



HALIFAX HEALTH

**Audit & Finance
Committee**

Wednesday, June 26, 2019

Meeting Location

Halifax Health

France Tower, Conference Room A

4:00 p.m.

HALIFAX HEALTH AUDIT & FINANCE COMMITTEE AGENDA

4:00 p.m., Wednesday, June 26, 2019

I. CALL TO ORDER

II. MINUTES

- Investment Committee Minutes, March 11, 2019 portal page 3, **action requested**
- Audit & Finance Committee Minutes, May 1, 2019 portal page 5, **action requested**

III. AUDIT COMMITTEE

Corporate Compliance, Shelly Shiflet

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

Internal Audit, Bill Rushton

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

IV. FINANCE COMMITTEE

Financial Report, Eric Peburn

- YTD FY19 Income Statement Forecast portal page 26, **presentation**
- May 2019 portal page 37, **action requested**

Acquisitions, Leases and Disposals, Shawn Remington

- Capital Investment Strategy, May portal page 61, **information only**
- Capital Expenditures \$50,000 and over portal page 65, **action requested**
 - Mako Robotic Arm \$790,000
 - Desktop and Laptop Computers \$500,000
 - West Clyde Morris Infrastructure; Additional Approval \$400,000
 - Storage Platform and Software \$368,554
 - Port Orange Care Center Wind Retrofit \$330,964
 - Automatic Transfer Switch for Chiller \$104,224
 - Ormond Beach Care Center Wind Shutters \$103,280
- Disposals, May 2019 portal page 80, **action requested**
- Comparison of Projected/Actual Financial Results for Significant Projects none

Old Business

- Meeting Request Tracker/Checklist none
- Updated Board of Commissioners Calendar portal page 82, **information only**

New Business

- FY 2020 Preliminary Budget Review/Not to Exceed Millage Rate portal page 83, **information only**

Information Only

- Discharged Based -Average Length of Stay Case Mix Index portal page 94, **information only**
- Investment Performance Report none
- Capital Expenditures \$25,000 - \$50,000 portal page 96, **information only**
 - Bioquell Decontamination System \$45,000
 - Meditech Software - Corporate Management System \$28,560
 - Cash Registers for Cafeterias, Café and Gift Shop \$27,821

V. OPEN DISCUSSION

VI. NEXT MEETING

Monday, August 5, 2019, 4:00 p.m. - France Tower Conference Room A
FY 2020 BUDGET WORKSHOP, Combined with the Board of Commissioners
MONDAY, August 12, 2019, 4:00 p.m. – Investment Committee meeting
WEDNESDAY, September 4, 2019, 4:00 p.m. – Regular scheduled meeting
TUESDAY, September 9, 2019, 5:05 p.m. – Tentative First Public Hearing, Board of Commissioners

VII. PUBLIC PARTICIPATION, EXECUTIVE SESSION, ADJOURN

Halifax Hospital Medical Center
Investment Committee Meeting, Sub Committee Audit & Finance Committee
France Tower, Conference Room A, 303 N. Clyde Morris Blvd., Daytona Beach, FL 32114
Monday, March 11, 2019

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

Via Phone: Ted Serbousek, Chairman & Chairman, Audit & Finance Committee

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 Operations, Halifax Health Hospice
Kathleen Dulko, Ashford Investment Advisors
Cathy Longstreth, Finance, Halifax Health
Bryan Joseph, The Concord Advisory Group
Bradford Stephan, The Concord Advisory Group
Scott Santin, The Concord Advisory Group
James Wesner, Marquette Associates
Tim Fallon, Marquette Associates
Michael Fleming, Vanguard Institutional Investor Group
Philip Daubney, Vanguard Institutional Investor Group

The meeting was called to order at 4:05 p.m. by Vice-Chairman Francati.

Minutes

Discussion: Minutes from the November 12, 2018 Investment Committee meeting were reviewed.

Action: Ms. Schandel moved to approve the November 12, 2018 Investment Committee minutes as presented. Mr. Graffagnino seconded the motion and it carried unanimously.

Old Business

Discussion: None.

New Business

Discussion: RFP, Investment Advisory Services
Mr. Bailey reported that in response to the investment advisory services request for proposal (RFP), three firms were onsite to present to the committee. The sample score card, team biographies and the executive summaries and presentations from each firm were included in the meeting materials.

Action: None required.

Discussion: Investment Advisory Services Presentations
Representatives from each of the following three firms presented with questions/discussions following each presentation:

- The Concord Advisory Group

- Marquette Associates, Inc.
- Vanguard Institutional Advisory Services

Each of the firms were dismissed and discussion ensued among committee members.

Action: Ms. Schandel moved that leadership negotiate with Marquette Associates, Inc. to meet terms and finalize and execute an agreement to provide investment advisory services. Mr. Graffagnino seconded the motion and it carried unanimously.

Financial Advisor, Quarterly Review

Discussion: Mr. Walsh, Ashford Investment Advisors, presented the investment review for the 4th calendar quarter, ended 12/31/2018.

Action: It was determined that no action was required.

Informational Only

Discussion: Asset Allocation, February 2019

Action: None required.

Discussion: Investment Performance Report, January 2019

Action: None required.

Next Meeting: Monday, May 13, 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, May 1, 2019

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

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

Also Present: Eric Peburn, Executive VP/Chief Financial Officer
Bill Rushton, Director, Internal Audit
Shelly Shiflet, Chief Compliance Officer
Lisa Tyler, Corporate Controller
Shawn Remington, Director, Corporate Finance
Arvin Lewis, SVP & CRO
Ben Eby, Director of Operations, Hospice
Kelly Kwiatek, SVP & General Counsel
Jared Hamilton, Crowe

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

IT SECURITY UPDATE

Discussion: An IT Security update was shared. Brief discussion ensued.

Action: None required.

MINUTES

Discussion: Minutes from the November 12, 2018 Investment Committee Meeting and February 27, 2019 Audit & Finance Committee Meeting were reviewed.

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

AUDIT COMMITTEE CORPORATE COMPLIANCE

Discussion: Monthly Compliance Program Update Dashboard
Ms. Shiflet presented the Compliance Dashboard for the months ended February 28, 2019 and March 31, 2018.

Action: None required.

INTERNAL AUDIT

Discussion: Mr. Rushton led committee members through IADA that included highlights of the FY 2019 Plan Status, Audit Plan Additions, Results of FY 19 Audit Projects and Summary of two audit reports:

- DAVID Attestation Audit
- Administrative Payroll Component Audit

Discussion ensued regarding the Administrative Payroll Component Audit and that a typo was found in the Powerpoint (page 17 in meeting packet); there should not have been "1" identified "Low" under the Issues by Impact Level. As such, Mr. Peburn requested this change be reflected in the minutes.

The status of the Deltona Construction audit was provided as well as audit follow-up

issues by month. A table of open audit action plans was provided in the presentation. Discussion ensued regarding exploration of using another audit firm in that Olivari and Associates has been handling for many years. Consensus was reached for Mr. Rushton to research another local firm.

In review of the open audit action plans, brief discussion ensued regarding the action plan deadlines versus revised dates and potential confusion regarding reporting and format. Mr. Serbousek requested that this report be updated to include the original due date in order to provide additional information to the committee on the timeliness of completing action plans.

Action: Mr. Motto moved to approve the two audits: DAVID Attestation and Administrative Payroll Component. Mr. Youngman seconded the motion and it carried unanimously.

Action: Dr. Hemaïdan moved to approve the Audit Plan and Additions. Mr. Youngman seconded the motion and it carried unanimously.

FINANCE COMMITTEE

FINANCIAL REPORT

Discussion: Mr. Peburn led committee members through the Fiscal Year 2019 Income Statement Forecast, updated with actual activity through March 31, 2019. Highlights resulted to brief discussion regarding revenue and expense assumptions, and the obligated group MADS coverage ratio.

Action: Mr. Youngman moved to approve the March 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, March 2019

Action: None required.

Discussion: Capital Expenditures \$50,000 and over
West Volusia Care Center Wind Retrofit \$236,667 (\$177,500 to be reimbursed by FEMA)

Action: Dr. Hemaïdan moved to approve the Capital Expenditures, \$50,000 and over and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

Discussion: Disposals, March 2019

Action: Mr. Motto moved to approve the disposals and recommends approval by the Board of Commissioners. Mr. Youngman 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

Action: None required.

NEW BUSINESS

Discussion: FY 2020 Operating Budget Calendar

Action: None required.

INFORMATIONAL REPORTS

Discussion: The Schedule of Uses of Property Taxes for March 2019, the Discharged Based-Average Length of Stay and Case Mix Index, the Investment Performance Report for March 2019, and the Capital Expenditures, \$25,000 - \$50,000 (none) were presented under Information Only.

Action: None required.

OPEN DISCUSSION

Discussion: None

**NEXT MEETING DATE: Monday, May 13, 2019, 4 p.m. Investment Committee Meeting
Wednesday, June 26, 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: June 17, 2019
Re: Compliance Dashboard Report for the month ended May 30, 2019

The Compliance Program Dashboard Report for May 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 – 5/31/19

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. 3,920	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. 3,382	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. 4,881	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 5/1/19.
	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. 3/20	Number of Help Line calls received during month/past 12 months
	2. 2/9	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 4/30/19
	4. 0	Number of open Help Line calls rated as High Priority as of 5/31/19
	5. 3	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

	1. 39	Number of issues open as of 4/30/19
	2. 7	Of the issues in item 1, ___ remain open as of 5/31/19
	3. 10	Number of issues from item 1 closed as of 5/31/19
	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. 1	Number of concerns related to billing/coding received during the month
	2. 1	Number of concerns from #1 that required a billing/ coding review
	3. 1	Number of reviews from #1 still being investigated
	4. 0	Number of reviews from #1 closed or pending Committee review
	5. 1	Number of reviews from #1 expected to require repayment/processing of claims

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

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

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



HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners
Cc: Jeff Feasel, Chief Executive Officer
From: Shelly Shiflet, Vice President, and Chief Compliance Officer
Date: May 20, 2019
Re: Compliance Dashboard Report for the month ended April 30, 2019

The Compliance Program Dashboard Report for April 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 – 4/30/19

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.	3,910	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.	3,894	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.	4,871	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 3/27/19.
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.	3/36	Number of Help Line calls received during month/past 12 months
2.	2/16	Of calls in 1, how many related to Human Resource issues
3.	0	Number of open Help Line calls rated as High Priority as of 4/30/19
4.	0	Number of open Help Line calls rated as High Priority as of 4/30/19
5.	0	Number of Help Line calls closed since last month

V. COMPLIANCE ISSUES

1.	22	Number of issues open as of 3/31/19
2.	30	Of the issues in item 1, ___ remain open as of 4/30/19
3.	8	Number of issues from item 1 closed as of 4/30/19
4.	26%	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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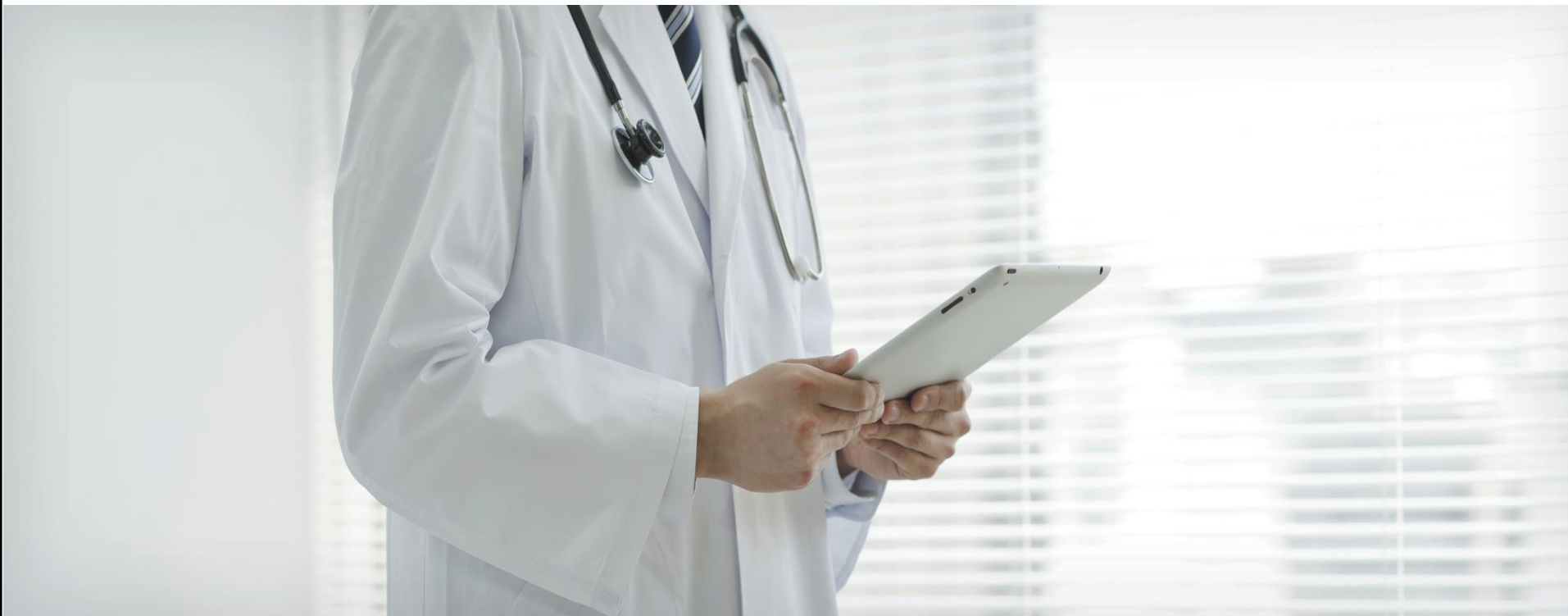
VII. BILLING AND CODING REVIEWS - Halifax Health will conduct reviews as part of scheduled audits or to investigate concerns brought to the attention of the Compliance Committee or the Compliance Officer.

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

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

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

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



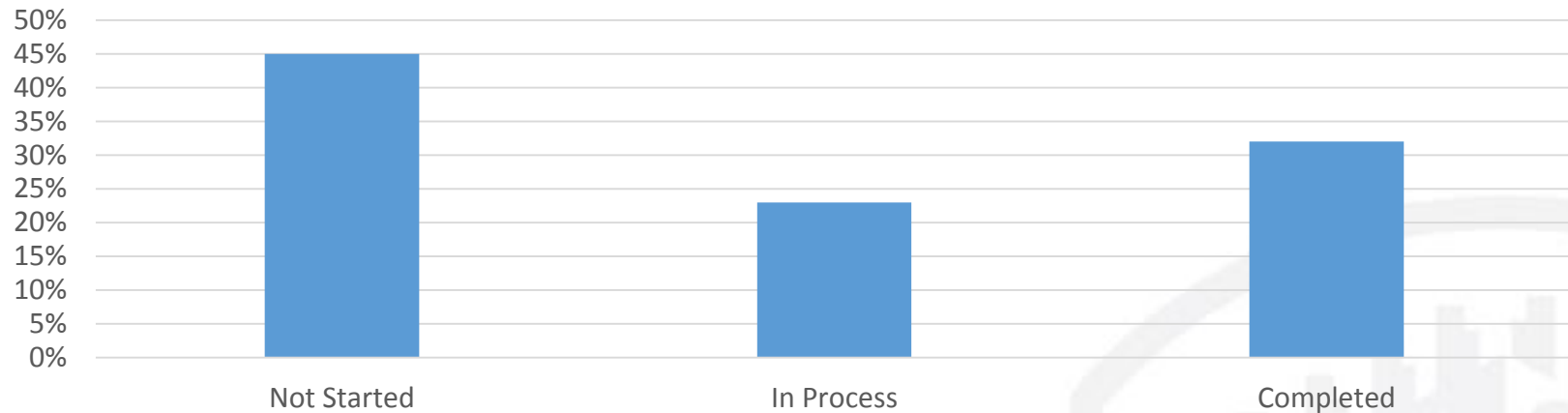
Audit Services Discussion & Analysis

Halifax Health Audit & Finance Committee

Presented June 26, 2019

For the period covering April 24, 2019 through June 19, 2019

Audit Plan: FY 19 Plan Status






FY Audit Plan	Internal	CoSource	Total Audits
Approved	10	4	14
Added	2	8	8
Removed	2	0	0
Revised Plan Total	10	12	22




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	In Process		
IAS	Timekeeping – Casual Pool	1	1	1
IAS	Consignment/Trunk Stock Controls Audit	0	6	1
Co Source	IT Penetration Testing	2	3	3
Co Source	Administrative Reimbursement & Expenses	0	0	0
IAS	Rapid Medical Assessment Payments Audit	0	1	0
IAS	DAVID Attestation Audit	1	1	0
Co Source	Emergency Service Charge Capture	In Process		
Co Source	Meditech Project Implementation Audit	In Process		
IAS	Charity Care Audit	In Process		
IAS	Athena Process Operational Audit	In Process		

Summary of Halifax Health Audit Report

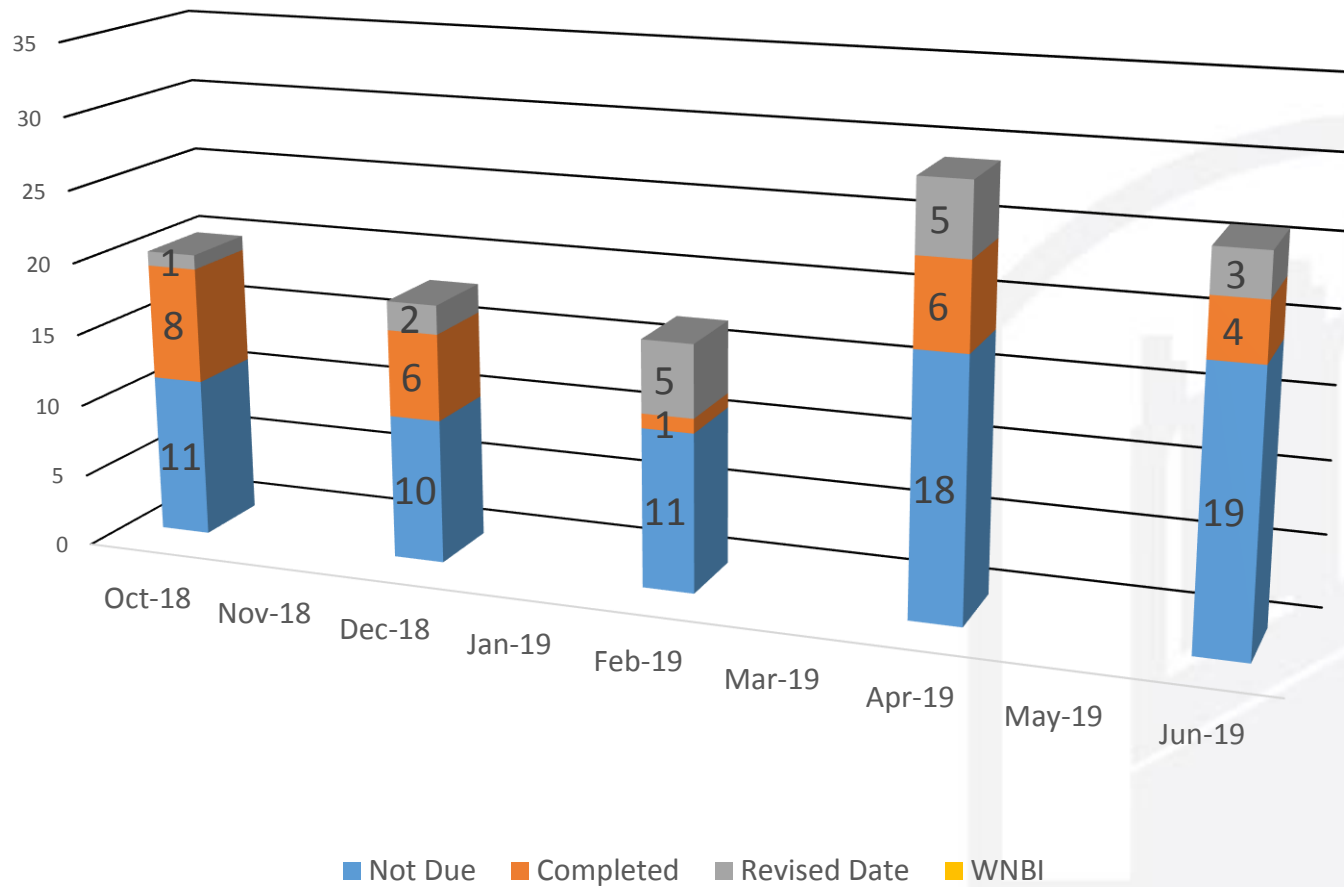
Local Audit Plan	Rapid Medical Assessment (RMA) Payments Audit	Issues by Impact Level		
Objective – Internal Audit Services tested whether the internal controls over employed Physician payroll calculations functioned as management intended.		 High	 Moderate	 Low
Key Risk(s) – Noncompliance with Kickback and Stark regulations does not generally apply with employed Physicians; however, it's important to demonstrate compensation for RMA is aligned with fair market value and there are no financial incentives.		0	1	0
Significant Finding(s)	Thirteen (75%) Physicians were incorrectly paid for RMA services that resulted in net overpayments totaling \$39.00. Analysis of reporting criteria disclosed the following: <ul style="list-style-type: none"> • Overpayments occurred when the patient assignment changed from RMA to major medical or fast track routine. • Underpayments occurred when a subsequent provider entered an EMR note and did not sign off. 			
Audit Conclusion	Emergency Services and Business Intelligence Development Departments will make changes to report criteria and Management oversight to prevent payroll errors. IAS will perform follow up to assess corrections.			

