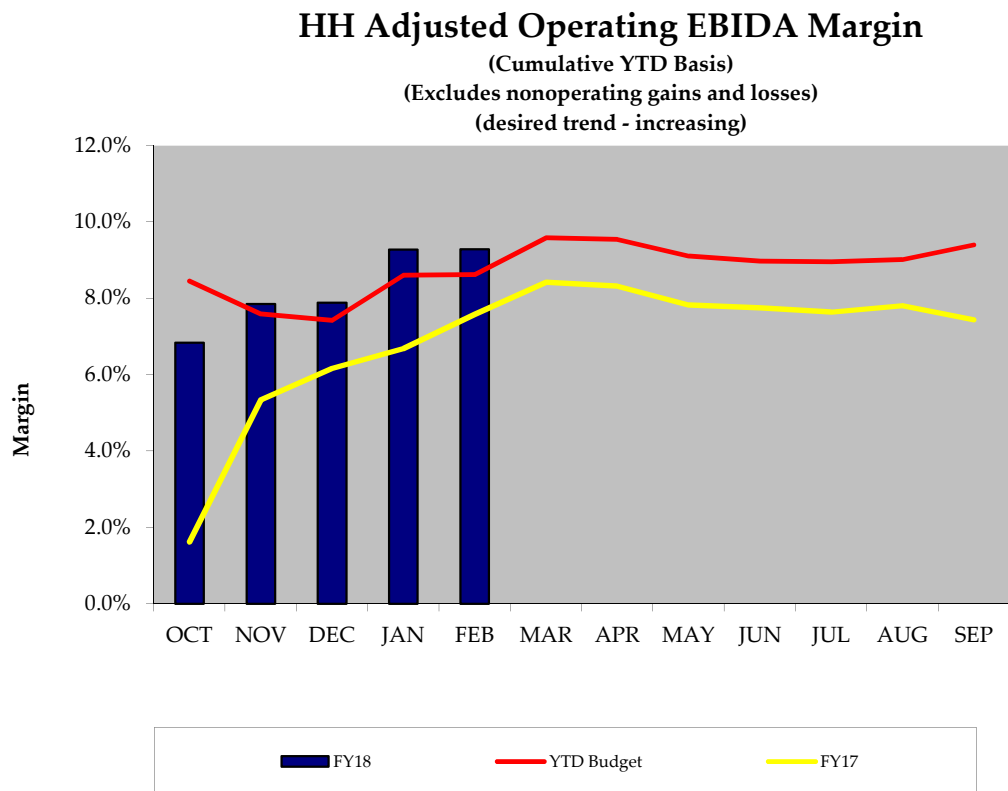
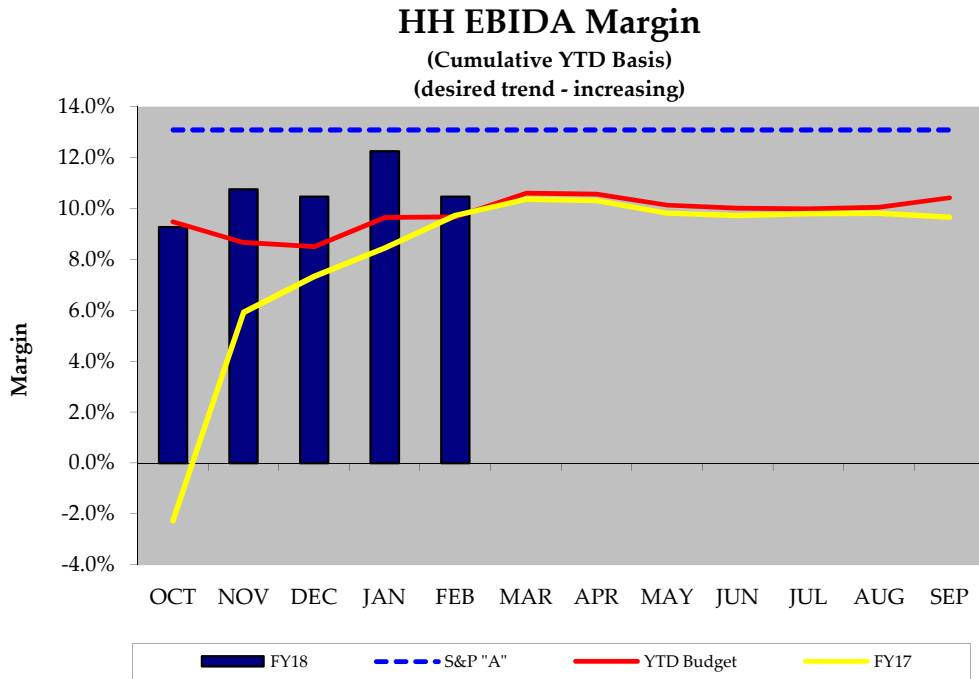
Actual Month Ended February 28, 2018	Static Budget Month Ended February 28, 2018	Favorable (Unfavorable) Variance		Actual Five Months Ended February 28, 2018	Static Budget Five Months Ended February 28, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$41,759	\$46,992	(\$5,233)	Net patient service revenue, before provision for bad debts	\$238,028	\$240,225	(\$2,197)
(2,654)	(7,738)	5,084	Provision for bad debts	(40,042)	(39,626)	(416)
39,105	39,254	(149)	Net patient service revenue	197,986	200,599	(2,613)
504	504	-	Ad valorem taxes	2,520	2,520	-
1,479	1,382	97	Other revenue	7,549	6,984	565
41,088	41,140	(52)	Total operating revenues	208,055	210,103	(2,048)
			Operating expenses:			
20,080	21,386	1,306	Salaries and benefits	104,000	110,468	6,468
5,913	5,141	(772)	Purchased services	28,298	25,619	(2,679)
7,888	7,687	(201)	Supplies	40,018	39,336	(682)
2,023	1,881	(142)	Depreciation and amortization	9,947	9,404	(543)
1,377	1,389	12	Interest	6,920	6,945	25
519	523	4	Ad valorem tax related expenses	2,768	2,716	(52)
668	634	(34)	Leases and rentals	3,160	3,166	6
2,134	2,120	(14)	Other	10,714	10,601	(113)
40,602	40,761	159	Total operating expenses	205,825	208,255	2,430
486	379	107	Excess of operating revenues over expenses	2,230	1,848	382
			Nonoperating revenues, expenses, and gains/(losses):			
172	180	(8)	Realized investment income/(losses)	1,137	902	235
(617)	(2)	(615)	Unrealized investment income/(losses)	(1,348)	(8)	(1,340)
-	-	-	Donation revenue	5	-	5
(2,588)	490	(3,078)	Income from affiliates	3,598	2,820	778
(3,033)	668	(3,701)	Total nonoperating revenues, expenses, and gains/(losses)	3,385	3,714	(329)
(2,547)	1,047	(3,594)	Increase (decrease) in net position before other changes in net position	5,615	5,562	53
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension ⁽¹⁾	(19,962)	-	(19,962)
-	-	-	Total other changes in net position	(19,962)	-	(19,962)
(2,547)	\$1,047	(\$3,594)	Increase (decrease) in net position	(\$14,347)	\$5,562	(\$19,909)

⁽¹⁾ Halifax Health implemented GASB 75 as of October 1, 2017.

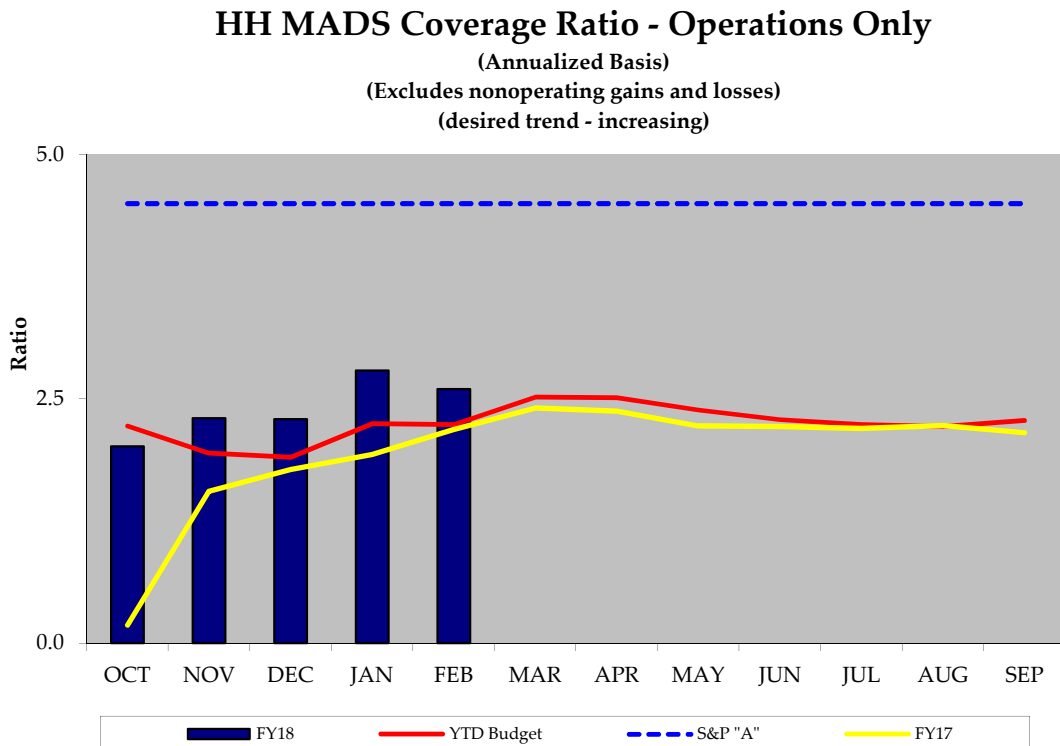
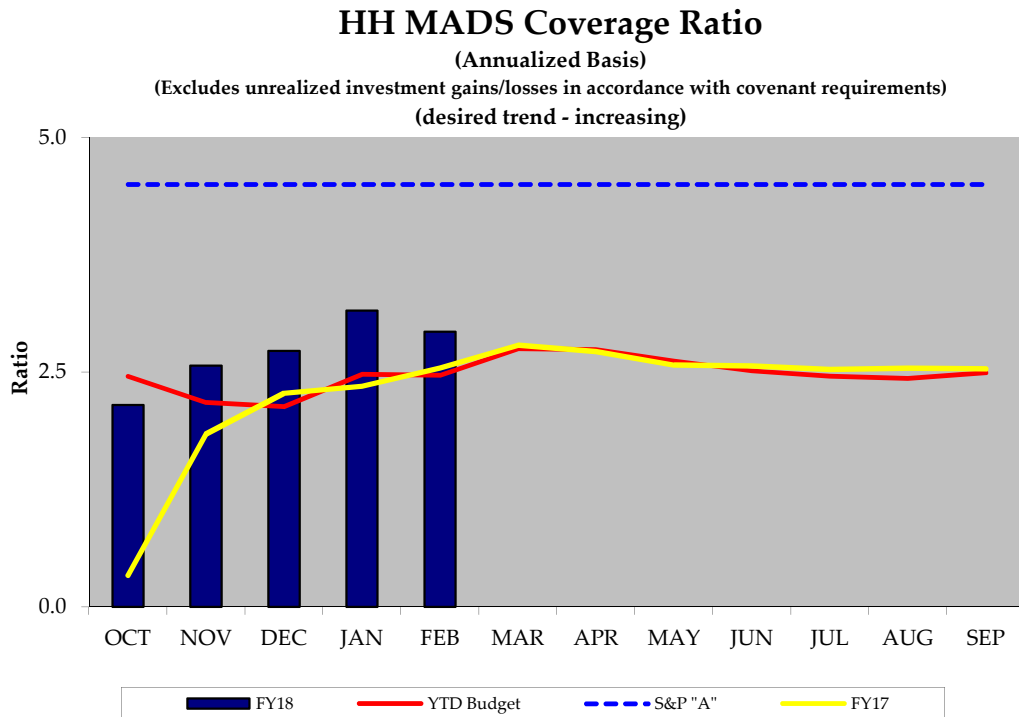
Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic

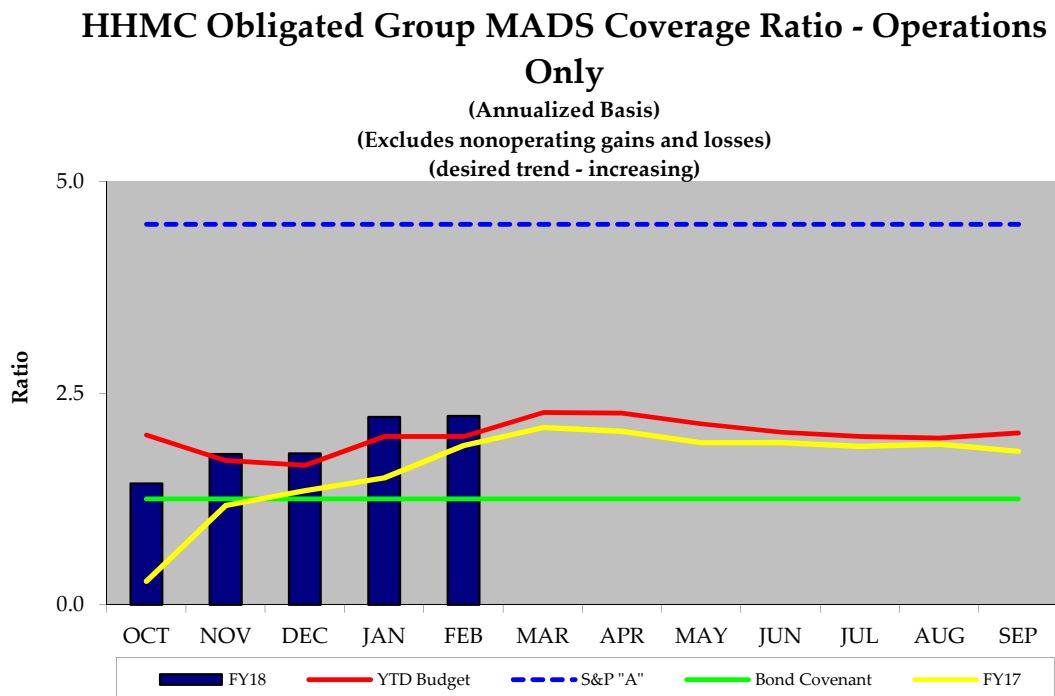
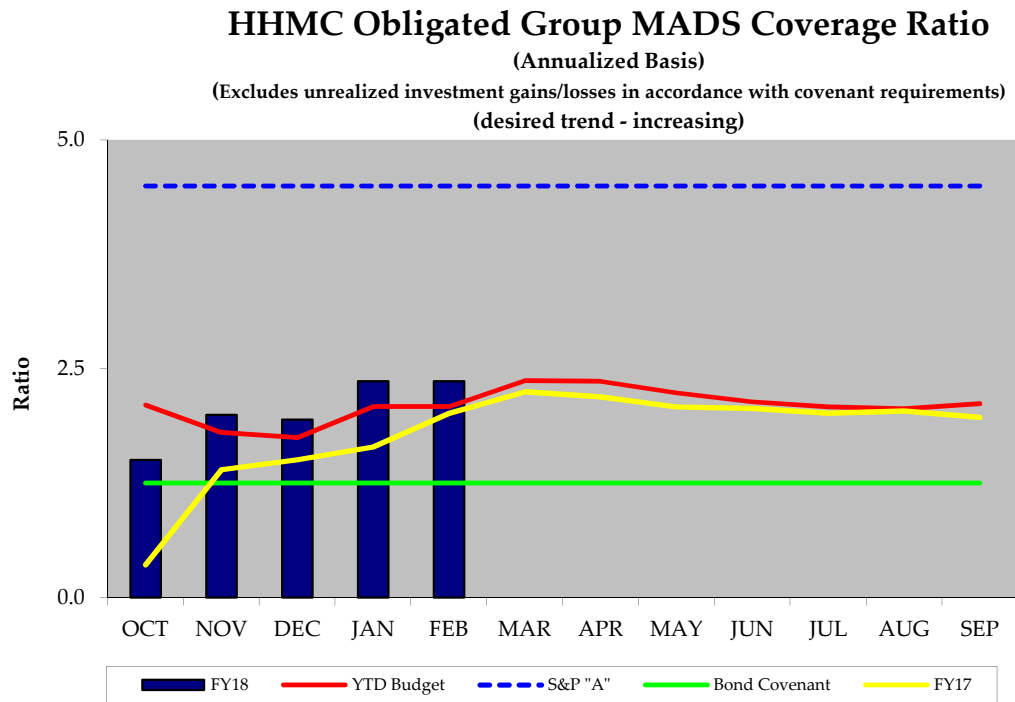


