



HALIFAX HEALTH

**Audit & Finance
Committee**

Wednesday, May 1, 2019

Meeting Location

Halifax Health

France Tower, Conference Room A

4:00 p.m.

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, May 1, 2019

AGENDA

I. CALL TO ORDER

II. IT SECURITY UPDATE

III. MINUTES

- Investment Committee, November 12, 2018 portal page 3, **action requested**
- Audit & Finance Committee, February 27, 2019 portal page 5, **action requested**

IV. AUDIT COMMITTEE

Corporate Compliance, *Shelly Shiflet*

- Monthly Compliance Dashboard Reports portal page 8, **information only**

Internal Audit, *Bill Rushton*

- Audit Services Discussion and Analysis portal page 12, **action requested**

V. FINANCE COMMITTEE

Financial Report, *Eric Peburn*

- YTD FY19 Income Statement Forecast portal page 31, **presentation**
- March 2019 portal page 39, **action requested**

Acquisitions, Leases and Disposals, *Eric Peburn*

- Capital Investment Strategy, March 2019 portal page 63, **information only**
- Capital Expenditures \$50,000 and over portal page 67, **action requested**
\$236,667
(\$177,500 to be reimbursed by FEMA)
- Disposals, March 2019 portal page 70, **action requested**
- Comparison of Projected and Actual Financial Results for Significant Projects none

Old Business

- Meeting Request Tracker/Checklist none

New Business

- FY 2020 Operating Budget Calendar portal page 72, **discussion**

Information Only

- Discharged Based - Average Length of Stay and Case Mix Index portal page 73, **information only**
- Investment Performance Report, March 2019 portal page 75, **information only**
- Capital Expenditures \$25,000 - \$50,000 none
- Schedule of Uses of Property Taxes, March 2018 portal page 80, **information only**

VI. OPEN DISCUSSION

- VII. NEXT MEETING Monday, May 13, 2019, 4 p.m. Investment Committee Meeting
Wednesday, June 26, 2019, 4 p.m. Regular Meeting

VIII. PUBLIC PARTICIPATION/EXECUTIVE SESSION

IX. ADJOURN

Halifax Hospital Medical Center
Investment Committee Meeting, Sub Committee Audit & Finance Committee
France Tower, Conference Room A, 303 N. Clyde Morris Blvd., Daytona Beach, FL 32114
Monday, November 12, 2018

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

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

Also Present: Jeff Feasel, President & Chief Executive Officer
Eric Peburn, Executive Vice President & Chief Financial Officer
Kent Bailey, Director of Finance
Lisa Tyler, Corporate Controller
Ben Eby, Director of Finance, Halifax Health Hospice
Joe Petrock, Executive Director, Halifax Health Foundation
Arvin Lewis, Sr. VP/Chief Revenue Officer
Brian Lunney, Vanguard
Mike Fleming, Vanguard
Kathleen Dulko, Ashford Investment Advisors

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

Minutes

Discussion: Minutes from the August 13, 2018 Investment Committee meeting were reviewed.

Action: Mr. Graffagnino moved to approve the May 14, 2018 Investment Committee minutes as presented. Mr. Youngman seconded the motion and it carried unanimously.

Manager Presentation

Discussion: Manager Presentation – Vanguard
Mr. Lunney and Mr. Fleming from Vanguard were introduced and presented a portfolio update (board portal). Highlights included references and discussion related to performance returns, treasury yield, federal fund rates and projections.

Action: None required.

Financial Advisor, Quarterly Review and Assessment

Discussion: Mr. Walsh, Ashford Investment Advisors, presented the investment review for the 3rd calendar quarter, ended 9/30/2018.

Action: Mr. Francati moved to accept the quarterly review as presented. Mr. Graffagnino seconded the motion and it carried unanimously.

Discussion: Manager Assessment – Vanguard
Mr. Walsh presented the results of his comparative evaluation for Vanguard (short-term, large growth, small growth, energy, and health care). Brief discussion ensued, which included Mr. Walsh's recommendation to not make any changes at this time.

Action: Mr. Francati moved to remain with Vanguard. Mr. Youngman seconded the motion and it carried unanimously.

Old Business

Discussion: None.

New Business

Discussion: RFP, Investment Advisory Services

The committee was informed of Mr. Walsh's intent to scale back his business in 2019, which includes stepping away from his role as financial advisor to the committee. As such, management is preparing a request for proposal (RFP) to secure investment advisory services for Halifax Health. The key elements of the RFP, list of firms to receive this invitation, scope of services and list of Halifax Health entities/investments within the RFP scope were shared. Discussion ensued which concluded with Chairman Serbousek extending appreciation to Mr. Walsh, thanking him for work and service to the Investment Committee and Halifax Health.

Action: Mr. Francati moved to approve that management move forward with the RFP process. Mr. Youngman seconded the motion and it carried unanimously.

Discussion: 2019 Quarterly Timeline, Investment Committee
The 2019 Quarterly Timeline was presented as information only.

Action: None required.

Informational Only

Discussion: Investment Performance Report, September 2018

Action: None required.

Next Meeting: Monday, March 11, 2019, 4 p.m. – Regular scheduled meeting

Open Discussion

Discussion: None.

Adjournment

Ted Serbousek

Halifax Hospital Medical Center
Audit and Finance Committee Meeting
303 N. Clyde Morris Blvd., France Tower, Conference Room A
Wednesday, February 27, 2019

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

Not Present: Decker Youngman, Member

Also Present: Jeff Feasel, President & CEO
Eric Peburn, Executive VP/Chief Financial Officer
Bill Rushton, Director, Internal Audit
Shelly Shiflet, Chief Compliance Officer
Lisa Tyler, Corporate Controller
Shawn Remington, Manager, Corporate Finance
Bob Wade, Compliance Expert
Alberto Tineo, Senior VP, COO Hospitals
Arvin Lewis, SVP & CRO
Mary Jo Allen, Executive Director, Hospice
Ben Eby, Director of Finance, Hospice
Kelly Kwiatek, SVP & General Counsel
Jeanne Connelly, Executive Director, Physician Services

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

MINUTES

Discussion: Minutes from the January 9, 2019 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. Ms. Schandel seconded the motion and it carried unanimously.

AUDIT COMMITTEE CORPORATE COMPLIANCE

Discussion: Monthly Compliance Program Update Dashboard
Ms. Shiflet presented the Compliance Dashboard for the months ended January 31, 2019 and December 31, 2018. Ms. Shiflet recommended closing specific cases highlighted within the compliance log to which there were no objections (i.e. #587 and #444). Brief discussion ensued regarding reports related to overpayment to physicians. Mr. Peburn reported efforts underway and in place to streamline and provided review in addition to identifying and improving the failure points in processing. In closing, Ms. Shiflet referenced an alleged compliance concerns related to billing which has been referred to outside counsel (#595).

Action: None required.

INTERNAL AUDIT

Discussion: Mr. Rushton led committee members through IADA that included highlights of the FY 2019 Plan Status and Audit Projects, the Executive Audit Summary (Timekeeping Audit – Casual Pool), and the open audit action plans. Brief discussion ensued that included the request to document the Casual Pool Audit Conclusion and update the February follow up table in board effect. In addition, further discussion included department capturing charges, billing, collections resulting in Mr. Peburn requesting authorization to audit these processes along with Meditech Expanse project implementation.

Action: Mr. Francati moved to authorize Internal Audit to audit the Meditech Expanse System, which may include outside consulting services. Dr. Hemaïdan seconded the motion and it carried unanimously.

Action: Ms. Schandel moved to approve the Summary of Audit Reports and the Audit Follow-up Summary report, including adding the DAVID Attestation. Mr. Francati seconded the motion and it carried unanimously.

FY 2018 Final Audited Financial Statements, Lisa Tyler

Discussion: FY 2018 Final Audited Financial Statements
Ms. Tyler reported that the FY 2018 Final Audited Financial Statements were available on the board portal and on the district website.

Action: None required.

FINANCE COMMITTEE

FINANCIAL REPORT

Discussion: Mr. Peburn reported restructuring the finance department, due in part to Mr. Bailey, Director of Finance, spending 75% of his time working at Parrish Medical Center as part of an inter-local agreement between the hospitals to maximize and align specific resources (i.e. information technology, finance). Brief discussion ensued which concluded with Mr. Peburn introducing Mr. Remington who has assumed Mr. Bailey's previous responsibilities and roles associated with the Finance Committee. Mr. Peburn then led committee members through the Fiscal Year 2019 Income Statement Forecast, which included revenue and expense assumptions, and the obligated group MADS coverage ratio.

Discussion ensued regarding Hospice and an equity transfer agreement. Ms. Schandel requested reconciliation between original budget and forecast totals and would also like to understand an equity loan from Hospice and respective impact on long-term performance. Mr. Peburn concluded his report by stating the financial report for the two months ended January 31, 2019 was presented in the meeting packet. Due to discussion related to observation versus admissions, a presentation will be brought back to the committee to share/highlight related efforts and results underway in post-acute care.

Action: Mr. Francati moved to approve the January 2019 Financial Report and recommends approval by the Halifax Health Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

ACQUISITIONS, LEASES & DISPOSALS

Discussion: Capital Investment Strategy, January 2019

Action: No update; none required.

Discussion: Capital Expenditures \$50,000 and over

Action: No update; none required.

Discussion: Disposals, January 2019

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

Discussion: Comparison of Projected and Actual Financial Results for Significant Projects

Action: No update; none required.

OLD BUSINESS

Discussion: Meeting Request Tracker/Checklist
Revenue Cycle Update
Mr. Lewis presented a revenue cycle update, highlighting charge capture/verification, 2017 and 2018 payor mix and collection percentages from the main payors as well as charity and self-pay revenue. Brief discussion ensued.

Disbursements to Physicians Policy
The current policy relating to the legal and financial arrangements and documentation to disbursements to physicians was provided as a resource and reference to discussion at the last committee meeting.

Action: None required.

NEW BUSINESS

Discussion: None

INFORMATIONAL REPORTS

Discussion: The Schedule of Uses of Property Taxes for December 2018, the Discharged Based-Average Length of Stay and Case Mix Index, the Investment Performance Report for January 2019, and the Capital Expenditures, \$25,000 - \$50,000 were presented under Information Only. The Capital Expenditures \$25,000 - \$50,000 were as follows:

- *Chillers for HHPO MRI* \$49,999
- *CPU Replacement for the EP Lab* \$45,000

Action: None required.

OPEN DISCUSSION

Discussion: None

NEXT MEETING DATE: Monday, March 11, 2019, 4 p.m. Investment Committee Meeting
Wednesday, May 1, 2019, 4 p.m. Regular 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 22, 2019
Re: Compliance Dashboard Report for the month ended March 31, 2019

The Compliance Program Dashboard Report for March 2019 is attached.

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: Bob.Wade@btlaw.com
Office: 574-237-1107

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 – 3/31/2019

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. 4,026	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. 3,937	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. 4,889	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. 15	Number of members on <i>Compliance Committee</i>
	2. 93.3%	% of members who attended the meeting (On Target at 70% or Greater) – The last meeting date with approved minutes was 2/27/19.
	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. 0/40	Number of Help Line calls received during month/past 12 months
	2. 0/19	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 2/28/19
	4. 0	Number of open Help Line calls rated as High Priority as of 3/31/19
	5. 7	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 40	Number of issues open as of 2/28/19
	2. 30	Of the issues in item 1, ___ remain open as of 3/31/19
	3. 10	Number of issues from item 1 closed as of 2/28/2019
	4. 25%	Percent of open issues from item 1 closed (On Target at 25% or Greater)

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

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

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

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

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

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



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 18, 2019
Re: Compliance Dashboard Report for the month ended February 28, 2019

The Compliance Program Dashboard Report for February 2019 is attached.

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: Bob.Wade@btlaw.com
Office: 574-237-1107

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 – 2/28/2019

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. 4,047	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. 3,950	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. 4,919	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) – The last meeting date with approved minutes was 1/9/19.
	3. 2	Number of meetings in the last quarter (On Target if 2 or more)

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

	1. 1 / 44	Number of Help Line calls received during month/past 12 months
	2. 0 / 21	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 1/31/2019
	4. 0	Number of open Help Line calls rated as High Priority as of 2/28/2019
	5. N/A	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. N/A	Number of issues open as of 1/31/2019
	2. N/A	Of the issues in item 1, ___ remain open as of 2/28/2019
	3. N/A	Number of issues from item 1 closed as of 2/28/2019
	4. N/A	Percent of open issues from item 1 closed (On Target at 25% or Greater)

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

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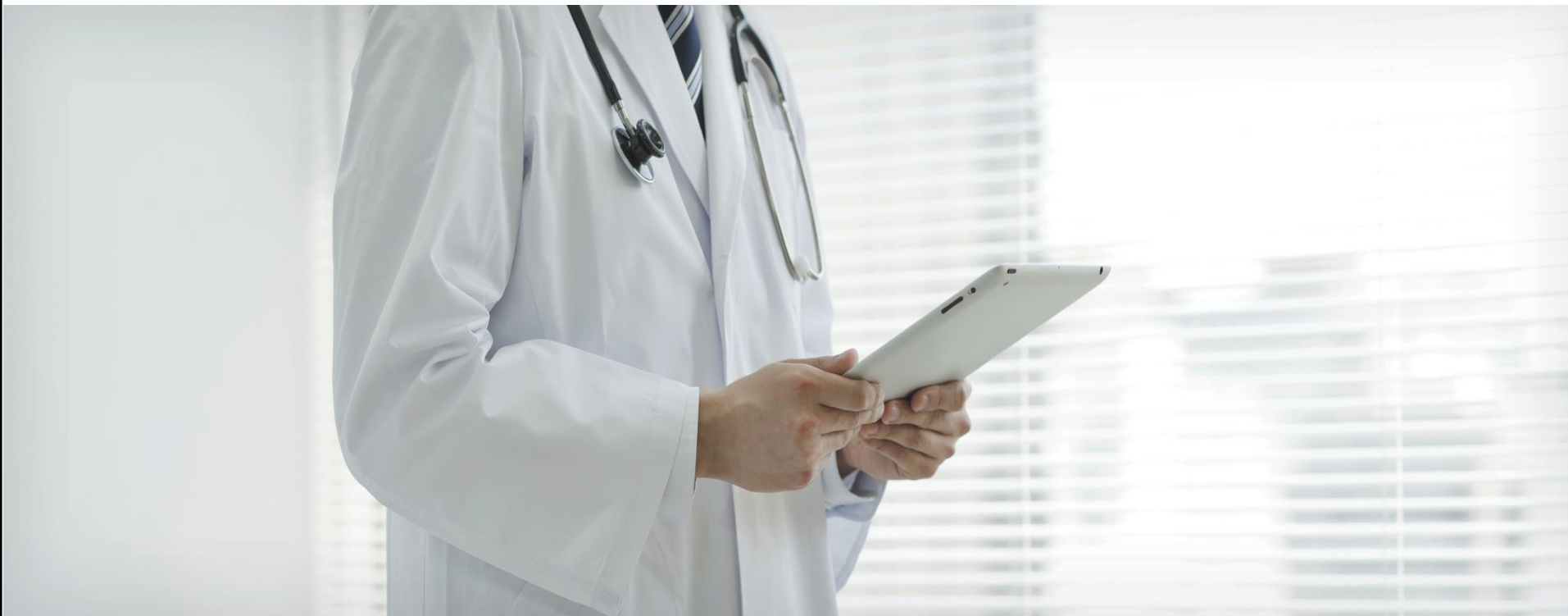
VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

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

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

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

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



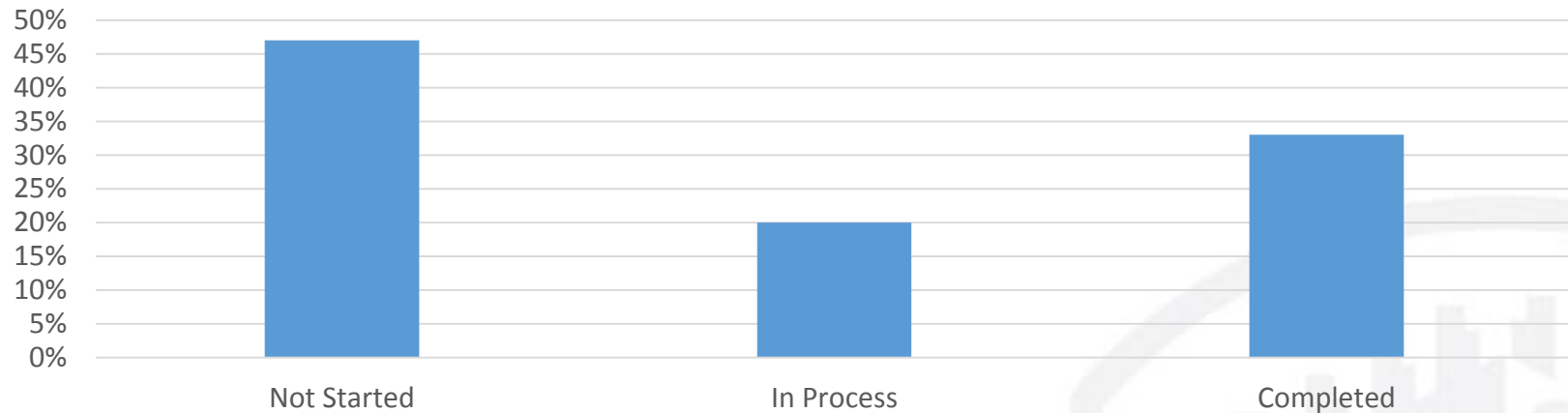
Audit Services Discussion & Analysis

Halifax Health Audit & Finance Committee

Presented May 1, 2019

For the period covering February 22, 2019 through April 23, 2019

Audit Plan: FY 19 Plan Status



FY Audit Plan	Internal	CoSource/External	Total Audits
Approved	11	3	14
Added	1	0	1
Removed	0	0	0
Revised Plan Total	15	0	15

See BoardEffect For Audit Plan Detail

Audit Plan Additions

Based on concerns with revenue cycle operational processes and controls, Management is requesting six additional audit projects to be merged with four approved by the Committee. A third party audit firm (Crowe Healthcare Risk Consulting, LLC) will be engaged to perform the work.

Requested Audits

- Main Registration/Patient Access Audit
- Charge Description Master Audit
- Billing and Collections Audit
- Denials Management Audit
- ED Throughput Audit
- Accounts Receivable Audit




Approved Audits

- Surgical Services Charge Capture Audit
- Oncology Charge Capture Audit
- Emergency Department Charge Capture Audit
- Meditech PI Audit

Results: FY 19 Audit Projects

Audit Source	Project Name	Issues by Impact Level		
		High	Moderate	Low
IAS	2018 YE Audit Assistance		Completed	
Co Source	Deltona Construction Audit		Fieldwork	
IAS	Timekeeping – Casual Pool	1	1	1
IAS	Consignment Audit		Fieldwork	
Co Source	IT Penetration Testing	2	3	3
Co Source	Administrative Reimbursement & Expenses	0	0	0
IAS	Timekeeping – Rapid Medical Assessment Payments		Fieldwork	
IAS	DAVID Attestation Audit	1	1	0

Summary of Halifax Health Audit Report

Local Audit Plan		DAVID Attestation Audit		Issues by Impact Level			
Objective – Determine if the Security Department’s internal controls over Driver and Vehicle Information Database (DAVID) system are adequate to protect the data from unauthorized access and use.					High	Moderate	Low
Key Risk(s) – Halifax Health complying with the March 2, 2016 Memorandum of Understanding, Chapter 119 of the Fla Statutes and the Driver’s Privacy Protection Act.		1	1	1			
Significant Issue(s)	<ul style="list-style-type: none">• Evidence of the Point of Contact (POC) conducting and documenting required compliance reviews was missing.• A Team Member’s account was activated after termination; and• 13 Team Members (93%) had access to DAVID after termination.						
Audit Conclusion	Point of Contact (POC) not evaluating internal controls over DAVID resulted in improper access by Team Members to protected data and risk of noncompliance with the MOU. Management will develop required oversight procedures that will include transaction testing, reconciling state and Halifax Health user lists, and documenting changes in user access permissions.						

Summary of Halifax Health Audit Report

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 no issues were identified. 			
IAS Conclusion	<ul style="list-style-type: none"> Internal controls are functioning as necessary to help maintain accurate administrative employee payroll and expense transactions. 			