Summary of Halifax Health Audit Report

Audit Plan	Consignment and Trunk Stock Controls Audit	Issues by Impact Level		
Objective - Determined if internal controls over consignment and trunk stock supplies are functioning as management intends for Cath Lab, Interventional Radiology and Surgical Services.		 High	 Moderate	 Low
Key Risk(s) – <ul style="list-style-type: none"> Supply transactions are recorded inaccurately and not presented fairly in financial reporting. Unable to secure, monitor, track and account for supplies in specific departments. 		0	0	1
Significant Finding(s)	<ul style="list-style-type: none"> Audit testing disclosed Meditech automation was not decrementing trunk stock inventory from supply accounts. Since July 2018, supply operations incorrectly added \$3.5 million in trunk stock inventory. Consignment reconciliations are missing approvals and have unreconciled variances. Additionally, one vendor signed and approved a reconciliation for a Halifax Health Team Member. Multiple instances where consignment contracting was not aligned with Halifax's procedures. 			
IAS Conclusion	<ul style="list-style-type: none"> Review identified missing controls that resulted in issues with inventory, reconciliations and agreements. Management will develop a control environment that will include improved Meditech functionality, oversight of vendors and policies and procedures. 			

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
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	8/31/19	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	8/31/19	Low
Rapid Medical Assessment Payroll Audit 6/11/2019	ISSUE 1: Documentation To Support Payroll Was Missing And Available Reporting Was Inaccurate <p>ES did not archive the RMA encounter records used to calculate May 2nd RMA payments. These records list each Physician RMA encounter and support the gross payroll calculations entered into Kronos.</p> <p>IAS recalculated and analyzed May 2nd and 16th Physician payments. Results of audit work disclosed the following:</p> <ul style="list-style-type: none"> Six (35%) RMA Physicians were underpaid totaling \$91.00 because the RMA report criteria dropped the RMA Physician when another ES Provider entered a note in the patient EMR, and the error persisted until this Provider signed off. IAS identified Providers signing off ten weeks after departure from the ER. Seven (41%) RMA Physicians were overpaid totaling \$130.00 because the RMA report criteria used initial assessment data. Patients were predicted to receive RMA at triage; however, final assignment was to the major medical or fast track routine. 	<ul style="list-style-type: none"> ES will work with Payroll to correct payroll errors. The RMA encounter records are now exportable, and ES has archived and included these records with RMA payroll calculations sent to the Payroll Department. Additionally, ES preparer will compare the Physician schedule to the RMA report to mitigate the risk of improper payments. BI and ES will research improvements to the RMA report criteria in order to mitigate the risk of improper payments. ES will leverage available third-party reporting for Provider timeliness to identify noncompliant Providers and issue warnings (verbal and written) and revoke privileges if warranted. 	<p>Dr. Stephen Viel, Medical Director of ES</p> <p>Rob Love, Director of Nursing</p> <p>Lisa Tyler, Corporate Controller</p> <p>Jessica Ferrentino, Manager B&D Support</p> <p>Lindsay Martin, Nurse Manager of ES</p>	9/11/19	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	9/30/19	Low
Network Security Testing 4/24/2019	ISSUE 2: Windows and AD System Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	3/31/20	High
Network Security Testing 4/24/2019	ISSUE 3: Data Storage and Access Controls Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	12/31/19	High
Network Security Testing 4/24/2019	ISSUE 4: Network Architecture Infrastructure Management Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	3/31/20	Medium
Network Security Testing 4/24/2019	ISSUE 5: Patch Management Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*	Medium
Network Security Testing 4/24/2019	ISSUE 6: Security Awareness and Physical Security Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	12/31/19	Medium
Network Security Testing 4/24/2019	ISSUE 7: Email Architecture Security Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*	Low
Network Security Testing 4/24/2019	ISSUE 8: Wireless Network Security Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*	Low

**Completion Pending Audit Follow Up*



Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Consignment and Trunk Stock Controls Audit 6/17/2019	<p>ISSUE 1: New Automation Is Not Decrementing From The Inventory Account</p> <p>IAS was informed by Management that patient supply operations recorded \$3.5 million in trunk stock inventory.</p> <p>IAS mapped 114 trunk stock items through Meditech applications to determine root causes for the incorrect inventory. Results of the audit disclosed new BZQ automation did not decrement 97 (85%) recorded receipts under the bill and replace operation required by Meditech for trunk stock. The automation error requires Accounting to perform a corrective journal entry to properly report supply inventory.</p>	<p>A Service Issue SUR ticket has been submitted to Meditech Application Department to research BZQ issues. If it is an uncorrectable situation, business owners will consider discontinuing BZQ automation and bill and replace operations and process trunk stock as bill only.</p>	<p>Matthew Petkus, Vice President of Operations</p> <p>Judy Steiner, Director Information Systems</p> <p>Lisa Tyler, Corporate Controller</p> <p>Allison Brown, Manager Supply Chain/BI</p>	12/31/19	Medium
Consignment and Trunk Stock Controls Audit 6/17/2019	<p>ISSUE 2: Consignment Item Reconciliations Were Not Performed and/or Documented Appropriately</p> <p>IAS tested 12 consignment reconciliations to determine if item levels are monitored and maintained at the contracted level and if Team Members follow up and correct identified discrepancies. Results of testing disclosed the following:</p> <ul style="list-style-type: none"> • Reconciliations were not approved by the vendor and/or Team Member in six instances (50%). • Vendor signed and approved the Bolton Medical reconciliation in place of a Halifax Health Team Member. • Four (33%) reconciliations resulted in variances that remained unreconciled between actual on hand, system amounts and agreement. • IAS was unable to audit three (25%) consignment reconciliations. Reconciliation documentation lacked sufficient detail, was poor quality or was not submitted for auditing. 	<ul style="list-style-type: none"> • Materials Management will develop formal guidance to the Departments regarding the steps to perform reconciliations with consignment vendors. • Department Managers will be trained on these new procedures. 	<p>Matthew Petkus, Vice President of Operations</p> <p>Allison Brown, Manager Supply Chain/BI</p> <p>Anthony Carillo, SCS Purchasing Manager</p>	12/31/19	Medium

Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Consignment and Trunk Stock Controls Audit 6/17/2019	ISSUE 3: Contract Information Is Missing, Incomplete, Unavailable and/or Not Aligned Between Legal and Purchasing During the course of audit testing, IAS identified multiple instances where consignment agreements were not aligned with procedures. For example: <ul style="list-style-type: none"> • Memos and emails between Department business owners and vendors replaced amendments to main agreements; • Purchasing possessed two complete and signed agreements, however, agreements could not be located in Novatus; and • Recorded consignment items were not supported by agreements. 	<ul style="list-style-type: none"> • Surgical Services, Cath Lab and Interventional Radiology Department Managers will receive training on Non-Physician Contract procedures, with emphasis on the importance of sending the cover sheet and contract to legal after obtaining signatures. • Purchasing will work with the Legal Department to update Novatus for the two missing contracts. 	Matthew Petkus, Vice President of Operations Anthony Carillo, SCS Purchasing Manager	12/31/19	Medium
Consignment and Trunk Stock Controls Audit 6/17/2019	ISSUE 4: Meditech Item File Does Not Agree With Actual or Contracted Consignment Inventory Levels The recorded consignment inventory quantity as of April 17, 2019 was not correct for 12 (43%) consignment items tested. IAS testing identified the following variances: <ul style="list-style-type: none"> • Meditech Stock and Item File was overstated by 45 items to the quantity on hand and 33 items to agreed upon inventory; and • Actual quantity on hand exceeded the agreed upon quantity by 12. 	Leadership will leverage min/max variance reporting and perform periodic reconciliations and physical counts to determine if quantities on hand are aligned with quantities reported by Meditech/Merge. Resolution of significant variances will be documented.	Matthew Petkus, Vice President of Operations Eric Little, Director Surgical Services Allison Brown, Manager Supply Chain/BI	12/31/19 ¹	Medium
Consignment and Trunk Stock Controls Audit 6/17/2019	ISSUE 7: Inadequate Physical Security Over Trunk Stock Inventory Items IAS identified physical security issues for a "shared" inventory storage room. They are as follows: <ul style="list-style-type: none"> • The door's passcode was not activated and thus the room was unlocked. • The staging area did not have CCTV camera or a way to log access to the room. • The inventory was not staged in an organized manner. 	Surgical Services leadership is currently renovating the shared storage room, which includes improving security.	Eric Little, Director Surgical Services	12/31/19	Low

Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Consignment and Trunk Stock Controls Audit 6/17/2019	<p>ISSUE 5: Guidance To Perform Consignment Reconciliations is Missing</p> <p>Team Members responsible for consignment reconciliations were unaware of the control steps necessary to perform reconciliations with consignment vendors. Procedures should include the following:</p> <ul style="list-style-type: none"> • Halifax will only be responsible for items listed and quantities verified to the most recent signed inspection report. • Vendor owns the property, lead inspection to verify items, quantity and quality are aligned with agreement. • Replacement items will be aligned with agreement, Meditech Stock and Item Files and Merge if applicable. • Vendor representative will provide notice and work with the Department Consignment Team Member to properly perform reconciliation. • For the safety of patients, vendor representative will be granted immediate escorted access to remove items affected by a recall. • Items removed will be documented and noted as part of reconciliation and reported to Materials Management. • Reconciliations are based on the Meditech Stock and Item file and the agreement. • Reconciliation reports will be signed by the vendor representative, Consignment Team Member and Director if applicable. Copies of reports should be sent to Materials Management. • Department and Materials Management will work with the vendor representative if there is a discrepancy between reconciliation, actual count on hand and Meditech inventory. Item Files will be updated based on the results of the reconciliations. 	<ul style="list-style-type: none"> • Materials Management leadership will develop reconciliation policies and procedures. • Department Consignment Team Members will be trained on new procedures. 	<p>Matthew Petkus, Vice President of Operations</p> <p>Allison Brown, Manager Supply Chain/BI</p> <p>Anthony Carillo, SCS Purchasing Manager</p>	9/30/19	Medium

Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
Consignment and Trunk Stock Controls Audit 6/17/2019	ISSUE 6: Guidance To Manage Consignment Inventory is Missing IAS noted that documents governing physical inventory management do not provide guidance on how to manage consignment. Procedures have multiple steps that include: <ul style="list-style-type: none"> • The Department Manager and Director using consignment will determine items that Halifax will accept into inventory. • Inventory level mutually agreed upon between the Department Manager and vendor representative. • Department Manager and Director using consignment may approve small stocking level changes. • Halifax Health may return unused, unopened or expired items without incurring an expense from the vendor. (Unused sterile items are governed by the terms of the agreement). • Consignment usage documented during Inspections, but not purchased must documented by item, submitted on a single requisition with supporting documentation from signed and approved reconciliation. 	<ul style="list-style-type: none"> • Materials Management leadership will develop consignment inventory management procedures. • Accounting will modify Supply Inventory Instructions to address consignment. • Department Managers will be trained on new procedures. 	Matthew Petkus, Vice President of Operations Lisa Tyler, Corporate Controller Allison Brown, Manager Supply Chain/BI Anthony Carillo, SCS Purchasing Manager	9/30/19	Medium

Recommended Committee Action

Internal Audit recommends the following for Committee's approval:

- Summary of Audit Reports
- Audit Follow-up Summary Report

FY 2019 Income Statement Monthly Forecast Halifax Health

Updated with Actual activity through May 31, 2019



Halifax Health Medical Center

FY 2019 Income Statement Monthly Forecast

-Updated with actual results from April and May

- FY 2019 October-May Financial Results
 - April and May's actual performance exceeded the re-forecast by \$8M
 - Revenues were higher than forecast by \$8M due to higher volumes and better than expected collections
 - Expenses were equal to the forecasted amounts
 - YTD Operating income is \$1.3M less than budget
- Obligated Group MADS Coverage ratio
 - Bond covenant is 1.25x and FY 2019 Budget is 1.97x
 - Updated Forecast is at 1.87x at 9/30/19 with \$16.5M cushion from 1.25x and a deficit of \$2.7M from Budget

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HALIFAX
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Halifax Health Medical Center

Net improvement on Operating Margin

\$ in thousands

	<u>Monthly</u>	<u>Annualized</u>
Margin Improvements		
Revenue improvements	\$400	\$4,800
Positions eliminations	297	3,564
Other operational improvments	420	5,040
Subtotal	<u>1,117</u>	<u>13,404</u>
Incremental expenses above budget:		
Hospitalists physican costs	\$180	\$2,160
Anesthesia physician costs	150	1,800
Adult Psych physician costs	80	960
Subtotal	<u>410</u>	<u>4,920</u>
Net improvement on operating margin	<u><u>\$707</u></u>	<u><u>\$8,484</u></u>



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				Actual/Proj	Budget
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	Total
Operating revenues:														
Net patient service revenue	\$40,396	\$39,452	\$39,002	\$41,350	\$38,750	\$44,668	\$44,914	\$42,844	\$37,926	\$37,638	\$40,514	\$37,735	\$485,188	\$489,493
Ad valorem taxes	511	511	511	511	511	511	511	511	511	511	511	511	6,129	6,129
Other revenue	1,561	1,432	1,446	1,529	1,612	1,705	1,689	1,843	1,435	1,436	1,445	1,439	18,572	17,250
Total operating revenues	42,468	41,394	40,959	43,389	40,872	46,884	47,114	45,198	39,872	39,585	42,470	39,685	509,890	512,872
Operating expenses:														
Salaries and benefits	22,200	21,225	22,140	22,091	20,113	21,951	21,016	21,370	20,777	20,508	21,052	18,926	253,370	260,924
Purchased services	5,913	5,774	6,423	6,474	6,833	6,808	6,381	7,136	5,953	5,961	6,027	6,170	75,854	68,914
Supplies	8,472	8,292	7,948	8,882	7,609	8,537	8,430	8,497	7,890	7,920	8,694	8,097	99,267	99,029
Depreciation and amortization	2,142	2,134	2,140	2,094	2,131	2,101	2,116	2,123	2,038	2,032	2,029	1,976	25,058	24,731
Interest	1,610	1,630	1,602	1,594	1,597	1,627	1,611	1,641	1,610	1,610	1,610	1,610	19,351	19,319
Ad valorem tax related expenses	522	523	523	532	521	525	519	518	530	530	530	530	6,303	6,356
Leases and rentals	566	562	564	592	589	580	579	727	537	537	537	537	6,908	6,449
Other	2,160	2,176	2,050	2,130	2,018	2,340	2,081	2,186	2,131	2,131	2,131	2,131	25,668	25,577
Total operating expenses	43,586	42,316	43,389	44,389	41,410	44,470	42,733	44,198	41,466	41,230	42,611	39,979	511,778	511,299
Income (loss) from operations	(1,118)	(922)	(2,430)	(1,000)	(538)	2,414	4,381	1,000	(1,594)	(1,646)	(141)	(294)	(1,888)	1,573
Nonoperation revenues, expenses, and gains/(losses):														
Realized investment income/(losses)	293	1,271	220	438	520	489	457	1,851	40	72	43	90	5,784	6,815
Unrealized investment income/(losses)	(12)	166	592	444	42	558	149	(698)	-	-	-	-	1,241	-
Donation revenue	-	-	3	8	6	25	9	3	-	-	-	-	55	-
Nonoperation gains/(losses), net	209	199	179	89	179	136	112	134	100	100	100	100	1,637	258
Total nonoperating revenues, expenses, and gains/(losses)	490	1,637	994	979	748	1,208	727	1,290	140	172	143	190	8,717	7,073
Increase (decrease) in net position	(\$628)	\$715	(\$1,436)	(\$20)	\$209	\$3,622	\$5,108	\$2,290	(\$1,454)	(\$1,474)	\$2	(\$104)	\$6,829	\$8,646

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
<u>MADS calculation</u>												
Total income available for debt service	\$3,135	\$7,448	\$9,162	\$12,386	\$16,281	\$23,074	\$31,760	\$38,512	\$40,705	\$42,874	\$46,515	\$49,997
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	2.03	2.16	2.03	1.92	1.89	1.87
Income Cushion from 1.25x	\$343	\$1,864	\$787	\$1,219	\$2,322	\$6,323	\$12,217	\$16,177	\$15,580	\$14,956	\$15,805	\$16,496
Income Deficit from Budget	(\$952)	(\$1,069)	(\$3,521)	(\$7,262)	(\$7,619)	(\$7,391)	(\$2,204)	\$1,231	\$698	\$651	(\$1,326)	(\$2,699)



Halifax Health (System)

FY 2019 Income Statement Monthly Forecast

-Updated with actual results from April and May

- FY 2019 October-May Financial Results
 - April and May's actual performance exceeded budget excluding for Foundation Unrealized Investment income/loss
 - Primarily due to higher inpatient volumes compared to budget
 - YTD Adjusted Operating EBIDA is equal to the YTD Budget at 9.5%
 - *Excludes investment income/loss of Foundation recorded as operating income*
- Year ending forecast shows \$2.5M variance from budgeted income from operations excluding projected Foundation investment losses of 2.5M.