Halifax Health Financial Summary - Graphic



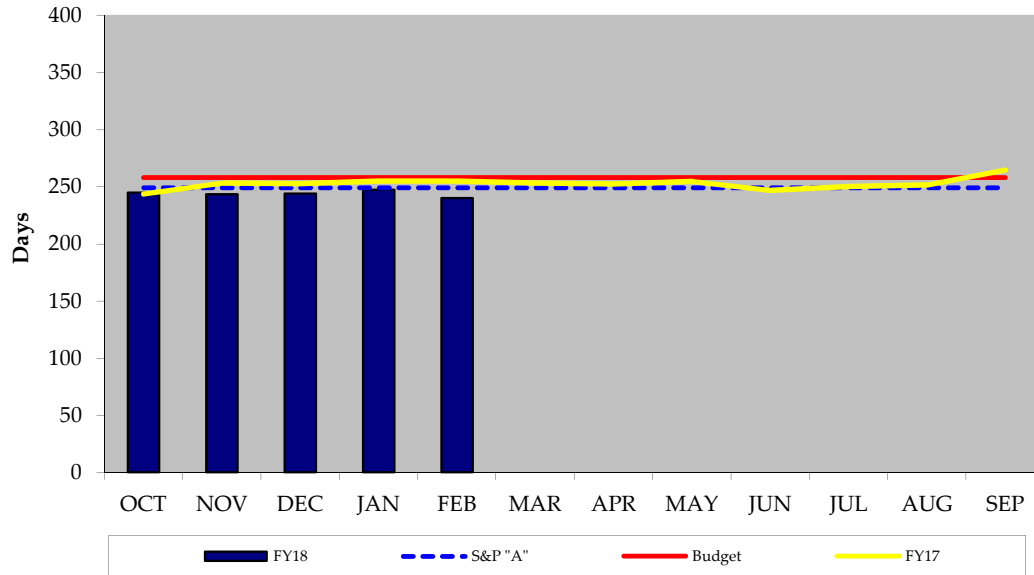
Halifax Health

Financial Summary - Graphic

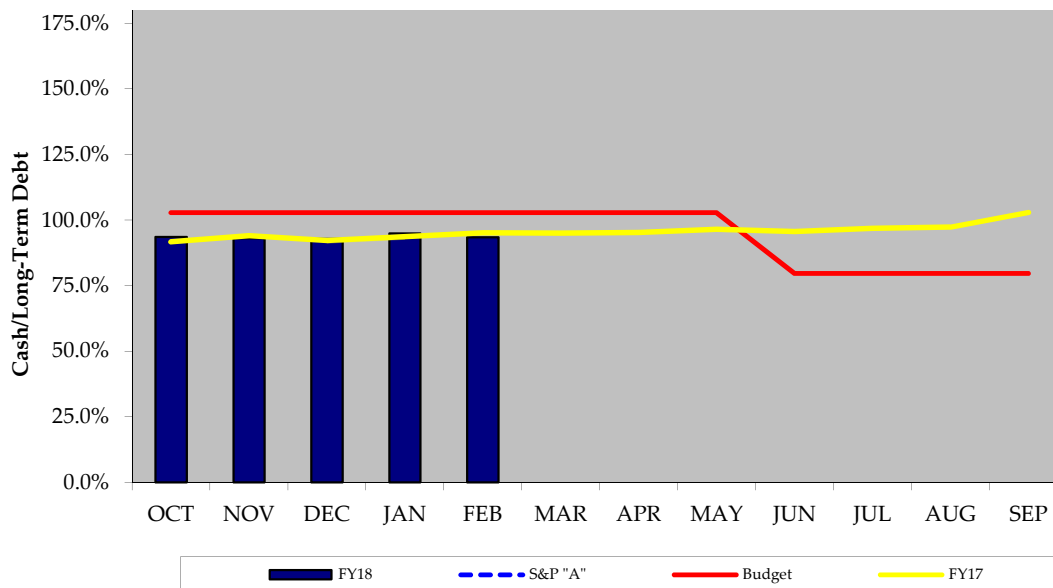


Halifax Health Financial Summary - Graphic

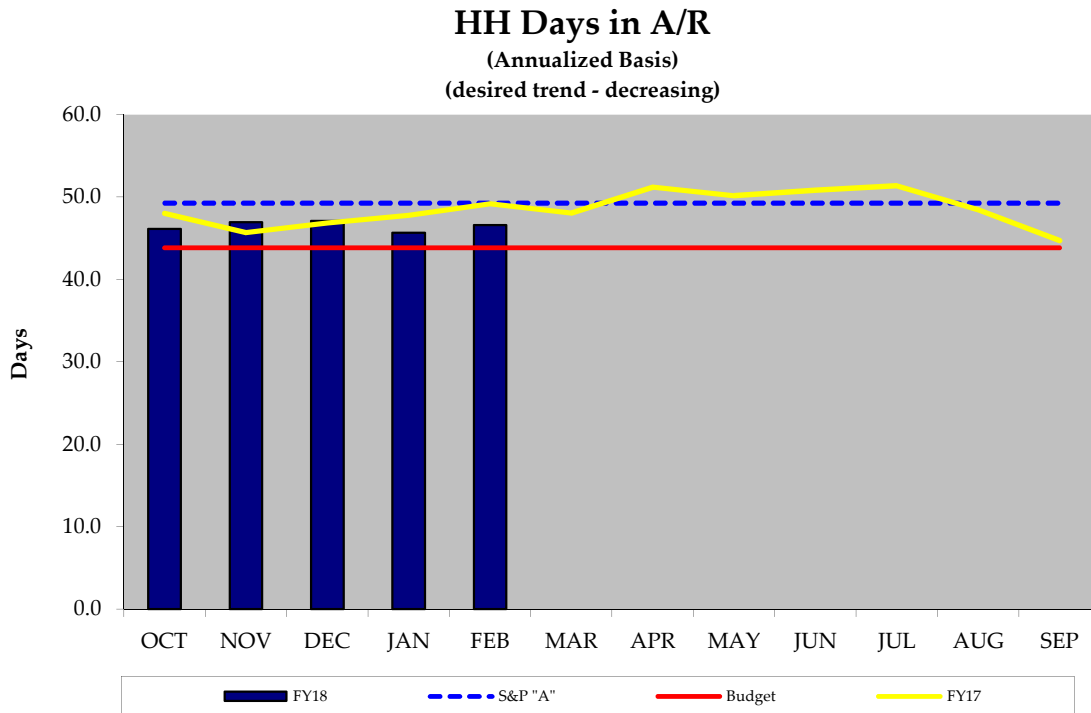
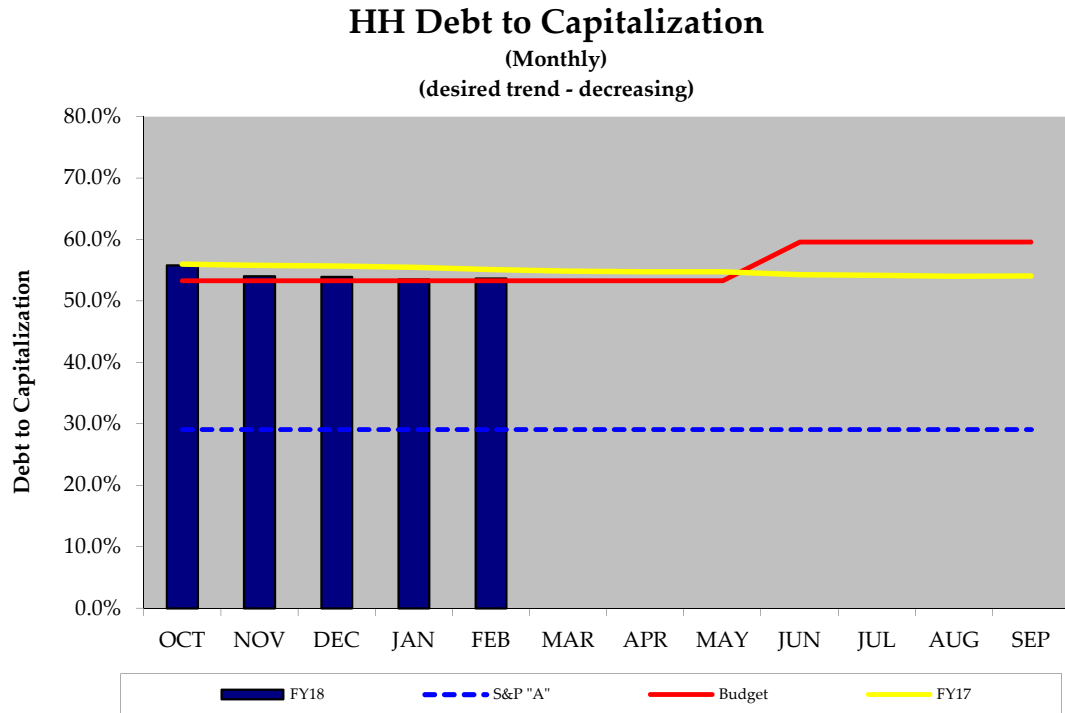
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

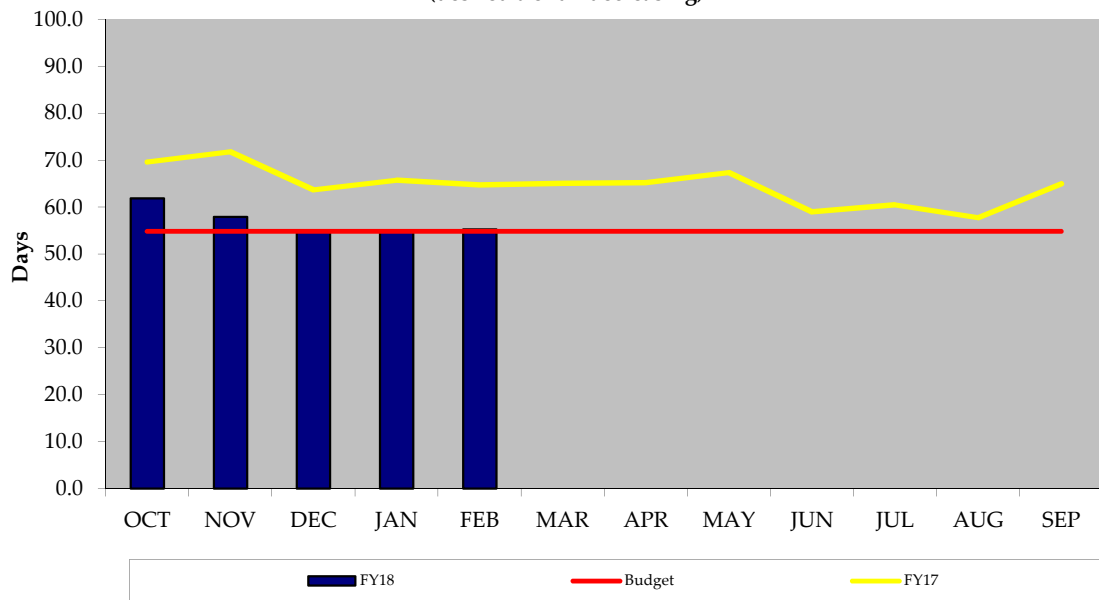


Halifax Health Financial Summary - Graphic

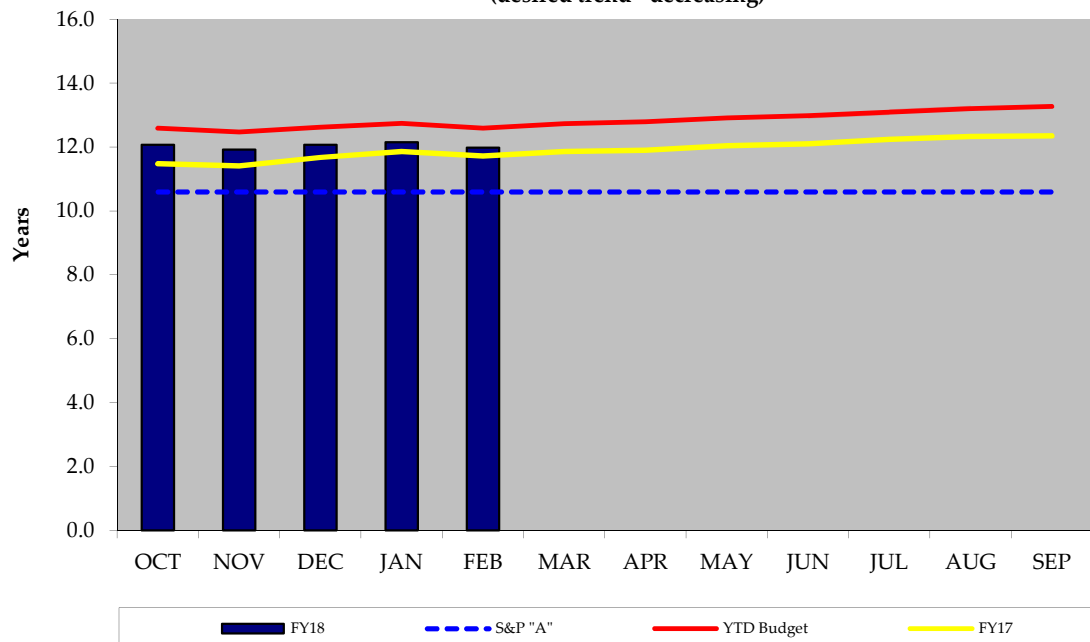


Halifax Health Financial Summary - Graphic

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
FY 2018 Capital Investment Strategy
Executive Summary
As of March, 2018
(\$ in thousands)

Targeted Unrestricted Cash and Investments - September 30, 2018 (258 days cash on hand)	\$ 369,463
--	------------

Projected FY 2018 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	\$ 13,666	=	This amount is less than the projected capital expenditures for FY 2018
--	-----------	---	---

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
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
FY 2018 Capital Investment Strategy
As of March, 2018
(\$ in thousands)