Status of Deltona Construction Audit

Audit Plan: Deltona Construction Audit

Auditor: R. L. Townsend & Associates LLC

Contract Value: \$75 Million

Billed To Date: \$50 Million

Completion: 67%

Objective –

Test Robins & Morton applications for payment to terms of the construction agreements. This includes:

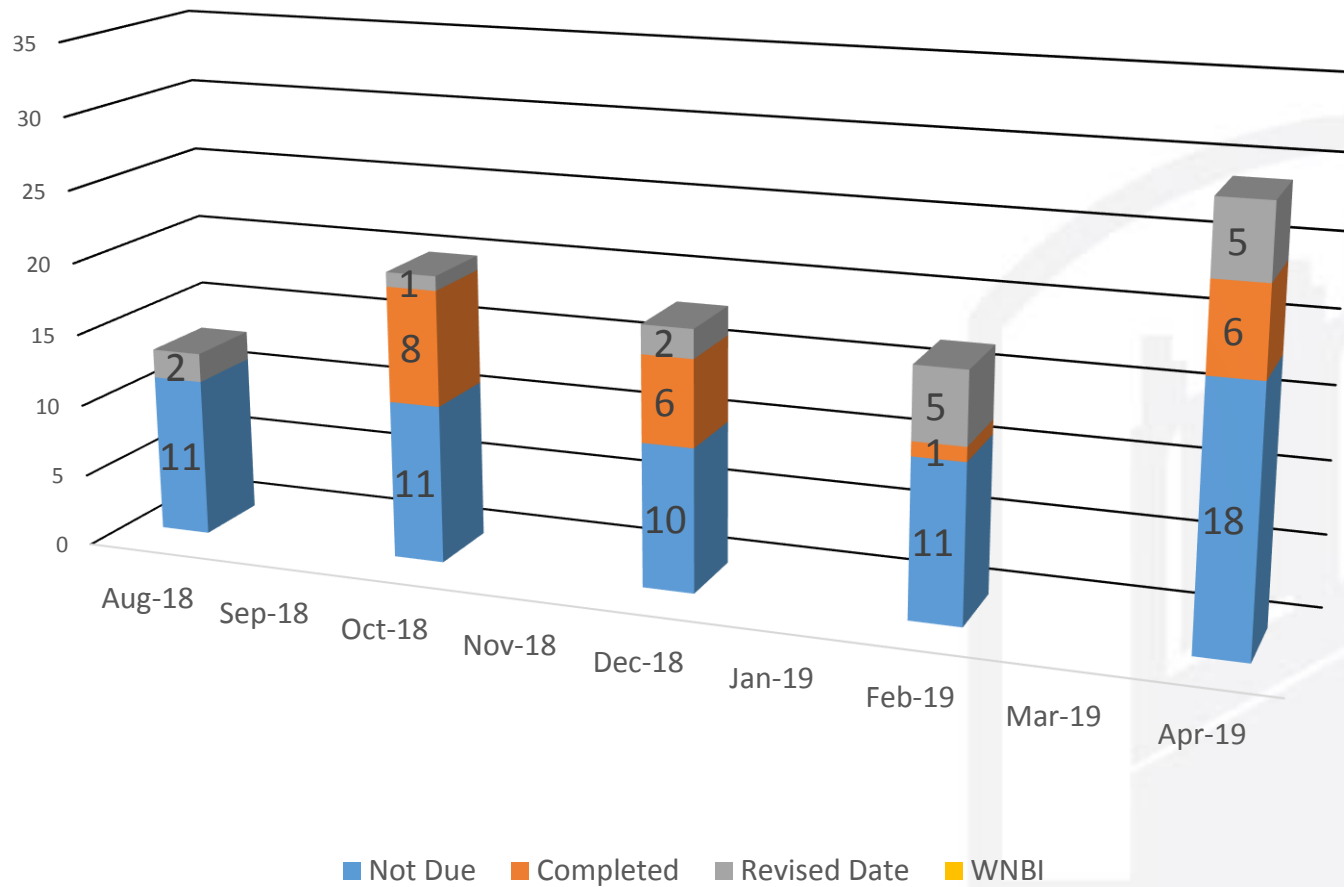
- **Appropriateness of contractor billings**
- **Evaluate appropriateness of approved change orders and contingency usage**
- **Verify the accuracy of sub contractor billings and their bids**
- **Review of shared savings calculations**

Audit Work

- Assess change from Cost Plus to Lump Sum fee for certain bid work, this includes self performed work
- Reviewing possible “internal” change orders for review and approval
- Reviewing detail for labor not provided in the contractor billings
- Review detail for labor, material and equipment for change orders not included in contractor billings
- Calculation concerns with contractors %s for overhead and profit for sub contractor and self performed work
- Robins and Morton Audit Logs are shared with Adams and Halifax Facilities Construction Director

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
PCI Review of Locations 4/17/2018	<ul style="list-style-type: none"> • 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>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 	<ul style="list-style-type: none"> • 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	5/5/2019 Revised	High
Charge Description Master - Supplies Maintenance Audit 6/15/2018	<p>ISSUE 2: CDM Maintenance Procedures Were Missing Controls</p> <p>The CDM Maintenance Policy was not aligned with Halifax Health's standards for policies and procedures. Review disclosed the following:</p> <ul style="list-style-type: none"> • CDM Maintenance Policy was last reviewed and approved in 2013 or five years ago. The standard is every three years. • A pricing policy for evaluation of charges and mark-ups for alignment with payors and revenue objectives was missing. • Policy incorrectly documented the charge threshold for supply items to be \$5 dollars. Management's intention is a \$23 dollar threshold. • The timeliness of the process to complete CDM maintenance requests was missing. Guidance is needed to assess the efficiency of the change process. 	<ul style="list-style-type: none"> • The Charge Master Maintenance Policy will be updated on the required Halifax Health procedures template and address operational gaps. 	Steve Mach, Patient Financial Services Director	2/28/2019 Revised	Medium

Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Biomedical Engineering Process Assessment 6/15/2018	ISSUE 1: The IDesk System Does Not Agree With Actual Inventory As of February 28, 2018 Aramark's IDesk application reported 9,530 active pieces of inventory equipment. IAS reviewed inventory and the following issues were identified: <ul style="list-style-type: none"> • Ten (20%) items could not be traced from floor to IDesk or vouched from IDesk to floor. • BE equipment additions and depletions recorded by Accounting did not align with IDesk item file. Six (60%) additions were missing and 10 (100%) depletions were listed as active. • Forms to process purchases, transfers and disposals did not have the required information to notify BE. As a result, IDesk inventory was not updated timely which impacts Aramark billing and raises the risk that required service checks and ePHI removal were not performed by BE Techs.	<ul style="list-style-type: none"> • Management will work with BE Lead to update item files for active and inactive equipment. • BE Lead will develop department rounds that includes working with Team Members to be observant of items that need to be activated or deactivated from the data base. • The Equipment Acceptance, Transfer and Disposal Forms will be updated to include BE with other departments responsible for managing inventory. 	Gary Meredith, Director of Operations	2/26/2019 Revised	Medium
Biomedical Engineering Process Assessment 6/15/2018	ISSUE 2: Billing Is Not Aligned With Terms & Business Objectives Not Achieved <ul style="list-style-type: none"> • Aramark's December and January base fee billings were not aligned with Amendment A-1. • AP audits have disclosed incorrect pass-through bills for 3rd party equipment services. • Purchase service objectives to sunset 3rd party agreements and service equipment in-house were not obtained at the time of the audit. 	<ul style="list-style-type: none"> • Director will work with Aramark to assess BE responsibilities and objectives in order to determine the correct service arrangement. Findings will be reported to SVP of Operations. 	Gary Meredith, Director of Operations	2/26/2019 Revised	Medium
Biomedical Engineering Process Assessment 6/15/2018	ISSUE 3: Work Orders Are Poorly Documented in IDesk BE Technicians did not clearly document their management and service of equipment. Service end dates and equipment problem and resolution within the Aramark work order were not aligned with actual work performed.	<ul style="list-style-type: none"> • Technicians will be trained on Aramark's work order policies and procedures. Gary Meredith, Director of Operations12/29/2018Medium	Gary Meredith, Director of Operations	2/26/2019 Revised	Medium

Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date	Risk Rank
Casual Pool Timekeeping Audit 2/5/2019	<p>ISSUE 1: Security Controls Are Missing From Offline Payroll Process Care at Home Department developed an offline spreadsheet for payroll functions that includes approved and recorded pay rates, timecards and payroll calculations. The process allows Management to maintain high level of patient care by paying Nurses and Therapists a per visit rate. Review of timekeeping processes for eight Care at Home Team Members disclosed the following:</p> <ul style="list-style-type: none"> • Timekeeper and Reviewer have the ability to change per visit rates, timecards and payroll calculations. Access by one individual to multiple payroll functions is a segregation of duties issue. • Timekeeper calculated and Reviewer approved 21 Licensed Practical Nurse (LPN) visits at a \$50 dollar rate instead of the \$25 dollar recorded rate for LPN care. • Timekeeper calculated and Reviewer approved a Physical Therapist Assistant (PTA) at a \$60 dollar rate instead of \$55 dollar recorded rate for PTA care. • Timekeeper calculated a Physical Therapist Assistant (PTA) pay at a rate of \$55 dollars per visit, however, the approved PTA rate in the Human Resource file was \$47 dollars. 	<ul style="list-style-type: none"> • Timekeeper and Reviewer will not have access to the recorded per visit rates and calculations in the offline table. Cells will be password protected and access controlled by Leadership. • \$50 dollar rate was from a previous arrangement with a Care at Home agency. Leadership determined recoupment of overpayment from Team Member is not possible. The payroll calculation for LPN visits has been corrected to pay \$25 dollars. • Team Member's agreed upon PTA rate is \$60 dollars. Rate table will be updated to reflect correct rate. • The approved PTA rate is \$55 dollars and the Team Member's HR file will reflect this. • In addition, Leadership will research the possibilities of processing per diem rates for Care at Home Team Members through Kronos. 	Mary Ann Seeley, Care at Home Director	8/31/2019	High
Casual Pool Timekeeping Audit 2/5/2019	<p>ISSUE 2: Offline Documentation Supporting Kronos Payroll Disbursement Was Missing • Care at Home visit records, pay rates and calculations for payroll tested were missing or not submitted to Payroll. These documents support the gross and net payroll calculations processed through Kronos.</p> <ul style="list-style-type: none"> • Team Members' recorded hours do not include travel and administration time. Correct work hours must be documented and recorded in Kronos for proper budgeting and financial reporting purposes. 	<ul style="list-style-type: none"> • A shared folder will be created by Care at Home and access will be provided to Payroll for the purposes of retaining per visit supporting payroll documentation. Reviewer will ensure shared folder contains correct visit records, pay rates and supporting calculations prior to payroll being finalized. • Team Members will be instructed to record working hours on the visit record. • Leadership is going to research the possibility of adding Team Members to Netsmart for the purposes of recording hours. 	Mary Ann Seeley, Care at Home Director		Medium



Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Casual Pool Timekeeping Audit 2/5/2019	ISSUE 3: Mileage Reimbursement For Care At Home Team Members Was Not Supported <ul style="list-style-type: none"> Mileage documentation of the business purpose (dates, location, purpose) was missing for a Team Member's reimbursement totaling \$114 dollars. Visit records used to document mileage are unclear as to origin and destination locations. 	<p>Leadership will research the possibility of adding Team Members to Netsmart for the purposes of recording Miles, mirroring the process currently used by Hospice.</p> <p>Netsmart calculates mileage, including origin and destination points, and is a process that Payroll and Accounting are familiar with.</p>	Mary Ann Seeley, Care at Home Director		Low
DAVID Attestation Audit 4/18/2019	ISSUE 1: Quality Control Reviews Were Not Completed <p>IAS was unable to audit Quality Control Reviews of the DAVID system and its users. Evidence of the Point of Contact (POC) conducting and documenting compliance with the MOU was missing.</p>	<p>POC will complete a quality review. Supervisor will verify reports are properly conducted by signing and dating each report. Reports will be retained for internal/external auditing purposes.</p>	Darrel Richey, Chief Safety & Security Officer		High
DAVID Attestation Audit 4/18/2019	ISSUE 2: Evaluation Of Security Controls Over Access And Data Disclosed Multiple Compliance Deficiencies <ul style="list-style-type: none"> Access logs disclosed a Team Member account was activated after termination from Halifax Health. Review of transaction logs disclosed no tag, vehicle and/or license search activity during this period. User permissions were not updated within 24 hours after termination for 13 (93%) Team Members. Department issued access to four agency workers without consent from Florida Highway Safety and Motor Vehicles Department. Primary POC is not audited by the alternate POC. Access to DAVID was not aligned with specific job assignments. Review of users disclosed three inactive accounts and one non-security Team Member. 	<ul style="list-style-type: none"> POC will follow DAVID Reviews and Audit Procedures to ensure Team Members are removed from DAVID within 24 hours of termination. User changes will be logged as part of the Quarterly Control Review. Access to DAVID was removed for Agency workers. The alternate POC will audit the primary as part of the Quarterly Control Review. Results will be forwarded to COO. POC will align Security job duties with DAVID edit roles to ensure compliance with MOU. 	Darrel Richey, Chief Safety & Security Officer		Medium



Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Network Security Testing 4/24/2019	ISSUE 1: Web Application Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	Low
Network Security Testing 4/24/2019	ISSUE 2: Windows and AD System Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	High
Network Security Testing 4/24/2019	ISSUE 3: Data Storage and Access Controls Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	High
Network Security Testing 4/24/2019	ISSUE 4: Network Architecture Infrastructure Management Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	Medium
Network Security Testing 4/24/2019	ISSUE 5: Patch Management Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	Medium
Network Security Testing 4/24/2019	ISSUE 6: Security Awareness and Physical Security Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	Medium
Network Security Testing 4/24/2019	ISSUE 7: Email Architecture Security Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	Low
Network Security Testing 4/24/2019	ISSUE 8: Wireless Network Security Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	TBD	Low

Recommended Committee Action

Internal Audit recommends the following for Committee's approval:

- Audit Plan Additions (Crowe Project)
- Summary of Audit Reports
- Audit Follow-up Summary Report

Project 1 MEDITECH Post-Implementation Audit

Audit Objectives:

- Evaluate existence and completeness of project plan for Meditech implementation
- Assess existence and completeness of policies and procedures
- Logical access
 - Assess controls for establishing role based access and segregation of duties/functions
 - Assess controls related to new user access requests and terminations, administrator / privileged access, default roles, approvals, and user access review controls Assess reasonableness of established privileged (admin/super user) user access to MEDITECH
- Logical security
 - Assess password parameter and encryption settings, data access restriction controls for sensitive and confidential data
 - Assess existence of vendor cloud security controls over all supported application data if MEDITECH is supported by the vendor and/or by another third party in the cloud
- Logging and monitoring - assess security related logs, user activity logs and review controls
- Job and backup processing - assess batch processing and application data backup controls
- Interfaces
 - Assess controls for interfaces with revenue cycle applications, ancillary clinical applications, and other legacy clinical applications
 - Determine if interface reporting is developed, is monitored and has integrity for the purposes of correctly reporting errors, variances, etc., with outside processes
 - Test process for correcting reported interface errors/issues
- Conversion controls - test migration of data to MEDITECH Expanse, including processes for: data mapping, data validation, user acceptance testing and/or parallel testing
- Evaluate processes for end user issue reporting and remediation
- Evaluate whether access to the charge description master is restricted to only those authorized to make changes
- Program change
 - Test controls to make sure only authorized individuals can change programs
 - Assess whether program changes are logged and reviewed for appropriateness (including changes made to source databases)
 - Assess change request workflow: from development, testing, approval through to production

Project 2 Emergency Department (ED) Charge Process Audit

Audit Objectives:

- Assess completeness of emergency department registration demographics and authorization
- Test that charge capture and revenue reconciliation procedures and controls are functioning as Management intended
- Evaluate interface controls between the ED charging system and billing system
- Test whether the ED department adequately captures its services, supplies and resources by utilizing data analytics to test 100% of the ED charge population (for a recent three-month period) to identify potential charging errors
- Validate potential charging errors to gain an understanding of the root cause of the errors and the revenue and reimbursement impact
- Evaluate trends in ED “level billing”, including any changes in the process for how ED levels were determined before and after the migration from MEDITECH 5.6 to MEDITECH Expanse

Project 3 Oncology Department Charge Process Audit

Audit Objectives:

- Assess the accuracy/completeness of demographics/financial data obtained during registration
- Validate that the eligibility verification and pre-authorization processes were functioning as Management intended
- Assess scheduling effectiveness and throughput efficacy
- Evaluate interface reports between the Oncology department charging system and billing system.
- Test whether the Oncology department adequately captures all services, supplies and resources by utilizing data analytics to test 100% of the Oncology department's charge population (for a recent three-month period) to identify potential charging errors and compliance issues, including:
 - Chemotherapy/complex drugs and chemotherapy/complex drug administration
 - Transfusion charges
 - Bone marrow charge pairings
 - Port Film Charges
 - Physics Charges
 - Treatment Device Charges
 - Radiation Treatment, Brachytherapy Procedure, Linear Accelerator Based Stereotactic Radiosurgery, and/or Intensity-Modulated Radiation Therapy (IMRT) Treatment Charges
 - Simulation and/or IMRT Dose Plan Charges
 - Dosimetry Charges and/or IMRT Dose Plan Charges
- Assess processes for “series” visit billing
- Validate potential charging errors to gain an understanding of the root cause of errors and the revenue and reimbursement impact

Project 4

Patient Billing and Financial Services Audit

Audit Objectives:

Main Registration/Patient Access

- Assess completeness of registration demographics, generated outside of the emergency department
- Test a sample of patient registrations to evaluate processes for:
 - Insurance verification performance
 - Retention of required forms/regulatory required notices, point of service collections
 - Accurate interface of data from patient record to MEDITECH billing
 - Timely and efficient scheduling of patients
 - Documentation of pre-registration assessment
 - Necessary pre-authorizations for required procedures, avoiding patient delays
 - Verify reimbursement source before or within 24 hours of registration

Charge Description Master

- Test initial set up of chargemaster in billing system
- Assess processes for CDM changes
- Evaluate interface design and timeliness of required maintenance
- Verify there is a charge code is created in the CDM for a sample of procedures, services, supplies and drugs
- Verify the process for pricing is aligned with market rates
- Verify the process for Pharmacy pricing is aligned with market rates Billing and Collections
- Compare current billing policies and procedures to best practices
- Assess monitoring processes for key performance measures for billing using proprietary Crowe data analytic tools
- Assess timeliness of cash posting and collection activities
- Test a sample of aged/untimely unpaid insured claims to assess root cause for delayed collections.
- Determine if controls/procedures are designed to maximize collections

Denials

- Compare policies and procedures to best practices
- Determine if write-off processes are functioning as Management intended
- Assess denial trending activities & root causes to prevent (manual/system) denials



Project 5 Emergency Department (ED) Throughput Audit

Audit Objectives

- Test that ED processes in place to meet or exceed turnaround time measures and throughput goals
 - Evaluate the intake triage process
 - Test a sample of patients to verify they were triaged according to established algorithm (e.g. Emergency Severity Index or triage established clinical pathway)
 - Test that ED turnaround times are established, that the process for calculating the turnaround times is documented/consistent, and that ED turnaround times are reviewed for trends and trends identified are researched and resolved
 - Trace a sample of patients through the ED from arrival to discharge/transition to bedside. Evaluate flow for directness/efficiency. Verify that the patient flow aligns with flow established in departmental policies and maps to key metrics on throughput reporting
 - Evaluate the process for communicating between the ED and ancillary departments about available resources and patient flow. Verify that the process includes expectations for each department
 - Evaluate whether care plans are established for recurring ED patients
 - Evaluate availability of ED case managers/social workers to assist in assigning outpatient resources
 - Evaluate availability of placement agencies that contract with the hospital for room and board or other living arrangements for difficult to place patients
 - Assess Behavioral Health Team to support ED staff, including Psychiatrist, Behavioral Health RNs. (e.g. get patients on meds, Baker Act process)
- Evaluate processes to assign care level (e.g., admission vs observation) based on severity of illness, comorbidities, complications, and the intensity of services being delivered.
 - Evaluate availability of ER case managers to provide utilization review to justify bed placement
 - Assess Medical Staff Leadership support for appropriate bed placement
 - For a sample of patients, test that care level decisions are supported by timely and defensible, evidence-based standards
- Using proprietary Crowe technology, analyze ED patients for causes of observation utilization issues (e.g. common diagnoses, common providers), including but not limited to:
 - Observation less than 8 hours
 - Observation and Condition Code 44 (inpatients changed to outpatients)
 - Observation transfer to skilled nursing facilities
 - Outpatient accounts with length of stay greater than two days with observation hours

Project 6

Accounts Receivable Audit

Audit Objectives

- Assess compliance with applicable Halifax Health policy with respect to the valuation of patient account receivable
- Evaluate trends and disparities in process for estimating net collectible receivables and actual cash collected
- Validate A/R dashboards/metrics (e.g. performance, aging) are established and monitored
- Test whether controls to value and report net patient accounting receivable are functioning as Management intended
- Assess whether accounts receivable allowances (contractual, bad debt, charity) are calculated and recorded in accordance with Client policies and procedures
- Assess interfaces/transfer of legacy accounts receivable to current system as well as processes for continuing to work legacy accounts receivable
- Evaluate, as applicable, non-traditional patient accounts receivable processes (e.g., capitation, Letter of Protection (auto) claims, etc.)
- Evaluate segregation of duties, security and user access controls to financial systems and data files

Project 7

Surgical Services Charge Process Audit

Audit Objectives Draft

- Assess following documentation is being properly used by Team Members:
 - Policies and procedures to support key surgery process (charge capture).
 - Charge sheets utilized
 - Patient logs/surgery schedule
 - Reconciliations of surgery cases to charges
- Determine if key controls are functioning:
 - Meditech is fully in place to document chargeable procedures and supplies at the time the service is performed.
 - A process is in place to reconcile charges to departmental data (e.g., treatment logs, visit logs, surgery schedule, etc.).
 - A tracking system or log is used to capture charges (and other information such as device serial number) for implants and devices utilized.
 - Error reports are used to identify charges that do not correctly pass to the billing system.
- Test whether SS adequately captures its services, supplies and resources by utilizing data analytics to test 100% of the SS charge population for a three month period



FY 2019 Income Statement Monthly Forecast Halifax Health Medical Center

Updated with Actual activity through March 31, 2019



Halifax Health Medical Center

FY 2019 Income Statement Monthly Forecast

-Updated with actual results from February and March

- FY 2019 October-March Financial Results
 - February and March's actual performance exceeded the re-forecast by \$3M
 - Revenues were higher than forecast by \$1.9M due to higher volumes
 - Expenses were lower than forecast by \$1.1M due to lower labor and supply costs
 - YTD Operating income is \$8.3M less than budget
- Obligated Group MADS Coverage ratio
 - Bond covenant is 1.25x and FY 2020 Budget is 1.97x
 - Updated Forecast is at 1.41x at 9/30/19 with \$4.3M cushion from 1.25x and a deficit of \$14.9M from Budget

Live your life well.