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

	Actual								Projected				Actual/Proj	Budget
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	Total
Operating revenues:														
Net patient service revenue	\$44,109	\$43,216	\$42,876	\$45,343	\$42,253	\$48,649	\$48,826	\$46,788	\$41,573	\$41,413	\$44,295	\$41,400	\$530,740	\$533,682
Ad valorem taxes	511	511	511	511	511	511	511	511	511	511	511	511	6,129	6,129
Other revenue	478	2,579	(358)	4,575	3,045	2,411	3,168	451	2,208	2,208	2,217	2,211	25,194	26,516
Total operating revenues	45,098	46,306	43,029	50,428	45,809	51,571	52,505	47,750	44,291	44,132	47,023	44,121	562,063	566,327
Operating expenses:														
Salaries and benefits	24,184	23,101	24,144	24,026	21,899	23,982	22,975	23,424	22,859	22,625	23,181	20,898	277,298	286,300
Purchased services	7,121	7,029	7,653	7,830	8,083	8,191	7,817	8,465	7,049	7,087	7,155	7,271	90,752	82,169
Supplies	8,703	8,475	8,129	9,089	7,813	8,791	8,653	8,707	8,083	8,120	8,893	8,291	101,746	101,370
Depreciation and amortization	2,275	2,267	2,273	2,227	2,264	2,235	2,249	2,257	2,170	2,163	2,161	2,108	26,650	26,307
Interest	1,616	1,630	1,617	1,609	1,607	1,637	1,616	1,651	1,610	1,610	1,610	1,610	19,423	19,319
Ad valorem tax related expenses	522	523	523	532	521	525	519	518	530	530	530	530	6,303	6,356
Leases and rentals	739	737	747	789	777	766	772	896	714	717	717	714	9,084	8,573
Other	2,366	2,386	2,336	2,303	2,193	2,555	2,293	2,428	2,382	2,384	2,384	2,382	28,390	28,586
Total operating expenses	47,528	46,148	47,421	48,405	45,157	48,683	46,894	48,345	45,396	45,235	46,630	43,804	559,647	558,980
Income from operations	(2,430)	157	(4,392)	2,023	652	2,888	5,610	(595)	(1,105)	(1,103)	393	318	2,416	7,347
Nonoperating revenues, expenses, and gains/(losses):														
Realized investment income/(losses)	269	1,558	1,372	724	563	2,501	524	1,920	273	305	276	323	10,609	9,615
Unrealized investment income/(losses)	(3,411)	766	(4,581)	8,241	(2,283)	(1,289)	1,406	(3,544)	-	-	-	-	(4,694)	-
Donation revenue	1	9	114	94	7	46	19	19	59	59	59	59	546	707
Interest - bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonoperating gains/(losses), net	209	199	179	89	179	136	112	134	100	100	100	100	1,637	258
Total nonoperating revenues, expenses, and gains/(losses)	(2,932)	2,531	(2,915)	9,149	(1,534)	1,394	2,062	(1,471)	432	464	435	482	8,098	10,580
Increase in net position	(\$5,362)	\$2,689	(\$7,308)	\$11,172	(\$882)	\$4,283	\$7,672	(\$2,066)	(\$673)	(\$639)	\$829	\$800	\$10,515	\$17,927

Appendix



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
	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	<u>\$1,600</u>
	March variance to initial forecast	
	Revenues higher than initial forecast	\$2,104
	Realized investment income	\$397
	Other	\$291
	Sub-total	<u>\$2,792</u>
	Re-forecast from April - Sept	<u>\$1,571</u>
D	FY 2019 Updated Forecast with Margin Improvements (Actual Oct- Mar and projected Apr-Sept)	<u>\$37,819</u>



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

D	FY 2019 Updated Forecast with Margin Improvements (Actual Oct- Mar and projected Apr-Sept)	\$37,819
	April variance to initial forecast:	
	Revenues higher than initial forecast	\$4,927
	Realized investment income	\$391
	Other	\$207
	Sub-total	<u>\$5,525</u>
	May variance to initial forecast	
	Revenues higher than initial forecast	\$2,933
	Realized investment income	\$968
	Sub-total	<u>\$3,901</u>
	Re-forecast from Jun - Sept (incremental improvement from initial forecast)	<u>\$1,181</u>
E	FY 2019 Updated Forecast with Margin Improvements (Actual Oct- May and projected Jun-Sept)	<u>\$48,426</u>

Halifax Health Summary Financial Narrative For the eight months ended May 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	2.6%	3.5%	Unfavorable	4.1%	Unfavorable
Operating Margin	1.0%	1.8%	Unfavorable	1.4%	Unfavorable
EBIDA Margin	10.6%	11.4%	Unfavorable	11.7%	Unfavorable
Operating EBIDA Margin	9.1%	9.7%	Unfavorable	8.0%	Favorable
Adjusted Operating EBIDA Margin *	9.5%	9.5%	Neutral	N/A	N/A
Days Cash on Hand	270	248	Favorable	241	Favorable
Cash to Debt	90.2%	82.7%	Favorable	221.6%	Unfavorable
Debt to Capitalization	57.9%	57.0%	Unfavorable	26.4%	Unfavorable
OG MADs Coverage	2.16	2.09	Favorable	3.80	Unfavorable
OG Debt to Capitalization	57.3%	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 greater than budget and prior year; and for the fiscal year-to-date are less than budget and greater than prior year.
- Patient days for the month 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 less than 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 are less than budget and greater than prior year; and for the fiscal year-to-date are less than budget and prior year.

Financial Summary --

- Net patient service revenue for the fiscal year-to-date is 0.3% less than budget.
- Total operating expenses for the fiscal year-to-date are 0.5% greater than budget.
- Gain from operations for the fiscal year-to-date of \$1.8 million compares unfavorably to budget by \$1.3 million.
- Nonoperating gains/losses for the fiscal year-to-date of \$8.0 million, primarily consisting of net investment income, compares favorably to the budgeted amount by \$3.4 million.
- The increase in net position for the fiscal year-to-date of \$9.9 million compares favorably to budget by \$2.0 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 4.6% greater than budget.
- Income from operations for the fiscal year-to-date of \$1.8 million compares favorably to budget by \$862,000.
- The increase in net position for the fiscal year-to-date of \$59,000 compares unfavorably to budget by \$3.3 million.

Other Component Units - Financial results of other component units is more favorable than budgeted expectations except for increases in unrealized investment losses of the Foundation of \$3.4 million.

Halifax Health Statistical Summary

Month Ended May 31					Eight Months Ended May 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>				
1,538	1,604	1,584	1.3%	HHMC Adult/Ped Admissions	12,672	12,785	13,016	-1.8%
175	172	177	-2.8%	HHMCPO Adult/Ped Admissions	1,414	1,447	1,441	0.4%
210	206	186	10.8%	Adult Psych Admissions	1,502	1,471	1,514	-2.8%
49	75	66	13.6%	Rehabilitative Admissions	501	584	537	8.8%
1,972	2,057	2,013	2.2%	Total Adult/Ped Admissions	16,089	16,287	16,508	-1.3%
8,086	8,366	7,304	14.5%	HHMC Adult/Ped Patient Days	64,757	67,803	59,998	13.0%
515	541	620	-12.7%	HHMCPO Adult/Ped Patient Days	4,927	4,199	5,056	-17.0%
1,267	1,210	1,381	-12.4%	Adult Psych Patient Days	10,793	10,125	11,269	-10.2%
775	1,115	946	17.9%	Rehabilitative Patient Days	7,549	8,659	7,717	12.2%
10,643	11,232	10,251	9.6%	Total Adult/Ped Patient Days	88,026	90,786	84,040	8.0%
5.3	5.2	4.6	13.1%	HHMC Average Length of Stay	5.1	5.3	4.6	15.1%
2.9	3.1	3.5	-10.2%	HHMCPO Average Length of Stay	3.5	2.9	3.5	-17.3%
5.0	5.0	4.5	11.5%	HHMC/ HHMCPO Average Length of Stay	4.9	5.1	4.5	12.4%
6.0	5.9	7.4	-20.9%	Adult Psych Average Length of Stay	7.2	6.9	7.4	-7.5%
15.8	14.9	14.3	3.7%	Rehabilitative Length of Stay	15.1	14.8	14.4	3.2%
5.4	5.5	5.1	7.2%	Total Average Length of Stay	5.5	5.6	5.1	9.5%
343	362	331	9.6%	Total Average Daily Census	362	374	346	8.0%
905	677	862	-21.5%	HHMC Observation Patient Day Equivalents	7,179	6,669	6,790	-1.8%
209	147	174	-15.5%	HHMCPO Observation Patient Day Equivalents	1,629	1,684	1,366	23.3%
1,114	824	1,036	-20.5%	Total Observation Patient Day Equivalents	8,808	8,353	8,156	2.4%
36	27	33	-18.2%	Observation Average Daily Census	36	34	34	0.0%
145	126	139	-9.4%	HHMC Newborn Births	1,122	1,109	1,078	2.9%
273	255	261	-2.3%	HHMC Nursery Patient Days	2,037	2,154	1,949	10.5%
622	541	616	-12.2%	HHMC Inpatient Surgeries	5,004	4,791	5,136	-6.7%
12	6	9	-33.3%	HHMCPO Inpatient Surgeries	78	66	59	11.9%
634	547	625	-12.5%	Total Inpatient Surgeries	5,082	4,857	5,195	-6.5%
				<u>Inpatient Surgeries</u>				
186	159			Orthopedics	1,593	1,574		
149	96			Gastroenterology	1,163	957		
99	62			General Surgery	713	655		
39	41			Neurosurgery	317	335		
34	40			Cardiovascular/Thoracic Surg	257	243		
127	149			All Other	1,039	1,093		
634	547	625	-12.5%	Total Inpatient Surgeries	5,082	4,857	5,195	-6.5%

Halifax Health Statistical Summary

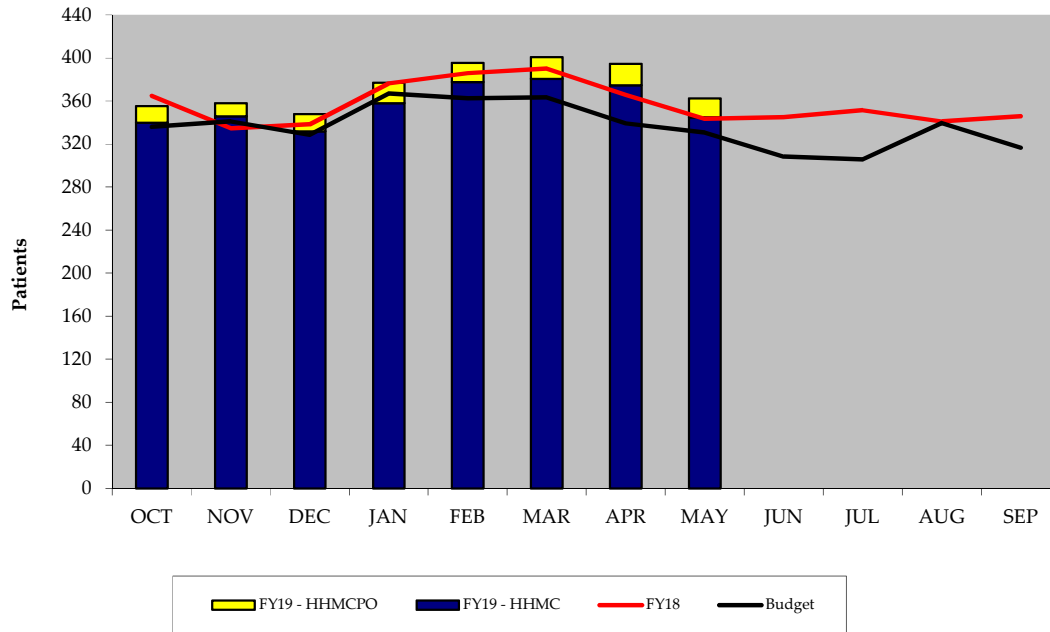
Month Ended May 31					Eight Months Ended May 31			
<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>		<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
6,600	6,368	6,824	-6.7%	HHMC ED Registrations	55,162	51,090	57,040	-10.4%
2,640	2,688	2,758	-2.5%	HHMCPO ED Registrations	22,177	20,876	23,196	-10.0%
1,257	1,572	1,488	5.6%	Deltona ED Registrations	11,396	11,697	11,664	0.3%
10,497	10,628	11,070	-4.0%	Total ED	88,735	83,663	91,900	-9.0%
427	372	472	-21.2%	HHMC Outpatient Surgeries	3,108	2,976	3,539	-15.9%
129	128	115	11.3%	HHMCPO Outpatient Surgeries	1,007	879	903	-2.7%
286	272	270	0.7%	Twin Lakes Surgeries	2,461	2,221	2,322	-4.3%
842	772	857	-9.9%	Total Outpatient Surgeries	6,576	6,076	6,764	-10.2%
				<u>Outpatient Surgeries</u>				
178	193			General Surgery	1,270	1,333		
119	99			Gastroenterology	1,085	904		
128	69			Orthopedics	1,065	634		
86	82			OB/GYN	603	633		
55	67			Ophthalmology	463	412		
276	262			All Other	2,090	2,160		
842	772	857	-9.9%	Total Outpatient Surgeries	6,576	6,076	6,764	-10.2%
				<u>Cardiology Procedures</u>				
22	30			Open Heart Cases	205	168		
176	162			Cardiac Caths	1,345	1,190		
24	34			CRM Devices	232	214		
60	53			EP Studies	361	305		
282	279	263	6.1%	Total Cardiology Procedures	2,143	1,877	2,172	-13.6%
				<u>Interventional Radiology Procedures</u>				
100	102	97	5.2%	Vascular	695	699	673	3.9%
76	108	67	61.2%	Nonvascular	642	739	569	29.9%
176	210	164	28.0%	Total Interventional Radiology Procedures	1,337	1,438	1,242	15.8%
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
15,873	16,631	15,810	5.2%	Volusia/ Flagler	127,054	130,200	123,930	5.1%
1,705	1,726	1,891	-8.7%	Orange/ Osceola	11,595	13,110	13,971	-6.2%
17,578	18,357	17,701	3.7%	HH Hospice Patient Days	138,649	143,310	137,901	3.9%
				<u>Average Daily Census</u>				
512	536	510	5.2%	Volusia/ Flagler	523	536	510	5.1%
55	56	61	-8.7%	Orange/ Osceola	48	54	57	-6.2%
567	592	571	3.7%	HH Hospice Average Daily Census	571	590	567	3.9%

Halifax Health Statistical Summary

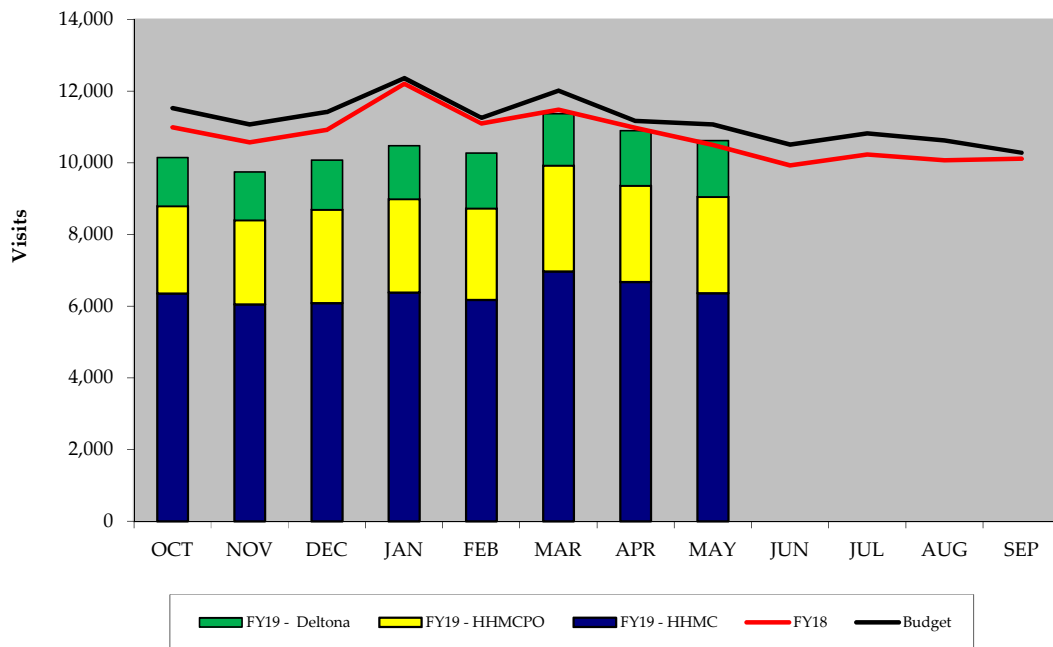
Month Ended May 31					Eight Months Ended May 31			
<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>		<u>2018</u>	<u>2019</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>								
<u>Primary Care Visits</u>								
626	549	565	-2.8%	Ormond Beach	4,044	4,068	4,672	-12.9%
1,117	1,155	1,052	9.8%	Daytona Beach	8,545	8,804	8,695	1.3%
617	640	861	-25.7%	Port Orange	5,163	4,900	7,117	-31.2%
183	306	472	-35.2%	Deltona	1,818	1,912	3,902	-51.0%
730	865	1,219	-29.0%	New Smyrna	6,053	6,322	9,554	-33.8%
655	625	597	4.7%	Ormond Beach (Women's/OB)	4,499	5,152	4,934	4.4%
353	357	575	-37.9%	Ormond Beach - Urgent Care	3,204	2,899	5,218	-44.4%
4,281	4,497	5,341	-15.8%	Primary Care Visits	33,326	34,057	44,092	-22.8%
<u>Pediatric Visits</u>								
611	783	664	17.9%	Ormond Beach-CMC	4,682	6,477	5,204	24.5%
-	301	302	-0.3%	Ormond Beach-Primary Care	-	1,990	2,498	-20.3%
438	499	442	12.9%	Daytona Beach - Keech Street	2,722	3,664	3,536	3.6%
402	395	372	6.2%	Palm Coast-CMC	2,956	3,678	2,916	26.1%
508	498	486	2.5%	Port Orange-CMC	4,046	4,081	3,809	7.1%
1,959	2,476	2,266	9.3%	Pediatric Visits	14,406	19,890	17,963	10.7%
<u>Oncology Visits</u>								
1,182	1,131	1,202	-5.9%	Daytona	8,630	7,824	8,779	-10.9%
619	550	595	-7.6%	Ormond	4,257	4,214	4,095	2.9%
823	839	860	-2.5%	New Smyrna	6,522	6,536	6,816	-4.1%
982	932	979	-4.8%	Port Orange	7,066	6,835	7,047	-3.0%
3,606	3,452	3,637	-5.1%	Total Medical Oncology Visits	26,475	25,409	26,737	-5.0%
1,330	1,352	1,267	6.7%	Daytona	10,459	10,041	9,933	1.1%
371	575	370	55.3%	New Smyrna	3,613	4,321	3,607	19.8%
1,701	1,927	1,638	17.7%	Total Radiation Oncology Visits	14,072	14,362	13,539	6.1%
5,307	5,379	5,275	2.0%	Total Oncology Visits	40,547	39,771	40,276	-1.3%