	Hospital Only	HH Holdings	HH Obligated Group	Foundation	Hospice	Total Halifax Health*
Unrestricted Cash and Investments and days cash on hand						
Actual unrestricted Cash and Investments as of March 31, 2018	\$ 61,730	\$ 166,678	\$ 228,408	\$ 37,909	\$ 72,991	\$ 339,365
Days cash on hand [S&P Calculation]	47.5	N/A	175.3	N/A	609.3	237.7
Days cash on hand including bad debt [Bond Compliance Calculation]	39.1	N/A	144.4	N/A	591.9	198.5
Projection of Cash Available for Capital Investment - FY 2018						
Actual unrestricted Cash and Investments as of March 31, 2018	\$ 61,730	\$ 166,678	\$ 228,408	\$ 37,909	\$ 72,991	\$ 339,365
Budgeted Cash and Investments at September 30, 2018	92,181	164,611	256,792	37,215	75,456	369,463
Difference	(30,452)	2,067	(28,384)	694	(2,465)	(30,098)
Calculation of Cash from Operations Available for Capital Investment						
Gain from operations - budgeted FY 2018- Remaining	\$ 4,366	\$ 306	\$ 4,672	\$ 842	\$ 570	\$ 7,143
GASB 68 pension accounting - budgeted FY 2018- Remaining	572	-	572	-	36	608
Depreciation expense - budgeted FY 2018- Remaining	10,189	400	10,589	-	356	12,040
Expected cash from operations- budgeted FY 2018- Remaining	15,127	706	15,832	842	962	19,791
Donations and nonoperating gains, net- budgeted FY 2018- Remaining	-	-	-	-	346	346
Investment gains- budgeted FY 2018- Remaining	\$ 299	\$ 783	\$ 1,082	\$ -	\$ 1,112	\$ 2,194
Portion being made available for capital expenditures	100%	100%	100%	100%	100%	100%
Pension Funding	-	-	-	-	-	-
Expected changes in working capital through September 30, 2018	18,521	-	18,521	-	-	18,521
Deltona capital expenditures to be funded by planned financing		6,957	6,957	-	-	6,957
FEMA reimbursement for Data Center Construction	1,500					1,500
Principal payments on debt	(5,545)	-	(5,545)	-	-	(5,545)
Total expected cash and investments available for capital expenditures	(A) \$ (550)	(A) \$ 10,513	(A) \$ 8,463	(A) \$ 1,536	(A) \$ (44)	(A) \$ 13,666
Projected Capital Investments FY 2018						
Capital projects approved in FY 2017 and prior - not expended at September 30, 2017	\$ 14,534	\$ -	\$ 14,534	\$ -	\$ 78	\$ 14,612
FY 2017 carryover not approved by CIC	1,119		1,119		-	1,119
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	(15,000)	-	(15,000)	-	-	(15,000)
Projected capital expenditures	(B) 18,153	(B) -	(B) 18,153	(B) -	(B) 378	(B) 18,531
Projected funds available in excess of capital expenditures	(A)-(B) \$ (18,703)	(A)-(B) \$ 10,513	(A)-(B) \$ (9,690)	(A)-(B) \$ 1,536	(A)-(B) \$ (422)	(A)-(B) \$ (4,865)
Summary of Capital Approvals						
FY 2018 Capital Budget	\$ 19,700	\$ -	\$ 19,700	\$ -	\$ 300	\$ 20,000
Projected funds available in excess of FY 2018 Capital Investment	(18,703)	10,513	(9,690)	1,536	(422)	(4,865)
FY 2018 Capital Budget plus projected excess funds	(C) 997	(C) 10,513	(C) 10,010	(C) 1,536	(C) (122)	(C) 15,135
FY 2018 Board of Commissioners approved projects	5,905	-	5,905	-	-	5,905
FY 2018 CIC approved projects, net of those subsequently approved by the Board	1,081	-	1,081	-	-	1,081
Approved capital projects	(D) 6,986	(D) -	(D) 6,986	(D) -	(D) -	(D) 6,986
Adjustments (FY 2018 board approvals, approved by CIC in FY 2017)	(E) (1,910)	(E) -	(E) (1,910)	(E) -	(E) -	(E) (1,910)
Available for new projects	(C)-(D)-(E) \$ (4,079)	(C)-(D)-(E) \$ 10,513	(C)-(D)-(E) \$ 4,934	(C)-(D)-(E) \$ 1,536	(C)-(D)-(E) \$ (122)	(C)-(D)-(E) \$ 10,059
Project(s) proposed for Board of Commissioners approval:						
Data Center Construction	\$ (2,000)	\$ -	\$ (2,000)	\$ -	\$ -	\$ (2,000)
Daytona ROC Oncology Renovation	(1,380)	-	(1,380)	-	-	(1,380)
Professional Development Renovation-3rd Floor Fountain Building	(202)	-	(202)	-	-	(202)
OB Headwalls (x11) Upgrade-2nd Floor Fountain Building	(129)	-	(\$129)	-	-	(129)
Nurse Call station	(77)	-	(\$77)	-	-	(77)
Hemodialysis (x2) & Reverse Osmosis (x2) Systems for Dialysis	(57)	-	(\$57)	-	-	(57)
Ultrasound	(51)	-	(\$51)	-	-	(51)
Available Capital if Proposed Projects are Approved	\$ (7,976)	\$ 10,513	\$ 1,037	\$ 1,536	\$ (122)	\$ 6,162

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

Halifax Health
Capital Budget
FY 2018 Budget - March 31, 2018 Evaluation
(in Thousands)

		(A)	(B)	(C)	(A)+(B)+(C)
Item	Information Technology	FY 18 Capital Budget	FY18 Adjustments	FY 18 Activity/ Approvals	Remaining Balance as of 03/31/18
1	IT Enterprise Projects	\$ 461	\$ -	\$ (450)	\$ 11
2	IT Internal Resource Capitalization	500			500
3	Laptop/Desktop Replacement (rolling 4-5 year cycle)	600			600
4	WOW Replacement (rolling 7 year cycle) - 50/yr.	300			300
5	Wireless Upgrade	350			350
6	PBX Room Decomission	200			200
7	Security Camera Upgrade to IP	150			150
8	Enterprise Infrastructure	439		(38)	401
	Total Information Technology	\$ 3,000	\$ -	\$ (488)	\$ 2,512
Item	Medical Equipment				
9	VNA Imaging *	\$ 1,400	\$ -	\$ (1,400)	\$ -
10	IV Pumps	800		(800)	-
11	Ventilators (57)	475			475
12	Patient Monitoring- PICU/Pediatrics	403		(429)	(26)
13	Echo Cart for EP lab	235			235
14	Portable X-Ray Systems (5)	185			185
15	Varian Accelerator Upgrade (Hardware/ Software)	156			156
16	Ultrasound Replacement	150			150
17	Diagnostic reading monitors	150			150
18	Patient Monitoring- HHPO Switch Upgrade	150			150
19	OeC OR C-Arm	125			125
20	Medical Equipment Emergency Purchases	1,000			1,000
21	Medical Equipment Projects under \$100,000	1,000		(847)	153
	Total Medical Equipment	\$ 6,229	\$ -	\$ (3,476)	\$ 2,753
Item	Infrastructure/Facilities				
22	Chilled Water Project	\$ 435	\$ -	\$ (463)	\$ (28)
23	Lab roof	265			265
24	MSR1 Switchgear	313		(487)	(173)
25	Chiller for Ormond Beach ROC	187			187
26	Fan Coil Units (FCUs) Connection to Emergency Generator at HHPO	300			300
27	Daytona ROC Oncology Renovation	1,500		(1,380)	120
28	Infrastructure Emergency Purchases	1,000		(331)	669
29	Data Center Constrution	-		(2,000)	(2,000)
30	Infrastructure Projects under \$100,000	1,000		(402)	598
	Total Infrastructure/Facilities	\$ 5,000	\$ -	\$ (5,062)	\$ (62)
Item	Hospice Capital Expenditures				
31	SEVC Range Hood	\$ 100	\$ -	\$ -	\$ 100
32	Hospice Capital	200		(67)	133
	Total Hospice Capital Expenditures	\$ 300	\$ -	\$ (67)	\$ 233
Item	Other				
33	Service Expansion	\$ 3,521	\$ -	\$ (898)	\$ 2,623
34	First Steps Shelter	150			150
	Subtotal Other Projects	\$ 3,671	\$ -	\$ (898)	\$ 2,773
	Total HH Capital Expenditures	\$ 18,200	\$ -	\$ (9,992)	\$ 8,208

Halifax Health
FY 2018 and Prior Approved Capital Projects and Expenditures
As of March, 2018
(\$ in thousands)

		Project Approval Date	Total Carryover and Approved	Spent During FY 2018	HMC Remaining to be Spent
Capital funds required for projects approved in FY 2017 and prior					
IV Pumps	17-0816-017	9/5/2017	\$ 2,317	\$ (2,115)	\$ 202
Vendor Neutral Archive (VNA) for Enterprise Imaging	16-0720-002	8/8/2016	2,251	(832)	1,419
Cardiac Cath & Electrophysiology Lab Replacement	16-0622-002	11/7/2016	1,601	(873)	728
Fire Alarm System	16-0316-003	3/16/2016	675	(0)	675
Surgical Power Equipment- Small Bone Orthopedics	17-1019-003	3/6/2017	471	(403)	68
AHUs #1, #3, #4, #5 for OR Areas	17-0215-003	3/6/2017	465	(93)	372
Medical Oncology Expansion-Port Orange	17-0215-004	5/1/2017	433	-	433
Bronchoscopy Lab Construction	17-0315-003	5/1/2017	427	(328)	99
Pediatric Rehab Renovation	17-0419-001	5/1/2017	352	(360)	(7)
Air Handling Unit #5 for Facility Expansion Roof	16-0824-011	8/24/2016	223	-	223
CVICU & CPCU Renovation	17-1019-002	12/5/2016	203	(22)	181
Air Handling Unit #1 for SPD Area	16-0824-012	8/24/2016	186	-	186
Port Orange Equipment Refresh	16-0518-002	2/17/2016	186	-	186
Fairwarning Patient Privacy System	17-0315-004	5/1/2017	182	(27)	156
Brain Path Kit	17-0215-005	5/1/2017	181	(176)	6
Data Center Cooling Replacement	16-0921-004	9/21/2016	163	-	163
Boiler Replacement (x2)	16-1118-003	11/18/2016	158	(158)	-
2014-2017 Misc Carry Over-Small remaining	Various	9/13/2014	139	(139)	-
New Smyrna Beach Family Practice-Expansion	17-0719-002	9/5/2017	138	-	138
Outpatient Rehab JV Renovations	Brooks	6/6/2016	137	-	137
CSI Buyout	Buyout	12/13/2017	128	(128)	-
Chiller #1 for HHPO	16-0120-005	3/7/2016	123	-	123
Plasma Pheresis Systems (Qty 5)	17-1221-002	3/6/2017	122	-	122
Diagnostic (Xray) Equipment Retro Fit for HHPO	17-0517-001	7/10/2017	100	(100)	0
Ultrasounds (x2) for IMC & ISC	17-0621-014	9/5/2017	99	(99)	-
Surgical Lights (Qty 3) for Open Heart ORs	17-0621-004	9/5/2017	93	-	93
Pump Speed Controls for Heart-Lung Machines (Qty 3)	16-0921-005	7/10/2017	87	(5)	83
New Smyrna Family Practice Equipment and X-Ray Upgrade	17-1221-004	1/9/2017	86	-	86
Subtotal of approved items less than \$100k			1,870	(724)	1,146
Total Capital funds required for projects approved in FY 2017 and prior			\$ 13,229	\$ (6,476)	\$ 6,753

FY2018 Board Approved Capital Projects

Cath Lab Renovation	17-0816-001	8/16/2017 *	\$ 1,489	\$ (12)	\$ 1,477
Dr. Seltzer Acquisition	Seltzer	10/30/2017	898	(905)	(7)
GI Lab Relocation	18-1018-002	10/18/2017	684	(2)	682
Data Protection Hardware & Software	18-1115-005	1/8/2018	497	(115)	382
Chilled Water Connection for OR - Fountain Bldg.	18-1220-001	1/8/2018	463	(233)	230
Pediatric Telemetry Monitors	18-1220-002	12/20/2018	429	0	429
Merge Hemodynamics for Cath Lab	18-0117-002	1/17/2018	349	-	349
Fan Coil Units (FCUs) Connection to Emergency Generator at HHPO	18-0117-001	1/17/2018	300	-	300
Chiller for Ormond Beach ROC	18-1220-003	1/8/2018	187	-	187
Passive Hallway Harness	18-1220-004	1/8/2018	132	-	132
Access Control-Lenel License & Network Boards	17-0419-003	7/10/2017	119	-	119
Orthopedic Surgical Tables (x2)	17-0816-002	8/16/2017 ^	110	(100)	10
Urinalysis Analyzer	17-0816-003	8/16/2017 ^	100	0	100
Orthopedic Hana Surgical Table	17-0920-003	9/20/2017 ^	93	(93)	0
Hemodialysis Systems (x2) & Disinfection Systems (x2) for Hemodialysis	18-0117-006 / 18-0117-007	1/17/2018	57	(0)	57
Total FY 2018 Board Approved Capital Projects			\$ 5,905	\$ (1,460)	\$ 4,445

FY 2018 Other Approved Capital Projects

Network Access Control Ports (Qty 8)	18-0117-003	1/17/2018	\$ 50	\$ (42)	\$ 8
Subtotal of approved items less than \$50k			1,081	(335)	746
Total FY 2018 Other Approved Capital Projects			\$ 1,081	\$ (335)	\$ 746

Projects proposed for Board of Commissioners approval

Data Center Construction	18-0221-001	2/21/2018	\$ 2,000	\$ -	\$ 2,000
ROC Renovation	18-0321-001	3/21/2018	1,380	-	1,380
Professional Development Renovation-3rd Floor Fountain Building	18-0221-002	2/21/2018	202	-	202
OB Headwalls (x11) Upgrade-2nd Floor Fountain Building	18-0221-003	2/21/2018	129	-	129
Nurse Call station	18-0321-004	3/21/2018	77	-	77
Hemodialysis (x2) & Reverse Osmosis (x2) Systems for Dialysis	18-0321-005	3/21/2018	57	-	57
Ultrasound	18-0321-003	3/21/2018	51	-	51
Total Project(s) proposed for Board approval			\$ 3,897	\$ -	\$ 3,897

CAPITAL EXPENDITURES & OPERATING LEASES

Audit & Finance Committee

May 2, 2018

Capital Expenditures \$50,000 and over

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Data Center Construction	Information Technology	Working Capital and Expected FEMA Reimbursement (\$1.5 million)	\$2,000,000
Regional Oncology Center Renovations	Center for Oncology	Working Capital	\$1,379,501
Ventilators for Respiratory Therapy	Respiratory	Working Capital	\$446,629
Professional Development Renovation	Department of Professional Development	Working Capital	\$202,000
Headwalls for Labor and Delivery	Labor and Delivery	Working Capital	\$128,993
Nurse Call System for Surgical Services	Surgical Services	Working Capital	\$76,928
Hemodialysis and Disinfection Equipment	Dialysis Unit	Working Capital	\$57,409
GE Ultrasound for Surgical Services	Surgical Services	Working Capital	\$51,203

Operating Leases \$250,000 and over

DESCRIPTION	DEPARTMENT	REPLACEMENT Y/N	LEASE TERMS	INTEREST RATE	MONTHLY PAYMENT
Renewal of Facilities Lease with Halifax Management System, Inc. (HMS)	Halifax Hospital Medical Center and HMS for: - Halifax Health Port Orange Hospital (1041 Dunlawton Ave.) - Medical office building (201 N. Clyde Morris Blvd.) - Ormond Beach Oncology Center (1688 West Granada Blvd.)	Renewal	60 Months	3.21%	Range from \$256,493 to \$283,120 Net Present Value of Minimum Lease Payments: \$14,707,186



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Tom Stafford, Vice President and Chief Information Officer
DATE: April 13, 2018
RE: Data Center Construction

Halifax Health Information Technology is requesting funding for the construction of a new data center. The data center will be located in existing shell space in the France Tower. The project will include "build-out" construction of the shell space, electrical wiring, and network infrastructure.

The existing data center resides in the 1928 building and will continue to be operated. Leveraging two data centers to service our infrastructure needs will add resilience to our network. The new data center build-out will take approximately two years to complete.

A request for funding will be submitted to the Federal Emergency Management Agency (FEMA) under the category of storm hazard mitigation. The FEMA request requires that the Halifax Health governing body pass a motion authorizing: (1) the hazard mitigation agreement with the Division of Emergency Management be executed and, (2) authorizing the chief administrative officer (or designee) to act in connection with the application and to provide such additional information as may be required.

The project was approved at the Capital Investment Committee meeting on February 21, 2018.

We request approval of the total capital costs reflected below and authorization for the Chief Executive Officer or Chief Financial Officer to execute the hazard mitigation agreement, including any related agreements, and provide all necessary information.