HALIFAX
HEALTH

Halifax Health Medical Center
FY 2019 Actual and Projected with Margin Improvements
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

	Actual						Projected						
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Operating revenues:													
Net patient service revenue	\$40,396	\$39,452	\$39,002	\$41,350	\$38,749	\$44,668	\$40,239	\$39,303	\$37,426	\$36,888	\$39,764	\$36,985	\$474,222
Ad valorem taxes	511	511	511	511	511	511	511	511	511	511	511	511	6,130
Other revenue	1,561	1,432	1,446	1,529	1,612	1,705	1,437	1,436	1,435	1,436	1,445	1,439	17,913
Total operating revenues	42,468	41,394	40,959	43,390	40,872	46,884	42,187	41,249	39,372	38,835	41,720	38,935	498,265
Operating expenses:													
Salaries and benefits	22,200	21,226	22,140	22,091	20,113	21,951	21,552	21,585	20,777	20,508	21,052	18,926	254,120
Purchased services	5,913	5,774	6,423	6,474	6,833	6,808	5,669	5,690	5,703	5,711	5,777	5,920	72,694
Supplies	8,472	8,292	7,948	8,882	7,609	8,537	8,773	8,909	8,140	8,170	8,944	8,347	101,023
Depreciation and amortization	2,142	2,134	2,140	2,094	2,131	2,101	2,082	2,071	2,038	2,032	2,029	1,976	24,972
Interest	1,610	1,630	1,602	1,594	1,597	1,627	1,610	1,610	1,610	1,610	1,610	1,610	19,319
Ad valorem tax related expenses	522	523	523	532	521	525	530	530	530	530	530	530	6,327
Leases and rentals	566	562	564	592	589	580	537	537	537	537	537	537	6,677
Other	2,160	2,176	2,050	2,130	2,018	2,340	2,131	2,131	2,131	2,131	2,131	2,131	25,663
Total operating expenses	43,586	42,317	43,389	44,389	41,411	44,469	42,885	43,063	41,466	41,230	42,611	39,979	510,796
Income (loss) from operations	(1,118)	(923)	(2,430)	(999)	(539)	2,415	(698)	(1,814)	(2,094)	(2,396)	(891)	(1,044)	(12,531)
Nonoperation revenues, expenses, and gains/(losses):													
Realized investment income/(losses)	293	1,271	220	438	520	489	66	883	40	72	43	90	4,426
Unrealized investment income/(losses)	(12)	166	592	444	42	558	-	-	-	-	-	-	1,790
Donation revenue	-	-	3	8	6	25	-	-	-	-	-	-	42
Nonoperation gains/(losses), net	209	199	179	89	179	136	100	100	100	100	100	100	1,591
Total nonoperating revenues, expenses, and gains/(losses)	490	1,637	994	979	747	1,208	166	983	140	172	143	190	7,849
Increase (decrease) in net position	(\$628)	\$714	(\$1,436)	(\$20)	\$208	\$3,623	(\$531)	(\$831)	(\$1,954)	(\$2,224)	(\$748)	(\$854)	(\$4,682)



**HALIFAX
HEALTH**

Halifax Health Medical Center
FY 2019 Actual and Projected
Maximum Annual Debt Service Calculation
(\$ in thousands)

	Actual						Projected					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
MADS calculation												
Excess of revenues over expenses	(\$628)	\$86	(\$1,351)	(\$1,371)	(\$1,163)	\$2,460	\$1,929	\$1,098	(\$856)	(\$3,079)	(\$3,828)	(\$4,682)
Interest	1,610	3,239	4,841	6,435	8,032	9,659	11,269	12,879	14,489	16,099	17,709	19,319
Depreciation	2,142	4,277	6,417	8,511	10,642	12,743	14,825	16,896	18,935	20,967	22,996	24,972
Unrealized losses (gains)	12	(155)	(746)	(1,190)	(1,232)	(1,790)	(1,790)	(1,790)	(1,790)	(1,790)	(1,790)	(1,790)
Total income available	\$3,135	\$7,447	\$9,161	\$12,385	\$16,279	\$23,072	\$26,233	\$29,083	\$30,777	\$32,196	\$35,087	\$37,819
MADS	\$2,233	\$4,467	\$6,700	\$8,934	\$11,167	\$13,401	\$15,634	\$17,867	\$20,101	\$22,334	\$24,568	\$26,801
MADS Coverage Ratio	1.40	1.67	1.37	1.39	1.46	1.72	1.68	1.63	1.53	1.44	1.43	1.41
Income Cushion from 1.25x	\$343	\$1,864	\$786	\$1,218	\$2,320	\$6,322	\$6,690	\$6,749	\$5,651	\$4,278	\$4,377	\$4,317
Income Deficit from Budget	(\$952)	(\$1,070)	(\$3,522)	(\$7,263)	(\$7,621)	(\$7,392)	(\$7,731)	(\$8,197)	(\$9,230)	(\$10,027)	(\$12,754)	(\$14,878)



Halifax Health Medical Center Obligated Group
Reconciliation between FY 2019 Budget and Forecast
Income Available for Debt Service
\$ in thousands

	<u>Income Available</u>
A FY 2019 Original Budget	\$52,696
Net patient service revenue	(\$18,582)
Realized investment income	(\$3,184)
LOS - avoidable day costs	(\$1,574)
Hospitalist physician costs	(\$1,200)
Anesthesia physician costs	(\$1,200)
B FY 2019 Initial Forecast without Margin Improvements (Actual Oct-Jan and projected Feb-Sept)	\$26,956
Revenue improvements	\$600
Position eliminations	\$1,780
Reduce excess patient days	\$600
Other operational changes	\$1,920
C FY 2019 Initial Forecast with Margin Improvements (Actual Oct-Jan and projected Feb-Sept)	\$31,856



Halifax Health Medical Center Obligated Group
Reconciliation between FY 2019 Budget and Forecast (cont.)
Income Available for Debt Service
\$ in thousands

C	FY 2019 Initial Forecast with Margin Improvements (Actual Oct-Jan and projected Feb-Sept)	\$31,856
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February variance to initial forecast:

Expenses lower than initial forecast, primarily due to lower labor and supply costs	\$1,035
Realized investment income	\$408
Other	\$157
Sub-total	\$1,600

March variance to initial forecast

Revenues higher than initial forecast	\$2,104
Realized investment income	\$397
Other	\$291
Sub-total	\$2,792

Re-forecast from April - Sept	\$1,571
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D	FY 2019 Updated Forecast with Margin Improvements (Actual Oct- Mar and projected Apr-Sept)	\$37,819
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Appendix



Halifax Health Medical Center
FY 2019 Actual and Projected with Margin Improvements
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

	Actual				Projected								Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Operating revenues:													
Net patient service revenue	\$40,396	\$39,452	\$39,002	\$41,350	\$38,989	\$42,817	\$39,139	\$39,303	\$37,426	\$36,888	\$39,764	\$36,985	\$471,511
Ad valorem taxes	511	511	511	511	511	511	511	511	511	511	511	511	6,130
Other revenue	1,561	1,432	1,446	1,529	1,429	1,452	1,437	1,436	1,435	1,436	1,445	1,439	17,477
Total operating revenues	42,468	41,394	40,959	43,390	40,929	44,780	41,087	41,249	39,372	38,834	41,720	38,935	495,118
Operating expenses:													
Salaries and benefits	22,200	21,226	22,140	22,091	21,415	22,696	21,552	21,585	20,777	20,508	21,052	18,926	256,167
Purchased services	5,913	5,774	6,423	6,474	5,798	5,893	5,669	5,690	5,703	5,711	5,777	5,920	70,745
Supplies	8,472	8,292	7,948	8,882	8,366	9,105	8,773	8,909	8,140	8,170	8,944	8,347	102,348
Depreciation and amortization	2,142	2,134	2,140	2,094	2,058	2,055	2,082	2,071	2,038	2,032	2,029	1,976	24,854
Interest	1,610	1,630	1,602	1,594	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	19,315
Ad valorem tax related expenses	522	523	523	532	530	530	530	530	530	530	530	530	6,341
Leases and rentals	566	562	564	592	537	537	537	537	537	537	537	537	6,583
Other	2,160	2,176	2,050	2,130	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	25,568
Total operating expenses	43,586	42,317	43,389	44,389	42,446	44,558	42,885	43,063	41,466	41,230	42,611	39,979	511,920
Income (loss) from operations	(1,118)	(923)	(2,430)	(999)	(1,517)	223	(1,798)	(1,814)	(2,094)	(2,396)	(892)	(1,044)	(16,802)
Nonoperation revenues, expenses, and gains/(losses):													
Realized investment income/(losses)	293	1,271	220	438	122	92	66	883	40	72	43	90	3,631
Unrealized investment income/(losses)	(12)	166	592	444	-	-	-	-	-	-	-	-	1,190
Donation revenue	-	-	3	8	-	-	-	-	-	-	-	-	11
Interest - bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonoperation gains/(losses), net	209	199	179	89	21	21	21	21	21	21	21	21	848
Total nonoperating revenues, expenses, and gains/(losses)	490	1,637	994	979	143	114	88	905	61	94	65	111	5,680
Increase (decrease) in net position	(\$628)	\$714	(\$1,436)	(\$20)	(\$1,374)	\$336	(\$1,710)	(\$909)	(\$2,033)	(\$2,302)	(\$827)	(\$933)	(\$11,122)



Halifax Health

Summary Financial Narrative

For the six months ended March 31, 2019

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 19	YTD Budget FY 19	YTD Actual vs. Budget	S&P "A"	YTD Actual FY 19 vs. S&P "A"
Total Margin	1.6%	4.3%	Unfavorable	4.1%	Unfavorable
Operating Margin	-0.4%	2.6%	Unfavorable	1.4%	Unfavorable
EBIDA Margin	9.7%	12.1%	Unfavorable	11.7%	Unfavorable
Operating EBIDA Margin	7.9%	10.5%	Unfavorable	8.0%	Unfavorable
Adjusted Operating EBIDA Margin *	8.0%	10.3%	Unfavorable	N/A	N/A
Days Cash on Hand	268	248	Favorable	241	Favorable
Cash to Debt	89.7%	82.7%	Favorable	221.6%	Unfavorable
Debt to Capitalization	58.3%	57.0%	Unfavorable	26.4%	Unfavorable
OG MADS Coverage	1.72	2.27	Unfavorable	3.80	Unfavorable
OG Debt to Capitalization	57.7%	56.4%	Unfavorable	26.4%	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 prior year; and for the fiscal year-to-date are less than budget and prior year.
- Patient days for the month are greater than budget and prior year; and for the fiscal year-to-date are greater than budget and prior year.
 - Observation patient days for the month are less than budget and prior year; and for fiscal year-to-date are greater than budget and prior year.
- Surgery volumes for the month and fiscal year-to-date are less than budget and prior year.
- Emergency Room visits for the month and fiscal year-to-date are less than budget and prior year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 3.0% less than budget.
- Total operating expenses for the fiscal year-to-date are 0.6% greater than budget.
- Loss from operations for the fiscal year-to-date of \$3.6 million compares unfavorably to budget by \$8.3 million.
- Nonoperating gains/losses for the fiscal year-to-date of \$6.1 million, primarily consisting of net investment income, compares favorably to the budgeted amount by \$2.5 million.
- The increase in net position for the fiscal year-to-date of \$2.5 million compares unfavorably to budget by \$5.8 million.

Halifax Health Hospice

Statistical Summary --

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

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 4.1% greater than budget.
- Income from operations for the fiscal year-to-date of \$1.5 million compares favorably to budget by \$806,000.
- The increase in net position for the fiscal year-to-date of \$1.2 million compares unfavorably to budget by \$1.3 million.

Other Component Units - Financial results of other component units is more favorable than budgeted expectations except for increases in unrealized investment losses of Foundation of \$2.2 million.

Halifax Health Statistical Summary

Month Ended March 31					Six Months Ended March 31			
<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>		<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>
				<u>Inpatient Activity</u>				
1,699	1,715	1,749	-1.9%	HHMC Adult/Ped Admissions	9,604	9,496	9,850	-3.6%
201	226	192	17.7%	HHMCPO Adult/Ped Admissions	1,081	1,068	1,091	-2.1%
176	193	201	-4.0%	Adult Psych Admissions	1,108	1,074	1,147	-6.4%
64	77	71	8.5%	Rehabilitative Admissions	393	426	407	4.7%
2,140	2,211	2,213	-0.1%	Total Adult/Ped Admissions	12,186	12,064	12,495	-3.4%
9,060	9,417	8,062	16.8%	HHMC Adult/Ped Patient Days	48,393	50,690	45,406	11.6%
686	618	673	-8.2%	HHMCPO Adult/Ped Patient Days	3,937	3,064	3,830	-20.0%
1,282	1,208	1,499	-19.4%	Adult Psych Patient Days	8,245	7,534	8,535	-11.7%
1,066	1,177	1,026	14.7%	Rehabilitative Patient Days	5,835	6,432	5,845	10.0%
12,094	12,420	11,260	10.3%	Total Adult/Ped Patient Days	66,410	67,720	63,616	6.5%
5.3	5.5	4.6	19.1%	HHMC Average Length of Stay	5.0	5.3	4.6	15.8%
3.4	2.7	3.5	-22.0%	HHMCPO Average Length of Stay	3.6	2.9	3.5	-18.3%
5.1	5.2	4.5	14.9%	HHMC/ HHMCPO Average Length of Stay	4.9	5.1	4.5	13.1%
7.3	6.3	7.5	-16.1%	Adult Psych Average Length of Stay	7.4	7.0	7.4	-5.7%
16.7	15.3	14.5	5.8%	Rehabilitative Length of Stay	14.8	15.1	14.4	5.1%
5.7	5.6	5.1	10.4%	Total Average Length of Stay	5.4	5.6	5.1	10.3%
390	401	363	10.3%	Total Average Daily Census	365	372	350	6.5%
835	705	786	-10.3%	HHMC Observation Patient Day Equivalents	5,236	5,211	4,949	5.3%
207	192	179	7.3%	HHMCPO Observation Patient Day Equivalents	1,150	1,353	969	39.6%
1,042	897	965	-7.0%	Total Observation Patient Day Equivalents	6,386	6,564	5,918	10.9%
34	29	31	-6.5%	Observation Average Daily Census	35	36	33	9.1%
131	122	125	-2.4%	HHMC Newborn Births	849	841	817	2.9%
237	225	227	-0.9%	HHMC Nursery Patient Days	1,535	1,649	1,469	12.3%
552	496	575	-13.7%	HHMC Inpatient Surgeries	2,879	2,902	2,982	-2.7%
10	10	9	11.1%	HHMCPO Inpatient Surgeries	60	53	44	20.5%
562	506	584	-13.4%	Total Inpatient Surgeries	2,939	2,955	3,026	-2.3%
				<u>Inpatient Surgeries</u>				
213	201			Orthopedics	1,094	1,158		
104	98			General Surgery	524	530		
45	50			Neurosurgery	235	252		
27	24			Vascular Surgery	136	175		
42	26			Cardiovascular/Thoracic Surg	185	169		
131	107			All Other	765	671		
562	506	584	-13.4%	Total Inpatient Surgeries	2,939	2,955	3,026	-2.3%

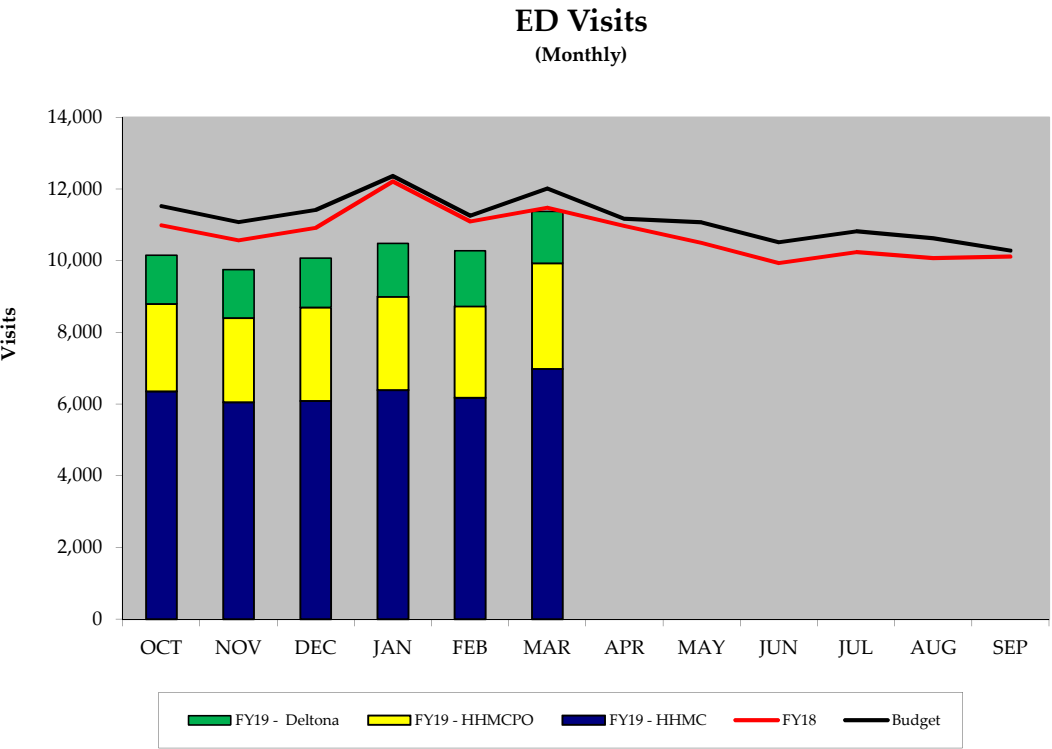
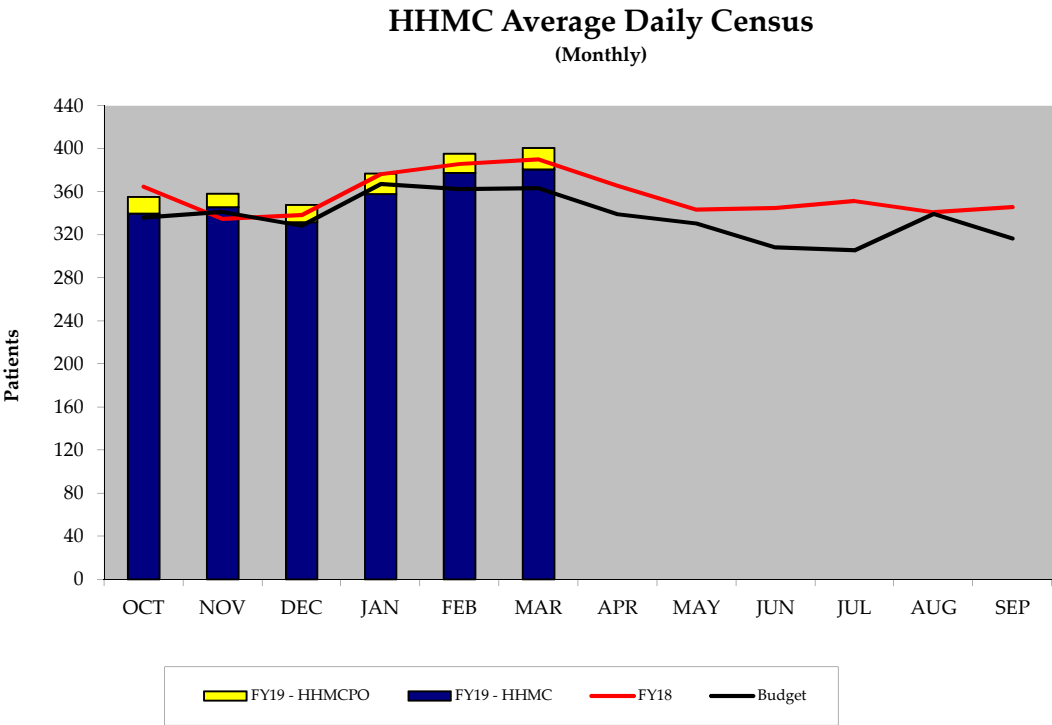
Halifax Health Statistical Summary