Halifax Health Statistical Summary - Graphic

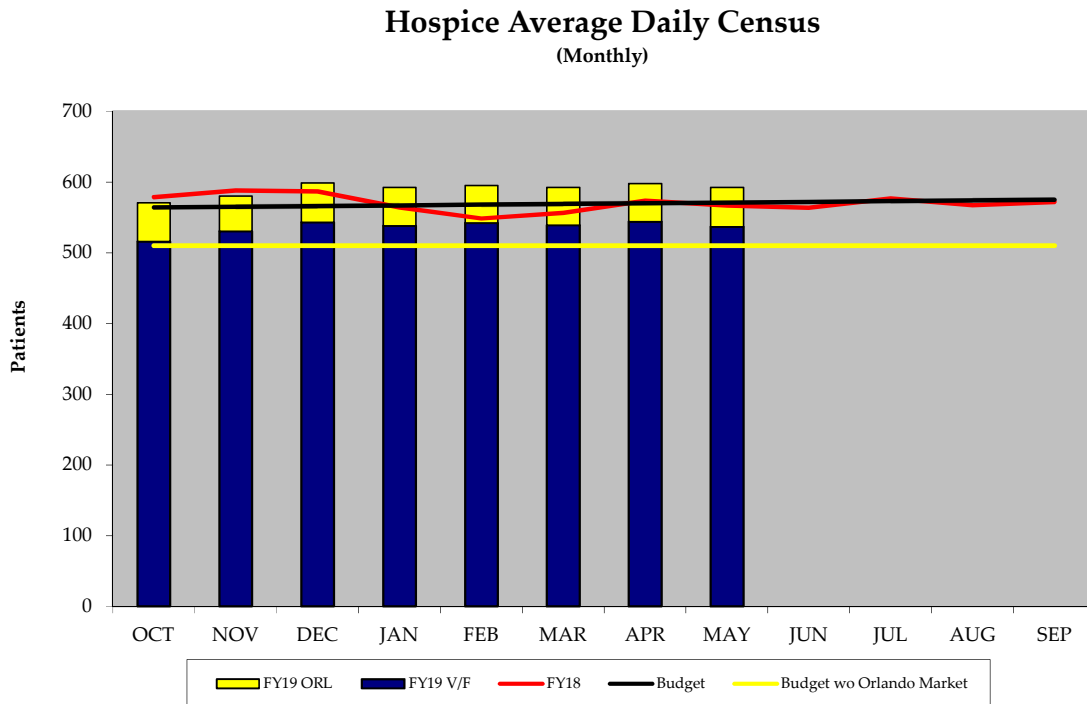
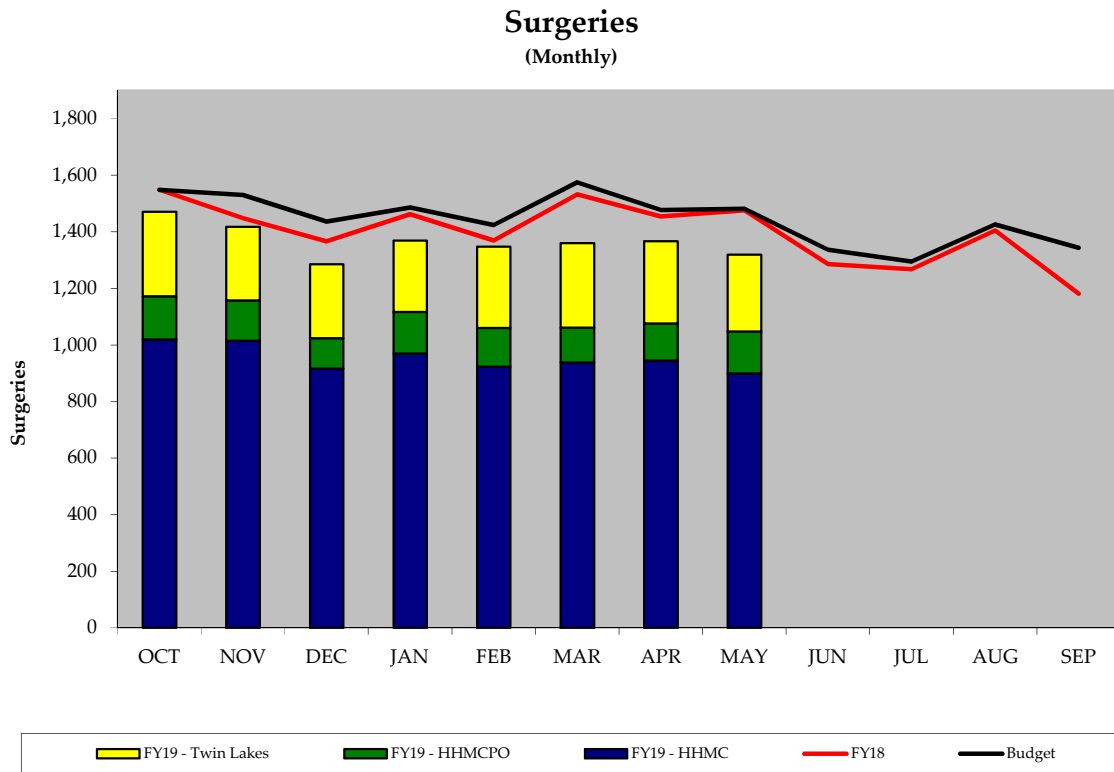
HHMC Average Daily Census (Monthly)



ED Visits (Monthly)



Halifax Health Statistical Summary - Graphic



Halifax Health

Condensed Statement of Net Position

(\$ in thousands)

	May 31		
	2019	2018	Change
<u>Assets</u>			
Cash and cash equivalents	\$74,475	\$46,712	\$27,763
Investments	297,293	261,446	35,847
Board designated assets	28,314	45,254	(16,940)
Accounts receivable	65,587	69,274	(3,687)
Restricted assets whose use is limited	6,146	6,213	(67)
Other assets	45,632	54,512	(8,880)
Deferred outflow - swap	32,649	24,989	7,660
Deferred outflow - loss on bond refunding	14,936	15,842	(906)
Deferred outflow - pension	21,578	25,302	(3,724)
Property, plant and equipment	403,707	359,781	43,926
Total Assets	<u>\$990,317</u>	<u>\$909,325</u>	<u>\$80,992</u>
<u>Liabilities and Net position</u>			
Accounts payable	\$45,964	\$33,459	\$12,505
Other liabilities	87,120	97,638	(10,518)
Deferred inflow - pension	1,157	2,002	(845)
Net pension liability	57,505	69,923	(12,418)
Long-term debt	425,167	357,957	67,210
Premium on LTD, net	18,145	18,815	(670)
Long-term value of swap	32,649	24,989	7,660
Net position	<u>322,610</u>	<u>304,542</u>	<u>18,068</u>
Total Liabilities and Net position	<u>\$990,317</u>	<u>\$909,325</u>	<u>\$80,992</u>

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

Month ended May 31, 2019	Month ended May 31, 2018	Variance		Eight Months ended May 31, 2019	Eight Months ended May 31, 2018	Variance
			Cash flows from operating activities:			
\$46,484	\$51,090	(\$4,606)	Receipts from third party payors and patients	\$371,394	\$346,853	\$24,541
(30,754)	(28,418)	(2,336)	Payments to employees	(192,535)	(204,155)	11,620
-	-	-	Payments to pension	(19,500)	(19,876)	376
(12,843)	(16,616)	3,773	Payments to suppliers	(150,544)	(121,659)	(28,885)
141	46	95	Receipt of ad valorem taxes	5,841	5,766	75
(3,198)	(2,185)	(1,013)	Receipt (payment) of State UPL funds, net	7,963	4,040	3,923
3,321	2,789	532	Other receipts	26,012	21,964	4,048
(3,811)	(3,802)	(9)	Other payments	(29,064)	(29,243)	179
(660)	2,904	(3,564)	Net cash provided by (used in) operating activities	19,567	3,690	15,877
			Cash flows from noncapital financing activities:			
20	67	(47)	Proceeds from donations received	311	538	(227)
134	-	134	Other nonoperating revenues, expenses and gains/(losses)	1,237	9	1,228
154	67	87	Net cash provided by noncapital financing activities	1,548	547	1,001
			Cash flows from capital and related financing activities:			
(979)	(314)	(665)	Acquisition of capital assets	(8,265)	(9,117)	852
(330)	(5,133)	4,803	Acquisition of capital assets- Deltona	(33,979)	(12,627)	(21,352)
-	-	-	Payment of long-term debt	-	(1,390)	1,390
(599)	(329)	(270)	Payment of interest on long-term debt	(10,851)	(8,991)	(1,860)
(1,908)	(5,776)	3,868	Net cash used in capital financing activities	(53,095)	(32,125)	(20,970)
			Cash flows from investing activities:			
1,921	516	1,405	Realized investment income (loss)	9,433	3,696	5,737
(1,813)	(74,491)	72,678	Purchases of investments/limited use assets	(40,331)	(78,833)	38,502
8,018	79,120	(71,102)	Sales/Maturities of investments/limited use assets	88,582	86,314	2,268
8,126	5,145	2,981	Net cash provided by investing activities	57,684	11,177	46,507
5,712	2,340	3,372	Net increase (decrease) in cash and cash equivalents	25,704	(16,711)	42,415
68,763	44,372	24,391	Cash and cash equivalents at beginning of period	48,771	63,423	(14,652)
<u>\$74,475</u>	<u>\$46,712</u>	<u>\$27,763</u>	Cash and cash equivalents at end of period	<u>\$74,475</u>	<u>\$46,712</u>	<u>\$27,763</u>

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

Actual Month Ended May 31, 2019	Actual Month Ended May 31, 2018	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Actual Eight Months Ended May 31, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$54,153	\$53,014	\$1,139	Net patient service revenue, before provision for bad debts	\$417,819	\$411,237	\$6,582
(7,365)	(7,049)	(316)	Provision for bad debts	(55,759)	(60,047)	4,288
46,788	45,965	823	Net patient service revenue	362,060	351,190	10,870
511	504	7	Ad valorem taxes	4,086	4,032	54
452	2,042	(1,590)	Other revenue, including investment income/(losses), net	16,352	18,808	(2,456)
47,751	48,511	(760)	Total operating revenues	382,498	374,030	8,468
			Operating expenses:			
23,423	23,252	(171)	Salaries and benefits	187,735	181,997	(5,738)
8,465	7,055	(1,410)	Purchased services	62,190	57,221	(4,969)
8,706	9,019	313	Supplies	68,360	67,985	(375)
2,258	2,151	(107)	Depreciation and amortization	18,050	17,085	(965)
1,651	1,401	(250)	Interest	12,983	11,349	(1,634)
518	573	55	Ad valorem tax related expenses	4,183	4,374	191
896	826	(70)	Leases and rentals	6,223	6,516	293
2,429	2,462	33	Other	18,860	18,967	107
48,346	46,739	(1,607)	Total operating expenses	378,584	365,494	(13,090)
(595)	1,772	(2,367)	Excess (deficiency) of operating revenues over expenses	3,914	8,536	(4,622)
			Nonoperating revenues, expenses, and gains/(losses):			
1,921	516	1,405	Realized investment income/(losses)	9,432	3,696	5,736
(3,545)	1,677	(5,222)	Unrealized investment income/(losses)	(4,695)	134	(4,829)
19	67	(48)	Donation revenue	310	538	(228)
134	-	134	Nonoperating gains/(losses), net	1,237	10	1,227
(1,471)	2,260	(3,731)	Total nonoperating revenues, expenses, and gains/(losses)	6,284	4,378	1,906
(\$2,066)	\$4,032	(\$6,098)	Increase (decrease) in net position	\$10,198	\$12,914	(\$2,716)

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

Actual Month Ended May 31, 2019	Static Budget Month Ended May 31, 2019	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Static Budget Eight Months Ended May 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$54,153	\$52,221	\$1,932	Net patient service revenue, before provision for bad debts	\$417,819	\$425,149	(\$7,330)
(7,365)	(7,756)	391	Provision for bad debts	(55,759)	(63,497)	7,738
46,788	44,465	2,323	Net patient service revenue	362,060	361,652	408
511	511	-	Ad valorem taxes	4,086	4,086	-
452	2,208	(1,756)	Other revenue, including investment income/(losses), net	16,352	17,672	(1,320)
47,751	47,184	567	Total operating revenues	382,498	383,410	(912)
			Operating expenses:			
23,423	24,479	1,056	Salaries and benefits	187,735	193,870	6,135
8,465	6,893	(1,572)	Purchased services	62,190	54,656	(7,534)
8,706	8,708	2	Supplies	68,360	68,584	224
2,258	2,203	(55)	Depreciation and amortization	18,050	17,706	(344)
1,651	1,610	(41)	Interest	12,983	12,879	(104)
518	530	12	Ad valorem tax related expenses	4,183	4,236	53
896	716	(180)	Leases and rentals	6,223	5,713	(510)
2,429	2,383	(46)	Other	18,860	19,054	194
48,346	47,522	(824)	Total operating expenses	378,584	376,698	(1,886)
(595)	(338)	(257)	Excess (deficiency) of operating revenues over expenses	3,914	6,712	(2,798)
			Nonoperating revenues, expenses, and gains/(losses):			
1,921	801	1,120	Realized investment income/(losses)	9,432	6,410	3,022
(3,545)	-	(3,545)	Unrealized investment income/(losses)	(4,695)	-	(4,695)
19	59	(40)	Donation revenue	310	471	(161)
134	21	113	Nonoperating gains/(losses), net	1,237	172	1,065
(1,471)	881	(2,352)	Total nonoperating revenues, expenses, and gains/(losses)	6,284	7,053	(769)
(\$2,066)	\$543	(\$2,609)	Increase (decrease) in net position	\$10,198	\$13,765	(\$3,567)

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

Actual Month Ended May 31, 2019	Static Budget Month Ended May 31, 2019	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Static Budget Eight Months Ended May 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$50,138	\$48,373	\$1,765	Net patient service revenue, before provision for bad debts	\$386,556	\$395,154	(\$8,598)
(7,294)	(7,670)	376	Provision for bad debts	(55,180)	(62,823)	7,643
42,844	40,703	2,141	Net patient service revenue	331,376	332,331	(955)
511	511	-	Ad valorem taxes	4,086	4,086	-
1,844	1,436	408	Other revenue	12,818	11,495	1,323
45,199	42,650	2,549	Total operating revenues	348,280	347,912	368
			Operating expenses:			
21,369	22,301	932	Salaries and benefits	172,106	176,793	4,687
7,136	5,770	(1,366)	Purchased services	51,743	45,852	(5,891)
8,497	8,509	12	Supplies	66,666	67,029	363
2,124	2,071	(53)	Depreciation and amortization	16,983	16,655	(328)
1,641	1,610	(31)	Interest	12,911	12,879	(32)
518	530	12	Ad valorem tax related expenses	4,183	4,236	53
727	537	(190)	Leases and rentals	4,758	4,300	(458)
2,186	2,131	(55)	Other	17,142	17,052	(90)
44,198	43,459	(739)	Total operating expenses	346,492	344,796	(1,696)
1,001	(809)	1,810	Excess (deficiency) of operating revenues over expenses	1,788	3,116	(1,328)
			Nonoperating revenues, expenses, and gains/(losses):			
1,852	568	1,284	Realized investment income/(losses)	5,540	4,543	997
(699)	-	(699)	Unrealized investment income/(losses)	1,240	-	1,240
3	-	3	Donation revenue	55	-	55
134	21	113	Nonoperating gains/(losses), net	1,237	172	1,065
1,290	589	701	Total nonoperating revenues, expenses, and gains/(losses)	8,072	4,715	3,357
\$2,291	(\$220)	\$2,511	Increase (decrease) in net position	\$9,860	\$7,831	\$2,029

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

Actual Month Ended May 31, 2018		Actual Month Ended May 31, 2019		Static Budget Month Ended May 31, 2019			Actual Eight Months Ended May 31, 2018		Actual Eight Months Ended May 31, 2019		Static Budget Eight Months Ended May 31, 2019	
\$168,210	100.00%	\$176,930	100.00%	\$172,744	100.00%	Gross charges	\$1,333,444	100.00%	\$1,376,118	100.00%	\$1,401,983	100.00%
(9,927)	-5.90%	(16,399)	-9.27%	(11,204)	-6.49%	Charity	(83,826)	-6.29%	(113,065)	-8.22%	(91,764)	-6.55%
(108,951)	-64.77%	(110,393)	-62.39%	(113,167)	-65.51%	Contractual adjustments	(867,803)	-65.08%	(876,497)	-63.69%	(915,065)	-65.27%
49,332	29.33%	50,138	28.34%	48,373	28.00%	Gross charges, before provision for bad debts	381,815	28.63%	386,556	28.09%	395,154	28.19%
(6,951)	-4.13%	(7,294)	-4.12%	(7,670)	-4.44%	Provision for bad debts	(59,266)	-4.44%	(55,180)	-4.01%	(62,823)	-4.48%
\$42,381	25.20%	\$42,844	24.22%	\$40,703	23.56%	Net patient service revenue	\$322,549	24.19%	\$331,376	24.08%	\$332,331	23.70%

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

Actual Month Ended May 31, 2019	Static Budget Month Ended May 31, 2019	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Static Budget Eight Months Ended May 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$4,015	\$3,848	\$167	Net patient service revenue, before provision for bad debts	\$31,263	\$29,995	\$1,268
(71)	(86)	15	Provision for bad debts	(579)	(674)	95
3,944	3,762	182	Net patient service revenue	30,684	29,321	1,363
160	194	(34)	Other revenue	1,369	1,553	(184)
4,104	3,956	148	Total operating revenues	32,053	30,874	1,179
			Operating expenses:			
1,993	2,109	116	Salaries and benefits	15,106	16,533	1,427
1,278	1,081	(197)	Purchased services	10,102	8,472	(1,630)
209	198	(11)	Supplies	1,693	1,550	(143)
65	65	-	Depreciation and amortization	516	518	2
164	174	10	Leases and rentals	1,424	1,372	(52)
211	182	(29)	Other	1,365	1,444	79
3,920	3,809	(111)	Total operating expenses	30,206	29,889	(317)
184	147	37	Excess of operating revenues over expenses	1,847	985	862
			Nonoperating revenues, expenses, and gains/(losses):			
69	233	(164)	Realized investment income/(losses)	3,892	1,867	2,025
(2,846)	-	(2,846)	Unrealized investment income/(losses)	(5,935)	-	(5,935)
16	59	(43)	Donation revenue	255	471	(216)
(2,761)	292	(3,053)	Total nonoperating revenues, expenses, and gains/(losses)	(1,788)	2,338	(4,126)
(2,577)	\$439	(\$3,016)	Increase (decrease) in net position	\$59	\$3,323	(\$3,264)

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

Actual Month Ended May 31, 2019	Static Budget Month Ended May 31, 2019	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Static Budget Eight Months Ended May 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	-	-	-
376	362	14	Other revenue	2,995	2,898	97
376	362	14	Total operating revenues	2,995	2,898	97
			Operating expenses:			
49	59	10	Salaries and benefits	437	461	24
50	38	(12)	Purchased services	338	302	(36)
-	1	1	Supplies	1	5	4
69	67	(2)	Depreciation and amortization	551	533	(18)
10	-	(10)	Interest	72	-	(72)
5	5	-	Leases and rentals	41	41	-
1	3	2	Other	4	21	17
184	173	(11)	Total operating expenses	1,444	1,363	(81)
192	189	3	Excess of operating revenues over expenses	1,551	1,535	16
			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)	-	-	-
\$192	\$189	\$3	Increase in net position	\$1,551	\$1,535	\$16