TOTAL CAPITAL COSTS	<u>\$2,000,000</u>
EXPECTED FEMA REIMBURSEMENT	<u>\$1,500,000</u>



Halifax Health Project Evaluation

Data Center Construction

Chief Revenue Officer	Arvin Lewis
Chief Information Officer	Tom Stafford
Director, IT Technical Services	Michael Marques
Finance Analysis	Roxanne Edmonds

Summary

Purpose:

This project is for the construction of a new Data Center in the France Tower, supporting the current data center by adding resilience to our network infrastructure.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	
Efficiency	

Investment Request for Approval **\$2,000,000**

Average estimated useful life of the renovation	12.5	years
Average estimated useful life of the network infrastructure	5	years

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: Alberto Tineo, Senior Vice President Operations
DATE: April 13, 2018
RE: Regional Oncology Center Renovations

Halifax Health Center for Oncology is requesting funding to renovate a portion of the interior building of the Regional Oncology Center (ROC).

The proposed renovation is specific to patient care areas on the ground and second floors. The project includes flooring replacement, nursing station/front desk mill work, window shade replacement, ceiling light updates, furniture replacement, restroom updates, treatment and exam room cabinetry replacement, artwork replacement and door re-covering.

This project was approved at the Capital Investment Committee meeting on March 21, 2018.

TOTAL CAPITAL COSTS: \$1,379,501



Halifax Health Project Evaluation

ROC Renovations

Chief Operating Officer Sr. VP Operations Director, Oncology Services Finance Analysis	Mark Billings Alberto Tineo Debra Trovato Roxanne Edmonds
---	--

Summary

Purpose:

This project is for the first renovations of the Center for Oncology since building inception in 1982. The updates will be specific to patient care areas which will improve operational efficiencies, increase patient accessibility and provide a refurbished and modernized therapeutic cancer treatment environment.

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	X

Cornerstone:

Safety	X
Compassion	X
Image	X
Efficiency	

Investment Request for Approval **\$1,379,501**

Estimated useful life of the renovation and furnishings range from 5-15 years

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: Matt Petkus, Vice President Surgical Services
DATE: April 13, 2018
RE: Ventilators for Respiratory Therapy

Halifax Health Respiratory Therapy Department is requesting funding to purchase fifteen (15) comprehensive ventilators. This purchase is phase one of a three-year schedule to replace a fleet of fifty-two (52) ventilators. The ventilators to be replaced are 10-14 years old.

The new ventilators are comprehensive ventilators that include volumetric capnography, a built-in software that will monitor the concentration of carbon dioxide in the patient's exhaled gases. The feature will help the physician and respiratory therapist evaluate whether ventilation levels are adequate.

The new comprehensive ventilators can be used in any intensive care unit. We presently have six comprehensive ventilators in the neonatal and pediatric intensive care units.

TOTAL CAPITAL COSTS \$446,629



Halifax Health Project Evaluation

Ventilators for Respiratory Therapy

Chief Operating Officer:	Mark Billings
VP Surgical Services	Matt Petkus
Respiratory Therapy Manager	John Walburg
Finance Analysis by:	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of 15 new comprehensive ventilators that can be used in any intensive care unit.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval \$446,629

Estimated useful life 10 years

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: Catherine Luchsinger, RN, Chief Nursing Officer
DATE: March 14, 2018
RE: Professional Development Renovation

Halifax Health Department of Professional Development is responsible for the continuous education of RNs and other Halifax Health patient care personnel. The condition of the current training space located on the third floor of the Fountain Tower is in need of refurbishment.

The renovation will include the installation of flooring, new ceiling tiles, paint, installation of LED lights, and new window blinds. In addition, the HVAC requires replacement of duct work, coils, and various components of the air-handling unit.

The project was approved at Capital Investment Committee, February 21, 2018

TOTAL CAPITAL COSTS \$ 202,000



Halifax Health Project Evaluation

Professional Development Renovation & HVAC System	
Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Finance Analysis by:	Steve Mach

Summary

Purpose:

This project is to renovate the nursing professional development training suite, including an HVAC system upgrade.

Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	
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 \$202,000

Estimated useful life of the renovation	15	years
Estimated useful life of the HVAC system	10	years

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: Catherine Luchsinger, RN, Chief Nursing Officer
DATE: March 14, 2018
RE: Headwalls for Labor and Delivery

Halifax Health Labor and Delivery is requesting funds to replace the existing headwalls in the labor & delivery rooms on the Fountain Tower 2-East unit.

The new headwalls will replace the 20-year old headwalls currently used in the labor and delivery rooms. The upgrade of the headwalls will help to enhance our image and better position the labor and delivery services within the community. The existing headwalls are outdated and more difficult to maintain.

The project was approved at the Capital Investment Committee meeting on February 21, 2018.

TOTAL CAPITAL COSTS \$128,993



Halifax Health Project Evaluation

Replace Headwalls in Labor and Delivery department

Chief Nursing Officer:
 Manager, Labor and Delivery
 Finance Analysis by:

Catherine Luchsinger
 Heidi Wright
 Shawn Remington

Summary

Purpose:

This project will replace 11 headwalls in the Labor and Delivery 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	
Compassion	
Image	X
Efficiency	X

Investment Request for Approval **\$128,993**

Estimated useful life 15 years

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: Matt Petkus, Vice President Surgical Services
DATE: April 13, 2018
RE: Nurse Call System for Surgical Services

Halifax Health Surgical Services is requesting funding to purchase a new nurse call system. The current nurse call system is 21-years old and does not consistently support certain areas of the surgical suites.

The nurse call system is essential for communication between the operating rooms and the control desk. The system is also used when there is a need for a code blue, a patient event requiring immediate attention.

The nurse call system will be installed in the main operating rooms and the post anesthesia care unit. The areas will include duty stations, nurse stations, and patient bays.

The project was approved at the Capital Investment Committee meeting on March 21, 2018.

TOTAL CAPITAL COSTS \$76,928



Halifax Health Project Evaluation

Nurse Call System

Chief Operating Officer:	Mark Billings
Service Line Administrator:	Matt Petkus
Director, Surgical Services:	Deborah Moore
Finance Analysis by:	Todd Aldrich

Summary

Purpose:

This project will replace the nurse call system in the OR and PACU

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 \$76,928

Useful Life 10 Years

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: Catherine Luchsinger, RN, Chief Nursing Officer
DATE: April 13, 2018
RE: Hemodialysis and Disinfection Equipment

Halifax Health Dialysis Unit is requesting the purchase of two hemodialysis machines and two portable reverse osmosis disinfection machines. These four machines will replace a portion of our current hemodialysis equipment fleet.

The machines are 13 years old and have exceeded the recommended service life. Repairs have increased and parts are being phased out.

In January 2018, the Capital Investment Committee approved two hemodialysis and two disinfection units. The project was approved by the Board of Commissioners in March 2018. Since that time, additional machines were found to be non-compliant for bacteria levels. Due to the age of the equipment, they could no longer be serviced which initiated a request for the additional machines.

Hemodialysis is needed when the function of the kidneys fail. Dialysis acts as an artificial kidney to remove waste, salt and extra water in the body. Dialysis also helps to maintain safe levels of potassium, sodium and bicarbonate and to control blood pressure.

The reverse osmosis disinfection machines will use an automated heat disinfection process that allows for greater bacteria control, reducing the need for chemicals, which leads to less downtime. The machine has programmable auto-flushing to eliminate stagnation and ensure system cleanliness.

The project was approved at the Capital Investment Committee meeting on March 21, 2018.

TOTAL CAPITAL COSTS \$57,409



Halifax Health Project Evaluation

Hemodialysis and Disinfection System

Chief Operating Officer:	Mark Billings
Chief Nursing Officer:	Catherine Luchsinger
Nurse Manager:	Deb Reid
Finance Analysis by:	Shawn Remington

Summary

Purpose:

This project is to purchase new hemodialysis and reverse osmosis system for the dialysis 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	X
Efficiency	X

Investment Request for Approval \$57,409

Estimated useful life 5 years

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: Matt Petkus, Vice President Surgical Services
DATE: April 13, 2018
RE: GE Ultrasound for Surgical Services

Halifax Health Surgical Services is requesting funding to purchase an ultrasound. The ultrasound will assist the physicians and surgical team in both anesthesia and surgical procedures.

The new ultrasound unit will help avoid delayed procedures and scheduling issues for surgical procedures.

The project was approved at the Capital Investment Committee meeting on March 21, 2018.

TOTAL CAPITAL COSTS \$51,203



Halifax Health

Project Evaluation

GE Venue Ultrasound (1)

Chief Operating Officer:

Mark Billings

Service Line Administrator:

Matt Petkus

Director, Surgical Services:

Deb Moore

Finance Analysis by:

Todd Aldrich

Summary

Purpose:

This project will add one ultrasound unit to Surgical Services.

Strategic Plan Core Competency Achievement:

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

X

Cornerstone:

Safety
Compassion
Image
Efficiency

X
X

Investment Request for Approval

\$51,203

Estimated Useful Life

5 Years

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: April 25, 2018
RE: Renewal of Facilities Lease with Halifax Management System, Inc. (HMS)

Halifax Hospital Medical Center (HHMC) is requesting approval of the renewal of the lease between HHMC and HMS for three healthcare facilities:

1. Halifax Health Port Orange Hospital located at 1041 Dunlawton Ave.
2. Medical office building located at 201 North Clyde Morris Blvd.
3. Ormond Beach Oncology Center located at 1688 West Granada Blvd.

The lease of these facilities expires May 1, 2018. HHMC and HMS previously entered into a 50 year ground lease underlying the facilities to be leased. A fair market value study conducted by an external valuation expert was used to establish the rental rates for the lease renewal.

OPERATING LEASE FOR APPROVAL

KEY TERMS:

- Total useable square footage: 190,791 sq. ft.
- Term – five (5) years
- Base rent annual escalator: 2.5%
- Triple – net lease – base rent plus all operating expenses

INTEREST RATE	3.21% ⁽¹⁾
LEASE TERM	60 Months
MONTHLY PAYMENTS FOR FACILITIES LEASE	Range from \$256,493 to \$283,120
NET PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$14,707,186

(1) Represent 10-year, A-rated municipal bond rate.

**Halifax Health Medical Center
Capital Disposals
APRIL 2018**

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
52340	WAN - WIDE AREA NETWORK DEVICE	IT	02/10/03		1,215.50	-
57727	HP BLADESYSTEM ENCLOSURE	IT	06/30/09		21,540.98	-

Total to be Disposed: \$ 22,756.48 \$ -

**Halifax Health Medical Center
Capital Disposals
MARCH 2018**

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
48943	DINAMAP	ROPU	04/18/07		2,200.00	-
54464	POWER SUPPLY 20 TAP-PD1 7730L	ROPU	11/18/04		1,130.00	-
0024967	STERILGARD HOOD	PHARMACY-P.O. ROC	02/01/81		4,363.13	-

Total to be Disposed: \$ 7,693.13 \$ -



HALIFAX HEALTH

Live your life well.

Reducing Length of Stay Through Multidisciplinary Rounds

Dr. Thendrex Estrella, Director of Hospital Medicine

Jennifer Morrow, Nurse Manager

Alberto Tineo, Sr. VP Operations

Jana Iezzi, Director of Performance Improvement



HALIFAX HEALTH

Length of Stay Reduction

FY 2015 estimated **55,000** avoidable days

FY 2016 estimated **58,000** avoidable days



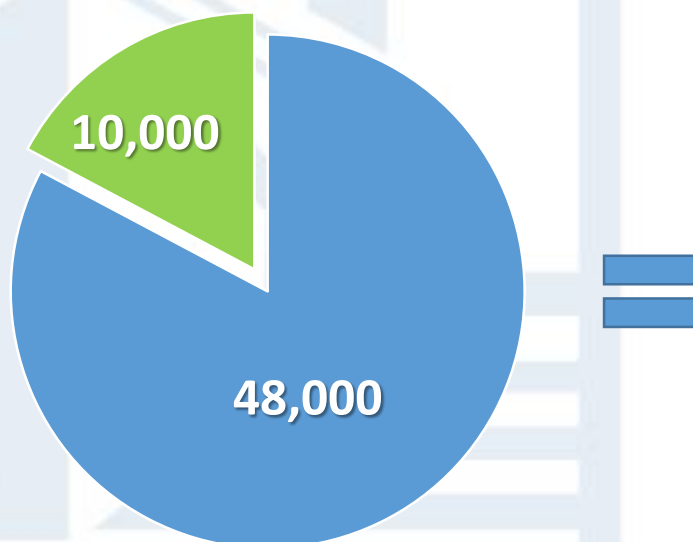
Length of Stay Reduction

FY **2018** goal is...

Remove **10,000** avoidable days

FY **2018** budget is...

4.8 day average length of stay



Week of				
Monday	Tuesday	Wednesday	Thursday	Friday

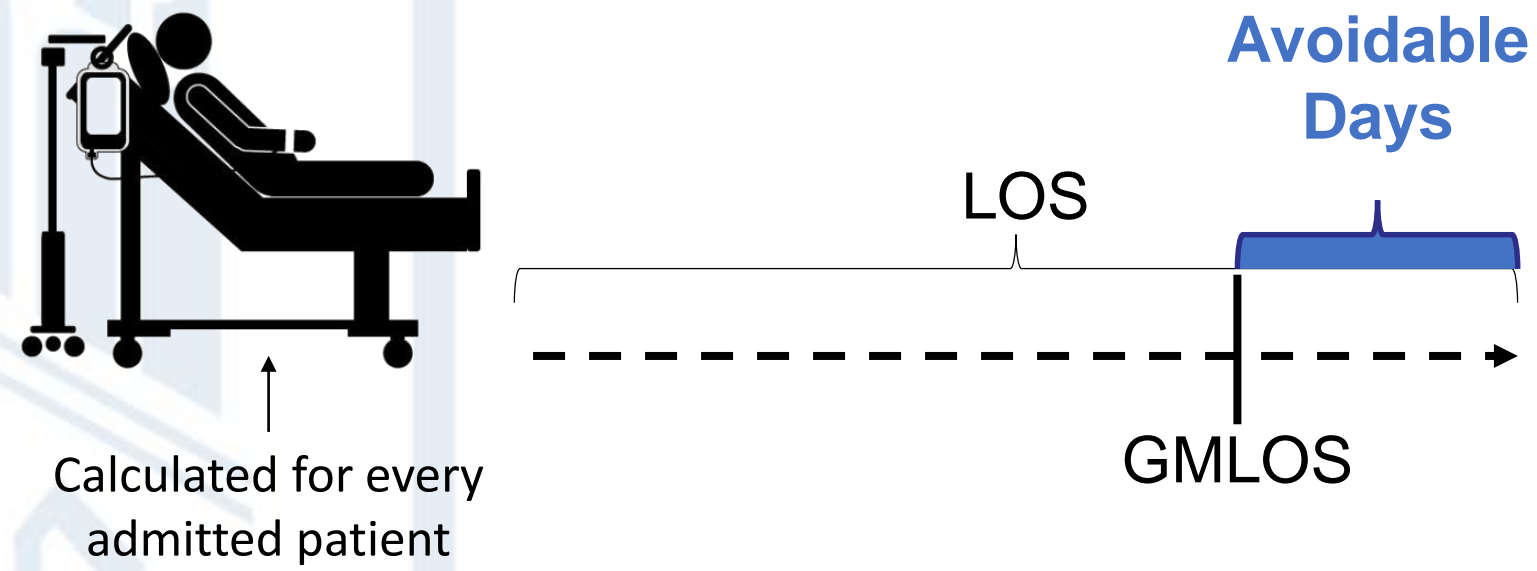
A diagram showing a calendar grid with columns for Monday, Tuesday, Wednesday, Thursday, and Friday. A red triangle is drawn on the Thursday column, starting from the bottom and pointing upwards, labeled $\frac{1}{2}$ day, indicating a reduction in length of stay.

Live your life well.