Month Ended March 31					Six Months Ended March 31			
<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>		<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
7,266	6,978	7,513	-7.1%	HHMC ED Registrations	41,877	38,046	43,304	-12.1%
2,884	2,950	3,014	-2.1%	HHMCPO ED Registrations	16,844	15,501	17,623	-12.0%
1,331	1,448	1,488	-2.7%	Deltona ED Registrations	8,547	8,583	8,736	-1.8%
11,481	11,376	12,015	-5.3%	Total ED	67,268	62,130	69,663	-10.8%
311	267	358	-25.4%	HHMC Outpatient Surgeries	1,796	1,785	2,138	-16.5%
136	97	122	-20.5%	HHMCPO Outpatient Surgeries	737	654	662	-1.2%
281	299	265	12.8%	Twin Lakes Surgeries	1,870	1,658	1,764	-6.0%
728	663	745	-11.0%	Total Outpatient Surgeries	4,403	4,097	4,564	-10.2%
				<u>Outpatient Surgeries</u>				
134	167			General Surgery	929	969		
93	79			Orthopedics	661	404		
58	49			OB/GYN	324	341		
71	59			Gastroenterology	371	314		
59	36			Ophthalmology	344	302		
313	273			All Other	1,774	1,767		
728	663	745	-11.0%	Total Outpatient Surgeries	4,403	4,097	4,564	-10.2%
				<u>Cardiology Procedures</u>				
35	19			Open Heart Cases	155	118		
186	146			Cardiac Caths	991	871		
30	21			CRM Devices	187	153		
34	29			EP Studies	254	223		
285	215	276	-22.1%	Total Cardiology Procedures	1,587	1,365	1,629	-16.2%
				<u>Interventional Radiology Procedures</u>				
13	7	10	-30.0%	Vascular	52	45	42	7.1%
194	181	155	16.8%	Nonvascular	1,019	1,052	813	29.4%
207	188	165	13.9%	Total Interventional Radiology Procedures	1,071	1,097	855	28.3%
				<u>GI Procedures</u>				
165	129	170	-24.1%	Inpatient	883	750	909	-17.5%
77	62	77	-19.2%	Outpatient	502	450	502	-10.3%
242	191	247	-22.6%	Total GI Procedures	1,385	1,200	1,411	-15.0%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
15,734	16,703	15,810	5.6%	Volusia/ Flagler	95,514	97,251	92,820	4.8%
1,521	1,660	1,829	-9.2%	Orange/ Osceola	8,344	9,778	10,280	-4.9%
17,255	18,363	17,639	4.1%	HH Hospice Patient Days	103,858	107,029	103,100	3.8%
				<u>Average Daily Census</u>				
508	539	510	5.6%	Volusia/ Flagler	525	534	510	4.8%
49	54	59	-9.2%	Orange/ Osceola	46	54	56	-4.9%
557	593	569	4.1%	HH Hospice Average Daily Census	571	588	566	3.8%

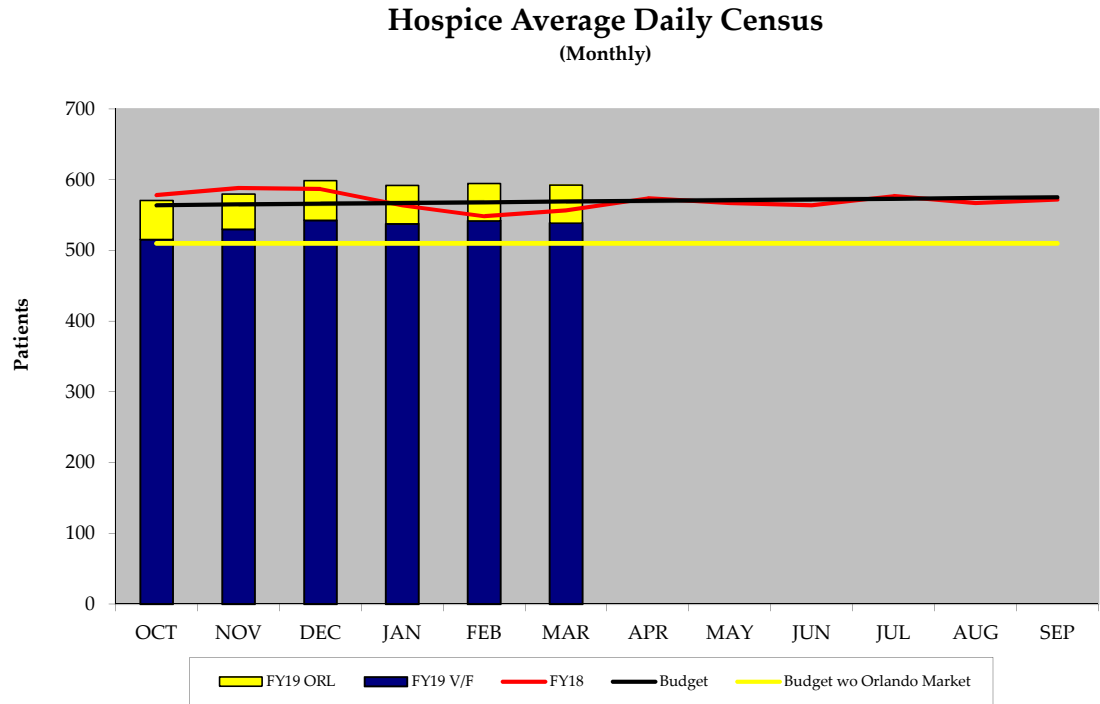
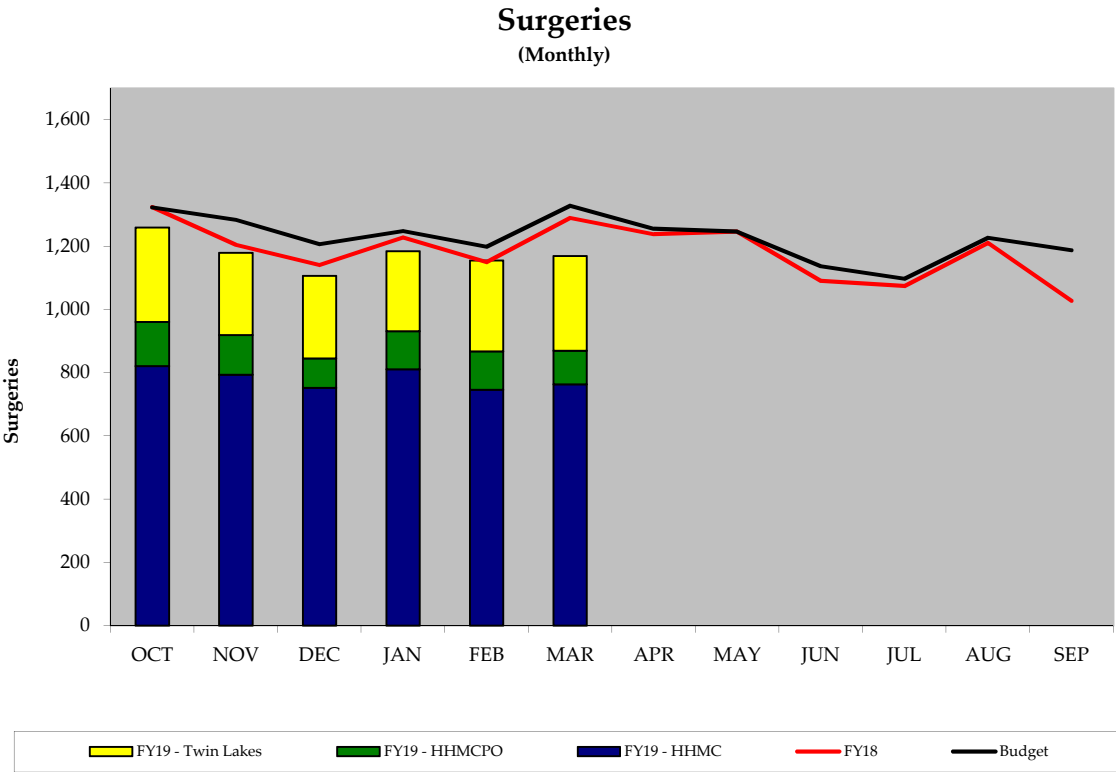
Halifax Health Statistical Summary

Month Ended March 31				Six Months Ended March 31				
<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>		<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>								
<u>Primary Care Visits</u>								
638	508	634	-19.9%	Ormond Beach	2,804	2,936	3,542	-17.1%
1,107	981	1,179	-16.8%	Daytona Beach	6,371	6,509	6,591	-1.2%
595	574	965	-40.5%	Port Orange	3,886	3,659	5,395	-32.2%
182	295	529	-44.2%	Deltona	1,436	1,263	2,958	-57.3%
628	802	1,219	-34.2%	New Smyrna	4,661	4,580	7,156	-36.0%
501	597	669	-10.8%	Ormond Beach (Women's/OB)	3,325	3,876	3,740	3.6%
430	413	700	-41.0%	Ormond Beach - Urgent Care	2,458	2,161	4,003	-46.0%
4,081	4,170	5,895	-29.3%	Primary Care Visits	24,941	24,984	33,385	-25.2%
<u>Pediatric Visits</u>								
598	761	664	14.6%	Ormond Beach-CMC	3,477	4,786	3,898	22.8%
-	259	339	-23.6%	Ormond Beach-Primary Care	-	1,517	1,894	-19.9%
386	430	372	15.6%	Palm Coast	2,161	2,810	2,184	28.7%
528	516	486	6.2%	Port Orange	2,995	3,051	2,853	6.9%
1,512	1,966	1,861	5.6%	Pediatric Visits	8,633	12,164	10,829	12.3%
<u>Community Clinic Visits</u>								
347	448	442	1.4%	Keech Street	1,863	2,669	2,652	0.6%
-	-	-	0.0%	Adult Community Clinic	92	-	-	0.0%
347	448	442	1.4%	Community Clinic Visits	1,955	2,669	2,652	0.6%
<u>Oncology Visits</u>								
1,016	958	1,034	-7.3%	Daytona	6,369	5,635	6,479	-13.0%
561	538	540	-0.3%	Ormond	3,073	3,133	2,956	6.0%
837	773	875	-11.6%	New Smyrna	4,938	4,861	5,161	-5.8%
892	812	890	-8.7%	Port Orange	5,162	4,966	5,148	-3.5%
3,306	3,081	3,337	-7.7%	Total Medical Oncology Visits	19,542	18,595	19,743	-5.8%
1,249	1,469	1,186	23.8%	Daytona	7,811	7,278	7,417	-1.9%
457	586	456	28.5%	New Smyrna	2,814	3,137	2,809	11.7%
1,706	2,055	1,643	25.1%	Total Radiation Oncology Visits	10,625	10,415	10,226	1.9%
5,012	5,136	4,980	3.1%	Total Oncology Visits	30,167	29,010	29,969	-3.2%

Halifax Health
Statistical Summary - Graphic



Halifax Health Statistical Summary - Graphic



Halifax Health

Condensed Statement of Net Position

(\$ in thousands)

	March 31		
	2019	2018	Change
<u>Assets</u>			
Cash and cash equivalents	\$62,965	\$30,314	\$32,651
Investments	306,617	263,916	42,701
Board designated assets	28,113	45,135	(17,022)
Accounts receivable	70,657	68,950	1,707
Restricted assets whose use is limited	6,146	6,214	(68)
Other assets	40,643	58,378	(17,735)
Deferred outflow - swap	29,027	26,441	2,586
Deferred outflow - loss on bond refunding	15,087	15,993	(906)
Deferred outflow - pension	21,733	26,787	(5,054)
Property, plant and equipment	399,336	357,106	42,230
Total Assets	<u>\$980,324</u>	<u>\$899,234</u>	<u>\$81,090</u>
<u>Liabilities and Net position</u>			
Accounts payable	\$43,835	\$31,860	\$11,975
Other liabilities	90,144	99,096	(8,952)
Deferred inflow - pension	1,565	2,646	(1,081)
Net pension liability	55,326	69,161	(13,835)
Long-term debt	425,164	352,261	72,903
Premium on LTD, net	18,257	18,927	(670)
Long-term value of swap	29,027	26,441	2,586
Net position	317,007	298,842	18,165
Total Liabilities and Net position	<u>\$980,324</u>	<u>\$899,234</u>	<u>\$81,090</u>

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

Month ended March 31, 2019	Month ended March 31, 2018	Variance		Six Months ended March 31, 2019	Six Months ended March 31, 2018	Variance
			Cash flows from operating activities:			
\$49,542	\$42,752	\$6,790	Receipts from third party payors and patients	\$268,769	\$254,685	\$14,084
(21,938)	(20,515)	(1,423)	Payments to employees	(140,253)	(154,727)	14,474
-	-	-	Payments to pension	(19,500)	(19,876)	376
(17,005)	(15,447)	(1,558)	Payments to suppliers	(115,312)	(88,218)	(27,094)
90	195	(105)	Receipt of ad valorem taxes	5,401	1,000	4,401
18,631	(5,073)	23,704	Receipt (payment) of State UPL funds, net	11,161	(5,073)	16,234
2,161	3,686	(1,525)	Other receipts	18,850	18,836	14
(3,339)	(3,415)	76	Other payments	(21,552)	(21,810)	258
28,142	2,183	25,959	Net cash provided by (used in) operating activities	7,564	(15,183)	22,747
			Cash flows from noncapital financing activities:			
46	102	(56)	Proceeds from donations received	272	468	(196)
136	-	136	Other nonoperating revenues, expenses and gains/(losses)	991	(7)	998
182	102	80	Net cash provided by noncapital financing activities	1,263	461	802
			Cash flows from capital and related financing activities:			
(1,735)	(1,239)	(496)	Acquisition of capital assets	(6,499)	(7,420)	921
(3,278)	(1,903)	(1,375)	Acquisition of capital assets- Deltona	(27,917)	(7,329)	(20,588)
-	(16)	16	Payment of long-term debt	-	(1,390)	1,390
(584)	(344)	(240)	Payment of interest on long-term debt	(9,655)	(8,324)	(1,331)
(5,597)	(3,502)	(2,095)	Net cash used in capital financing activities	(44,071)	(24,463)	(19,608)
			Cash flows from investing activities:			
2,500	442	2,058	Realized investment income (loss)	6,987	2,914	4,073
(7,334)	(553)	(6,781)	Purchases of investments/limited use assets	(30,250)	(4,027)	(26,223)
4,730	7,106	(2,376)	Sales/Maturities of investments/limited use assets	72,701	7,189	65,512
(104)	6,995	(7,099)	Net cash provided by (used in) investing activities	49,438	6,076	43,362
22,623	5,778	16,845	Net increase (decrease) in cash and cash equivalents	14,194	(33,109)	47,303
40,342	24,536	15,806	Cash and cash equivalents at beginning of period	48,771	63,423	(14,652)
\$62,965	\$30,314	\$32,651	Cash and cash equivalents at end of period	\$62,965	\$30,314	\$32,651

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

Actual Month Ended March 31, 2019	Actual Month Ended March 31, 2018	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Actual Six Months Ended March 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$57,168	\$55,651	\$1,517	Net patient service revenue, before provision for bad debts	\$313,613	\$311,936	\$1,677
(8,519)	(10,785)	2,266	Provision for bad debts	(47,169)	(51,338)	4,169
48,649	44,866	3,783	Net patient service revenue	266,444	260,598	5,846
511	504	7	Ad valorem taxes	3,065	3,024	41
2,412	2,529	(117)	Other revenue, including investment income/(losses), net	12,731	14,201	(1,470)
51,572	47,899	3,673	Total operating revenues	282,240	277,823	4,417
			Operating expenses:			
23,982	23,496	(486)	Salaries and benefits	141,337	135,923	(5,414)
8,191	7,559	(632)	Purchased services	45,907	43,335	(2,572)
8,791	9,092	301	Supplies	51,000	50,081	(919)
2,235	2,165	(70)	Depreciation and amortization	13,541	12,765	(776)
1,637	1,388	(249)	Interest	9,717	8,331	(1,386)
525	516	(9)	Ad valorem tax related expenses	3,145	3,284	139
766	797	31	Leases and rentals	4,555	4,836	281
2,554	2,463	(91)	Other	14,140	14,131	(9)
48,681	47,476	(1,205)	Total operating expenses	283,342	272,686	(10,656)
2,891	423	2,468	Excess (deficiency) of operating revenues over expenses	(1,102)	5,137	(6,239)
			Nonoperating revenues, expenses, and gains/(losses):			
2,501	442	2,059	Realized investment income/(losses)	6,987	2,914	4,073
(1,288)	(509)	(779)	Unrealized investment income/(losses)	(2,557)	(1,297)	(1,260)
46	103	(57)	Donation revenue	271	467	(196)
136	-	136	Nonoperating gains/(losses), net	991	(7)	998
1,395	36	1,359	Total nonoperating revenues, expenses, and gains/(losses)	5,692	2,077	3,615
\$4,286	\$459	\$3,827	Increase in net position	\$4,590	\$7,214	(\$2,624)

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

Actual Month Ended March 31, 2019	Static Budget Month Ended March 31, 2019	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Static Budget Six Months Ended March 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$57,168	\$56,552	\$616	Net patient service revenue, before provision for bad debts	\$313,613	\$320,983	(\$7,370)
(8,519)	(8,485)	(34)	Provision for bad debts	(47,169)	(47,971)	802
48,649	48,067	582	Net patient service revenue	266,444	273,012	(6,568)
511	511	-	Ad valorem taxes	3,065	3,065	-
2,412	2,224	188	Other revenue, including investment income/(losses), net	12,731	13,254	(523)
51,572	50,802	770	Total operating revenues	282,240	289,331	(7,091)
			Operating expenses:			
23,982	24,908	926	Salaries and benefits	141,337	144,991	3,654
8,191	6,905	(1,286)	Purchased services	45,907	40,923	(4,984)
8,791	8,904	113	Supplies	51,000	51,311	311
2,235	2,187	(48)	Depreciation and amortization	13,541	13,290	(251)
1,637	1,610	(27)	Interest	9,717	9,660	(57)
525	530	5	Ad valorem tax related expenses	3,145	3,175	30
766	716	(50)	Leases and rentals	4,555	4,283	(272)
2,554	2,383	(171)	Other	14,140	14,290	150
48,681	48,143	(538)	Total operating expenses	283,342	281,923	(1,419)
2,891	2,659	232	Excess (deficiency) of operating revenues over expenses	(1,102)	7,408	(8,510)
			Nonoperating revenues, expenses, and gains/(losses):			
2,501	801	1,700	Realized investment income/(losses)	6,987	4,808	2,179
(1,288)	-	(1,288)	Unrealized investment income/(losses)	(2,557)	-	(2,557)
46	59	(13)	Donation revenue	271	353	(82)
136	21	115	Nonoperating gains/(losses), net	991	129	862
1,395	881	514	Total nonoperating revenues, expenses, and gains/(losses)	5,692	5,290	402
\$4,286	\$3,540	\$746	Increase in net position	\$4,590	\$12,698	(\$8,108)

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

Actual Month Ended March 31, 2019	Static Budget Month Ended March 31, 2019	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Static Budget Six Months Ended March 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$52,987	\$52,716	\$271	Net patient service revenue, before provision for bad debts	\$290,309	\$298,554	(\$8,245)
(8,319)	(8,399)	80	Provision for bad debts	(46,692)	(47,466)	774
44,668	44,317	351	Net patient service revenue	243,617	251,088	(7,471)
511	511	-	Ad valorem taxes	3,065	3,065	-
1,705	1,452	253	Other revenue	9,284	8,622	662
46,884	46,280	604	Total operating revenues	255,966	262,775	(6,809)
			Operating expenses:			
21,951	22,696	745	Salaries and benefits	129,721	132,224	2,503
6,808	5,785	(1,023)	Purchased services	38,225	34,337	(3,888)
8,537	8,705	168	Supplies	49,739	50,147	408
2,101	2,055	(46)	Depreciation and amortization	12,743	12,502	(241)
1,627	1,610	(17)	Interest	9,660	9,660	-
525	530	5	Ad valorem tax related expenses	3,145	3,175	30
580	537	(43)	Leases and rentals	3,452	3,225	(227)
2,340	2,131	(209)	Other	12,875	12,789	(86)
44,469	44,049	(420)	Total operating expenses	259,560	258,059	(1,501)
2,415	2,231	184	Excess (deficiency) of operating revenues over expenses	(3,594)	4,716	(8,310)
			Nonoperating revenues, expenses, and gains/(losses):			
489	568	(79)	Realized investment income/(losses)	3,232	3,408	(176)
558	-	558	Unrealized investment income/(losses)	1,790	-	1,790
25	-	25	Donation revenue	42	-	42
136	21	115	Nonoperating gains/(losses), net	991	129	862
1,208	589	619	Total nonoperating revenues, expenses, and gains/(losses)	6,055	3,537	2,518
\$3,623	\$2,820	\$803	Increase in net position	\$2,461	\$8,253	(\$5,792)