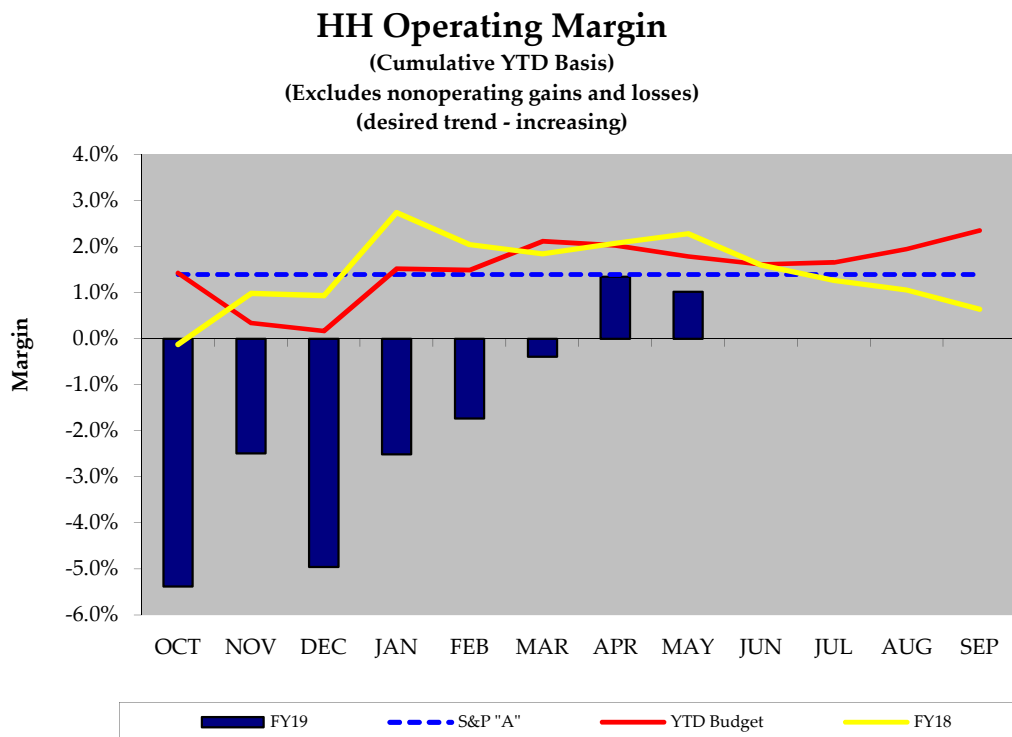
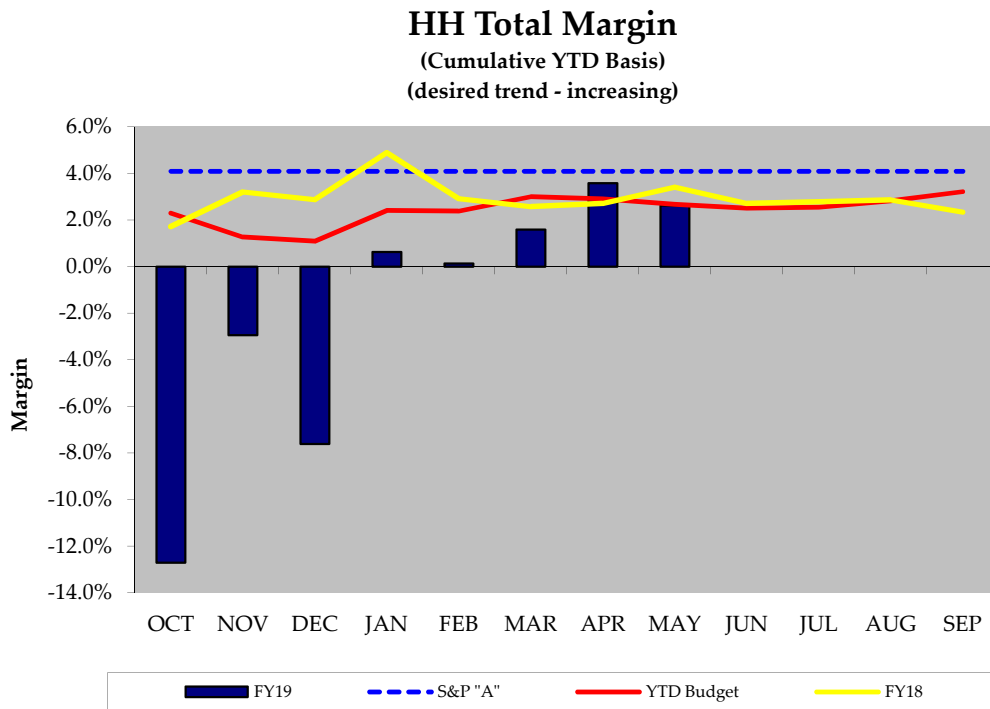
Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
(\$ in thousands)

Actual Month Ended May 31, 2019	Static Budget Month Ended May 31, 2019	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Static Budget Eight Months Ended May 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	-	-	-
27	127	(100)	Realized investment income/(losses)	1,754	1,013	741
(2,034)	-	(2,034)	Unrealized investment income/(losses)	(3,360)	-	(3,360)
79	89	(10)	Donation revenue	776	713	63
-	-	-	Other revenue	-	-	-
(1,928)	216	(2,144)	Total operating revenues	(830)	1,726	(2,556)
			Operating expenses:			
12	10	(2)	Salaries and benefits	86	83	(3)
1	4	3	Purchased services	7	30	23
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
31	67	36	Other	349	537	188
44	81	37	Total operating expenses	442	650	208
(\$1,972)	\$135	(\$2,107)	Increase (decrease) in net position	(\$1,272)	\$1,076	(\$2,348)

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

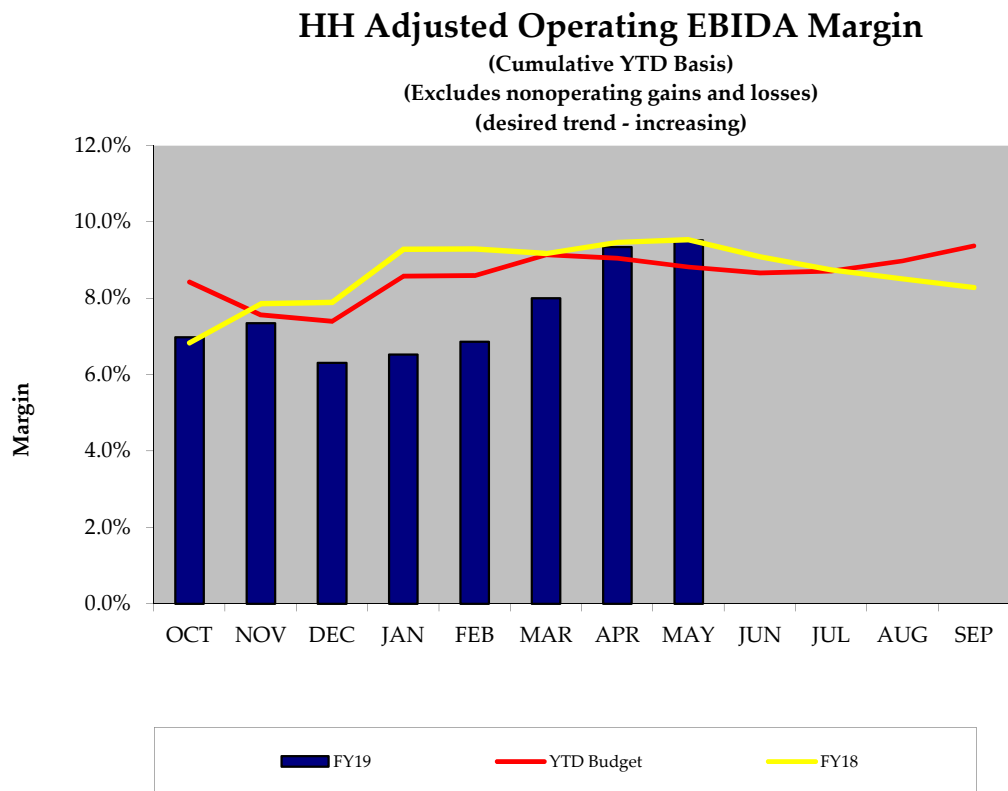
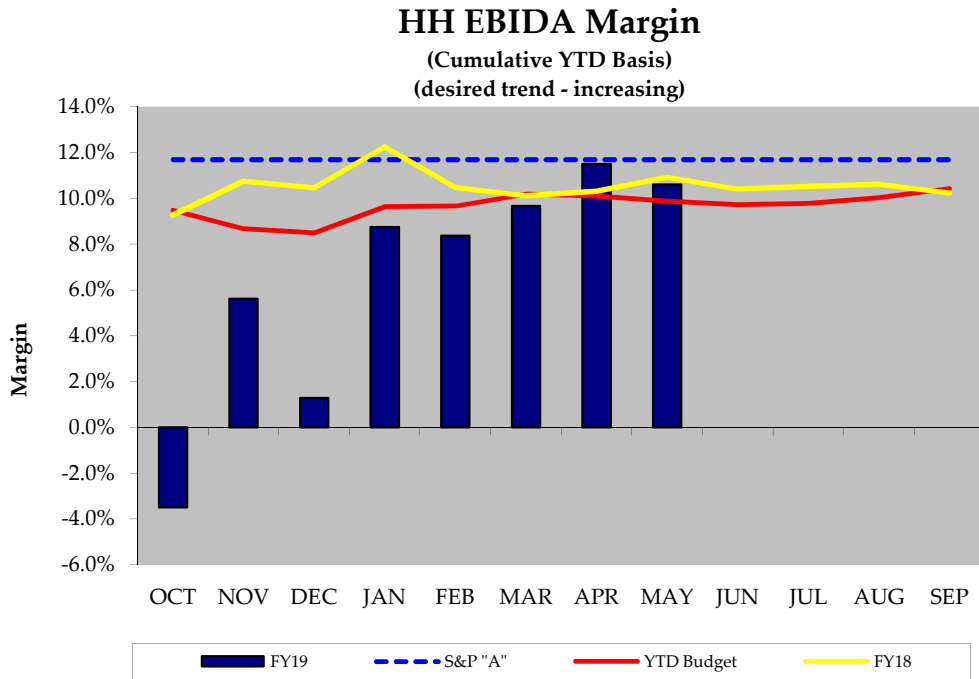
Actual Month Ended May 31, 2019	Static Budget Month Ended May 31, 2019	Favorable (Unfavorable) Variance		Actual Eight Months Ended May 31, 2019	Static Budget Eight Months Ended May 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$50,138	\$48,373	\$1,765	Net patient service revenue, before provision for bad debts	\$386,556	\$395,154	(\$8,598)
(7,294)	(7,670)	376	Provision for bad debts	(55,180)	(62,823)	7,643
42,844	40,703	2,141	Net patient service revenue	331,376	332,331	(955)
511	511	-	Ad valorem taxes	4,086	4,086	-
1,844	1,436	408	Other revenue	12,818	11,495	1,323
45,199	42,650	2,549	Total operating revenues	348,280	347,912	368
			Operating expenses:			
21,369	22,301	932	Salaries and benefits	172,106	176,793	4,687
7,136	5,770	(1,366)	Purchased services	51,743	45,852	(5,891)
8,497	8,509	12	Supplies	66,666	67,029	363
2,124	2,071	(53)	Depreciation and amortization	16,983	16,655	(328)
1,641	1,610	(31)	Interest	12,911	12,879	(32)
518	530	12	Ad valorem tax related expenses	4,183	4,236	53
727	537	(190)	Leases and rentals	4,758	4,300	(458)
2,186	2,131	(55)	Other	17,142	17,052	(90)
44,198	43,459	(739)	Total operating expenses	346,492	344,796	(1,696)
1,001	(809)	1,810	Excess (deficiency) of operating revenues over expenses	1,788	3,116	(1,328)
			Nonoperating revenues, expenses, and gains/(losses):			
1,852	568	1,284	Realized investment income/(losses)	5,540	4,543	997
(699)	-	(699)	Unrealized investment income/(losses)	1,240	-	1,240
3	-	3	Donation revenue	55	-	55
(4,357)	763	(5,120)	Income (loss) from affiliates	338	5,934	(5,596)
134	21	113	Nonoperating gains/(losses), net	1,237	172	1,065
(3,067)	1,352	(4,419)	Total nonoperating revenues, expenses, and gains/(losses)	8,410	10,649	(2,239)
(\$2,066)	\$543	(\$2,609)	Increase (decrease) in net position	\$10,198	\$13,765	(\$3,567)

Halifax Health Financial Summary - Graphic

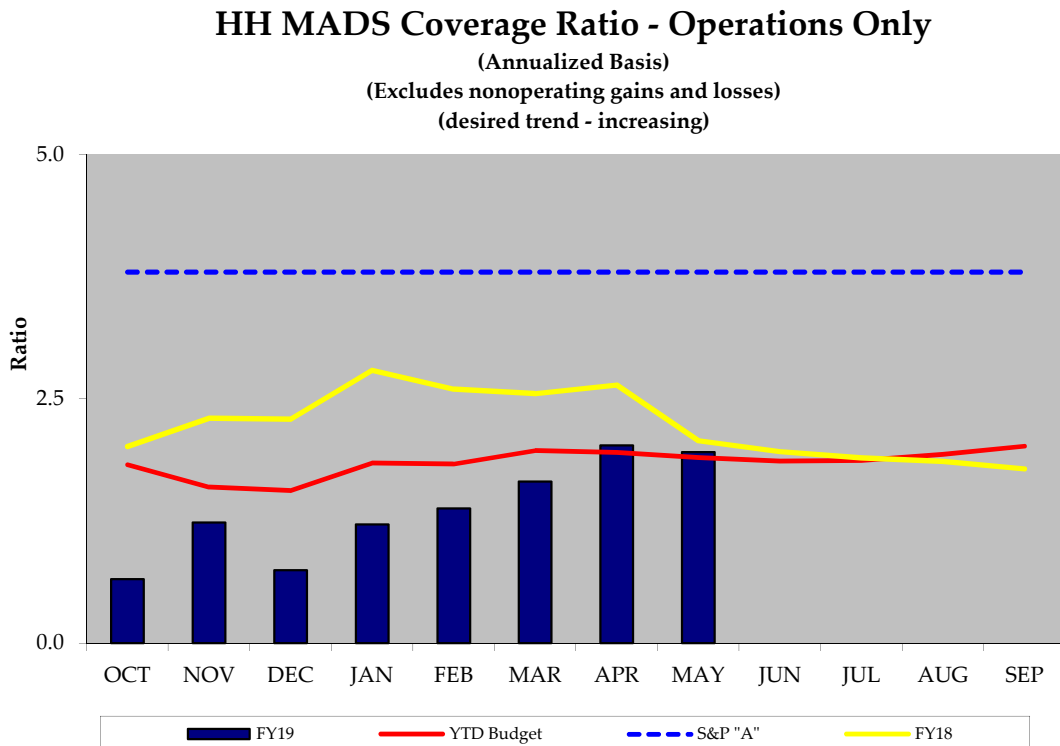
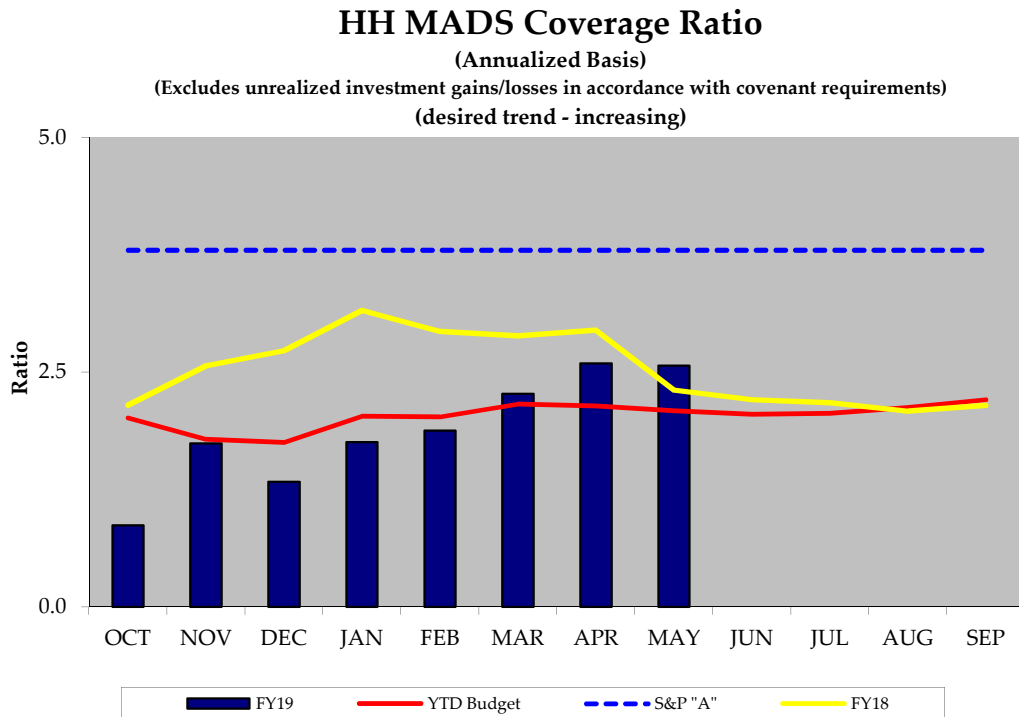


Halifax Health

Financial Summary - Graphic

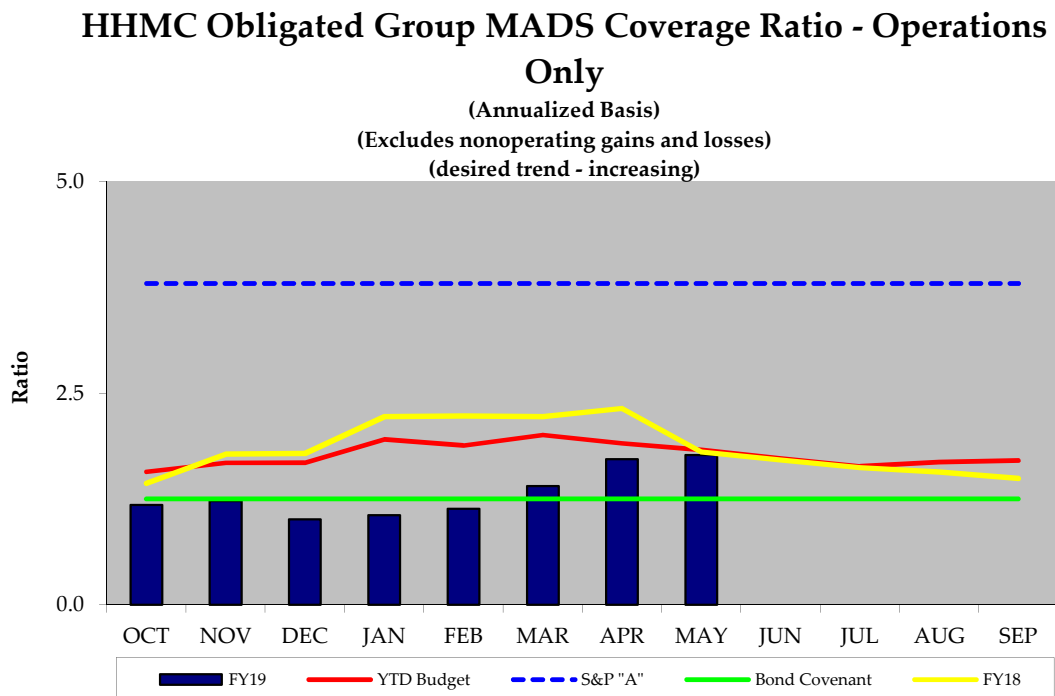
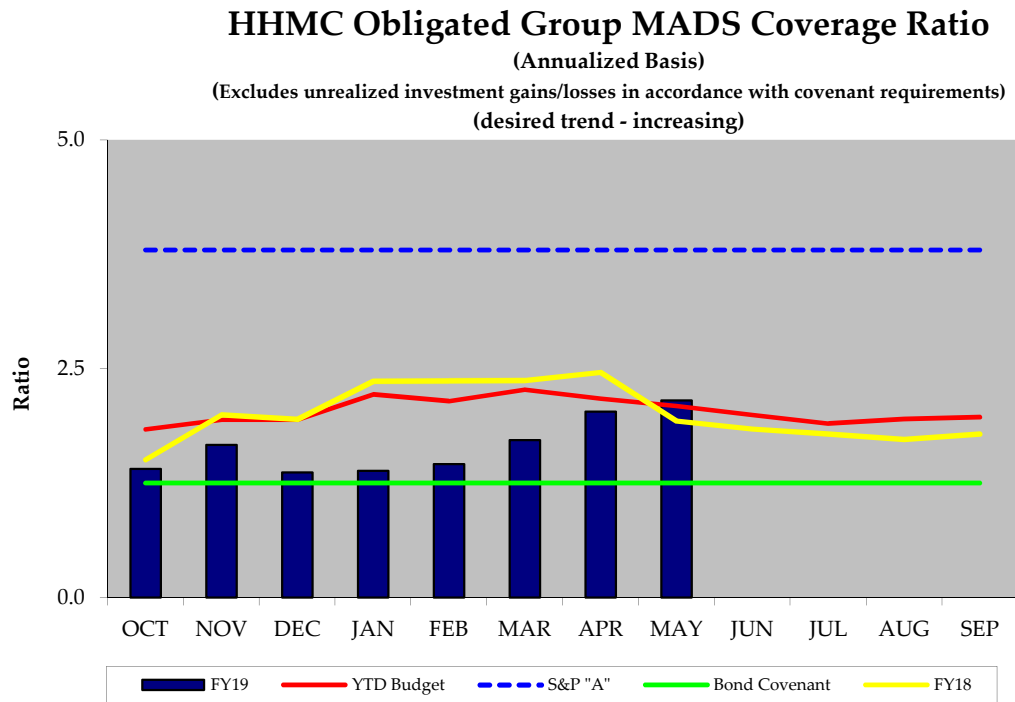