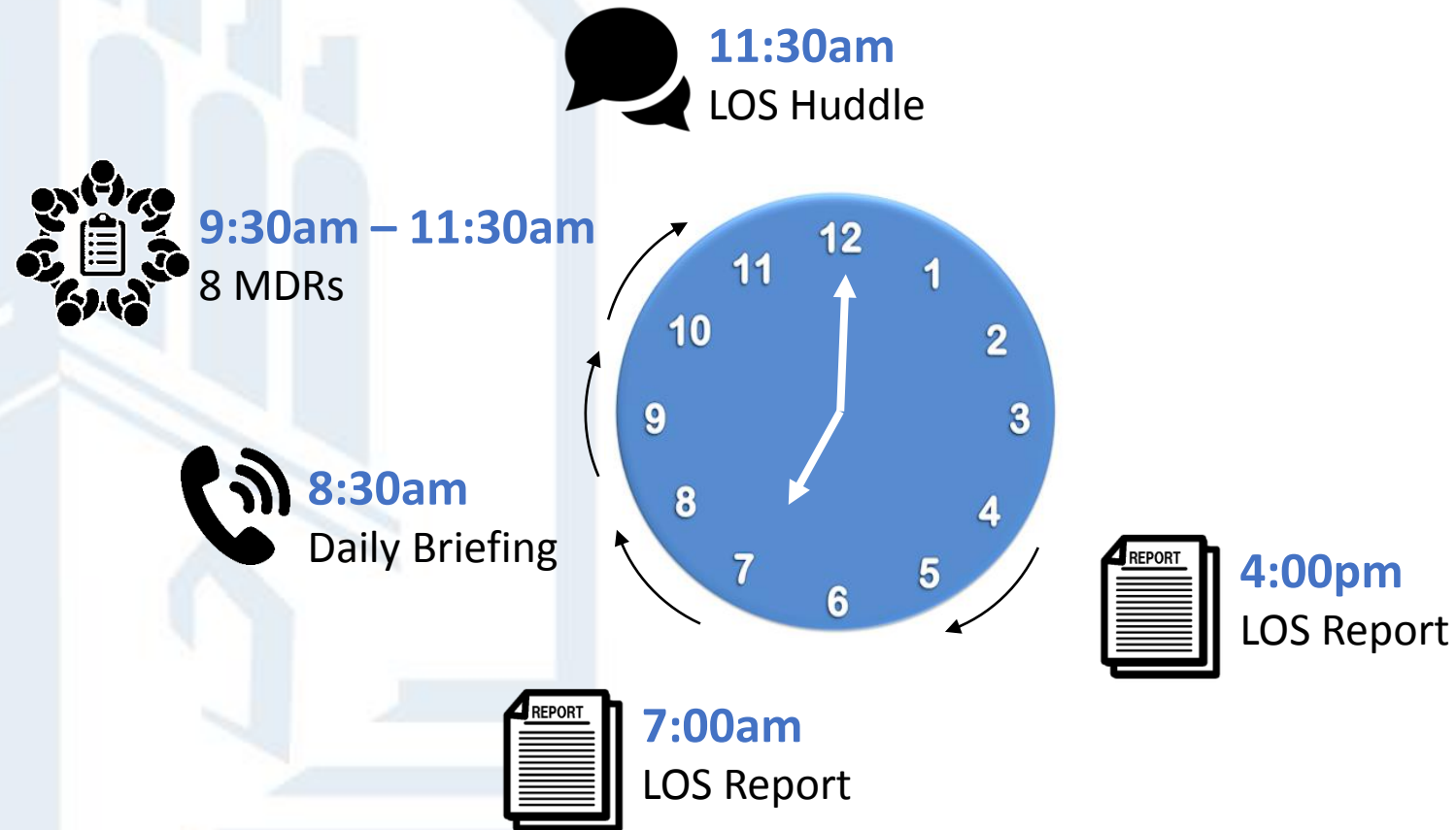


HALIFAX
HEALTH

Avoidable Days



Daily Operations



24/7



TeleTracking



Leadership
Escalation



MDR Video



Live your life well.

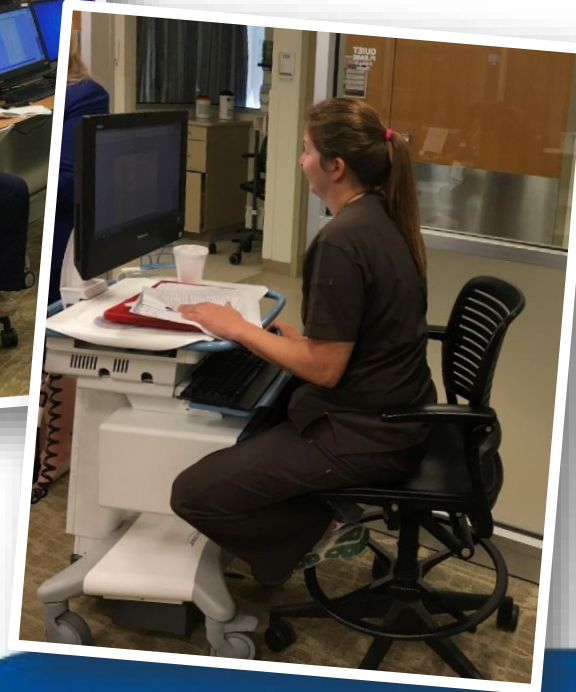


HALIFAX
HEALTH

Multidisciplinary Rounds (MDR)

This **patient-centered model** of care has proven to be a valuable tool in **improving the quality, safety, and patient experience of care.**

Institute for Healthcare Improvement

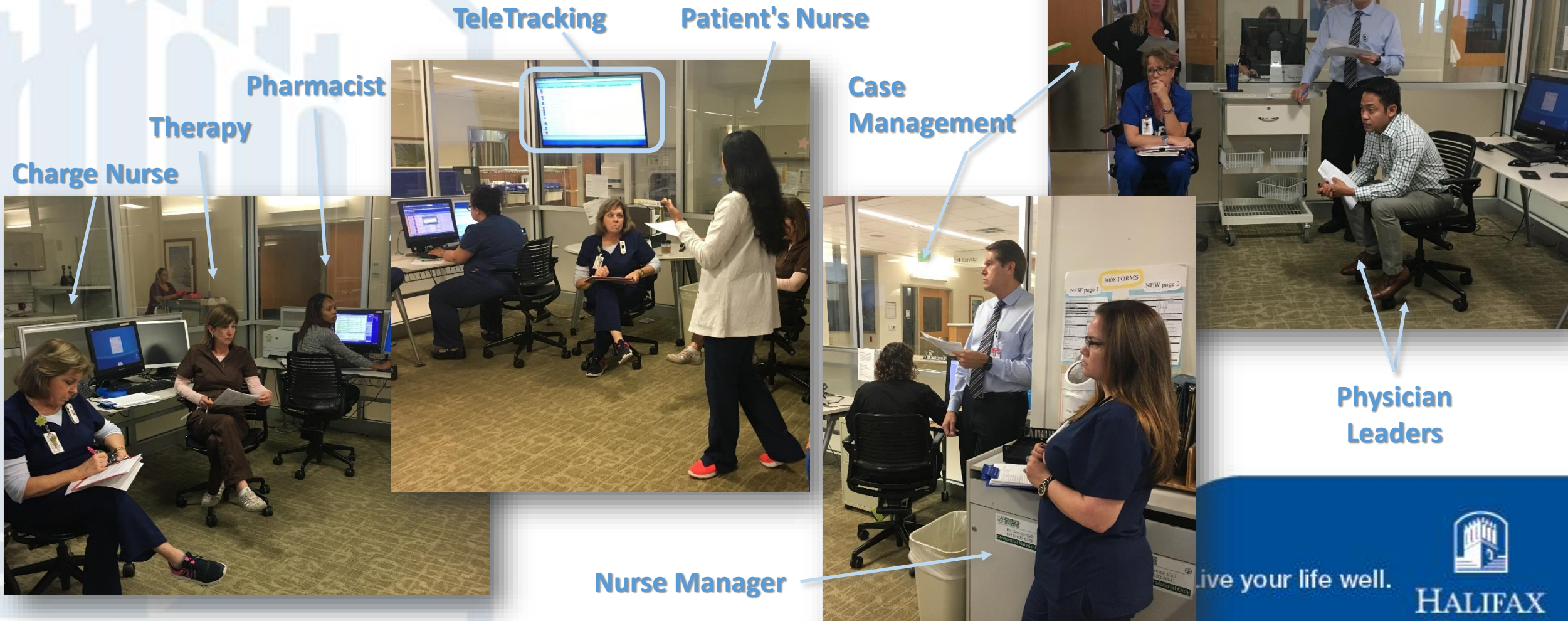


Live your life well.



HALIFAX
HEALTH

Multidisciplinary Rounds (MDR)