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

Actual Month Ended March 31, 2018		Actual Month Ended March 31, 2019		Static Budget Month Ended March 31, 2019			Actual Six Months Ended March 31, 2018		Actual Six Months Ended March 31, 2019		Static Budget Six Months Ended March 31, 2019	
\$178,055	100.00%	\$180,147	100.00%	\$188,316	100.00%	Gross charges	\$995,407	100.00%	\$1,020,851	100.00%	\$1,057,209	100.00%
(10,784)	-6.06%	(16,302)	-9.05%	(12,268)	-6.51%	Charity	(59,785)	-6.01%	(84,543)	-8.28%	(69,332)	-6.56%
(115,401)	-64.81%	(110,858)	-61.54%	(123,332)	-65.49%	Contractual adjustments	(645,725)	-64.87%	(645,999)	-63.28%	(689,323)	-65.20%
51,870	29.13%	52,987	29.41%	52,716	27.99%	Gross charges, before provision for bad debts	289,897	29.12%	290,309	28.44%	298,554	28.24%
(10,656)	-5.98%	(8,319)	-4.62%	(8,399)	-4.46%	Provision for bad debts	(50,698)	-5.09%	(46,692)	-4.57%	(47,466)	-4.49%
\$41,214	23.15%	\$44,668	24.80%	\$44,317	23.53%	Net patient service revenue	\$239,199	24.03%	\$243,617	23.86%	\$251,088	23.75%

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

Actual Month Ended March 31, 2019	Static Budget Month Ended March 31, 2019	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Static Budget Six Months Ended March 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$4,181	\$3,836	\$345	Net patient service revenue, before provision for bad debts	\$23,304	\$22,429	\$875
(200)	(86)	(114)	Provision for bad debts	(477)	(505)	28
3,981	3,750	231	Net patient service revenue	22,827	21,924	903
160	194	(34)	Other revenue	1,057	1,164	(107)
4,141	3,944	197	Total operating revenues	23,884	23,088	796
			Operating expenses:			
1,967	2,143	176	Salaries and benefits	11,210	12,359	1,149
1,343	1,078	(265)	Purchased services	7,432	6,338	(1,094)
254	198	(56)	Supplies	1,260	1,160	(100)
65	65	-	Depreciation and amortization	385	388	3
181	174	(7)	Leases and rentals	1,072	1,027	(45)
132	182	50	Other	985	1,082	97
3,942	3,840	(102)	Total operating expenses	22,344	22,354	10
199	104	95	Excess of operating revenues over expenses	1,540	734	806
			Nonoperating revenues, expenses, and gains/(losses):			
2,012	233	1,779	Realized investment income/(losses)	3,755	1,400	2,355
(1,846)	-	(1,846)	Unrealized investment income/(losses)	(4,347)	-	(4,347)
21	59	(38)	Donation revenue	229	353	(124)
187	292	(105)	Total nonoperating revenues, expenses, and gains/(losses)	(363)	1,753	(2,116)
386	\$396	(\$10)	Increase in net position	\$1,177	\$2,487	(\$1,310)

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

Actual Month Ended March 31, 2019	Static Budget Month Ended March 31, 2019	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Static Budget Six Months Ended March 31, 2019	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	-	-	-
373	362	11	Other revenue	2,249	2,174	75
373	362	11	Total operating revenues	2,249	2,174	75
			Operating expenses:			
52	59	7	Salaries and benefits	342	345	3
40	38	(2)	Purchased services	246	226	(20)
-	1	1	Supplies	1	4	3
69	67	(2)	Depreciation and amortization	413	400	(13)
10	-	(10)	Interest	57	-	(57)
5	5	-	Leases and rentals	31	31	-
-	3	3	Other	3	16	13
176	173	(3)	Total operating expenses	1,093	1,022	(71)
197	189	8	Excess of operating revenues over expenses	1,156	1,152	4
			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)	-	-	-
\$197	\$189	\$8	Increase in net position	\$1,156	\$1,152	\$4

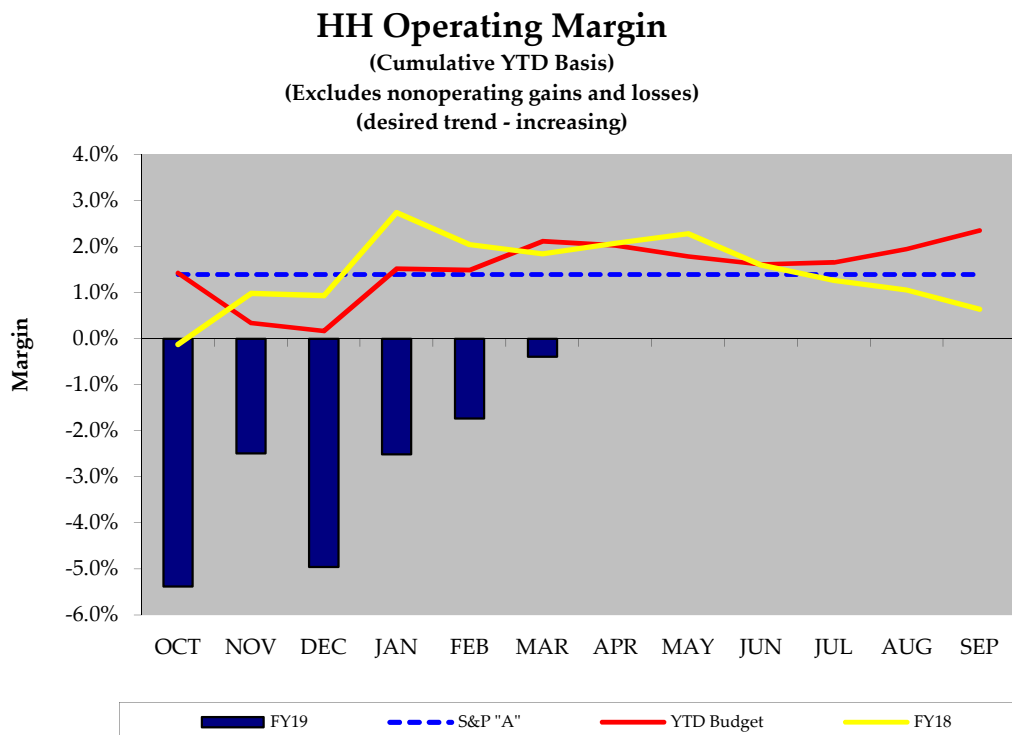
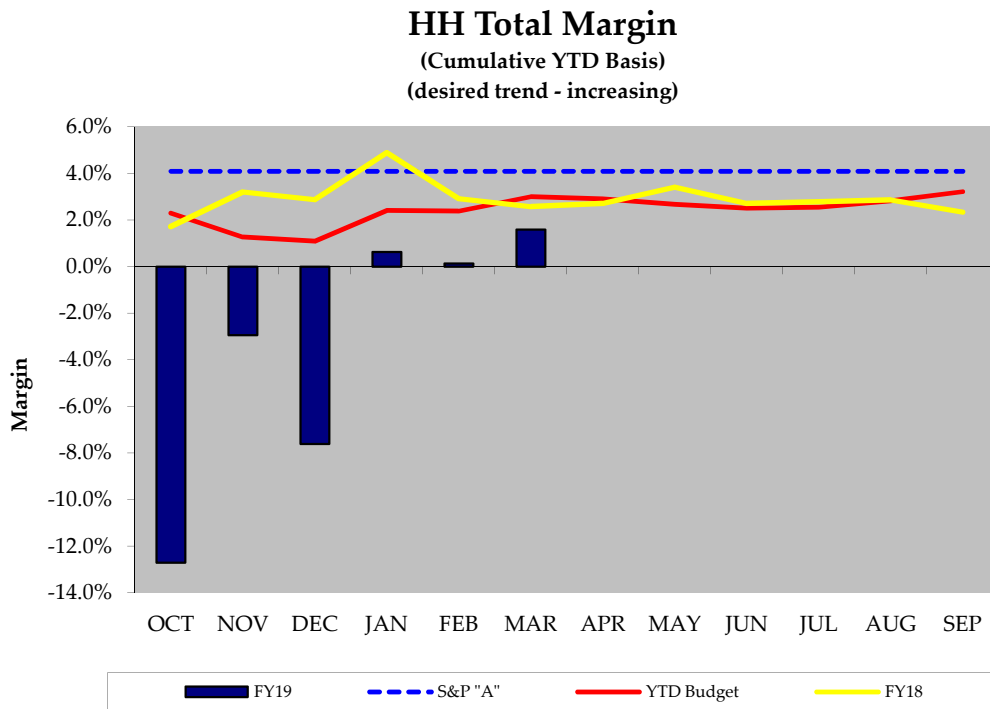
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2019	Static Budget Month Ended March 31, 2019	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Static Budget Six Months Ended March 31, 2019	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	-	-	-
275	127	148	Realized investment income/(losses)	1,699	760	939
(285)	-	(285)	Unrealized investment income/(losses)	(2,175)	-	(2,175)
184	89	95	Donation revenue	617	534	83
-	-	-	Other revenue	-	-	-
174	216	(42)	Total operating revenues	141	1,294	(1,153)
			Operating expenses:			
12	10	(2)	Salaries and benefits	64	63	(1)
-	4	4	Purchased services	4	22	18
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
82	67	(15)	Other	277	403	126
94	81	(13)	Total operating expenses	345	488	143
\$80	\$135	(\$55)	Increase (decrease) in net position	(\$204)	\$806	(\$1,010)

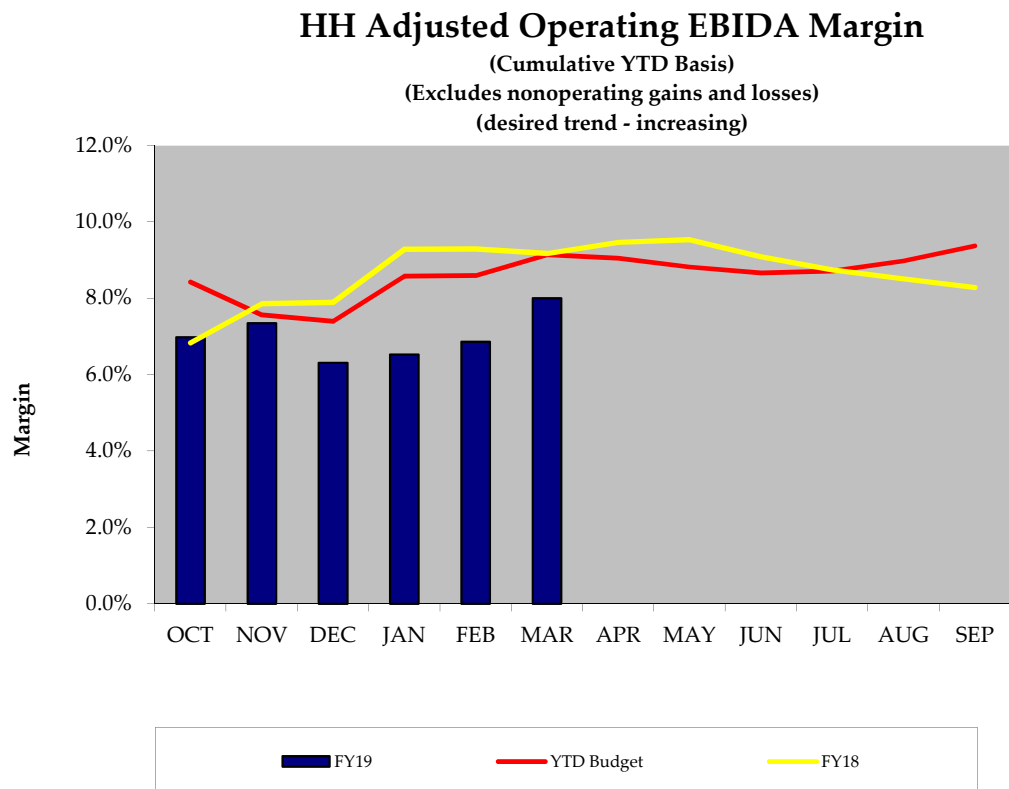
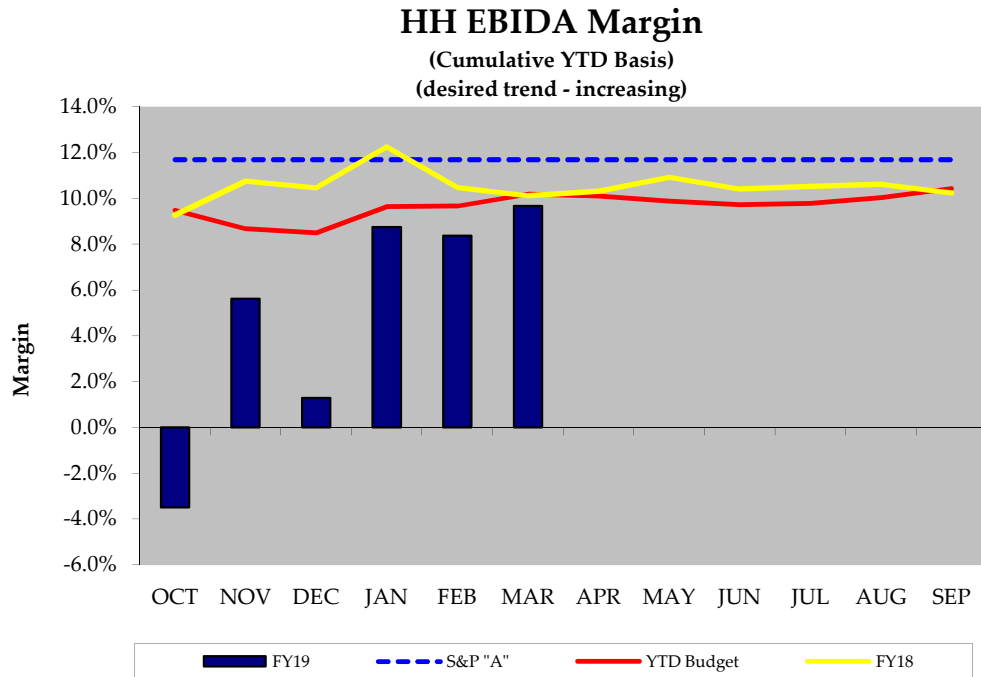
Halifax Health Medical Center (Obligated Group)
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended March 31, 2019	Static Budget Month Ended March 31, 2019	Favorable (Unfavorable) Variance		Actual Six Months Ended March 31, 2019	Static Budget Six Months Ended March 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$52,987	\$52,716	\$271	Net patient service revenue, before provision for bad debts	\$290,309	\$298,554	(\$8,245)
(8,319)	(8,399)	80	Provision for bad debts	(46,692)	(47,466)	774
44,668	44,317	351	Net patient service revenue	243,617	251,088	(7,471)
511	511	-	Ad valorem taxes	3,065	3,065	-
1,705	1,452	253	Other revenue	9,284	8,622	662
46,884	46,280	604	Total operating revenues	255,966	262,775	(6,809)
			Operating expenses:			
21,951	22,696	745	Salaries and benefits	129,721	132,224	2,503
6,808	5,785	(1,023)	Purchased services	38,225	34,337	(3,888)
8,537	8,705	168	Supplies	49,739	50,147	408
2,101	2,055	(46)	Depreciation and amortization	12,743	12,502	(241)
1,627	1,610	(17)	Interest	9,660	9,660	-
525	530	5	Ad valorem tax related expenses	3,145	3,175	30
580	537	(43)	Leases and rentals	3,452	3,225	(227)
2,340	2,131	(209)	Other	12,875	12,789	(86)
44,469	44,049	(420)	Total operating expenses	259,560	258,059	(1,501)
2,415	2,231	184	Excess (deficiency) of operating revenues over expenses	(3,594)	4,716	(8,310)
			Nonoperating revenues, expenses, and gains/(losses):			
489	568	(79)	Realized investment income/(losses)	3,232	3,408	(176)
558	-	558	Unrealized investment income/(losses)	1,790	-	1,790
25	-	25	Donation revenue	42	-	42
663	720	(57)	Income (loss) from affiliates	2,129	4,445	(2,316)
136	21	115	Nonoperating gains/(losses), net	991	129	862
1,871	1,309	562	Total nonoperating revenues, expenses, and gains/(losses)	8,184	7,982	202
\$4,286	\$3,540	\$746	Increase in net position	\$4,590	\$12,698	(\$8,108)

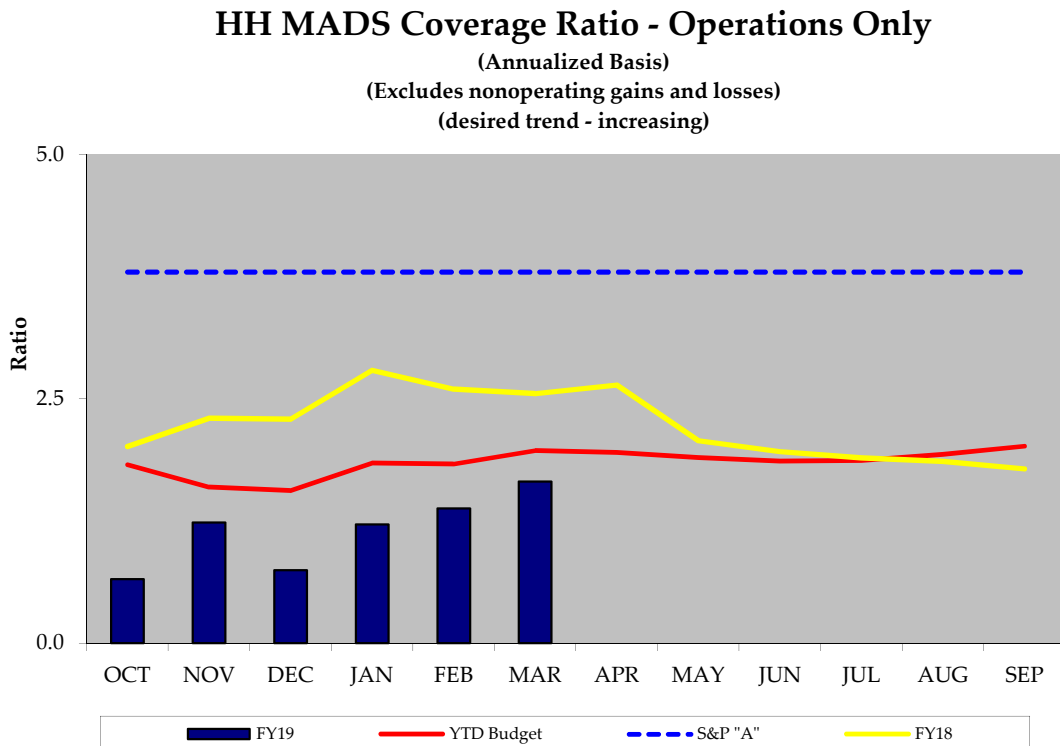
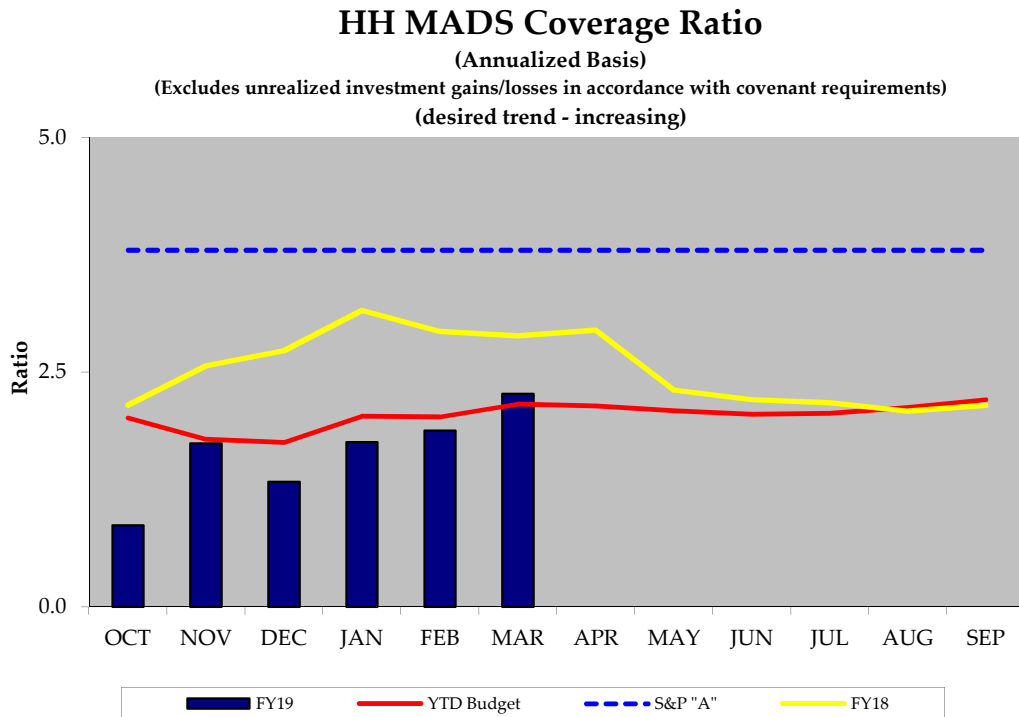
Halifax Health Financial Summary - Graphic