Halifax Health Financial Summary - Graphic



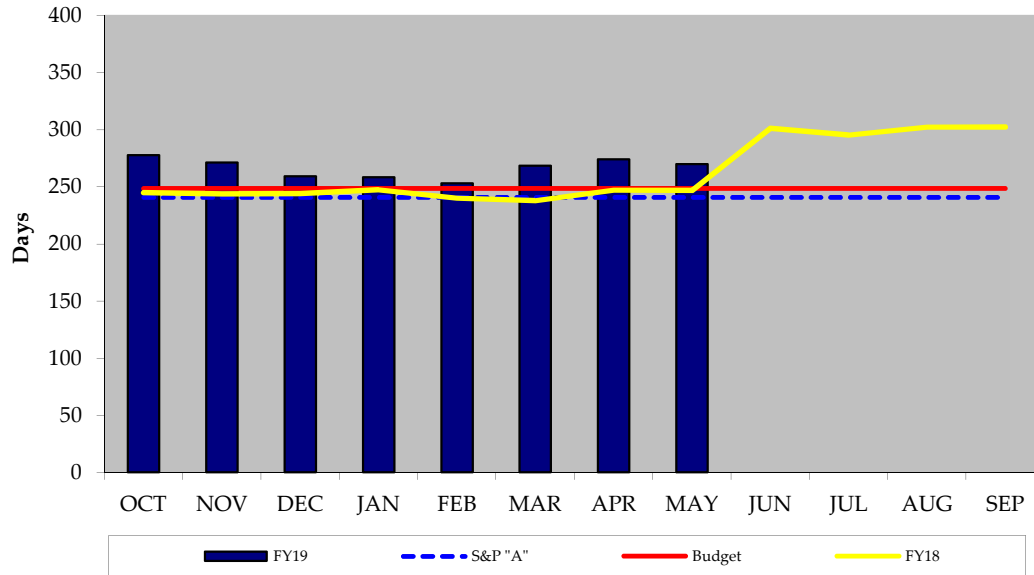
Halifax Health

Financial Summary - Graphic

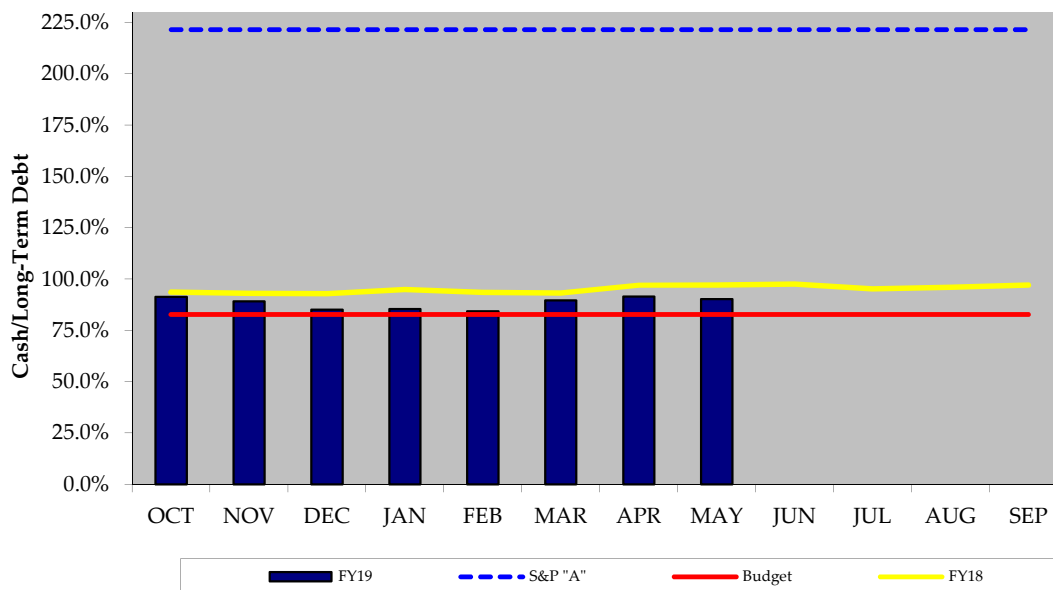


Halifax Health Financial Summary - Graphic

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

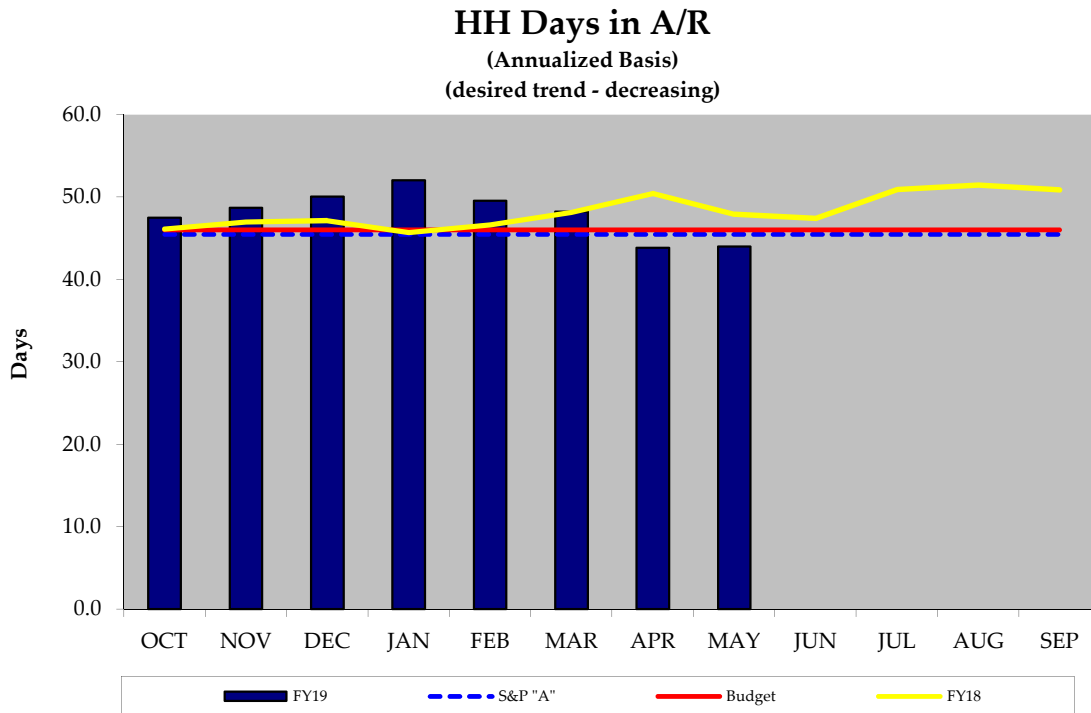
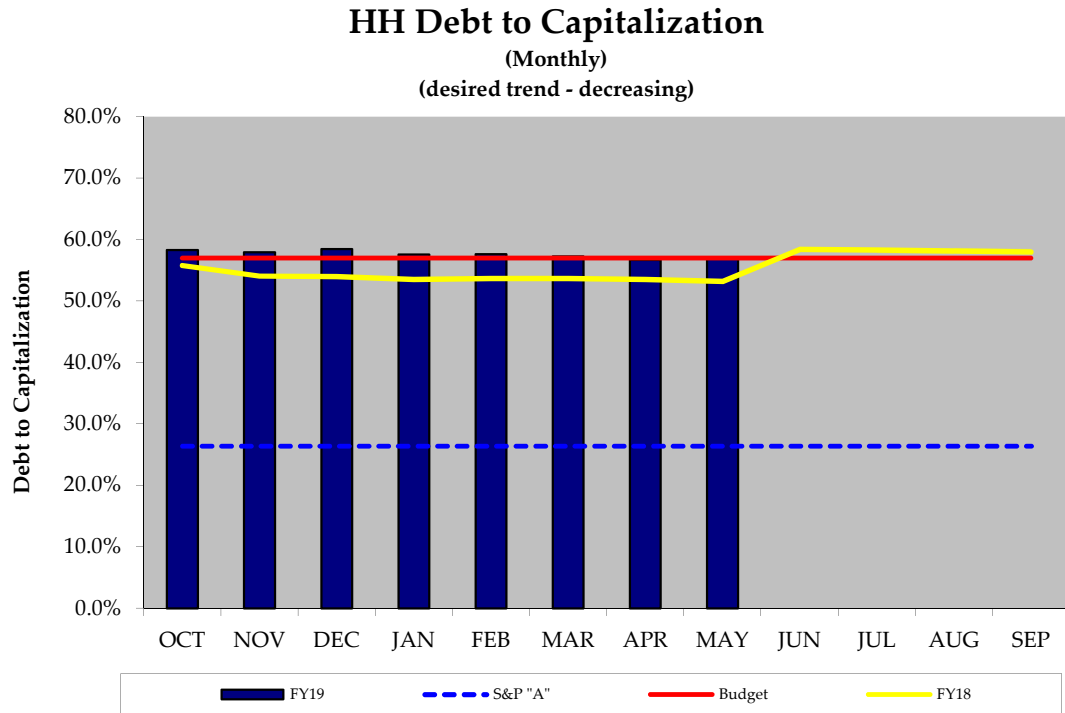


HH Cash/Debt
(Monthly)
(desired trend - increasing)



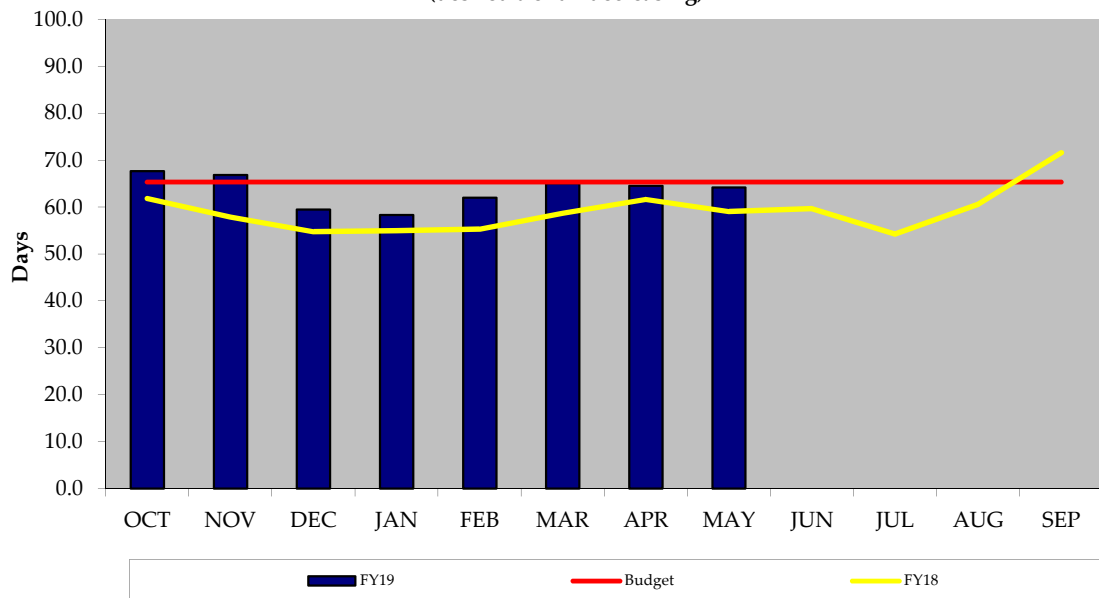
Halifax Health

Financial Summary - Graphic

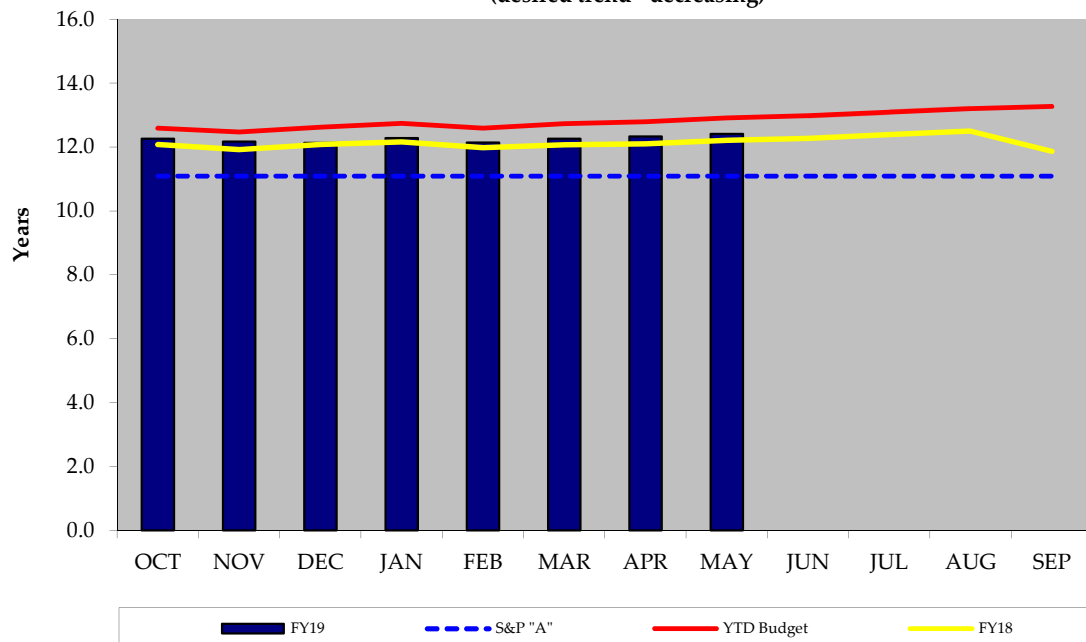


Halifax Health Financial Summary - Graphic

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 May, 2019
(\$ in thousands)

Summary of Capital Approvals

FY 2019 Capital Budget	\$ 20,000
Projected funds available in excess of FY 2019 Capital Investment	(1,963)
FY 2019 Adjusted Capital Budget	<u>18,037</u>
 FY 2019 Board of Commissioners approved projects	 \$ 237
FY 2019 CIC approved projects, net of those subsequently approved by the Board	759
Approved capital projects	<u>995</u>
 Available for new projects	 <u><u>\$ 17,042</u></u>

Project(s) proposed for Board of Commissioners approval:

Mako System with Total Knee Application	\$ 790
Laptops (x90) and PCs (x800)	500
West Clyde Morris Infrastructure-Additional Approval	400
Storage Platform & Software for IT	369
Hospice POCC Window Shutters	331
Automatic Transfer Switch (ATS) for Generator #6 Chiller	104
Hospice Ormond Care Center Window Shutters	103
	<u>2,597</u>

Available Capital if Proposed Projects are Approved	<u><u>\$ 14,445</u></u>
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Halifax Health
FY 2019 Capital Investment Strategy
As of May, 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 May31, 2019	\$ 183,077	\$ 98,128	\$ 281,205	\$ 3,101	\$ 38,271	\$ 77,504	\$ 400,081
Days cash on hand [S&P Calculation]	148.4		227.3			634.3	269.7
Days cash on hand including bad debt [Bond Compliance Calculation]	125.3		192.1			622.2	233.5
Projection of Cash Available for Capital Investment - FY 2019							
Actual unrestricted Cash and Investments as of May31, 2019	\$ 183,077	\$ 98,128	\$ 281,205	\$ 3,101	\$ 38,271	\$ 77,504	\$ 400,081
Budgeted Cash and Investments at September 30, 2019	165,807	94,126	259,933	724	36,202	65,164	362,023
Difference	17,270	4,002	21,273	2,377	2,069	12,340	38,058
Calculation of Cash from Operations Available for Capital Investment							
Gain from operations - budgeted FY 2019- Remaining	\$ (1,497)	\$ -	\$ (1,497)	\$ -	\$ -	\$ -	\$ (1,497)
GASB 68 pension accounting - budgeted FY 2019- Remaining	3,334	-	3,334	-	-	396	3,730
Depreciation expense - budgeted FY 2019- Remaining	7,824	252	8,076	248	-	259	8,583
Expected cash from operations- budgeted FY 2019- Remaining	9,661	252	9,913	248	-	655	10,817
Donations and nonoperating gains, net- budgeted FY 2019- Remaining	86	-	86	-	-	236	321
Investment gains- budgeted FY 2019- Remaining	\$ 254	\$ 2,018	\$ 2,272	\$ -	\$ -	\$ 933	\$ 3,205
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	6,658	-	6,658	-	-	-	6,658
Deltona capital expenditures to be funded by planned financing (\$105m+\$3.8m-\$69m)		(40,235)	(40,235)	-	-	-	(40,235)
FEMA reimbursement for capital projects	426		426	-	-	-	426
Funding from the sale of land parcels	5,024		5,024	-	-	-	5,024
Principal payments on debt	(5,520)	-	(5,520)	-	-	-	(5,520)
Total expected cash and investments available for capital expenditures	(A) \$ 28,835	(A) \$ (33,962)	(A) \$ (5,127)	(A) \$ 2,625	(A) \$ 2,069	(A) \$ 14,164	(A) \$ 18,755
Projected Capital Investments FY 2019							
Capital projects approved in FY 2018 and prior	\$ 12,717	\$ -	\$ 12,717	\$ -	\$ -	\$ -	\$ 12,717
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) 20,417	(B) -	(B) 20,417	(B) -	(B) -	(B) 300	(B) 20,717
Projected funds available in excess of capital expenditures	(A)-(B) \$ 8,418	(A)-(B) \$ (33,962)	(A)-(B) \$ (25,544)	(A)-(B) \$ 2,625	(A)-(B) \$ 2,069	(A)-(B) \$ 13,864	(A)-(B) \$ (1,963)
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	8,418	(33,962)	(25,544)	2,625	2,069	13,864	(1,963)
FY 2019 Adjusted Capital Budget	(C) 28,118	(C) (33,962)	(C) (5,844)	(C) 2,625	(C) 2,069	(C) 14,164	(C) 18,037
FY 2019 Board of Commissioners approved projects	237	-	237	-	-	-	237
FY 2019 CIC approved projects, net of those subsequently approved by the Board	759	-	759	-	-	-	759
Approved capital projects	(D) 995	(D) -	(D) 995	(D) -	(D) -	(D) -	(D) 995
Available for new projects	(C)-(D) \$ 27,123	(C)-(D) \$ (33,962)	(C)-(D) \$ (6,840)	(C)-(D) \$ 2,625	(C)-(D) \$ 2,069	(C)-(D) \$ 14,164	(C)-(D) \$ 17,042
Project(s) proposed for Board of Commissioners approval:							
Mako System with Total Knee Application	\$ 790	\$ -	\$ 790	\$ -	\$ -	\$ -	\$ 790
Laptops (x90) and PCs (x800)	500		500				500
West Clyde Morris Infrastructure-Additional Approval	400		400				400
Storage Platform & Software for IT	369		369				369
Hospice POCC Window Shutters	-		-			331	331
Automatic Transfer Switch (ATS) for Generator #6 Chiller	104		104				104
Hospice Ormond Care Center Window Shutters	-		-			103	103
	2,163	-	2,163	-	-	434	2,597
Available Capital if Proposed Projects are Approved	\$ 2,163	\$ (33,962)	\$ (9,003)	\$ 2,625	\$ 2,069	\$ 13,730	\$ 14,445