Every bed

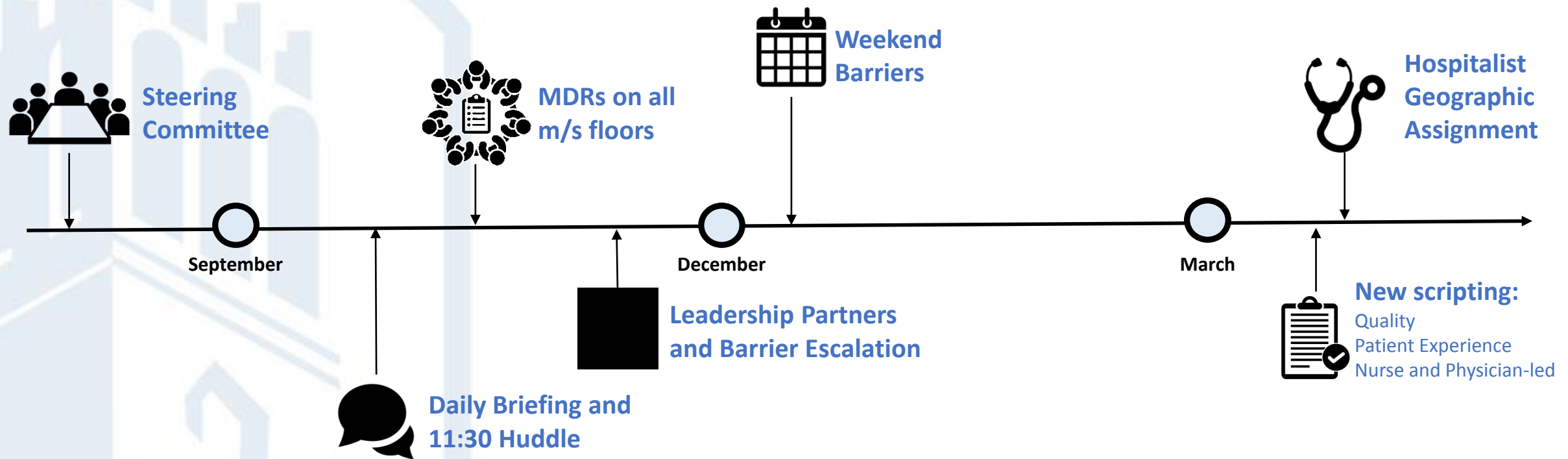
Barriers

Readmissions

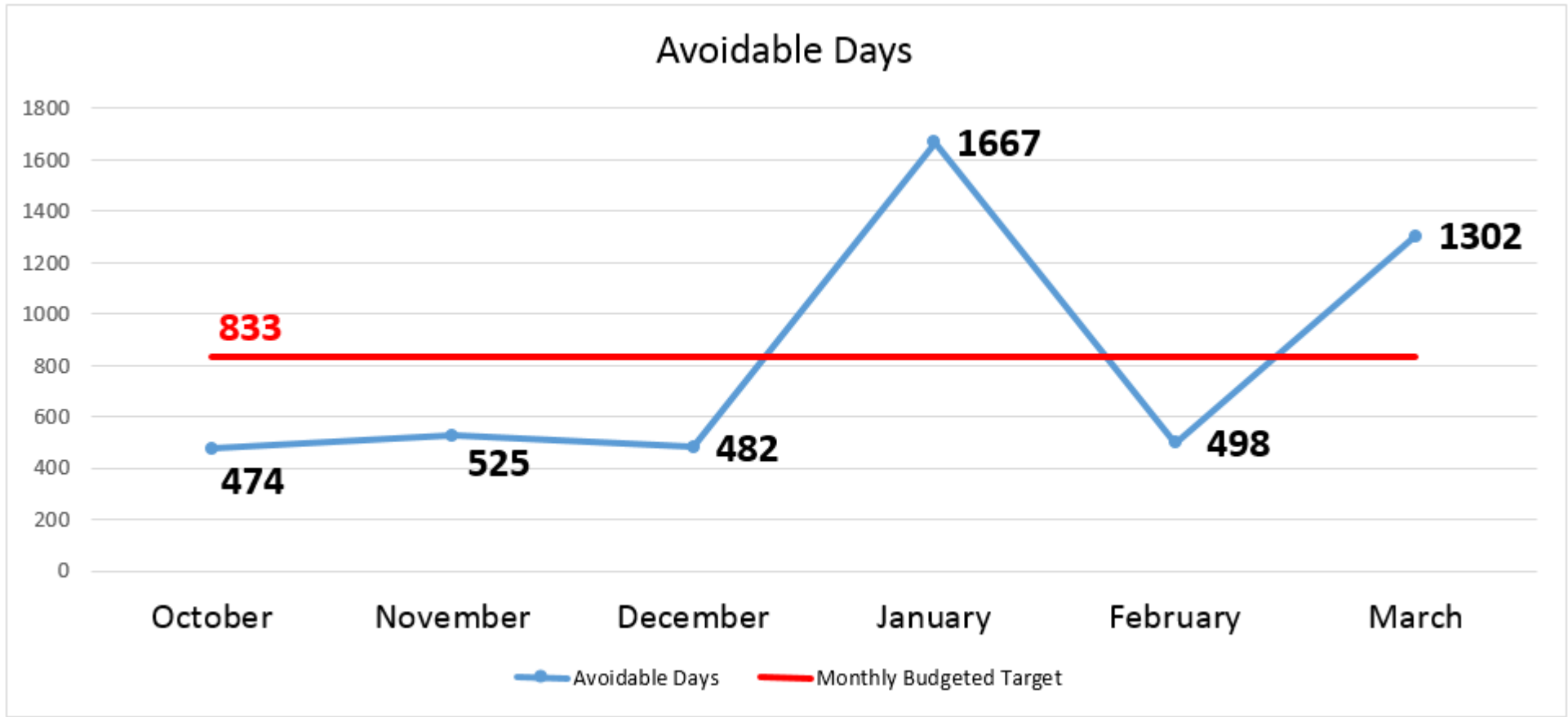
Teletracking

Teletracking												
MDR Unit Patients												
MDR Unit 4 France, 5 France, 6												
Name	Bed	ST	Proj Discharge	Barrier	Disposition	Admit Date	GMLOS	LOS	Attending Phys	Diagnosis	Comments	
	1501	IH		lumbar drain d/c'd HOB flat until 1530...	rehab	04/03 15:45	2.7	5.9	Khanna, Rohit	CSF: POSSIBLE SPINAL LEAK	4/9 POD#4; S/P LUMBAR DRAIN; WILL NE...	
	1502	IH		pulmonary consult, IV abx & steroids,		04/06 17:50	2.7	2.8	Stoverink, Matthew	COPD EXACERBATION,PNA PLEURAL	4/9 PULM CONSULT-CONT ABT, SOLU;O...	
	1503	C	04/09 11:07	refused 2D echo non compliant, worku...	home	04/06 14:28	2.7	2.9	Pontey, Eric	SEIZURE/ALCOHOL WITHDRAWAL	4/9-ORTHOS NEG, REFUSING HOLTER AN...	
	1504	IH		MOM PLACED A LIST FOR HOUSIN...	HOME	02/05 15:15	4.4	62.8	Pontey, Eric	TBI	4/9 PLACEMENT ISSUE	
	1505	IH		cleared by ortho, referral to Brooks po...	rehab	04/05 22:30	2.4	3.6	Pontey, Eric	LEFT FLAP WOUND	4/9 POSS DC MONDAY 4/7 CLEARED BY O...	
	1506	IH				04/08 02:16	3.8	1.4	Pontey, Eric	SEPSIS/LUMBAR DISKITIS/OSTEOMY	INPATIENT. I.D. awaiting blood cultures. IV...	
	1507	IH		OR tomorrow, iv abx	HOME	04/04 02:33	3.5	5.4	Pontey, Eric	OSTEOMYELITIS OF FOOT	4/9 L FOOT I&D, BONE DEBRIDEMENT WI...	
	1508	IH		EGD today, lumbar puncture		04/04 21:07	4.9	4.6	Stoverink, Matthew	STROKE AND SEPSIS	4/9 TRANSFER FROM IMC, RESTRAINTS, ...	
	1509	D	04/09 11:13	podiatry rec for poss dc iv abx, bx pen...		04/05 11:40	3.4	4.0	Stoverink, Matthew	LEFT FOOT CELLULITIS, DIABETES	4/9 IV ABT; DC PENDING IMPROVEMENT...	
	1510	IH		abx, id clearance	snf	04/04 15:20	5.5	4.9	Stoverink, Matthew	ALTERED MENTAL STATUS, HYPOKAL	4/10 CONT TX; ABT	
	1511	C	04/09 12:24	gi consult c/o abd pain	snf	04/05 10:21	3.8	4.1	Pontey, Eric	COMPLICATED UTI, WEAKNESS	4/9 CONT TX	
	1512	C	04/09 12:23	dc after lunch, ref walker	HOME	03/28 11:12	2.2	12.0	Vey, Carrie	GI BLEED,SEVERE ANEMIA	4/9 POSS D/C AFTER PARACENTESIS 4/8...	
	1513	D	04/09 11:08	pos dc Monday home, bed delivered m...	HOME	01/14 12:30	4	85.0	Pontey, Eric	DECUBITOUS ULCERS,INFECTED,FAI	4/9 D/C IF BED DELIVERED 4/8 CHAIR IS ...	
	1514	IH		IV abx & steroids ID CLEARANCE A...	HOME	03/25 13:26	2.5	15.0	Stoverink, Matthew	LIVER FAILURE, ASCITES, AKI, G	4/9 ONGOING TX; IV ABT, PAIN CONTROL	
	1515	D	04/09 11:08	cleared by GI for dc, nephro consult	HOME	04/04 22:56	3.7	4.6	Pontey, Eric	SEPSIS, SUPPURATIVE HYDRADENIT	4/9 OK TO DC WHEN CLEARED BY GI AND...	
	1516	IH		OR TUESDAY--laminectomy		04/06 14:50	2.5	2.9	Pontey, Eric	UTI, INTRACTABLE PAIN	4/9 PLAN FOR SX ON TUESDAY	
	1517	IH		MEDICAID, GOOD SAMS referral	VA	01/13 16:36	3.3	85.8	Stoverink, Matthew	HYPOKALEMIA/HYPERAMMONEMIA/ALT	4/9 PLACEMENT ISSUE	
	1518	T-		transfer to oncology, bronch today		04/08 09:55	2.8	1.1	Pontey, Eric	MULTIFOCAL PNEUMONIA, OUTPT TR	oncology patient, lymphoma 4/9 NEW ADMI...	
	1519	IH		placement	HOME	12/01 03:47	8.04	129.3	Stoverink, Matthew	SEPSIS, UTI	4/9 PLACEMENT ISSUE	
	1521	D	04/09 11:13	poss dc if cleared by ID and podiatry, ...	GARDENS	03/28 14:02	6.3	11.9	Vey, Carrie	LOWER EXTREMITY CELLULITIS	4/9 CONT IV ABT; ACCEPTED @ THE GA...	
	1522	IH		waiting on 2 facilities to call back, son...	SNF	03/20 17:49	3.4	19.8	Stoverink, Matthew	SEPSIS, PNEUMONIA	4/9 CM WORKING ON PLACEMENT	
	1523	IH		OR ON TUESDAY	VA?	03/13 00:36	3.4	27.5	Stoverink, Matthew	CELLULITIS WITH ABSCESS, LEFT	4/9 PT WANTS ANTIBIOTIC SPACER REM...	
	1524	IH		MEDICAID APP, SNF SEARCH	SNF	03/06 17:37	3.8	33.8	Stoverink, Matthew	SEPSIS	4/9 DAUGHTER WORKING ON OBTAININ...	
	1525	IH		BROOKS EVALUATING, CARDIO CL...	NEEDS LTAC	03/19 05:31	2.8	21.3	Pontey, Eric	CHEST PAIN, ELEVATED TROPONIN,	4/9 NEED CARDIO AND NEURO CLEARAN...	
	1526	IH		TEE today,		04/07 23:53		1.5	Stoverink, Matthew	ENDOPHTHALMITIS, BACTEREMIA	4/9 NEW ADMIT	
	1527	C	04/08 09:41	BROOKS EVAL	HOME	04/03 12:19	2.3	6.0	Oglesby, Sharon	SUBACUTE ISCHEMIC CVA	4/9 D/C TO SNF, CM TO ARRANGE 4/8 ST...	
	1528	IH		EGD/colonoscopy 4/9, GS consult		04/06 17:58	2.0	2.8	Stoverink, Matthew	SKIN LESION,SEPSIS/NAUSEA AND	4/9 EGD/COLONOSCOPY	
	1529	IH		ERCP tomorrow		04/08 22:47	4.4	0.6	Pontey, Eric	OBSTRUCTIVE JAUNDICE, HYPERBIL	4/9 NEW ADMIT	
	1530	IH		OR today		04/07 10:50	1.9	2.1	Pontey, Eric	NEW ONSET A. FIB WITH RVR/STRO	4/9 OR TODAY 4/8 R HUMERAL HEAD FRA...	
	1531	IH		IV abx, needs urology and ID clearance	HOME	04/03 00:30	3.3	6.5	Stoverink, Matthew	RIGHT LEG CELLULITIS	4/9 POD 1 4/8 L INGUINAL ORCHIECTOM...	
	1532	IH		PODIATRY CLEARANCE, IV ABX, P...	HOME	03/23 20:08	4.0	16.7	Potts, Richard	FOOT INFECTION/NECROSIS/ESRD O	4/9 CONT TX; POD#4	
	1533	IH		SNF SEARCH, teaching self care for tr...		02/06 17:29	5.19	61.8	Pontey, Eric	HYPOXIA,DYSPNEA,TRACHEOSTOMY	4/9 PT DOING SELF CARE OF COLOSTOM...	
	1534	IH		waiting on pathology report, to get IV ...	SOBER HOUSE	04/03 16:32	3.0	5.8	Stoverink, Matthew	BRAIN MASS	4/9 CONT TX, DC BACK TO SOBER LIVING	
	1535	IH		EEG today, daughter wants patient in ...	HOSPICE?	03/29 18:31	7	10.8	Pontey, Eric	NEW ONSET BRAIN TUMOR/MIDLINE	4/9 CONT TX	
	1536	IH		WIFE REFUSES SNF, hospice and pall...		08/15 10:32	37.91	237.1	Pontey, Eric	BRAIN MASS	4/9 FAMILY REFUSING PLACEMENT TO L...	

LOS/ MDR Timeline



Physician involvement at every touch point!



**10,000
AVOIDABLE DAYS**

September 30, 2018

9350

8500

7650

6800

5950

5100

4250

3400

2550

1700

850

October 1, 2017

WE
ARE
HERE

4,948

*Data through
March 31, 2018*

Live your life well.



**HALIFAX
HEALTH**

Halifax Health Audit & Finance Committee

Request Tracker/Checklist

Meeting Date	Request	Projected Timeline	Frequency of Future Updates/Reports	Completed (Y/N)	Other
2/28/2018	Selection of Independent External Auditor and Audit Charter	Next Committee Meeting	One Time Request	Y	
2/28/2018	Reconciliation of year over year salary benefits to include pension	Next Committee Meeting	One Time Request	Y	
2/28/2018	Actual orthopedic volume loss versus what was budgeted	Next Committee Meeting	One Time Request	Y	

**HALIFAX HEALTH MEDICAL CENTER
HISTORICAL SALARY AND BENEFIT COSTS
FY 2017 AND YTD JANUARY 2017 AND 2018
DOLLARS IN THOUSANDS**

	<u>Actual</u>	<u>A</u>	<u>B</u>	<u>=B - A</u>
	<u>FY 2017</u>	<u>FYTD January 2017</u>	<u>FYTD January 2018</u>	<u>Variance</u>
Net patient service revenue	\$468,196	\$145,580	\$149,982	\$4,402
Salary and benefit costs, excluding pension costs	\$243,747	\$76,066	\$80,524	\$4,458
Pension costs	10,558	430	3,878	3,448
Total salary and benefit costs	<u>\$254,305</u>	<u>\$76,496</u>	<u>\$84,402</u>	<u>\$7,906</u>
As a percentage of NPSR --				
Salary and benefit costs, excluding pension costs (1)	52.1%	52.3%	53.7%	1.4%
Pension costs (2)	2.3%	0.3%	2.6%	2.3%
Total salary and benefit costs	54.3%	52.5%	56.3%	3.7%

Notes --

(1) Changes in pension costs have impacted total salaries and benefits relative to NPSR. Salary and benefit costs excluding pension costs as a percentage of NPSR are slightly higher due primarily to annual salary/compensation increases.

(2) FY 2017 pension costs increased near year-end due to the financial statement restatement related to accounting for pension costs under GASB 68.

Halifax Health
Orthopedic Surgical Volume - Orthopedic Clinic of Daytona
FY 2018 October - March

Inpatient Cases		
FY 2017	FY 2018	
Actual	Actual	Variance

Outpatient Cases		
FY 2017	FY 2018	
Actual	Actual	Variance

Orthopedic Clinic of Daytona Beach

Total Cases	888	792	(96)	717	424	(293)
-------------	-----	-----	------	-----	-----	-------

Estimated Contribution Margin	\$5,417,688	\$4,831,992	(\$585,696)	\$2,146,698	\$1,269,456	(\$877,242)
--------------------------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------

Note: The FY 2018 budget assumed a reduction of 300 cases related to outpatient orthopedics for October - March, with a total reduction of 600 cases for the 2018 fiscal year. The outpatient decline experienced is substantially consistent with the budget assumption. The inpatient case decline for this group of physicians was not anticipated.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: April 18, 2018
RE: FY 2018A Floating Rate Notes

To provide for additional liquidity over the next few years, Halifax Hospital Medical Center (HHMC) is pursuing issuance of a variable rate, taxable borrowing pursuant to the Master Trust Indenture of the Obligated Group (HHMC and HH Holdings). **The proposed financing was approved by the Finance Committee at their February 28th meeting** pursuant to reviewing the following draft documents:

- JP Morgan Term Sheet
- Resolution of the Board of Commissioners authorizing the issuance
- Trust Indenture
- Purchase Agreement
- Ninth Supplemental Indenture
- Financing Agreement

These documents, presented at the Board of Commissioners meeting on March 5, 2018, are now in final form and enclosed for consideration and approval by the Board at its upcoming meeting on May 7, 2018.

Key terms of the proposed borrowing are as follows:

Par amount: \$85 million
Closing date: June 1, 2018
Estimated cost of issuance: \$252,500
Interest rate: One-month LIBOR, plus 120 bps
Maturity date: October 31, 2020 (29 month term)
Lender: JP Morgan Chase Bank, N.A.

The proceeds from the borrowing will be held in reserve and invested over the term. Assuming a 30-day LIBOR rate of 1.90% (plus 120 bps, totaling 3.10%) and income on the invested proceeds of 2.12% (one year US Treasury), the funding, repayment, interest cost and interest income over the term of the loan are summarized as follows:

<u>Period</u>	<u>Principal</u>	<u>Cost of Issuance</u>	<u>Interest Expense</u>	<u>Investment Earnings</u>	<u>Net Interest and Other Costs</u>
6/1/2018	\$ 85,000,000	\$ (252,500)	\$ -	\$ -	\$ (252,500)
12/1/2018			(1,317,500)	901,000	(416,500)
6/1/2019			(1,317,500)	901,000	(416,500)
12/1/2019			(1,317,500)	901,000	(416,500)
6/1/2020			(1,317,500)	901,000	(416,500)
10/31/2020	(85,000,000)		(1,097,917)	750,833	(347,083)
Total	\$ -	\$ (252,500)	\$ (6,367,917)	\$ 4,354,833	\$ (2,265,583)

**HALIFAX HEALTH MEDICAL CENTER
SCHEDULE OF USES OF PROPERTY TAXES
FOR THE PERIOD ENDED MARCH 31, 2018**

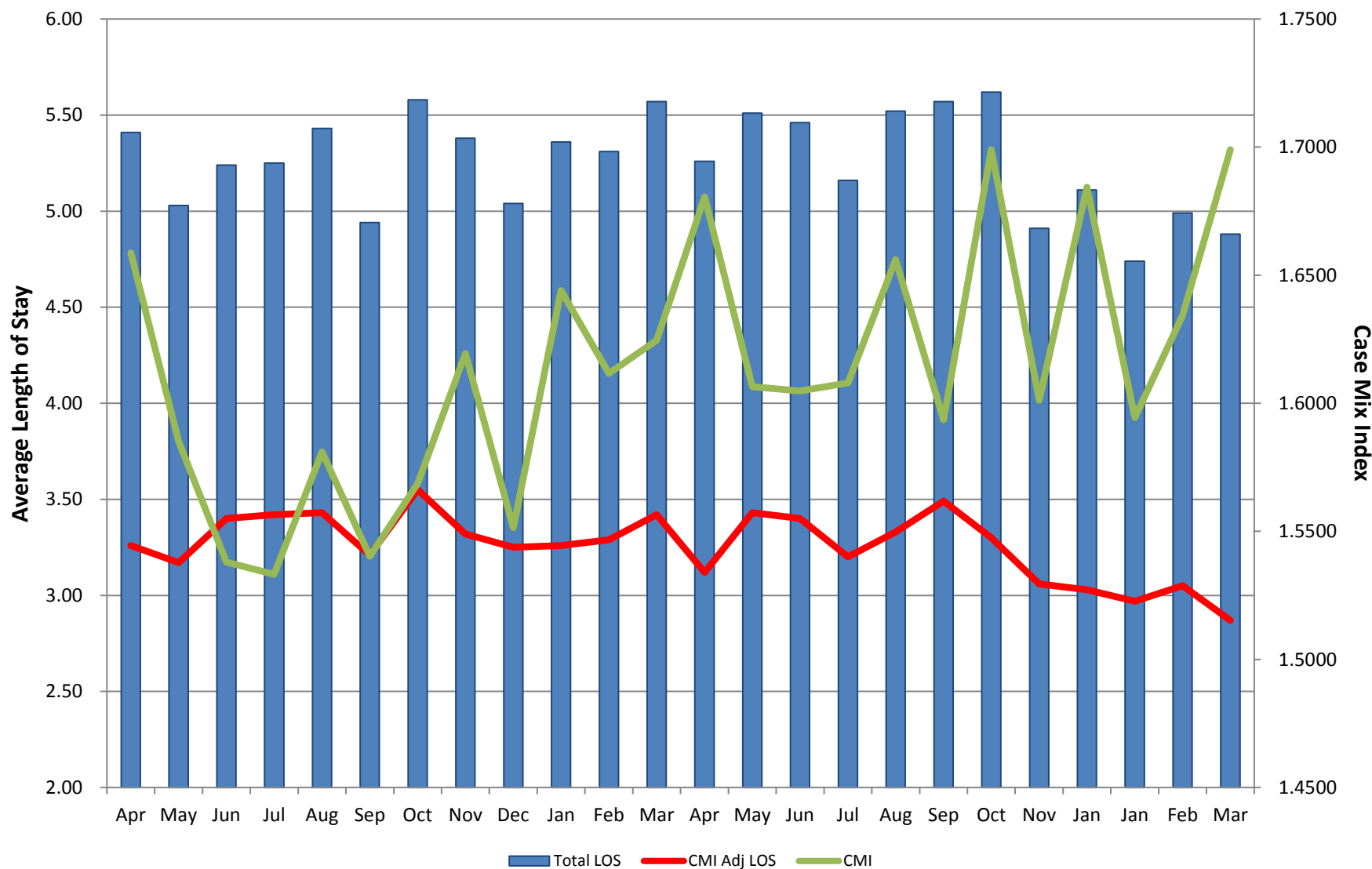
		in mills
Gross property tax levy	\$ 3,024,097	0.3781
Tax discounts and uncollectible taxes	(81,000)	(0.0101)
Net property taxes collected	<u>2,943,097</u>	<u>0.3680</u>
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(100,500)	(0.0126)
Volusia County Medicaid matching assessment	(1,477,318)	(0.1847)
Redevelopment taxes paid to Cities	(220,491)	(0.0276)
Subtotal	<u>(1,798,309)</u>	<u>(0.2249)</u>
Net taxes available for community health, wellness and readiness	1,144,788	0.1431
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(463,395)	(0.0579)
Physician services	(4,189,174)	(0.5238)
Trauma services	(3,616,731)	(0.4522)
Pediatric and neonatal intensive care services	(188,778)	(0.0236)
Child and adolescent behavioral services	(397,633)	(0.0497)
Subtotal	<u>(8,855,711)</u>	<u>(1.1072)</u>
Deficiency of net taxes available to fund hospital operating expenses	(7,710,923)	(0.9641)
Uncompensated care provided by Halifax Health, <i>at cost</i>	<u>(24,002,178)</u>	<u>(3.0010)</u>
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	<u>\$ (31,713,101)</u>	<u>(3.9651)</u>
Proforma tax levy to cover uncompensated care, at cost:		
Gross property tax levy		0.3781
Subsidized uncompensated care costs by operations		<u>3.9651</u>
Equivalent property tax levy expended *		<u><u>4.3432</u></u>