Halifax Health Financial Summary - Graphic

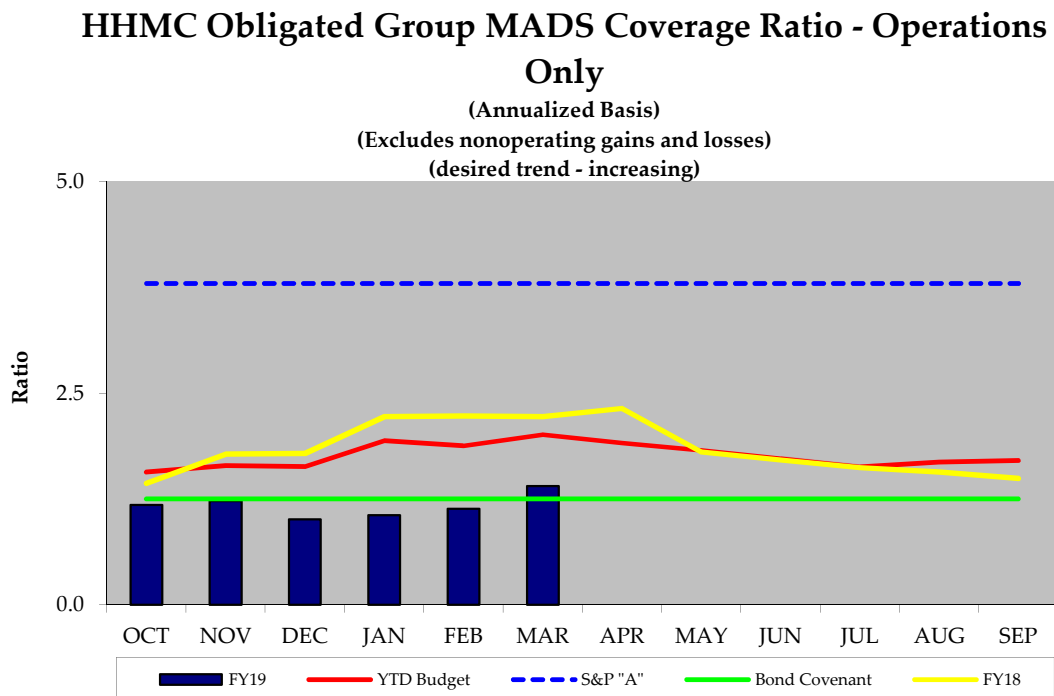
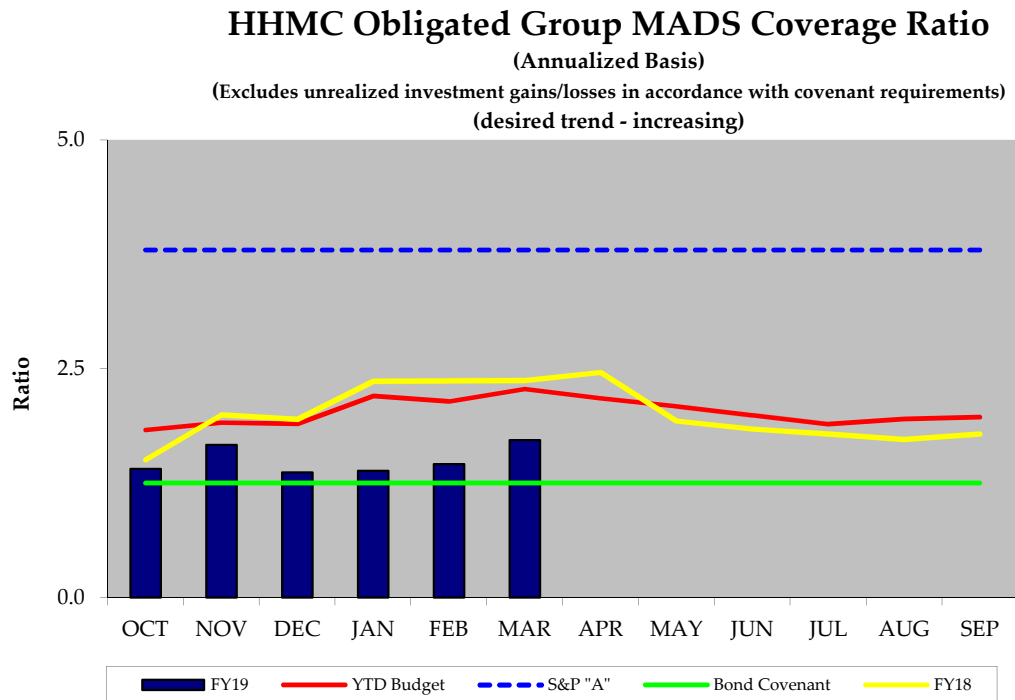


Halifax Health Financial Summary - Graphic



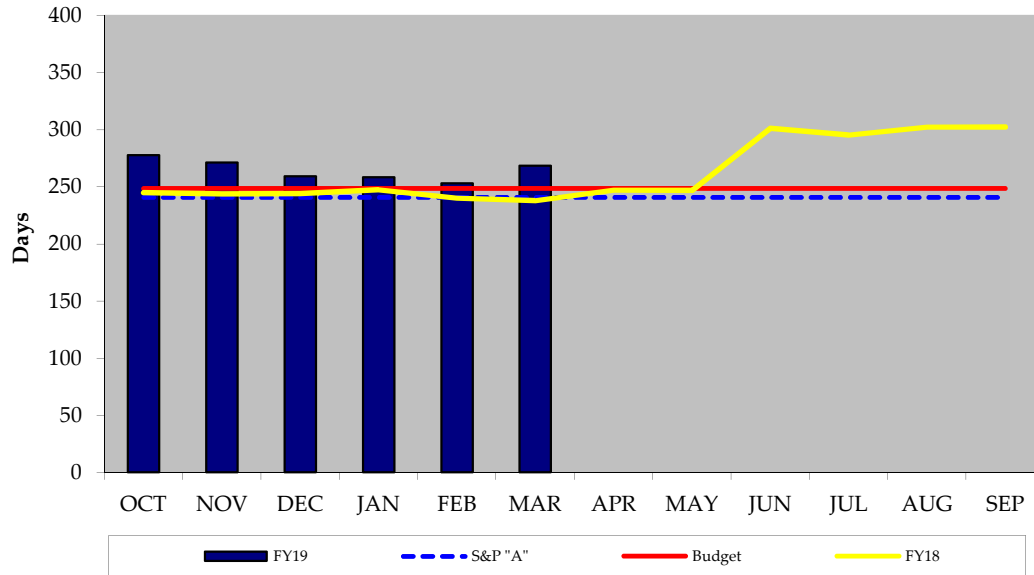
Halifax Health

Financial Summary - Graphic

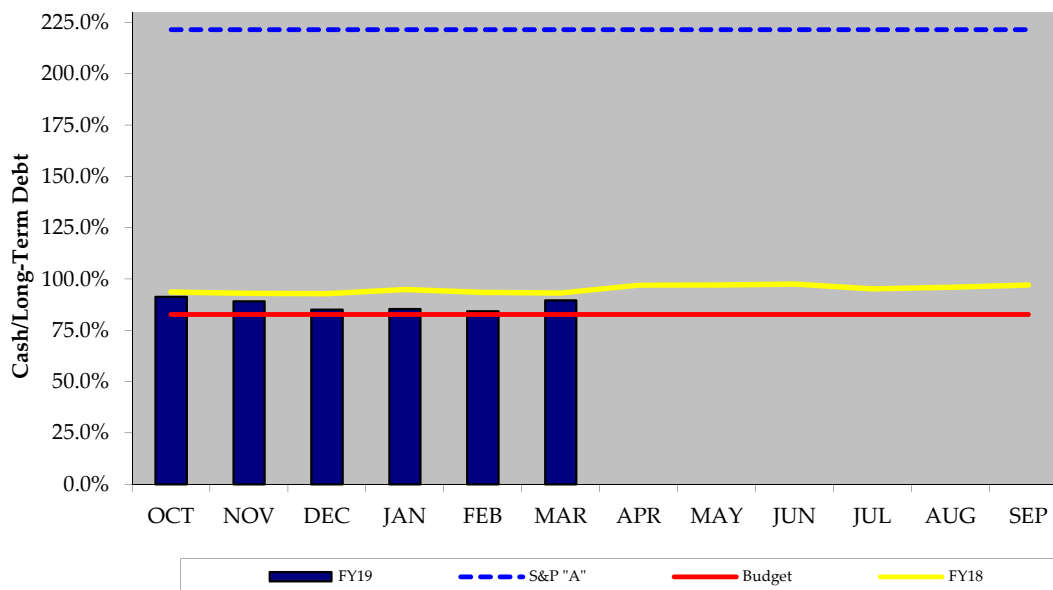


Halifax Health Financial Summary - Graphic

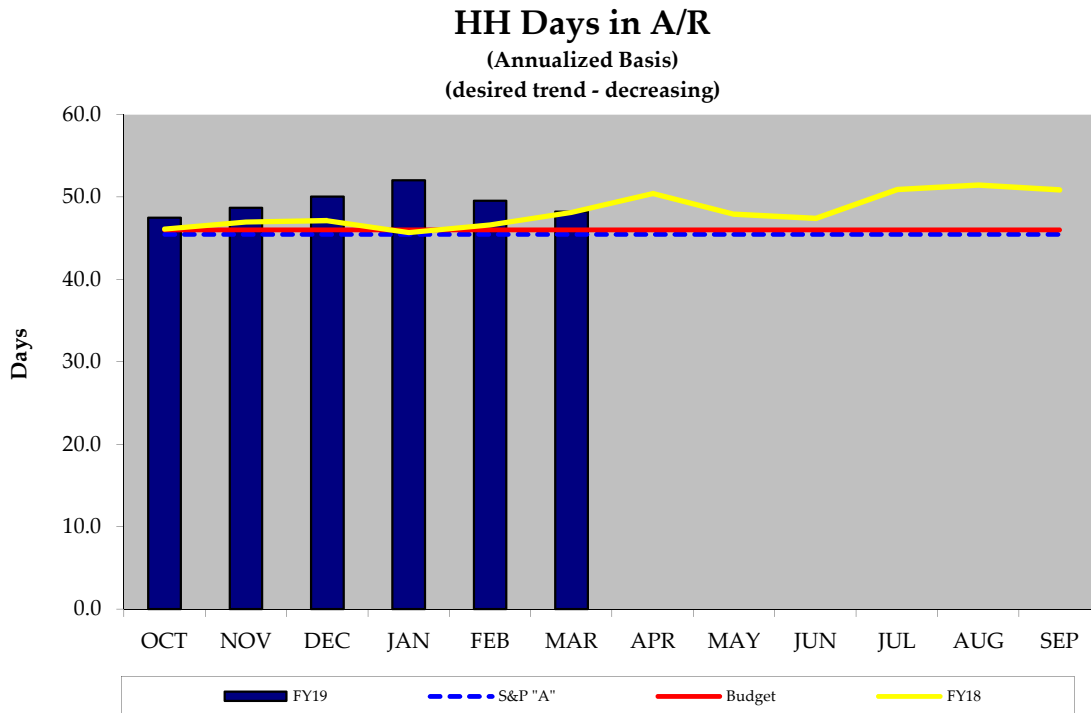
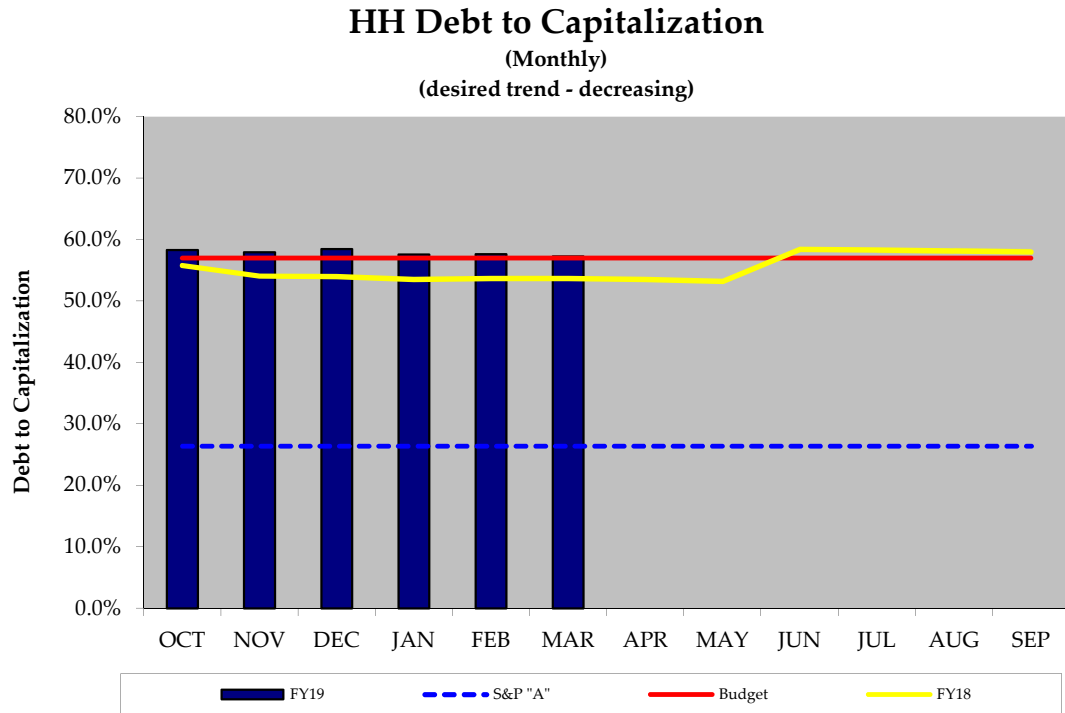
HH Days Cash on Hand
(Annualized Basis)
(desired trend - increasing)



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

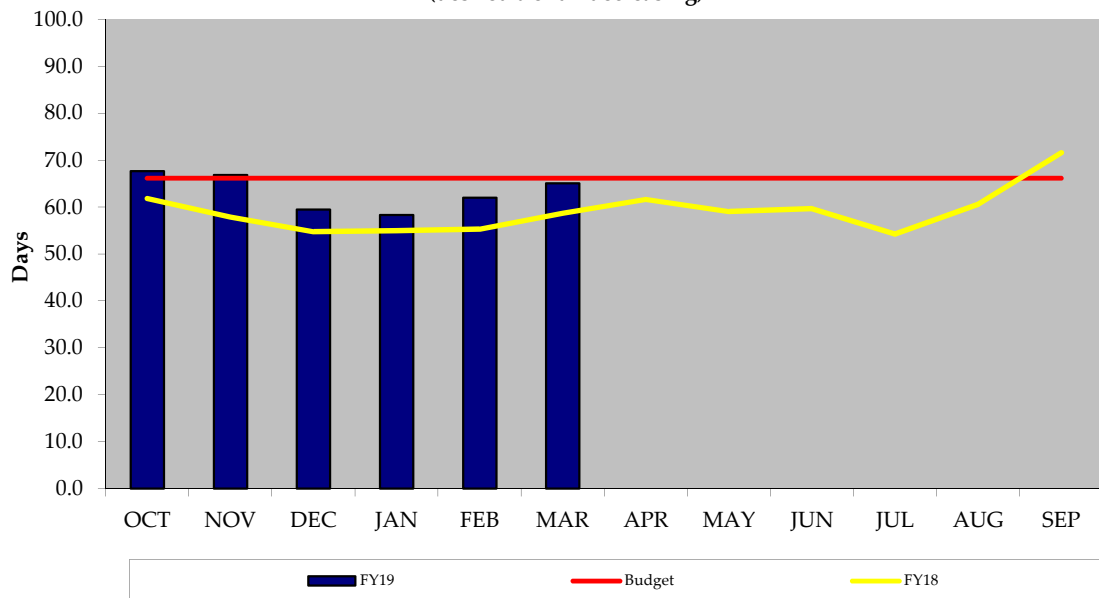


Halifax Health Financial Summary - Graphic

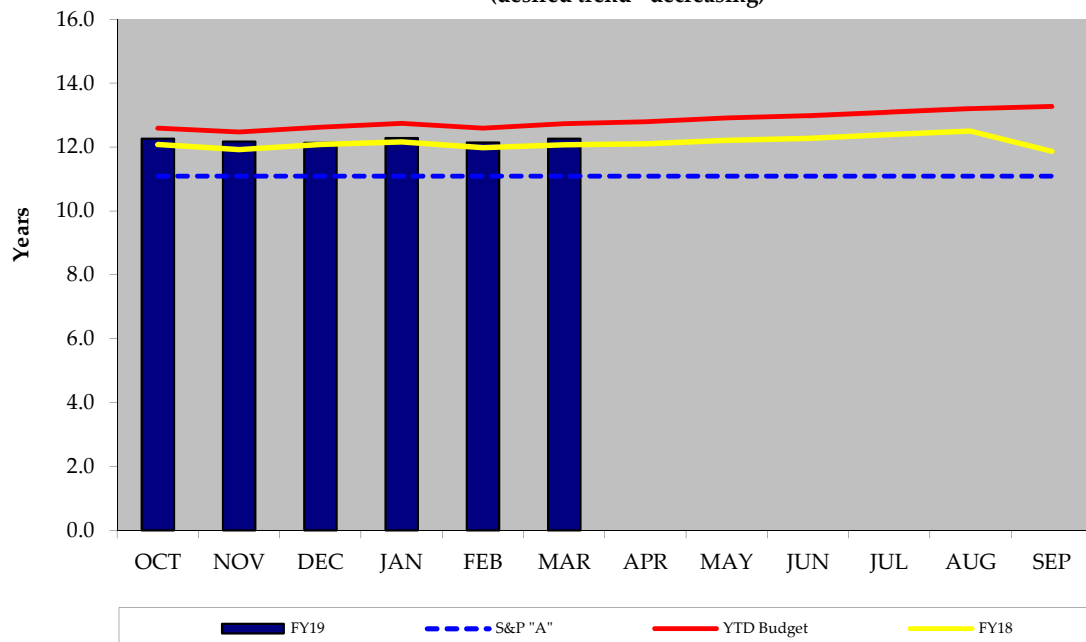


Halifax Health Financial Summary - Graphic

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 2019 Capital Investment Strategy
Executive Summary
As of March, 2019
(\$ in thousands)

Summary of Capital Approvals

FY 2019 Capital Budget	\$ 20,000
Projected funds available in excess of FY 2019 Capital Investment	(15,010)
FY 2019 Adjusted Capital Budget	<u>4,990</u>

FY 2019 Board of Commissioners approved projects	238
FY 2019 CIC approved projects, net of those subsequently approved by the Board	660
Approved capital projects	<u>898</u>

Available for new projects	\$ 4,093
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Project(s) proposed for Board of Commissioners approval:	
Hospice WVCC Wind Shutters	237

Available Capital if Proposed Projects are Approved	<u><u>\$ 3,856</u></u>
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Halifax Health
FY 2019 Capital Investment Strategy
As of March, 2019
(\$ in thousands)

	Hospital Only	HH Holdings	HH Obligated Group	VHS/HMS	Foundation	Hospice	Total Halifax Health
Unrestricted Cash and Investments and days cash on hand							
Actual unrestricted Cash and Investments as of March31, 2019	\$ 173,400	\$ 103,877	\$ 277,276	\$ 2,604	\$ 39,352	\$ 78,463	\$ 397,695
Days cash on hand [S&P Calculation]	140.3		223.7			650.3	268.3
Days cash on hand including bad debt [Bond Compliance Calculation]	116.2		185.3			636.5	228.4
Projection of Cash Available for Capital Investment - FY 2019							
Actual unrestricted Cash and Investments as of March31, 2019	\$ 173,400	\$ 103,877	\$ 277,276	\$ 2,604	\$ 39,352	\$ 78,463	\$ 397,695
Budgeted Cash and Investments at September 30, 2019	165,807	94,126	259,933	724	36,202	65,164	362,023
Difference	7,593	9,751	17,344	1,880	3,150	13,299	35,672
Calculation of Cash from Operations Available for Capital Investment							
Gain from operations - budgeted FY 2019- Remaining	\$ (6,355)	\$ -	\$ (6,355)	\$ -	\$ -	\$ -	\$ (6,355)
GASB 68 pension accounting - budgeted FY 2019- Remaining	5,496	-	5,496	-	-	510	6,006
Depreciation expense - budgeted FY 2019- Remaining	11,851	379	12,229	386	-	389	13,004
Expected cash from operations- budgeted FY 2019- Remaining	10,992	379	11,370	386	-	899	12,656
Donations and nonoperating gains, net- budgeted FY 2019- Remaining	129	-	129	-	-	354	482
Investment gains- budgeted FY 2019- Remaining	\$ 1,058	\$ 2,350	\$ 3,407	\$ -	\$ -	\$ 1,400	\$ 4,807
Portion being made available for capital expenditures	100%	100%	100%	100%	100%	100%	100%
Pension Funding (paid Oct 2018)	-	-	-	-	-	-	-
Expected changes in working capital through September 30, 2019	843	-	843	-	-	-	843
Deltona capital expenditures to be funded by planned financing (\$105m+\$3.8m-\$63m)		(46,248)	(46,248)	-	-	-	(46,248)
FEMA reimbursement for capital projects	1,678		1,678	-	-	-	1,678
Principal payments on debt	(5,520)	-	(5,520)	-	-	-	(5,520)
Total expected cash and investments available for capital expenditures	(A) \$ 16,772	(A) \$ (33,769)	(A) \$ (16,997)	(A) \$ 2,266	(A) \$ 3,150	(A) \$ 15,951	(A) \$ 4,370
Projected Capital Investments FY 2019							
Capital projects approved in FY 2018 and prior	\$ 11,380	\$ -	\$ 11,380	\$ -	\$ -	\$ -	\$ 11,380
FY2019 capital budget	19,700	-	19,700	-	-	300	20,000
Estimated carryover of approved projects to FY 2020	(12,000)	-	(12,000)	-	-	-	(12,000)
Projected capital expenditures	(B) 19,080	(B) -	(B) 19,080	(B) -	(B) -	(B) 300	(B) 19,380
Projected funds available in excess of capital expenditures	(A)-(B) \$ (2,308)	(A)-(B) \$ (33,769)	(A)-(B) \$ (36,077)	(A)-(B) \$ 2,266	(A)-(B) \$ 3,150	(A)-(B) \$ 15,651	(A)-(B) \$ (15,010)
Summary of Capital Approvals							
FY 2019 Capital Budget	\$ 19,700	\$ -	\$ 19,700	\$ -	\$ -	\$ 300	\$ 20,000
Projected funds available in excess of FY 2019 Capital Investment	(2,308)	(33,769)	(36,077)	2,266	3,150	15,651	(15,010)
FY 2019 Adjusted Capital Budget	(C) 17,392	(C) (33,769)	(C) (16,377)	(C) 2,266	(C) 3,150	(C) 15,951	(C) 4,990
FY 2019 Board of Commissioners approved projects	238	-	238	-	-	-	238
FY 2019 CIC approved projects, net of those subsequently approved by the Board	660	-	660	-	-	-	660
Approved capital projects	(D) 898	(D) -	(D) 898	(D) -	(D) -	(D) -	(D) 898
Available for new projects	(C)-(D) \$ 16,494	(C)-(D) \$ (33,769)	(C)-(D) \$ (17,275)	(C)-(D) \$ 2,266	(C)-(D) \$ 3,150	(C)-(D) \$ 15,951	(C)-(D) \$ 4,093
Project(s) proposed for Board of Commissioners approval: Hospice WVCC Wind Shutters	-	-	-	-	-	237	237
Available Capital if Proposed Projects are Approved	\$ -	\$ (33,769)	\$ (17,275)	\$ 2,266	\$ 3,150	\$ 15,715	\$ 3,856