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	\$ (500)	\$ 100
2	IT Internal Resource Capitalization	500		500
3	IT Enterprise Projects	500	(369)	131
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	(47)	53
	Total Information Technology	\$ 3,000	\$ (916)	\$ 2,084
Item	Medical Equipment			
10	West Clyde Morris Infrastructure (Spine Road)	\$ 2,930	\$ -	\$ 2,930
11	Siemens Nexaris Angio/CT Oncology Suite Project	2,500	-	2,500
12	Mako System with Total Knee Application	-	(790)	(790)
13	Echo Cart Replacement (2)	470		470
14	Ventilators (15)	446		446
15	Patient Monitors (6)	350		350
16	EP Ablation System & Mapping Upgrade	350		350
17	Epiphany EKG Data Management System Upgrade	350		350
18	Baxter Pumps (100)	302		302
19	Critical Care Beds (16)	259		259
20	Med/Surg Beds (27)	162		162
21	Portable X-Ray System (1)	160		160
22	Diagnostic Ultrasound Unit Replacement HHPO (1)	148		148
23	Ultrasound Machine (1)	140		140
24	Medical Equipment Emergency Purchases over \$100,000	1,000		1,000
25	Medical Equipment Projects under \$100,000	1,338	(465)	873
	Total Medical Equipment	\$ 7,975	\$ (1,255)	\$ 6,720
Item	Infrastructure/Facilities			
26	T-Zone AHU Replacement	\$ 1,250	\$ -	\$ 1,250
27	Humidifiers	700		700
28	500 Ton Chiller	600		600
29	AHU D Replacement	300		300
30	South Machine Room Heat Exchanger Replacement	175		175
31	Infrastructure Emergency Purchases over \$100,000	1,000	(104)	896
32	Infrastructure Projects under \$100,000	1,000	(235)	765
	Total Infrastructure/Facilities	\$ 5,025	\$ (339)	\$ 4,686
Item	Hospice Capital Expenditures			
33	Hospice Capital	\$ 300	\$ (683)	\$ (383)
	Total Hospice Capital Expenditures	\$ 300	\$ (683)	\$ (383)
Item	Other			
34	Service Expansion	\$ 3,700	\$ (400)	\$ 3,300
	Total Other	\$ 3,700	\$ (400)	\$ 3,300
	Total HH Capital Expenditures	\$ 20,000	\$ (3,592)	\$ 16,408

Halifax Health
FY 2019 and Prior Approved Capital Projects and Expenditures
As of May, 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	CIC Number			
West Clyde Morris Infrastructure (Spine Road)	18-1115-007	\$ 2,530	(728)	\$ 1,802
Vendor Neutral Archive (VNA) for Enterprise Imaging	16-0720-002	1,474	(411)	1,063
ROC Renovation	18-0321-001	1,380	(975)	405
CT Scanner - Radiation Oncology	18-0418-001	517	-	517
Roof Replacement, Building B	18-0718-001	505	-	505
Pediatric Telemetry Monitors	18-1220-002	429	(425)	4
Wound Therapy Units (x13)	18-0516-002	358	(338)	19
Security Camera System	18-0620-001	349	(254)	95
Medical Oncology Expansion-Port Orange	17-0215-004	389	(102)	288
Laundry Facility Modification	18-0516-004	327	-	327
Fan Coil Units (FCUs) Connection to Emergency Generator at HHPO	18-0117-001	300	(43)	257
GI Lab Relocation	18-1018-002	245	(140)	105
Echo Cart (Ultrasound) with TEE Probe	18-0718-002	222	-	222
IV Pumps	17-0816-017	202	-	202
Professional Development Renovation-3rd Floor Fountain Building	18-0221-002	196	(89)	107
Storage for Servers & Applications for Parrish	18-0620-002	188	(180)	8
Port Orange Equipment Refresh	16-0518-002	180	-	180
Fairwarning Patient Privacy System	17-0315-004	156	-	156
Diagnostic Ultrasound for HHPO	18-0822-001	147	(104)	44
Cath Lab Renovation	17-0816-001	146	(143)	3
Mobile X-Ray System	19-1219-008	139	(138)	0
OB Headwalls (x11) Upgrade-2nd Floor Fountain Building	18-0221-003	129	(118)	11
Desktops (Qty 650) & Laptops (Qty 75)	18-0516-001	123	(123)	-
Audio Visual Equipment France Tower Rooms A-G & Auditorium	18-0718-003	105	(56)	48
Subtotal of approved items less than \$100k		2,088	(996)	1,092
Total Capital funds required for projects approved in FY 2018 and prior		\$ 12,717	\$ (5,307)	\$ 7,411
FY2019 Board Approved Capital Projects				
Hospice WVCC Wind Shutters	19-0515-002	\$ 237	\$ -	\$ 237
Total FY 2019 Board Approved Capital Projects		\$ 237	\$ -	\$ 237
FY 2019 Other Approved Capital Projects				
Renal Replacement Therapy Equipment (Prismaflex)	19-1120-001	\$ 92	\$ -	\$ 92
Chillers for MRI (Air SYS)	19-1219-003	50	(50)	-
Work Benches and Refrigerator for ROC Pharmacy	19-1017-002	49	(46)	3
CPUs (Qty 2) for EP Labs #2 & #6	19-1219-002	45	-	45
Bioquell System	19-0515-007	45	-	45
CT Console	19-1120-002	40	(40)	-
Corporate Management Software	19-0515-001	29	-	29
Cash Registers (x 6)	19-0515-008	28	-	28
Skull Clamp	19-1017-003	26	(11)	15
Hematology Analyzers (x2)	19-0515-009	22	-	22
Surgical Light for TLSC	19-1120-003	22	(23)	(2)
Blood Gas Machine	19-0515-010	21	-	21
Headlights (x6) for OR & CVOR	19-1219-004	19	(18)	1
Headlights (x3) for OR & CVOR	19-0515-011	19	-	19
Radiology Reading Monitors (Qty 2)	19-1219-005	19	-	19
Radiology Reading Monitors (Qty 2)	19-1120-004	19	-	19
Rooftop Units (x3) for HBS	19-0320-002	17	-	17
BIS Monitors (Qty 8)	19-1017-004	17	(17)	-
Insufflators (x5)	19-1219-006	15	(15)	(0)
Visitor Badging System	19-1120-005	14	(14)	0
Wheelchairs (x2) for Inpatient Rehab	19-0515-012	10	-	10
Subtotal of approved items less than \$50k		667	(302)	365
Total FY 2019 Other Approved Capital Projects		\$ 759	\$ (302)	\$ 457
Projects proposed for Board of Commissioners approval				
Mako System with Total Knee Application	19-0515-023	\$ 790	\$ -	\$ 790
Laptops (x90) and PCs (x800)	19-0515-003	500	-	500
West Clyde Morris Infrastructure-Additional Approval		400	-	400
Storage Platform & Software for IT	19-0515-004	369	-	369
Hospice POCC Window Shutters		331	-	331
Automatic Transfer Switch (ATS) for Generator #6 Chiller	19-0515-005	104	-	104
Hospice Ormond Care Center Window Shutters	19-0515-006	103	-	103
Total Project(s) proposed for Board approval		\$ 2,597	\$ -	\$ 2,597

CAPITAL EXPENDITURES & OPERATING LEASES
Audit & Finance Committee

Capital Expenditures \$50,000 and over

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Mako Robotic Arm	Department of Surgery	Working Capital	\$790,000
Desktop and Laptop Computers	Information Technology	Working Capital	\$500,000
West Clyde Morris Infrastructure - Additional Approval	System Planning	Working Capital	\$400,000
Storage Platform and Software	Information Technology	Working Capital	\$368,554
Port Orange Care Center Wind Retrofit	Halifax Health Hospice	Working Capital	\$330,964
Automatic Transfer Switch for Chiller	Facilities and Engineering Department	Working Capital	\$104,224
Ormond Beach Care Center Wind Shutters	Halifax Health Hospice	Working Capital	\$103,280

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: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals
CC: Matt Petkus, Vice President Operations
DATE: June 14, 2019
RE: Mako Robotic Arm

The Halifax Health Department of Surgery is requesting funding to purchase the Mako Total Knee Robotic-Arm Assisted Surgery system.

By using the Mako robot during total knee replacement, orthopedic surgeons are able to offer surgeries that are more precise and accurate, with fewer cuts to the bone, all while completely protecting soft tissues, ligaments, and blood vessels. The resulting surgery offers better outcomes with less blood loss and pain after surgery. Halifax Health performs over 400 total knee replacements annually.

The project was approved by the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COSTS \$790,000



Halifax Health

Project Evaluation

Stryker: Mako Robotic Arm System	
Chief Operating Officer	Alberto Tineo
VP Operations	Matthew Petkus
Manger, Surgical Services	Eric Little
Financial Analysis	Todd Aldrich

Summary

Purpose:

To enable surgeons to have a more predictable surgical experience when performing joint replacement surgery. Additional benefits include enhanced planning, dynamic joint balancing and assisted bone prep

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	X
Efficiency	X

Investment Request for Approval **\$790,000**



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Tom Stafford, Vice President and Chief Information Officer
DATE: June 14, 2019
RE: Desktop and Laptop Computers

Halifax Health Information Technology (IT) is requesting funding to purchase desktop and laptop computers. The devices are part of an ongoing refresh cycle to ensure a reliable and stable computing environment within the IT enterprise.

The project will also include an upgrade to the latest Microsoft Windows 10 operating system.

The project was approved at the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COST \$500,000



Halifax Health

Project Evaluation

Desktop and Laptop Refresh

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

Summary

Purpose:

This project is for the purchase of desktops and laptops as part of an ongoing refresh cycle to ensure a reliable and stable computing environment within the IT enterprise.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$500,000**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Bill Griffin, Director of Strategic Planning
CC: Eric Peburn, Executive Vice President and Chief Financial Officer
DATE: June 14, 2019
RE: West Clyde Morris Infrastructure - Additional Approval

Halifax Health is requesting approval for capital funds to complete the west Clyde Morris infrastructure project (spine road and underground utilities).

The Board of Commissioners approved \$2,530,000 for the infrastructure in November 2017. Additional costs to complete the project have been identified that are the result of several factors related to the design and specifications. These factors include additional work to obtain approval from FDOT, the City of Daytona Beach and to install conduit for underground utilities not included in the design.

In addition, the landscaping plan was Bahia sod only and is being upgraded to maintain our attractiveness standard.

The additional cost to complete this project is \$400,000.

There are signed Purchase and Sales Agreements with Highbridge and Next Chapter. Both of these Agreements include a provision for the purchasing party to pay their pro rata share of the cost of the infrastructure improvements. These transactions are scheduled to close in June for Next Chapter and August for Highbridge.

Purchaser	Acres	Sale Price	Initial Infrastructure Share	Additional Infrastructure Share	Closing
Highbridge	11.6	\$2,336,000	\$516,880	To Negotiated	July 2019
Next Chapter	13.44	\$2,688,000	\$609,841	\$30,500	August 2019
Remaining Parcels	30.76		\$1,403,279	\$339,000	

TOTAL CAPITAL COSTS \$400,000



Halifax Health Project Evaluation

W. Clyde Morris Infrastructure Additional Cost

Director, Strategic Planning
Financial Analysis

Bill Griffin
Roxanne Edmonds

Summary

Purpose:

This project is for additional funds to complete the West Clyde Morris Infrastructure project (spine road and underground utilities) including work to obtain approval from FDOT, the City of Daytona Beach and to install conduit for underground utilities not included in the design.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	X
Efficiency	

Investment Request for Approval \$400,000

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Tom Stafford, Vice President and Chief Information Officer
DATE: June 14, 2019
RE: Storage Platform and Software

Halifax Health Information Technology is requesting funding to purchase a network storage system to replace an existing storage platform that is at its end-of-life. The platform is used to store the Picture Archive and Communications (PACS) system for digitized radiologic images and reports and other unstructured data.

The project was approved at the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COST \$368,554



Halifax Health Project Evaluation

Storage Platform

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

Purpose:

This project is for the purchase of a network storage system to replace the existing storage platform.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$368,554**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Mary Jo Allen, VP Post Acute Care Services and Executive Director-Halifax Health Hospice
DATE: June 19, 2019
RE: Port Orange Care Center Wind Retrofit

Halifax Health Hospice is requesting funds for the Port Orange Care Center Wind Retrofit Project. The purchase includes twenty-five (25) motorized roll-down shutters and a 150 KW impact rated emergency power generator 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 \$248,223.

The project was approved by the Capital Investment Committee on June 19, 2019.

TOTAL CAPITAL COSTS \$330,964



Halifax Health Project Evaluation

Port Orange Care Center Wind Retrofit & Generator

Chief Financial Officer	Eric Peburn
Executive Director, Hospice	Mary Jo Allen
Director, Hospice	Benjamin Eby
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of 25 motorized roll-down shutters and a 150 KW impact rated emergency power generator for the Port Orange Care Center to help harden the center in preparation of wind events.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	

Investment Request for Approval **\$330,964**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Jacob Nagib, Director, Engineering, Design and Construction
DATE: June 14, 2019
RE: Automatic Transfer Switch for Chiller

Halifax Health Facilities and Engineering Department is requesting funds to purchase an Automatic Transfer Switch (ATS) for the 1200 Ton Chiller operated by both normal power and an emergency generator.

The equipment will replace the current ATS which is old, deteriorating and beyond repair. The ATS also feeds emergency power for temporary boilers and chillers when needed for hurricane or other emergencies or repairs.

The project was approved at the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COSTS \$104,224



Halifax Health Project Evaluation

ATS for Chiller for Generator #6

Chief Financial Officer	Eric Peburn
Director, Facilities	Jacob Nagib
Manager, Facilities	Chad Hutchinson
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of a new ATS for the 1200 T Chiller at generator #6 to replace the existing unit which is deteriorating and beyond repair.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval \$104,224

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer
CC: Mary Jo Allen, VP Post Acute Care Services and Executive Director-Halifax Health Hospice
DATE: June 14, 2019
RE: Ormond Beach Care Center Wind Shutters

Halifax Health Hospice is requesting funds for the Ormond Beach Care Center Wind Retrofit Project. The purchase includes thirty-nine (39) 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 \$77,460.

The project was approved by the Capital Investment Committee on May 15, 2019.

TOTAL CAPITAL COSTS \$103,280



Halifax Health Project Evaluation

Ormond Beach Care Center Wind Retrofit

Chief Financial Officer	Eric Peburn
Executive Director, Hospice	Mary Jo Allen
Director, Hospice	Benjamin Eby
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of 39 motorized roll-down shutters for the Ormond Beach Care Center to help harden the center in preparation of wind events.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	

Investment Request for Approval \$103,280

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

**Halifax Health
Capital Disposals
April / May 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.



				Date	Disposition	Original	Book
	60505	LENOVO NOTEBOOK	IT	05/23/14	DAMAGED/IRREPAIRABLE	1,339.10	-
	55467	KONICA MINOLTA BIZ HUB 350	HHPO ADMIN	01/25/19	DAMAGED/IRREPAIRABLE	3,160.00	-
	56246	GAS FLOW ANALYZER	BIOMED	05/03/07	DAMAGED/IRREPAIRABLE	9,061.58	-
	59824	RECLINER W/WOOD ARM CAPS	CARDIAC PULMONARY CARE UNIT(CPCU)	10/01/12	DAMAGED/IRREPAIRABLE	1,781.00	-
	61470	ORCHESTRA GLIDER/RECLINER	LABOR & DELIVERY	10/01/12	DAMAGED/IRREPAIRABLE	1,772.50	-
	0009640	FOOD CUTTER HOBART	DIETARY	02/01/63	DAMAGED/IRREPAIRABLE	1,533.00	-
	55599	BIARIATRIC WHEELCHAIR SCALE	PORT ORANGE ED	12/28/06	DAMAGED/IRREPAIRABLE	2,007.72	334.64
RECLINERS (26)							
	575XX	08-09, 15, 19, 21, 24, 38, 51-52, 56-57, 59, 75, 86	ISC(6), 4 FT TELE(6), 5 FT NEURO(1), 6 FT ORTHO(8), 7 FT MED/SURG(5)	06/30/09	DAMAGED/IRREPAIRABLE	-	-
	576XX	02, 15, 19-21, 23-24, 28, 41, 43, 53, 61	ISC(6), 4 FT TELE(6), 5 FT NEURO(1), 6 FT ORTHO(8), 7 FT MED/SURG(5)	06/30/09	DAMAGED/IRREPAIRABLE	39,178.50	-
Total to be Disposed:						59,833.40	334.64


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)

Halifax Health
Calendar for Board of Commissioners
FY 2020 Operating Budget, Updated June 2019

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			27	28	29
30						

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

Legend



Board of Commissioners Meeting



Finance Committee Meeting



VCS and COV Meetings



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 9th	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 16th or September 23rd (Date-TBD)</u>		
	Final Public Hearing for FY 2020 Operating Budget and Tax Millage	Board of Commissioners