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

Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended March 31, 2018

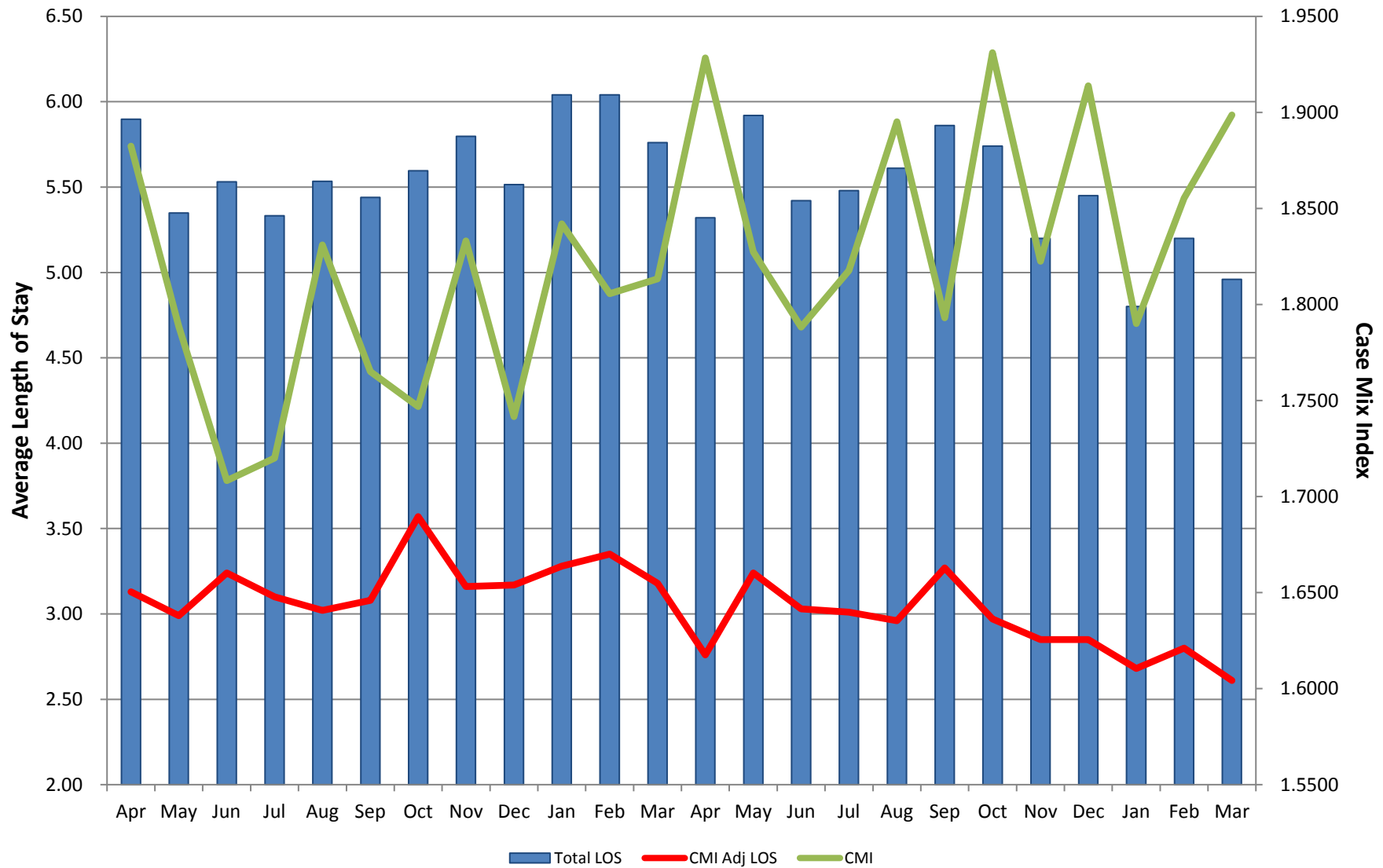
Excludes Newborns and Inpatient Rehabilitation



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended March 31, 2018

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



Halifax Health
Investment Manager Performance Report - through March 31, 2018

		March Performance	Calendar YTD	Fiscal Year
Fixed Income				
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.13%	-0.51%	-0.46%
	BMK	0.08%	-0.71%	-0.94%
VSGDX - Vanguard Short-Term Federal	Perf	0.25%	-0.34%	-0.52%
	BMK	0.32%	-0.39%	-0.79%
Ponder Short-term Government/Corporate	Perf	0.43%	0.26%	0.44%
	BMK	-0.79%	-0.79%	-1.02%
Ponder US Treasury Account	Perf	0.05%	0.06%	0.19%
	BMK	0.08%	-0.71%	-1.00%
Ponder Short-Term Government	Perf	0.24%	-0.05%	-0.06%
	BMK	0.32%	-0.71%	-1.11%
Weighted Composite	Perf	0.15%	-0.29%	-0.22%
	BMK	0.11%	-0.65%	-0.97%
Equities				
DFSVX - DFA Small Cap Value	Perf	0.93%	-2.35%	1.47%
	BMK	-2.64%	-3.05%	-1.07%
DFLVX - DFA Large Cap Value	Perf	-2.28%	-2.35%	4.94%
	BMK	-2.83%	0.30%	5.64%
DFIVX - DFA International Value	Perf	-1.23%	-1.32%	4.04%
	BMK	-2.04%	-0.72%	3.49%
DFEVX - DFA Emerging Markets	Perf	-1.36%	2.25%	10.33%
	BMK	1.42%	2.49%	10.11%
VGELX - Vanguard Energy	Perf	2.46%	-2.41%	3.89%
	BMK	0.71%	-3.80%	2.76%
VENAX - Vanguard Energy Index	Perf	2.02%	-5.97%	0.08%
	BMK	2.03%	-5.95%	0.11%
VIGIX -Vanguard Large-Cap Growth	Perf	-2.49%	1.19%	7.49%
	BMK	1.42%	6.53%	14.90%
VGHAX - Vanguard Health Care	Perf	-0.04%	0.23%	0.79%
	BMK	-2.01%	-0.98%	0.26%
VSGIX - Vanguard Small-Cap Growth	Perf	1.51%	2.09%	7.97%
	BMK	2.30%	3.95%	8.72%
Weighted Composite	Perf	-0.69%	-0.84%	4.93%
	BMK	-0.96%	0.52%	5.44%

Halifax Health
Investment Manager Performance Report - through March 31, 2018

	Invested Balance		March Performance	Calendar YTD	Fiscal YTD
HH Holdings					
VFSIX - Vanguard Short-Term Invest Grade	\$ 46,353,240	Perf	0.13%	-0.51%	-0.46%
		BMK	0.08%	-0.71%	-0.94%
Ponder Short-Term Gov't/Corporate	32,349,991	Perf	0.43%	0.26%	0.44%
		BMK	-0.79%	-0.79%	-1.02%
Ponder US Treasury Account	73,844,877	Perf	0.05%	0.06%	0.19%
		BMK	0.08%	-0.71%	-1.00%
Total HH Holdings	<u>\$ 152,548,108</u>	Composite	0.15%	-0.09%	0.02%
		Budget			0.50%
HHMC					
Ponder Short-Term Government	\$ 42,393,782	Perf	0.24%	-0.05%	-0.06%
		BMK	0.32%	-0.71%	-1.11%
VSGDX - Vanguard Short-Term Federal	64,292	Perf	0.25%	-0.34%	-0.52%
		BMK	0.32%	-0.39%	-0.79%
Wells Fargo Halifax Hospital Trust	525,203	Perf	0.11%	0.31%	0.56%
		BMK	-0.39%	-0.92%	-1.31%
Total HHMC	<u>\$ 42,983,277</u>	Composite	0.24%	-0.05%	-0.05%
		Budget			0.50%

Halifax Health
Investment Manager Performance Report - through March 31, 2018

Foundation	Invested Balance	March Performance	Calendar YTD	Fiscal YTD
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,937,944	Perf 0.13% BMK 0.08%	-0.51% -0.71%	-0.46% -0.94%
DFSVX - DFA Small Cap Value	3,793,601	Perf 0.93% BMK -2.64%	-2.35% -3.05%	1.47% -1.07%
DFIVX - DFA International Value	2,068,310	Perf -1.23% BMK -2.04%	-1.32% -0.72%	4.04% 3.49%
DFEVX - DFA Emerging Markets	864,405	Perf -1.36% BMK 1.42%	2.25% 2.49%	10.33% 10.11%
DFLVX - DFA Large Cap Value	8,641,236	Perf -2.28% BMK -2.83%	-2.35% 0.30%	4.94% 5.64%
VGELX - Vanguard Energy	712,899	Perf 2.46% BMK 0.71%	-2.41% -3.80%	3.89% 2.76%
VENAX - Vanguard Energy Index	-	Perf 2.02% BMK 2.03%	-5.97% -5.95%	0.08% 0.11%
VIGIX -Vanguard Large-Cap Growth	4,507,116	Perf -2.49% BMK 1.42%	1.19% 6.53%	7.49% 14.90%
VGHAX - Vanguard Health Care	751,267	Perf -0.04% BMK -2.01%	0.23% -0.98%	0.79% 0.26%
VSGIX - Vanguard Small-Cap Growth	4,272,070	Perf 1.51% BMK 2.30%	2.09% 3.95%	7.97% 8.72%
Total Foundation	<u>\$ 48,548,848</u>	Composite Budget	-0.43% -0.63%	2.47% 1.75%

Halifax Health
Investment Manager Performance Report - through March 31, 2018

	Invested Balance	March Performance	Calendar YTD	Fiscal YTD
Hospice				
VFSIX - Vanguard Short-Term Invest Grade	\$ 34,006,842	Perf 0.13% BMK 0.08%	-0.51% -0.71%	-0.46% -0.94%
DFSVX - DFA Small Cap Value	5,894,064	Perf 0.93% BMK -2.64%	-2.35% -3.05%	1.47% -1.07%
DFIVX - DFA International Value	3,602,048	Perf -1.23% BMK -2.04%	-1.32% -0.72%	4.04% 3.49%
DFEVX - DFA Emerging Markets	1,544,818	Perf -1.36% BMK 1.42%	2.25% 2.49%	10.33% 10.11%
DFLVX - DFA Large Cap Value	12,243,665	Perf -2.28% BMK -2.83%	-2.35% 0.30%	4.94% 5.64%
VGELX - Vanguard Energy	691,430	Perf 2.46% BMK 0.71%	-2.41% -3.80%	3.89% 2.76%
VENAX - Vanguard Energy Index	-	Perf 2.02% BMK 2.03%	-5.97% -5.95%	0.08% 0.11%
VIGIX - Vanguard Large-Cap Growth	6,034,607	Perf -2.49% BMK 6.53%	1.19% 6.53%	7.49% 14.90%
VGHAX - Vanguard Health Care	653,254	Perf -0.04% BMK -2.01%	0.23% -0.98%	0.79% 0.26%
VSGIX - Vanguard Small-Cap Growth	5,952,647	Perf 1.51% BMK 2.30%	2.09% 3.95%	7.97% 8.72%
Total Hospice	<u>\$ 70,623,375</u>	Composite Budget	-0.43% -0.66%	2.17% 1.75%

Halifax Health
Investment Manager Performance Report - through March 31, 2018

	Invested Balance	March Performance	Calendar YTD	Fiscal YTD
Pension				
VFSIX - Vanguard Short-Term Invest Grade	\$ 124,309,081	Perf 0.13% BMK 0.08%	-0.51% -0.71%	-0.46% -0.94%
DFSVX - DFA Small Cap Value	24,853,765	Perf 0.93% BMK -2.64%	-2.35% -3.05%	1.47% -1.07%
DFIVX - DFA International Value	38,312,280	Perf -1.23% BMK -2.04%	-1.32% -0.72%	4.04% 3.49%
DFEVX - DFA Emerging Markets	12,987,775	Perf -1.36% BMK 1.42%	2.25% 2.49%	10.33% 10.11%
DFLVX - DFA Large Cap Value	24,404,985	Perf -2.28% BMK -2.83%	-2.35% 0.30%	4.94% 5.64%
VGELX - Vanguard Energy	10,376,078	Perf 2.46% BMK 0.71%	-2.41% -3.80%	3.89% 2.76%
VENAX - Vanguard Energy Index	-	Perf 2.02% BMK 2.03%	-5.97% -5.95%	0.08% 0.11%
VIGIX - Vanguard Large-Cap Growth	15,815,319	Perf -2.49% BMK 1.42%	1.19% 6.53%	7.49% 14.90%
VGHAX - Vanguard Health Care	10,260,037	Perf -0.04% BMK -4.40%	0.23% -0.98%	0.79% 0.26%
VSGIX - Vanguard Small-Cap Growth	15,926,269	Perf 1.51% BMK 2.30%	2.09% 3.95%	7.97% 8.72%
Wells Fargo Cash	4,324,942			
Wells Fargo Money Market	16			
Total Pension	<u>\$ 281,570,547</u>	Composite	-0.27%	-0.70%
		Budget		2.19%
Total Halifax Health, including Pension	<u><u>\$ 596,274,155</u></u>			3.38%
Total Halifax Health, excluding Pension	<u><u>\$ 314,703,608</u></u>			

Halifax Health
Investment Manager Performance Report - through February 28, 2018

		February Performance	Calendar YTD	Fiscal Year
Fixed Income				
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	-0.28%	-0.64%	-0.59%
	BMK	-0.35%	-0.48%	-0.82%
VSGDX - Vanguard Short-Term Federal	Perf	-0.06%	-0.59%	-0.77%
	BMK	-0.13%	-0.53%	-0.93%
Ponder Short-term Government/Corporate	Perf	0.04%	-0.17%	0.01%
	BMK	-0.35%	-0.48%	-0.82%
Ponder US Treasury Account	Perf	0.01%	0.01%	0.14%
	BMK	-0.35%	-0.48%	-0.88%
Ponder Short-Term Government	Perf	-0.06%	-0.30%	-0.31%
	BMK	-0.13%	-0.53%	-0.93%
Weighted Composite	Perf	-0.18%	-0.44%	-0.37%
	BMK	-0.33%	-0.49%	-0.84%
Equities				
DFSVX - DFA Small Cap Value	Perf	-4.68%	-3.25%	0.53%
	BMK	-5.00%	-3.05%	-1.07%
DFLVX - DFA Large Cap Value	Perf	-4.96%	-0.07%	7.39%
	BMK	-4.78%	0.30%	5.64%
DFIVX - DFA International Value	Perf	-5.62%	-0.09%	5.33%
	BMK	-4.75%	-0.72%	3.49%
DFEVX - DFA Emerging Markets	Perf	-4.71%	3.66%	11.85%
	BMK	-4.61%	2.49%	10.11%
VGELX - Vanguard Energy	Perf	-7.97%	-4.75%	1.39%
	BMK	-8.21%	-1.96%	4.72%
VENAX - Vanguard Energy Index	Perf	-10.69%	-7.83%	-1.90%
	BMK	-10.70%	-4.94%	2.08%
VIGIX -Vanguard Large-Cap Growth	Perf	-2.90%	3.77%	10.24%
	BMK	-2.62%	5.03%	13.29%
VGHAX - Vanguard Health Care	Perf	-4.58%	0.27%	0.83%
	BMK	-4.40%	-3.20%	-1.98%
VSGIX - Vanguard Small-Cap Growth	Perf	-3.21%	0.57%	6.36%
	BMK	-2.85%	1.61%	6.27%
Weighted Composite	Perf	-4.80%	-0.13%	5.68%
	BMK	-4.54%	0.02%	4.94%