Halifax Health
FY 2019 Capital Budget
(in Thousands)

		(A)	(B)	(A) + (B)
		FY 19 Capital Budget	FY 19 Approvals	Remaining Balance
Item	Information Technology			
1	Laptop/Desktop Refresh	\$ 600	\$ -	\$ 600
2	IT Internal Resource Capitalization	500		500
3	IT Enterprise Projects	500		500
4	NAS Hardware Replacement	400		400
5	PBX Room Decommission	400		400
6	WOW Replacements	200		200
7	Security Camera Upgrade to IP	150		150
8	Wireless Upgrade	150		150
9	Enterprise Infrastructure	100	(9)	91
	Total Information Technology	\$ 3,000	\$ (9)	\$ 2,991
Item	Medical Equipment			
10	Siemens Nexaris Angio/CT Oncology Suite Project	\$ 2,500	\$ -	\$ 2,500
11	Echo Cart Replacement (2)	470		470
12	Ventilators (15)	446		446
13	Patient Monitors (6)	350		350
14	EP Ablation System & Mapping Upgrade	350		350
15	Epiphany EKG Data Management System Upgrade	350		350
16	Baxter Pumps (100)	302		302
17	Critical Care Beds (16)	259		259
18	Med/Surg Beds (27)	162		162
19	Portable X-Ray System (1)	160	(139)	21
20	Diagnostic Ultrasound Unit Replacement HHPO (1)	148		148
21	Ultrasound Machine (1)	140		140
22	Medical Equipment Emergency Purchases over \$100,000	1,000		1,000
23	Medical Equipment Projects under \$100,000	1,338	(357)	981
	Total Medical Equipment	\$ 7,975	\$ (496)	\$ 7,479
Item	Infrastructure/Facilities			
24	T-Zone AHU Replacement	\$ 1,250	\$ -	\$ 1,250
25	Humidifiers	700		700
26	500 Ton Chiller	600		600
27	AHU D Replacement	300		300
28	South Machine Room Heat Exchanger Replacement	175		175
29	Infrastructure Emergency Purchases over \$100,000	1,000		1,000
30	Infrastructure Projects under \$100,000	1,000	(143)	857
	Total Infrastructure/Facilities	\$ 5,025	\$ (143)	\$ 4,882
Item	Hospice Capital Expenditures			
31	Hospice Capital	\$ 300	\$ (249)	\$ 51
	Total Hospice Capital Expenditures	\$ 300	\$ (249)	\$ 51
Item	Other			
32	Service Expansion	\$ 3,700	\$ -	\$ 3,700
	Total Other	\$ 3,700	\$ -	\$ 3,700
	Total HH Capital Expenditures	\$ 20,000	\$ (896)	\$ 19,104

Halifax Health
FY 2019 and Prior Approved Capital Projects and Expenditures
As of March, 2019
(\$ in thousands)

	Total Carryover and Approved	Spent During FY 2019	HMC Remaining to be Spent
Capital funds required for projects approved in FY 2018 and prior			
Data Center Construction	\$ 1,959	\$ 3	\$ 1,962
Vendor Neutral Archive (VNA) for Enterprise Imaging	1,474	(384)	1,090
ROC Renovation	1,380	(747)	633
CT Scanner - Radiation Oncology	517	-	517
Roof Replacement, Building B	505	-	505
Pediatric Telemetry Monitors	429	(393)	36
Wound Therapy Units (x13)	358	(338)	19
Security Camera System	349	-	349
Meditech Upgrade	328	(328)	-
Fan Coil Units (FCUs) Connection to Emergency Generator at HHPO	300	(18)	282
GI Lab Relocation	245	(120)	125
Echo Cart (Ultrasound) with TEE Probe	222	-	222
IV Pumps	202	-	202
Professional Development Renovation-3rd Floor Fountain Building	196	(89)	107
Storage for Servers & Applications for Parrish	188	(180)	8
Port Orange Equipment Refresh	180	-	180
Fairwarning Patient Privacy System	156	-	156
Cath Lab Renovation	146	(130)	16
OB Headwalls (x11) Upgrade-2nd Floor Fountain Building	129	(112)	17
Desktops (Qty 650) & Laptops (Qty 75)	123	(123)	-
Audio Visual Equipment France Tower Rooms A-G & Auditorium	105	(56)	48
HEAT & Service Support Licenses for Parrish	94	(38)	56
Subtotal of approved items less than \$100k	1,891	(866)	1,025
Total Capital funds required for projects approved in FY 2018 and prior	\$ 11,380	\$ (3,881)	\$ 7,499
FY2019 Board Approved Capital Projects			
Diagnostic Ultrasound for HHPO	\$ 147	\$ (104)	\$ 44
Renovation of Suite 210 in the 201 Building	91	(40)	51
Total FY 2019 Board Approved Capital Projects	\$ 238	\$ (144)	\$ 94
FY 2019 Other Approved Capital Projects			
Mobile X-Ray System	\$ 139	\$ (138)	\$ 0
Renal Replacement Therapy Equipment (Prismaflex)	92	-	92
Chillers for MRI (Air SYS)	50	-	50
Work Benches and Refrigerator for ROC Pharmacy	49	(46)	3
CPUs (Qty 2) for EP Labs #2 & #6	45	-	45
CT Console	40	-	40
Skull Clamp	26	-	26
Surgical Light for TLSC	22	(19)	2
Headlights (x6) for OR & CVOR	19	(18)	1
Radiology Reading Monitors (Qty 2)	19	-	19
Radiology Reading Monitors (Qty 2)	19	-	19
Rooftop Units (x3) for HBS	17	-	17
BIS Monitors (Qty 8)	17	(17)	-
Insufflators (x5)	15	(15)	(0)
Visitor Badging System	14	(14)	0
Office Remodel & Desk for Director's Office	8	(8)	(1)
MD APP Software	8	(8)	-
Hysteroscope	7	(8)	(0)
Bow Frame for Spinal Procedures	7	-	7
Light Poles (Qty 2) for Hospice POCC	5	(5)	0
Conveyor Oven for France Tower Café	5	(5)	0
Wipe Test Counter	5	(5)	-
Access Control for POCC & WVCC Medication Rooms	4	(4)	0
Analyzer for Chemistry Lab (iStat)	4	(4)	-
Bronchoscope Monitors (Qty 2)	4	(4)	(0)
Surgical Stools (Qty 2)	4	-	4
Instrument Holder for Mini Valve Procedures	4	(4)	(0)
Subtotal of approved items less than \$50k	429	(189)	241
Total FY 2019 Other Approved Capital Projects	\$ 660	\$ (327)	\$ 333
Projects proposed for Board of Commissioners approval			
Hospice WVCC Wind Shutters	\$ 237	\$ -	\$ 237
Total Project(s) proposed for Board approval	\$ 237	\$ -	\$ 237

CAPITAL EXPENDITURES & OPERATING LEASES
Audit & Finance Committee

Capital Expenditures \$50,000 and over

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
West Volusia Care Center Wind Retrofit	Halifax Health Hospice	Working Capital; 75% to be reimbursed by FEMA	\$236,667

Operating Leases \$250,000 and over

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Mary Jo Allen, VP Post Acute Care Services and Executive Director-Halifax Health Hospice
DATE: April 15, 2019
RE: West Volusia Care Center Wind Retrofit

Halifax Health Hospice is requesting funds for the West Volusia Care Center Wind Retrofit Project. The purchase includes ninety (90) motorized roll-down shutters which will harden the care center in preparation for wind events.

This is a cost-reimbursement contract for which quarterly requests for payment will be submitted throughout the project process. Per contract, FEMA will reimburse seventy-five percent of the costs, totaling \$177,500.

The project was approved for Capital Investment Committee bypass on April 15, 2019, due to the time-sensitive nature of the agreement.

TOTAL CAPITAL COSTS \$236,667



Halifax Health Project Evaluation

WVCC Wind Retrofit

Chief Financial Officer
Executive Director, Hospice
Director, Hospice
Financial Analysis

Eric Peburn
Mary Jo Allen
Benjamin Eby
Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of 90 motorized roll-down shutters for the West Volusia Care Center to help harden the center in preparation of wind events.

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

Investment Request for Approval \$236,667

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

**Halifax Health
Capital Disposals
FEBRUARY / MARCH 2019**

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
MARCH 2019						
IV PUMPS						
55441	IV PUMP	SPD	12/31/06	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
555xx	IV PUMPS (39)	SPD	11/29/06	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	31-39,41-43,45-49,62-64,66-79,90-93,95					
562xx	IV PUMPS (13)	SPD	11/29/06	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	56287-99					
563xx	IV PUMPS (15)	SPD	11/29/06	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	00-08,10-12,14-16					
573xx	IV PUMPS (38)	SPD	06/30/09	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	31-36,38-50,73,74,76,78-85,87-90,96-99					
574xx	IV PUMPS (28)	SPD	06/30/09	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	00-07,09-21,23,25-30					
579xx	IV PUMPS (10)	SPD	06/30/09	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	21,23-26-31					
581xx	IV PUMPS (9)	SPD	06/30/09	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	91-99					
582xx	IV PUMPS (7)	SPD	06/30/09	DOES NOT MEET INDUSTRY STANDARDS FOR MEDICATION DISPENSING		
	00-07					
Total	IV PUMPS (160 total)			TOTAL PUMPS	344,123.66	4,453.77
OTHER						
60801-60804	LENOVA YOGA TABLET TP S100 15-4300U	IT	03/26/15	DAMAGED /IRREPARABLE	5,702.40	760.32
576xx	RECLINERS (23)					
	31-35,37-40,45-46,48-49,51,54-55,58-60,62-65	7 NORTH	06/30/09	DAMAGED /IRREPARABLE	32,775.00	-
581xx	SOFABED (10)					
	43,45,47,49,55,58,59,64,70,58208	7 NORTH	06/30/09	DAMAGED /IRREPARABLE	16,638.93	-
58208	SOFABED	7 NORTH	06/30/09	DAMAGED /IRREPARABLE	1,848.77	-
61410	HANDHELD SCANNER	STERILE PROCESSING	03/15/16	DAMAGED /IRREPARABLE	1,280.16	533.37
61411	HANDHELD SCANNER	STERILE PROCESSING	03/15/16	DAMAGED /IRREPARABLE	1,280.16	533.37
55447	WASTE CANISTER	OR	01/17/07	SYSTEM UPGRADE	5,200.00	-
55361	VIDEO PROCESSOR	GI LAB	08/21/06	REMOVED FROM SERVICE/OBSELETE	11,594.00	-
55362	CV-180 LIGHT SOURCE	GI LAB	08/21/06	REMOVED FROM SERVICE/OBSELETE	6,561.25	-
42356	SLUSH MACHINE	OR	11/26/91	DAMAGED /IRREPARABLE	3,855.00	-
47813	NURSECALL CONSOLE	OR	01/13/97	REPLACED WITH NEW SYSTEM	1,276.00	-
59126	CALL MANAGEMENT	OR	02/01/11	REPLACED WITH NEW SYSTEM	8,451.86	-
51028	INSTRUMENT LEG TRAY	CVOR	10/01/99	POOR CONDITION	1,804.04	-
70542-70547	MICROS CASH REGISTER (6)	DIETARY	03/18/14	OBSELETE/PARTS NO LONGER AVAILABLE	24,470.94	-
45282	LASER YAG	MASONOVA WAREHOUSE	01/07/94	DAMAGED /IRREPARABLE	26,963.43	-
600029	TRAVISCOBRA RETIREE PREMIUM BILLING	VHN	08/01/97	OBSELETE/DIFFERENT SOFTWARE BEING USED	2,295.00	-
600032	TRAVIS SW RBILL	VHN	12/31/03	OBSELETE/DIFFERENT SOFTWARE BEING USED	1,595.00	-
60200	MACLAB HEMODYNAMIC SYSTEM	RADIOLOGY	04/10/13	REPLACED TO ADDRESS IT SECURITY RISKS	188,771.00	-
				TOTAL OTHER	342,362.94	1,827.06
MARCH DISPOSALS					\$ 686,486.60	\$ 6,280.83
FEBRUARY 2019						
70550	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70551	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70552	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70553	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70554	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70555	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70556	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70557	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70558	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
70559	ERGOTRON CARTS	MEDICAL INFORMATICS	06/19/12	UPGRADED TO JACO CARTS - CAN BE USED BUT NOT AT HH FACILITY	3,695.00	-
56382	UNIVERSAL LAPAROSCOPY TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	4,543.17	-
56465	OSTEOTOMY EXTRAS TRAY	PORT ORANGE OR	04/25/07	OBSELETE/DAMAGED - CANNOT BE USED	5,318.00	-
56510	SMALL ORTHO TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	1,481.64	-
56642	GENERIC NASAL TRAY	PORT ORANGE OR	06/13/07	OBSELETE/DAMAGED - CANNOT BE USED	2,137.70	-
56071	MAJOR LAP TRAY	PORT ORANGE OR	12/22/06	OBSELETE/DAMAGED - CANNOT BE USED	1,231.14	-
56074	MAJOR CV TRAY	PORT ORANGE OR	11/22/06	OBSELETE/DAMAGED - CANNOT BE USED	1,526.44	-
56095	GYN/LAPAROSCOPY TRAY	PORT ORANGE OR	03/01/07	OBSELETE/DAMAGED - CANNOT BE USED	4,384.12	-
56096	GYN/LAPAROSCOPY TRAY	PORT ORANGE OR	03/01/07	OBSELETE/DAMAGED - CANNOT BE USED	4,384.11	-
56318	FOOT TRAY	PORT ORANGE OR	04/25/07	OBSELETE/DAMAGED - CANNOT BE USED	1,341.99	-
56372	TAH TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	1,972.26	-
56373	MINOR LAP TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	1,253.66	-
56374	BASIC PLASTIC TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	2,123.22	-
56375	LAR TRAY #1	PORT ORANGE OR	05/31/07	OBSELETE/DAMAGED - CANNOT BE USED	1,350.07	-
56377	LONG LAPAROSCOPY TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	3,345.89	-
56378	VAG HYST TRAY	PORT ORANGE OR	05/31/07	OBSELETE/DAMAGED - CANNOT BE USED	1,361.25	-
56379	PACEMAKER TRAY	PORT ORANGE OR	05/31/07	OBSELETE/DAMAGED - CANNOT BE USED	1,503.63	-
56381	MAJOR LAP TRAY	PORT ORANGE OR	05/29/07	OBSELETE/DAMAGED - CANNOT BE USED	3,810.82	-
55790	RIB INSTRUMENT TRAY	PORT ORANGE OR	11/30/06	OBSELETE/DAMAGED - CANNOT BE USED	1,145.51	-
55791	ORTHO TRAY	PORT ORANGE OR	12/06/06	OBSELETE/DAMAGED - CANNOT BE USED	1,566.94	-
55794	SMALL ORTHO TRAY	PORT ORANGE OR	12/05/06	OBSELETE/DAMAGED - CANNOT BE USED	1,287.29	-
55795	MINOR LAP TRAY	PORT ORANGE OR	11/30/06	OBSELETE/DAMAGED - CANNOT BE USED	2,257.55	-
55797	PERIPHERAL VASCULAR TRAY	PORT ORANGE OR	12/06/06	OBSELETE/DAMAGED - CANNOT BE USED	1,490.37	-
55550	TAH TRAY	PORT ORANGE OR	11/30/06	OBSELETE/DAMAGED - CANNOT BE USED	1,087.76	-
48736	ACUFEX GRASPER SET	PORT ORANGE OR	11/28/94	OBSELETE/DAMAGED - CANNOT BE USED	10,410.75	-
48619	D&C SET	PORT ORANGE OR	11/28/94	OBSELETE/DAMAGED - CANNOT BE USED	3,379.68	-
48631	RECTAL TRAY	PORT ORANGE OR	11/28/94	OBSELETE/DAMAGED - CANNOT BE USED	1,821.56	-
48010	THORA TRAY	MAIN OR	08/15/97	OBSELETE/DAMAGED - CANNOT BE USED	3,062.90	-
45941	TOTAL HIP TRAY #2	MAIN OR	04/29/94	OBSELETE/DAMAGED - CANNOT BE USED	2,458.10	-
45543	TOTAL KNEE TRAY	MAIN OR	03/04/94	OBSELETE/DAMAGED - CANNOT BE USED	2,906.57	-
50487	STRYKER ARTHROSCOPY INSTR SET	MAIN OR	05/11/98	OBSELETE/DAMAGED - CANNOT BE USED	1,545.98	-
50488	STRYKER ARTHROSCOPY INSTR SET	MAIN OR	05/11/98	OBSELETE/DAMAGED - CANNOT BE USED	1,545.98	-
50489	STRYKER ARTHROSCOPY INSTR SET	MAIN OR	05/11/98	OBSELETE/DAMAGED - CANNOT BE USED	1,545.98	-
48015	VAG HYSTER TRAY	MAIN OR	08/13/97	OBSELETE/DAMAGED - CANNOT BE USED	1,910.90	-
46002	UNIVERSAL LAP TRAY	MAIN OR	05/09/94	OBSELETE/DAMAGED - CANNOT BE USED	15,389.30	-
50848	TRAYNEURO MICRO	MAIN OR	06/29/99	OBSELETE/DAMAGED - CANNOT BE USED	9,283.60	-
54471	TRAY, LAPAROSCOPIC BARIATRICS	MAIN OR	10/13/04	OBSELETE/DAMAGED - CANNOT BE USED	9,930.68	-
47660	TOTAL HIP TRAY	MAIN OR	02/25/97	OBSELETE/DAMAGED - CANNOT BE USED	1,611.77	-
48018	TRAY TAH	MAIN OR	08/13/97	OBSELETE/DAMAGED - CANNOT BE USED	2,473.60	-
43085	TMJ INSTRUMENT	MAIN OR	04/23/92	OBSELETE/DAMAGED - CANNOT BE USED	7,461.60	-
48236	LEG TRAY	CVOR	10/27/97	OBSELETE/DAMAGED - CANNOT BE USED	1,558.21	-
48237	LEG TRAY	CVOR	10/27/97	OBSELETE/DAMAGED - CANNOT BE USED	1,558.21	-
48238	LEG TRAY	CVOR	10/27/97	OBSELETE/DAMAGED - CANNOT BE USED	1,558.21	-
51031	VALVE TRAY	CVOR	10/01/99	OBSELETE/DAMAGED - CANNOT BE USED	5,099.10	-
55989	THORACOTOMY TRAY	PORT ORANGE OR	11/30/06	OBSELETE/DAMAGED - CANNOT BE USED	2,456.00	-
53287	CONVEYOR OVEN	DIETARY	04/01/11	OBSELETE/DAMAGED - CANNOT BE USED	6,453.14	1,402.86
57025	REDUNDANT POWER SUPPLY (12)	IT	06/30/09	OBSELETE FOR HH - CAN BE USED OUTSIDE HH FACILITY	61,879.50	-
					\$ 246,155.85	\$ 1,402.86
TOTAL DISPOSALS					\$ 932,642.45	\$ 7,683.69