Halifax Health
Investment Manager Performance Report - through February 28, 2018

	Invested Balance	February Performance	Calendar YTD	Fiscal YTD
HH Holdings				
VFSIX - Vanguard Short-Term Invest Grade	\$ 53,381,328	Perf -0.28%	-0.64%	-0.59%
		BMK -0.35%	-0.48%	-0.82%
Ponder Short-Term Gov't/Corporate	32,209,924	Perf 0.04%	-0.17%	0.01%
		BMK -0.35%	-0.48%	-0.82%
Ponder US Treasury Account	73,811,620	Perf 0.01%	0.01%	0.14%
		BMK -0.35%	-0.48%	-0.88%
Total HH Holdings	<u>\$ 159,402,872</u>	Composite -0.08%	-0.24%	-0.13%
		Budget		0.42%
HHMC				
Ponder Short-Term Government	\$ 42,290,356	Perf -0.06%	-0.30%	-0.31%
		BMK -0.13%	-0.53%	-0.93%
VSGDX - Vanguard Short-Term Federal	64,132	Perf -0.06%	-0.59%	-0.77%
		BMK -0.13%	-0.53%	-0.93%
Wells Fargo Halifax Hospital Trust	529,595	Perf -1.78%	-1.68%	-1.44%
		BMK -0.13%	-0.53%	-0.93%
Total HHMC	<u>\$ 42,884,083</u>	Composite -0.08%	-0.31%	-0.32%
		Budget		0.42%

Halifax Health
Investment Manager Performance Report - through February 28, 2018

	Invested Balance	February Performance	Calendar YTD	Fiscal YTD
Foundation				
VFSIX - Vanguard Short-Term Invest Grade	\$ 22,907,086	Perf -0.28% BMK -0.35%	-0.64% -0.48%	-0.59% -0.82%
DFSVX - DFA Small Cap Value	3,758,648	Perf -4.68% BMK -5.00%	-3.25% -3.05%	0.53% -1.07%
DFIVX - DFA International Value	2,094,066	Perf -5.62% BMK -4.75%	-0.09% -0.72%	5.33% 3.49%
DFEVX - DFA Emerging Markets	876,320	Perf -4.71% BMK -4.61%	3.66% 2.49%	11.85% 10.11%
DFLVX - DFA Large Cap Value	8,842,505	Perf -4.96% BMK -4.78%	-0.07% 0.30%	7.39% 5.64%
VGELX - Vanguard Energy	695,681	Perf -7.97% BMK -8.21%	-4.75% -1.96%	1.39% 4.72%
VENAX - Vanguard Energy Index	-	Perf -10.69% BMK -10.70%	-7.83% -4.94%	-1.90% 2.08%
VIGIX -Vanguard Large-Cap Growth	4,622,224	Perf -2.90% BMK -2.62%	3.77% 5.03%	10.24% 13.29%
VGHAX - Vanguard Health Care	751,602	Perf -4.58% BMK -4.40%	0.27% -3.20%	0.83% -1.98%
VSGIX - Vanguard Small-Cap Growth	4,208,727	Perf -3.21% BMK -2.85%	0.57% 1.61%	6.36% 6.27%
Total Foundation	<u>\$ 48,756,859</u>	Composite Budget	-2.52% -0.20%	2.91% 1.46%

Halifax Health
Investment Manager Performance Report - through February 28, 2018

	Invested Balance	February Performance	Calendar YTD	Fiscal YTD
Hospice				
VFSIX - Vanguard Short-Term Invest Grade	\$ 33,961,092	Perf -0.28% BMK -0.35%	-0.64% -0.48%	-0.59% -0.82%
DFSVX - DFA Small Cap Value	5,839,758	Perf -4.68% BMK -5.00%	-3.25% -3.05%	0.53% -1.07%
DFIVX - DFA International Value	3,646,904	Perf -5.62% BMK -4.75%	-0.09% -0.72%	5.33% 3.49%
DFEVX - DFA Emerging Markets	1,566,113	Perf -4.71% BMK -4.61%	3.66% 2.49%	11.85% 10.11%
DFLVX - DFA Large Cap Value	12,528,840	Perf -4.96% BMK -4.78%	-0.07% 0.30%	7.39% 5.64%
VGELX - Vanguard Energy	674,730	Perf -7.97% BMK -8.21%	-4.75% -1.96%	1.39% 4.72%
VENAX - Vanguard Energy Index	-	Perf -10.69% BMK -10.70%	-7.83% -4.94%	-1.90% 2.08%
VIGIX - Vanguard Large-Cap Growth	6,188,725	Perf -2.90% BMK -2.62%	3.77% 5.03%	10.24% 13.29%
VGHAX - Vanguard Health Care	653,545	Perf -4.58% BMK -4.40%	0.27% -3.20%	0.83% -1.98%
VSGIX - Vanguard Small-Cap Growth	5,864,386	Perf -3.21% BMK -2.85%	0.57% 1.61%	6.36% 6.27%
Total Hospice	<u>\$ 70,924,093</u>	Composite Budget	-2.50% -0.23%	2.20% 1.46%

Halifax Health
Investment Manager Performance Report - through February 28, 2018

	Invested Balance	February Performance	Calendar YTD	Fiscal YTD
Pension				
VFSIX - Vanguard Short-Term Invest Grade	\$ 124,427,358	Perf -0.28% BMK -0.35%	-0.64% -0.48%	-0.59% -0.82%
DFSVX - DFA Small Cap Value	24,624,771	Perf -4.68% BMK -5.00%	-3.25% -3.05%	0.53% -1.07%
DFIVX - DFA International Value	38,789,376	Perf -5.62% BMK -4.75%	-0.09% -0.72%	5.33% 3.49%
DFEVX - DFA Emerging Markets	13,166,805	Perf -4.71% BMK -4.61%	3.66% 2.49%	11.85% 10.11%
DFLVX - DFA Large Cap Value	24,973,418	Perf -4.96% BMK -4.78%	-0.07% 0.30%	7.39% 5.64%
VGELX - Vanguard Energy	10,142,635	Perf -7.97% BMK -8.21%	-4.75% -1.96%	1.39% 4.72%
VENAX - Vanguard Energy Index	-	Perf -10.69% BMK -10.70%	-7.83% -4.94%	-1.90% 2.08%
VIGIX -Vanguard Large-Cap Growth	16,219,227	Perf -2.90% BMK -2.62%	3.77% 5.03%	10.24% 13.29%
VGHAX - Vanguard Health Care	10,527,742	Perf -4.58% BMK -4.40%	0.27% -3.20%	0.83% -1.98%
VSGIX - Vanguard Small-Cap Growth	15,690,128	Perf -3.21% BMK -2.85%	0.57% 1.61%	6.36% 6.27%
Wells Fargo Cash	5,899,766			
Wells Fargo Money Market	1,213			
Total Pension	<u>\$ 284,462,439</u>	Composite -2.84% Budget	-0.43%	2.45% 2.81%
Total Halifax Health, including Pension	<u><u>\$ 606,430,346</u></u>			
Total Halifax Health, excluding Pension	<u><u>\$ 321,967,907</u></u>			

INFORMATIONAL REPORT

May 2, 2018

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

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Radiology Workstations	Radiology Department	Working Capital	\$47,374
Sleeper Chairs for Pediatrics and PICU	Pediatric Unit and Pediatric Intensive Care Unit	Working Capital	\$47,272
Table Tops for Spinal Surgery	Surgical Services	Working Capital	\$45,082
PBFS Workstation Expansion	Patient Business & Finance Services	Working Capital	\$35,800
Microsoft SQL Licenses for Hospice	Information Technology	Working Capital	\$35,769
Hospice Port Orange Care Center - HVAC replacement	Hospice	Working Capital	\$28,143
Infant Warmer Bed for NICU	Neonatal Intensive Care Unit	Working Capital	\$25,785

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: Alberto Tineo, Senior Vice President Operations
DATE: March 14, 2018
RE: Radiology Workstations

Halifax Health Radiology Department is requesting funds to purchase four ergonomic reading workstations that will be used by radiologists.

The workstations will improve efficiency and productivity in the Radiology reading room by reducing the physical challenges radiologists face while reading films for more than 10 hours per day. The workstations provide electronic adjustable height and tilt settings of the work surface with added height adjustment of the monitor platform. The ergonomic workstations reduce the risk of repetitive stress injuries. The reading workstations are designed to provide a comfortable, safe and productive work environment.

The project was approved at the Capital Investment Committee on February 21, 2018.

TOTAL CAPITAL COSTS \$47,374



Halifax Health Project Evaluation

Radiology Reading Stations (4)

Chief Operating Officer Sr. VP Operations Radiology Manager Financial Analysis	Mark Billings Alberto Tineo Andrea Huffman Roxanne Edmonds
---	---

Summary

Purpose:

This project is to purchase 4 Ergonomic Whitestone PAC's reading stations to eliminate the physical challenges of the Radiologist with reading films.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$47,374**

Estimated useful life 10 years

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Mark Billings, Executive Vice President and Chief Operating Officer
CC: Catherine Luchsinger, RN, Chief Nursing Officer
DATE: March 14, 2018
RE: Sleeper Chairs for Pediatrics and PICU

Halifax Health Pediatric Unit and Pediatric Intensive Care Unit is requesting funds to purchase twenty-one (21) reclining sleeper chairs for patient rooms. The new chairs will provide improved comfort and functionality for our parents and families.

As we care for our pediatric population, we encourage parents to remain at the bedside as often as possible. The new sleep chairs are comfortable, provide the maximum amount of space for different body types, and are easier for team members to maneuver when cleaning.

The project was approved at the Capital Investment Committee meeting on February 21, 2018.

TOTAL CAPITAL COSTS \$47,272



Halifax Health Project Evaluation

Sleeper Chairs Pediatrics/PICU (21)

Chief Operating Officer	Mark Billings
Chief Nursing Officer	Catherine Luchsinger
Nurse Manager	Amy Christie
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project will replace the current, aged, and heavy sleeper chairs in the Pediatrics and PICU units.

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 **\$47,272**

Estimated useful life **5** years

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: Matt Petkus, Vice President Surgical Services
DATE: March 14, 2018
RE: Table Tops for Spinal Surgery

Halifax Health Surgical Services is requesting funds to purchase two open spine table tops. The neurosurgeons use an open spine table top when performing back surgeries. The current inventory of three table tops cannot adequately meet the needs of the surgeons resulting in scheduling conflicts.

The open spine table top is a modular table that fits on top of a base. The table includes accessories needed for intubation and positioning of the head, arms, hips and legs.

The project was approved at the Capital Investment Committee meeting on February 21, 2018.

TOTAL CAPITAL COSTS \$45,082



Halifax Health Project Evaluation

Surgical Spine Table Tops (2)

Executive VP & Chief Operating Officer	Mark Billings
Sr. VP Operations	Alberto Tineo
Director Surgical Services	Deb Moore
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project will add 2 additional table tops for spinal surgery, reducing delays and conflicts on higher volumes days.

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	
Compassion	
Image	
Efficiency	X

Investment Request for Approval \$45,082

Estimated useful life 15 years

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: Arvin Lewis, Senior Vice President and Chief Revenue Officer
DATE: March 14, 2018
RE: PBFS Workstation Expansion

Halifax Health Patient Business & Financial Services (PBFS) is requesting funds for a workspace expansion. The expansion will include the construction of eight workstations, carpeting, painting and electrical wiring.

The project will provide a workspace for several of our PBFS physician coding staff to standardize processes and better leverage their skills. This will allow us to improve productivity and provide cross coverage.

The project was approved at the Capital Investment Committee meeting on February 21, 2018.

TOTAL CAPITAL COST \$35,800



Halifax Health Project Evaluation

PBFS Workstations (8) Construction & Contingency

Sr. VP & Chief Revenue Officer	Arvin Lewis
Director PBFS	Steve Mach
PBFS Manager	Suzanne D'Amico
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is to restructure and reorganize the 10th floor workstation area for coding staff for a more efficient and effective working area.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	
Efficiency	X

Investment Request for Approval \$35,800

Estimated useful life 15 years

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: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Tom Stafford, Vice President and Chief Information Officer
DATE: April 13, 2018
RE: Microsoft SQL Licenses for Hospice

Halifax Health Information Technology is requesting funding to purchase ten (10) Microsoft SQL Server licenses. The licenses are required due to a Netsmart application upgrade.

The Netsmart application automates processes from patient intake to billing and accounts receivables. It is the application used for Hospice's electronic medical record.

The project was approved at the Capital Investment Committee meeting on March 21, 2018.

TOTAL CAPITAL COSTS \$35,769



Halifax Health Project Evaluation

Microsoft SQL Licenses (Qty 10) for Hospice

Chief Revenue Officer	Arvin Lewis
Chief Information Officer	Tom Stafford
Director, Healthcare Information Systems	Judy Steiner
Finance Analysis by	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of ten (10) Microsoft SQL Server Licenses, required by NetSmart Hospice system due to an upgrade.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$35,769**

Estimated useful life 3 years

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: March 14, 2018
RE: Hospice Port Orange Care Center - HVAC replacement

Halifax Health Hospice is requesting funds for the replacement of the Port Orange Care Center HVAC located on the second floor of the building.

This HVAC system is 23 years old and is no longer able to be repaired.

The project was approved at the Capital Investment Committee on February 21, 2018.

TOTAL CAPITAL COSTS \$28,143



Halifax Health Project Evaluation

HVAC for Hospice POCC 2nd Floor North

Chief Financial Officer	Eric Peburn
Director Engineering, Design, Construction	Jacob Nagib
Project Manager	Eric Whitman
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is to replace the 23 year old HVAC unit in poor condition with a new 10 ton system.

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	X

Investment Request for Approval **\$28,143**

Estimated useful life 10 years

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: Catherine Luchsinger, RN, Chief Nursing Officer
DATE: March 14, 2018
RE: Infant Warmer Bed for NICU

Halifax Health Neonatal Intensive Care Unit (NICU) is requesting funds to purchase an infant warmer bed. The warmer bed is used in the NICU when an infant is initially admitted into the unit.

The specialty bed allows for quick access to the patient. The bed features built-in resuscitation equipment and a bed warmer to maintain the infant's body temperature. The NICU has begun a program of replacing bed warmers that include the built-in resuscitation feature.

With this purchase we can continue to deliver safe and efficient care to our new admissions within the NICU.

The project was approved at the Capital Investment Committee meeting on February 21, 2018.

TOTAL CAPITAL COSTS \$25,785



Halifax Health Project Evaluation

Pediatric Warmer Bed

Executive VP & Chief Operating Officer VP & Chief Nursing Officer Nurse Manager Financial Analysis	Mark Billings Catherine Luchsinger Amy Christie Roxanne Edmonds
---	--

Summary

Purpose:

This project is to add a new warmer bed to the NICU to ensure proper care to infants.

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 **\$25,785**

Estimated useful life 10 years

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