Halifax Health Audit & Finance Committee

Request Tracker/Checklist

Meeting Date	Request	Projected Timeline	Frequency of Future Updates/Reports	Completed (Y/N)	Other
2/27/2019	Observation versus Admissions Presentation (efforts/results)	September 4, 2019	One Time Request		
5/2/2018	Data Center Construction Project	TBD	Bring Back as Needed/With Updates		\$2,000,000 (\$1.5 million FEMA covered, if approved)
10/31/2018	Provide Trends Related to Revenue	January 9, 2019 Meeting	One Time Request	Y	Moved to 2/27/19 Meeting
	Develop/Draft Written Procedure for Reviewing Physician Payments	TBD	One Time Request	Y	
8/29/2018	High Level Snapshot of Revenue Cycle Presentation	February 27, 2019 Meeting	One Time Request	Y	

**Halifax Health
Calendar for Board of Commissioners
FY 2020 Operating Budget**

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Legend



Board of Commissioners Meeting



Finance Committee Meeting



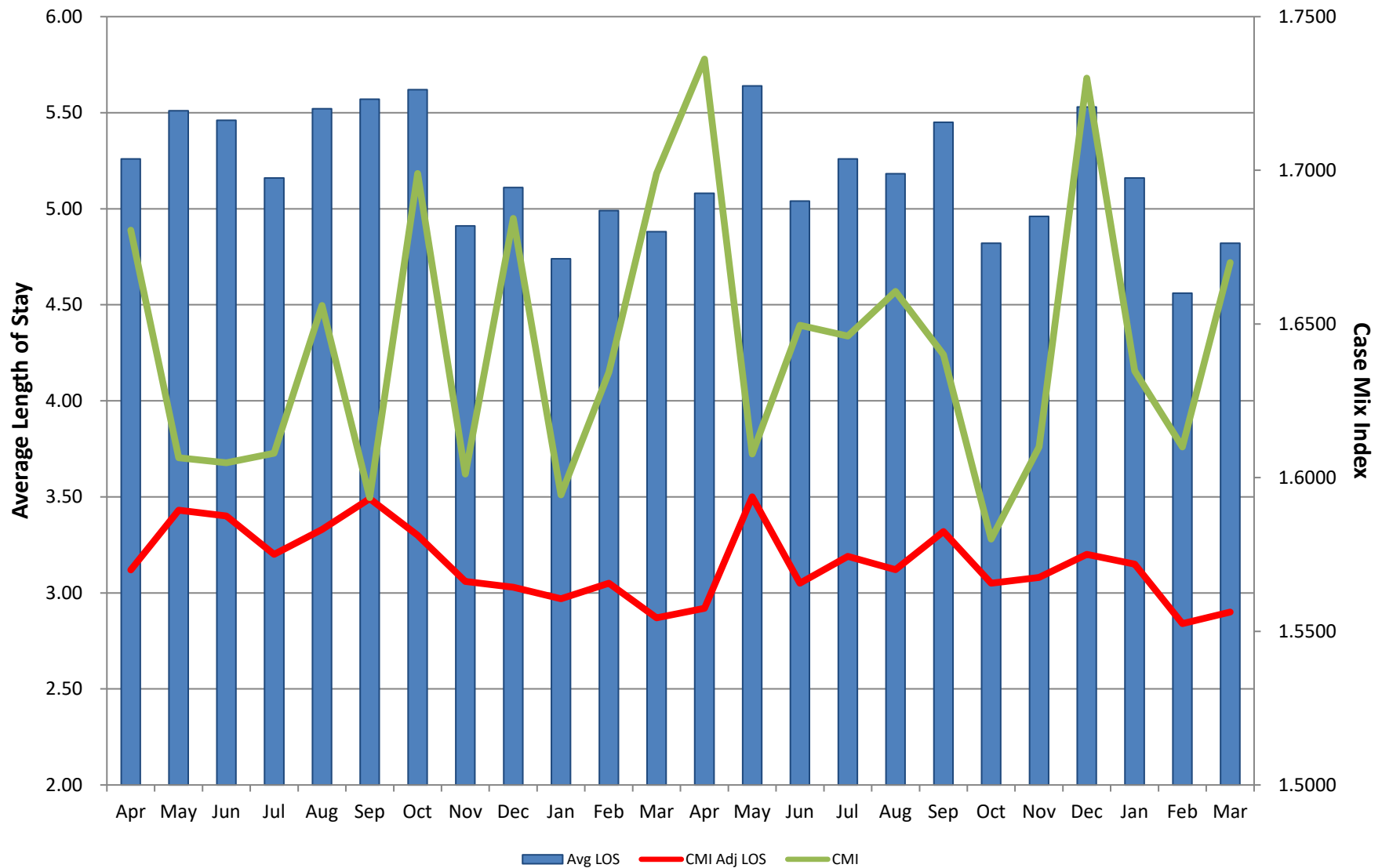
Final Public Hearing (Date - TBD)

Date	Event	Attendees
<u>Week of June 24th</u>		
June 26th	Preliminary Budget Review / Not to Exceed Millage Rate - Gross tax levy and estimated Not to Exceed Millage rate discussion	Finance Committee
<u>Week of July 1st</u>		
July 1st	FY 2020 Preliminary Budget Review / Not to Exceed Millage Rate - Gross tax levy and estimated Not to Exceed Millage rate discussion	Board of Commissioners
<u>Week of August 5th</u>		
August 5th	FY 2020 Budget Workshop	Board of Commissioners / Finance Committee
<u>Week of September 2nd</u>		
September 3rd	First Public Hearing for FY 2020 Operating Budget and Tax Millage <i>Board of Commissioners' regular meeting</i>	Board of Commissioners
<u>Weeks of September 9th or September 20th (Date-TBD)</u>		
	Final Public Hearing for FY 2020 Operating Budget and Tax Millage	Board of Commissioners

Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended March 31st, 2019

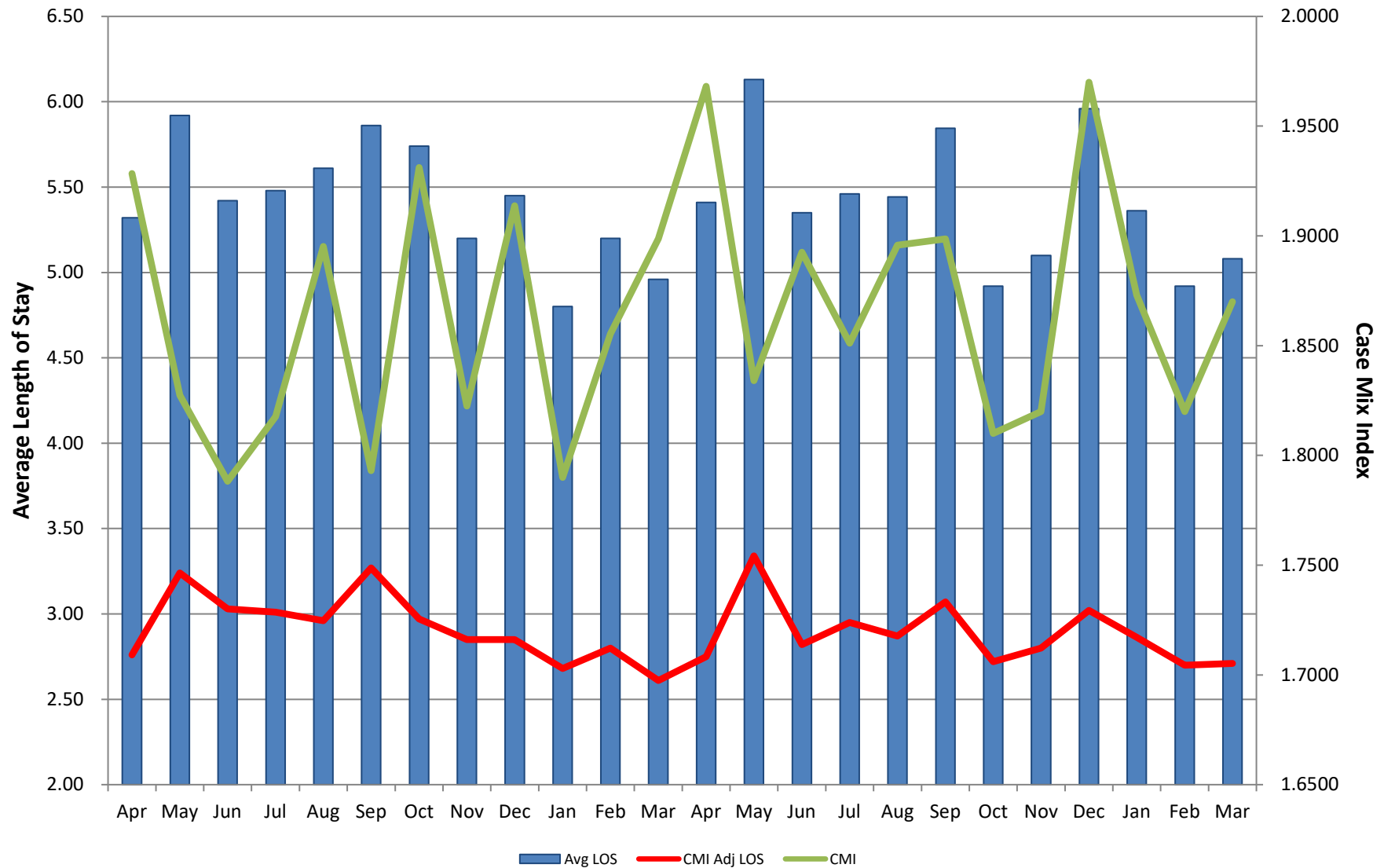
Excludes Newborns and Inpatient Rehabilitation



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended March 31st, 2019

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



Halifax Health
Investment Manager Performance Report - March 31, 2019

		March Performance	Calendar YTD	Fiscal Year
Fixed Income				
VFSIX - Vangaurd Short-Term Investment Gr.	Perf	0.92%	2.19%	2.87%
	BMK	0.92%	1.62%	3.10%
VSGDX - Vanguard Short-Term Federal	Perf	0.87%	1.34%	2.71%
	BMK	0.86%	1.21%	2.97%
Ponder Short-term Gov/Corporate - Holdings	Perf	0.49%	1.40%	3.55%
	BMK	0.92%	1.62%	3.10%
Ponder US Treasury Account - Holdings	Perf	0.25%	0.68%	1.37%
	BMK	0.86%	1.21%	2.97%
Ponder Short-Term Government - HHMC	Perf	0.64%	1.02%	1.99%
	BMK	0.86%	1.21%	2.97%
Ponder US Treasury Account - HHMC	Perf	0.21%	0.62%	1.26%
	BMK	0.86%	1.21%	2.97%
Ponder US Treasury Account - Foundation	Perf	0.29%	0.76%	1.51%
	BMK	0.86%	1.21%	2.97%
Ponder US Treasury Account - Hospice	Perf	0.29%	0.76%	1.50%
	BMK	0.86%	1.21%	2.97%
Ponder US Treasury Account - Pension	Perf	0.21%	0.69%	0.54%
	BMK	0.86%	1.21%	2.97%
Weighted Composite		Perf	0.36%	0.89%
		BMK	0.87%	1.28%
Equities				
DFSIX - DFA Small Cap Value	Perf	-3.66%	11.43%	-11.17%
	BMK	-2.88%	11.94%	-8.96%
DFLVX - DFA Large Cap Value	Perf	-0.50%	10.80%	-5.51%
	BMK	0.64%	11.94%	-1.18%
DFIVX - DFA International Value	Perf	-1.10%	8.47%	-7.41%
	BMK	0.51%	10.45%	-3.67%
DFEVX - DFA Emerging Markets	Perf	0.56%	7.16%	-0.52%
	BMK	0.84%	9.91%	1.70%
VGELX - Vanguard Energy	Perf	2.22%	15.17%	-11.69%
	BMK	1.13%	14.13%	-8.89%
VIGIX -Vanguard Large-Cap Growth	Perf	3.16%	16.89%	-2.18%
	BMK	2.85%	16.11%	-2.34%
VGHAX - Vanguard Health Care	Perf	-1.15%	7.92%	-4.14%
	BMK	0.86%	8.07%	-2.33%
VSGIX - Vanguard Small-Cap Growth	Perf	0.30%	19.52%	-3.55%
	BMK	-1.35%	17.15%	-8.21%
Weighted Composite		Perf	-0.45%	11.96%
		BMK	0.07%	12.47%
				-4.32%

Halifax Health
Investment Manager Performance Report - through March 31, 2019

	Invested Balance	March Performance	Calendar YTD	Fiscal YTD
HH Holdings				
VFSIX - Vanguard Short-Term Invest Grade	\$ 24,937,782	Perf 0.92%	2.19%	2.87%
		BMK 0.92%	1.62%	3.10%
Ponder Short-Term Gov't/Corporate	39,165,641	Perf 0.49%	1.40%	3.55%
		BMK 0.92%	1.62%	3.10%
Ponder US Treasury Account	38,551,198	Perf 0.25%	0.68%	1.37%
		BMK 0.86%	1.21%	2.97%
Total HH Holdings	<u>\$ 102,654,621</u>	Composite Budget	0.50%	1.23%
				2.26%
				1.00%
HHMC				
Ponder Short-Term Government	\$ 25,369,054	Perf 0.64%	1.02%	1.99%
		BMK 0.86%	1.21%	2.97%
Ponder US Treasury Account	86,237,262	Perf 0.21%	0.62%	1.26%
		BMK 0.86%	1.21%	2.97%
Wells Fargo Halifax Hospital Trust	474,841	Perf 0.19%	0.56%	1.08%
		BMK 0.86%	1.21%	2.97%
Total HHMC	<u>\$ 112,081,157</u>	Composite Budget	0.31%	0.73%
				1.50%
				1.00%

Halifax Health
Investment Manager Performance Report - through March 31, 2019

	Invested Balance		March Performance	Calendar YTD	Fiscal YTD
Foundation					
VFSIX - Vanguard Short-Term Invest Grade	\$ 2,709,308	Perf	0.92%	2.19%	2.87%
		BMK	0.92%	1.62%	3.10%
Ponder US Treasury Account	16,025,296	Perf	0.29%	0.76%	1.51%
		BMK	0.86%	1.21%	2.97%
DFSVX - DFA Small Cap Value	4,232,383	Perf	-3.66%	11.43%	-11.17%
		BMK	-2.88%	11.94%	-8.96%
DFIVX - DFA International Value	1,875,878	Perf	-1.10%	8.47%	-7.41%
		BMK	0.51%	10.45%	-3.67%
DFEVX - DFA Emerging Markets	797,811	Perf	0.56%	7.16%	-0.52%
		BMK	0.84%	9.91%	1.70%
DFLVX - DFA Large Cap Value	8,662,301	Perf	-0.50%	10.80%	-5.51%
		BMK	0.64%	11.94%	-1.18%
VGELX - Vanguard Energy	1,061,837	Perf	2.22%	15.17%	-11.69%
		BMK	1.13%	14.13%	-8.89%
VIGIX - Vanguard Large-Cap Growth	3,971,335	Perf	3.16%	16.89%	-2.18%
		BMK	2.85%	16.11%	-2.34%
VGHAX - Vanguard Health Care	819,209	Perf	-1.15%	7.92%	-4.14%
		BMK	0.86%	8.07%	-2.33%
VSGIX - Vanguard Small-Cap Growth	4,147,349	Perf	0.30%	19.52%	-3.55%
		BMK	-1.35%	17.15%	-8.21%
Ponder MM Fund	6,295,105				
Total Foundation	<u>\$ 50,597,812</u>	Composite	0.01%	6.61%	-1.82%
		Budget			2.00%

Halifax Health
Investment Manager Performance Report - through March 31, 2019

	Invested Balance	March Performance	Calendar YTD	Fiscal YTD
Hospice				
VFSIX - Vanguard Short-Term Invest Grade	\$ 11,444,771	Perf 0.92%	2.19%	2.87%
		BMK 0.92%	1.62%	3.10%
Ponder US Treasury Account	26,202,178	Perf 0.29%	0.76%	1.50%
		BMK 0.86%	1.21%	2.97%
DFSVX - DFA Small Cap Value	5,422,890	Perf -3.66%	11.43%	-11.17%
		BMK -2.88%	11.94%	-8.96%
DFIVX - DFA International Value	1,858,525	Perf -1.10%	8.47%	-7.41%
		BMK 0.51%	10.45%	-3.67%
DFEVX - DFA Emerging Markets	1,969,662	Perf 0.56%	7.16%	-0.52%
		BMK 0.84%	9.91%	1.70%
DFLVX - DFA Large Cap Value	12,467,208	Perf -0.50%	10.80%	-5.51%
		BMK 0.64%	11.94%	-1.18%
VGELX - Vanguard Energy	1,148,990	Perf 2.22%	15.17%	-11.69%
		BMK 1.13%	14.13%	-8.89%
VIGIX -Vanguard Large-Cap Growth	5,920,860	Perf 3.16%	16.89%	-2.18%
		BMK 2.85%	16.11%	-2.34%
VGHAX - Vanguard Health Care	771,215	Perf -1.15%	7.92%	-4.14%
		BMK 0.86%	8.07%	-2.33%
VSGIX - Vanguard Small-Cap Growth	7,621,662	Perf 0.30%	19.52%	-3.55%
		BMK -1.35%	17.15%	-8.21%
Total Hospice	<u>\$ 74,827,961</u>	Composite 0.06%	8.10%	-2.27%
		Budget		2.00%

Halifax Health
Investment Manager Performance Report - through March 31, 2019

	Invested Balance		March Performance	Calendar YTD	Fiscal YTD
Pension					
VFSIX - Vanguard Short-Term Invest Grade	\$ 8,249,043	Perf	0.92%	2.19%	2.87%
		BMK	0.92%	1.62%	3.10%
Ponder US Treasury Account	101,045,219	Perf	0.21%	0.69%	0.54%
		BMK	0.86%	1.21%	2.97%
DFSVX - DFA Small Cap Value	29,710,114	Perf	-3.66%	11.43%	-11.17%
		BMK	-2.88%	11.94%	-8.96%
DFIVX - DFA International Value	42,437,262	Perf	-1.10%	8.47%	-7.41%
		BMK	0.51%	10.45%	-3.67%
DFEVX - DFA Emerging Markets	8,559,532	Perf	0.56%	7.16%	-0.52%
		BMK	0.84%	9.91%	1.70%
DFLVX - DFA Large Cap Value	28,857,564	Perf	-0.50%	10.80%	-5.51%
		BMK	0.64%	11.94%	-1.18%
VGELX - Vanguard Energy	11,487,259	Perf	2.22%	15.17%	-11.69%
		BMK	1.13%	14.13%	-8.89%
VIGIX - Vanguard Large-Cap Growth	16,661,825	Perf	3.16%	16.89%	-2.18%
		BMK	2.85%	16.11%	-2.34%
VGHAX - Vanguard Health Care	11,534,538	Perf	-1.15%	7.92%	-4.14%
		BMK	0.86%	8.07%	-2.33%
VSGIX - Vanguard Small-Cap Growth	19,198,119	Perf	0.30%	19.52%	-3.55%
		BMK	-1.35%	17.15%	-8.21%
Wells Fargo Cash	3,631,567				
Wells Fargo Money Market	3,034,740				
Total Pension	<u>\$ 284,406,782</u>	Composite	-0.25%	7.18%	-3.24%
		Budget			3.38%
Total Halifax Health, including Pension	<u>\$ 624,568,333</u>				
Total Halifax Health, excluding Pension	<u>\$ 340,161,551</u>				

**HALIFAX HEALTH MEDICAL CENTER
SCHEDULE OF USES OF PROPERTY TAXES
FOR THE SIX MONTHS ENDED MARCH 31, 2019**

		in mills
Gross property tax levy	\$ 3,064,734	0.3546
Tax discounts and uncollectible taxes	(54,498)	(0.0063)
Net property taxes collected	3,010,236	0.3483
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(102,498)	(0.0119)
Volusia County Medicaid matching assessment	(1,559,394)	(0.1804)
Redevelopment taxes paid to Cities	(160,626)	(0.0186)
Subtotal	(1,822,518)	(0.2109)
Net taxes available for community health, wellness and readiness	1,187,718	0.1374
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(343,528)	(0.0397)
Physician services	(4,410,437)	(0.5103)
Trauma services	(3,177,823)	(0.3677)
Pediatric and neonatal intensive care services	(214,981)	(0.0249)
Child and adolescent behavioral services	(452,806)	(0.0524)
Subtotal	(8,599,575)	(0.9950)
Deficiency of net taxes available to fund hospital operating expenses	(7,411,857)	(0.8576)
Uncompensated care, <i>at cost</i> :		
Halifax Health patients at facilities inside of the Halifax Health tax district	(17,501,600)	(2.0250)
Non-Halifax Health taxing district patients and other write-offs	(12,252,628)	(1.4177)
Subtotal	(29,754,228)	(3.4427)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	\$ (37,166,085)	(4.3003)
Proforma tax levy to cover uncompensated care, at cost:		
Gross property tax levy		0.3546
Subsidized uncompensated care costs by operations		4.3003
Equivalent property tax levy expended *		4.6549

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