Fiscal Year 2020 Budget Update

Eric M. Peburn
Chief Financial Officer

Audit and Finance Committee
June 26, 2019



HALIFAX HEALTH

FY 2020 Budget Update Agenda

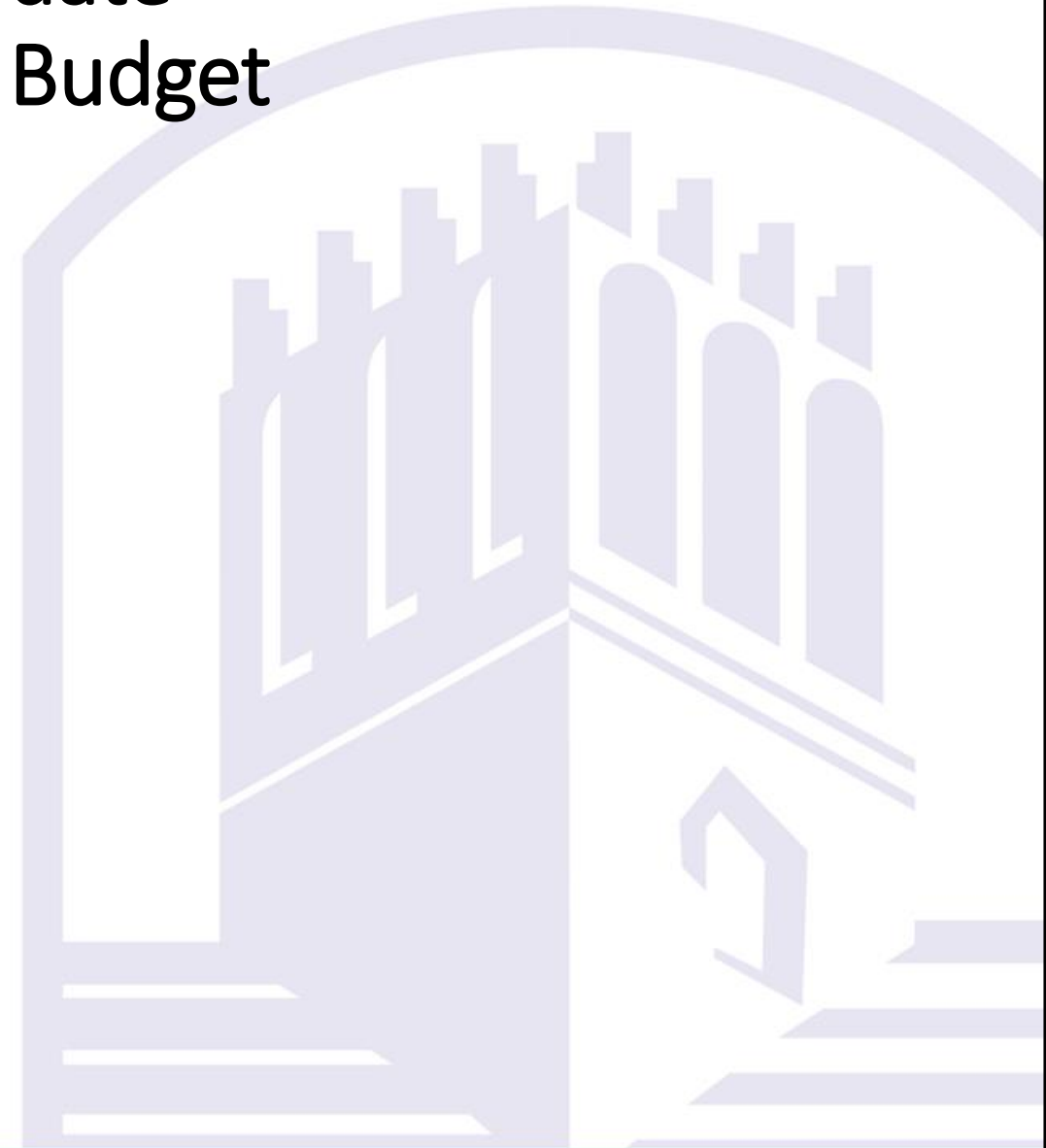
- Key Factors in Setting Budget
- Budget Status and Next Steps
- Ad valorem tax schedules



FY 2020 Budget Update

Key Factors in Setting Budget

- Achieve positive cash flow after capital and pension funding
- Targeting a 2% operating margin excluding Deltona Hospital
- Continuation of critical community services and benefits



FY 2020 Budget Update

Current Status and Next Steps

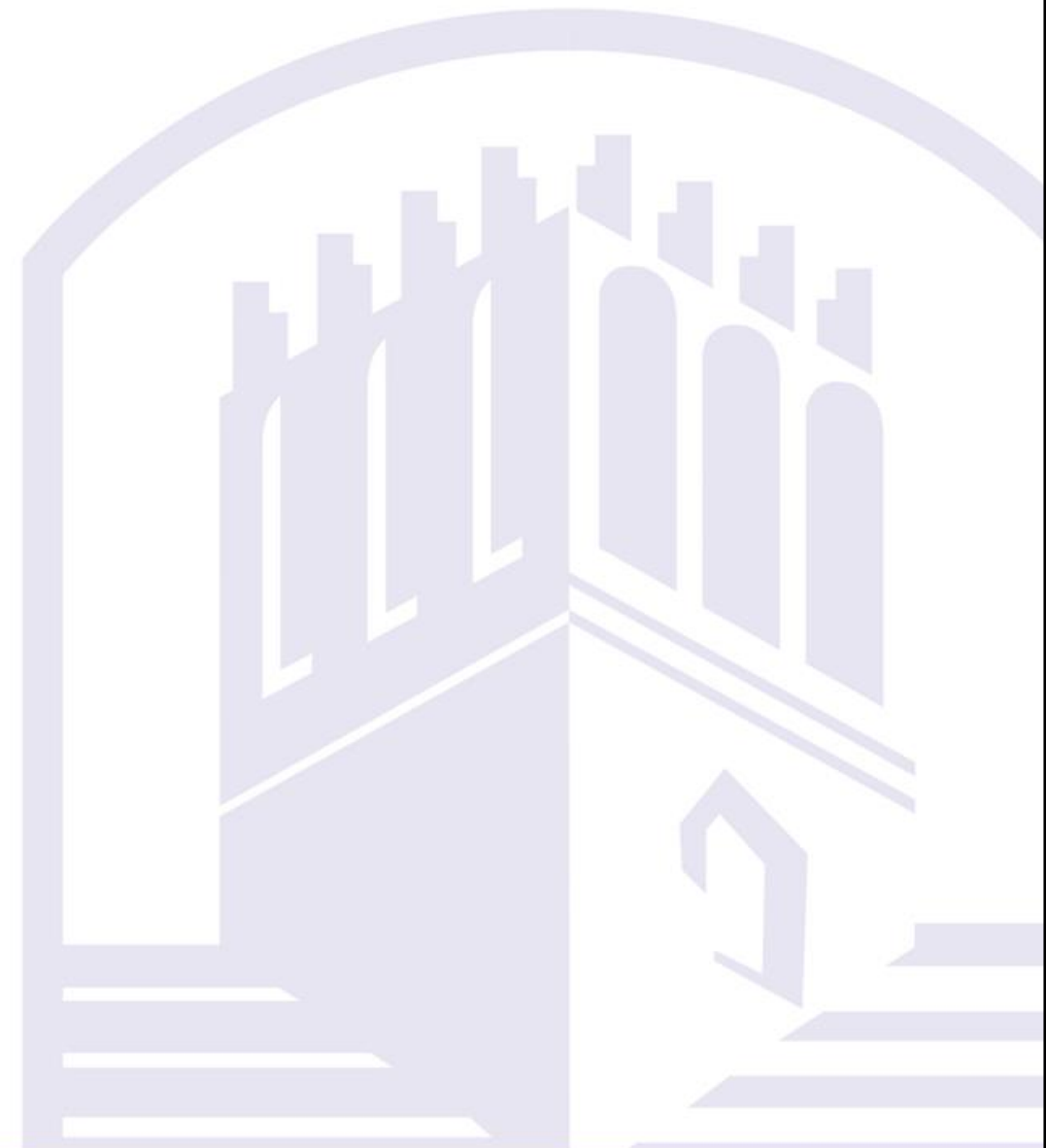
- Current budget gap has been identified at \$9.8M with \$2.0M remaining to be identified to achieve 2% operating margin
- Management is currently working through the following improvements and will be focused on the following strategies:
 - Appropriate patient classification
 - Throughput efficiency
 - Continued focus on reducing the Length of Stay
 - Reduced supply expense
 - Reduce costs in overhead, non-clinical areas
 - Evaluation of non essential programs and services
 - Attrition – not filling jobs as Team Members exit with the exception of direct patient care positions such as nursing
 - More effectively flexing staff on volumes and acuity – even in non-flex, overhead departments
- Restructuring patient care management along with consultant (Clinical Intelligence) to improve operating margin at a sustainable level above 3%

Halifax Health Medical Center
Pre-Preliminary Tax Base, Millage Rate and Estimated Tax Levies
FY 2020 Budget *
(\$ in thousands)

	Tax Base	Millage Rate, per 1,000				
		1.0000	0.7500	0.5000	Current Rate 0.3546	Estimated Rolled back Rate 0.3303
FY 2020	\$18,557,112	\$18,557	\$13,918	\$9,279	\$6,580	\$6,129

* Based on Pre-Preliminary assessed total taxable value. This schedule will be updated on July 1st once the Preliminary tax values are available.

Appendix



Halifax Hospital Medical Center
Schedule of Tax Bases, Tax Levies, and Millage Rates
FY 2007 - 2020
(\$ in thousands)

	Actual													Preliminary Budget
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 *
Tax Base (DR 420)	\$19,152,904	\$20,292,636	\$18,481,578	\$15,359,834	\$13,403,649	\$12,487,804	\$12,207,295	\$12,431,762	\$13,149,276	\$13,876,457	\$14,854,990	\$15,996,279	\$17,285,583	\$18,557,112
Gross Tax Levy	\$52,735	\$50,732	\$41,584	\$34,560	\$26,807	\$21,854	\$15,259	\$12,432	\$13,149	\$13,252	\$11,232	\$6,048	\$6,129	\$6,580
Millage Rate	2.750	2.500	2.250	2.250	2.000	1.750	1.250	1.000	1.000	0.9550	0.7561	0.3781	0.3546	0.3546

* FY 2020 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

Halifax Health Medical Center
Impact of Millage Rate
Non-Homesteaded Homeowner or Commercial/Investment Property
FY 2020 Preliminary Budget ¹

	<u>Prior Year</u>	<u>FY 2020 Budget</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.3546	0.3546	0.0%
Property value ²	\$175,000	\$187,873	7.4%
Exemptions	\$0	\$0	0.0%
Property taxes	\$62	\$67	7.4%
Tax Levy impact to homeowner		\$5	

¹ FY 2020 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

² FY 2020 Property Value increased 7.36% based on the average increase within the Halifax Taxing District excluding new construction.

Halifax Health Medical Center

Impact of Millage Rate

Homesteaded Homeowner

FY 2020 Preliminary Budget ¹

	Prior Year	FY 2020 Budget	Percent Change
Millage rate, per 1,000	0.3546	0.3546	0.0%
Homestead Property value	\$175,000	\$180,250	3.0%
Exemptions	(\$50,000)	(\$50,000)	0.0%
Property taxes	\$44	\$46	4.2%
Tax Levy impact to homeowner		\$2	

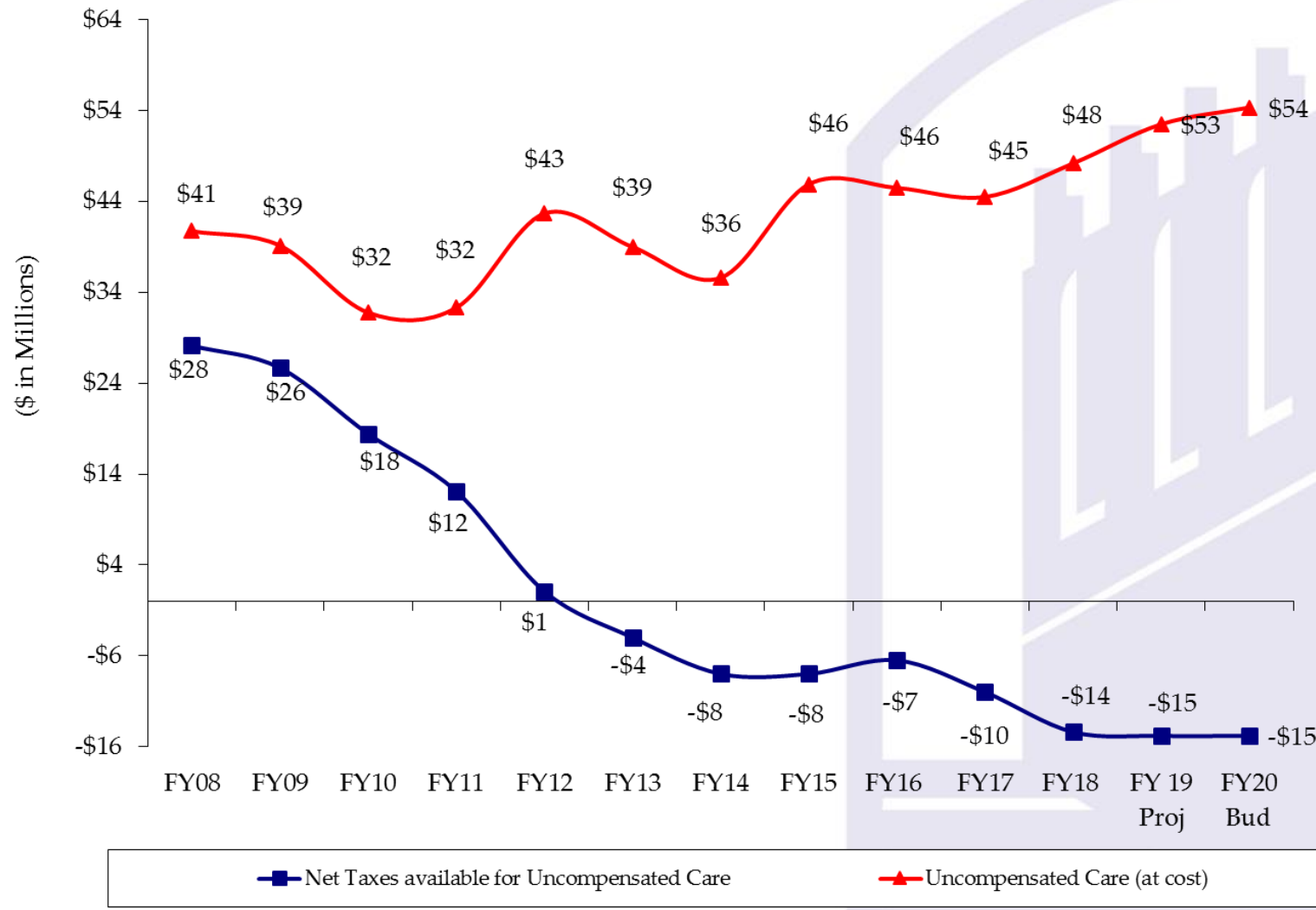
¹ FY 2020 Millage rate is estimated based on the information provided from the pre-preliminary tax value.

**Halifax Health Medical Center
Schedule of Uses of Property Taxes
FY 2020 Preliminary Budget ***

	FY 2019 Actual/Projected 0.3546 Mill	FY 2020 Budget 0.3546 Mill
Gross property tax levy	\$6,129,468	\$6,580,352
Tax discounts and uncollectible taxes	(108,996)	(117,000)
Net property taxes collected	6,020,472	6,463,352
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(204,996)	(220,000)
Volusia County Medicaid matching assessment	(3,118,788)	(3,150,000)
Redevelopment taxes paid to Cities	(321,252)	(344,883)
Subtotal	(3,645,036)	(3,714,883)
Net taxes available for community health, wellness and readiness	2,375,436	2,748,469
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(687,056)	(700,000)
Physician services	(8,820,874)	(8,950,000)
Trauma services	(6,355,646)	(6,500,000)
Pediatric and neonatal intensive care services	(429,962)	(450,000)
Child and adolescent behavioral services	(905,612)	(950,000)
Subtotal	(17,199,150)	(17,550,000)
Deficiency of net taxes available to fund hospital operating expenses	(14,823,714)	(14,801,531)
Uncompensated care, at cost:		
Halifax Health patients at facilities inside of the Halifax Health tax district	(30,885,761)	(31,967,000)
Non-Halifax Health taxing district patients and other write-offs	(21,622,695)	(22,379,000)
Subtotal	(52,508,456)	(54,346,000)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, at cost	(\$67,332,170)	(\$69,147,531)

* Based on Pre-Preliminary assessed total taxable value.

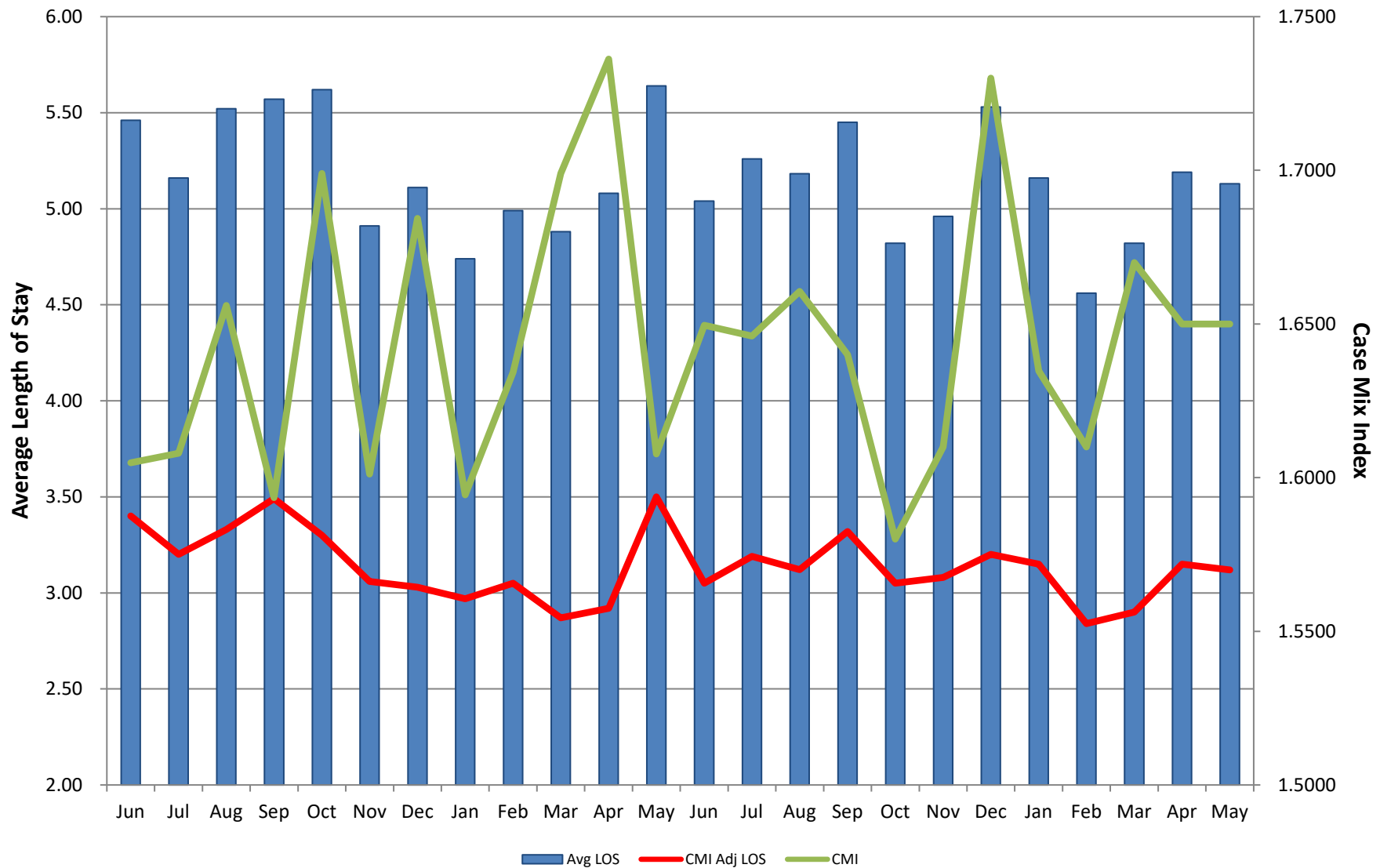
Halifax Health Medical Center
 Uses of Tax Dollars FY08 - FY20
 FY 2020 Preliminary Budget @ 0.3546 Mill



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended May 31st, 2019

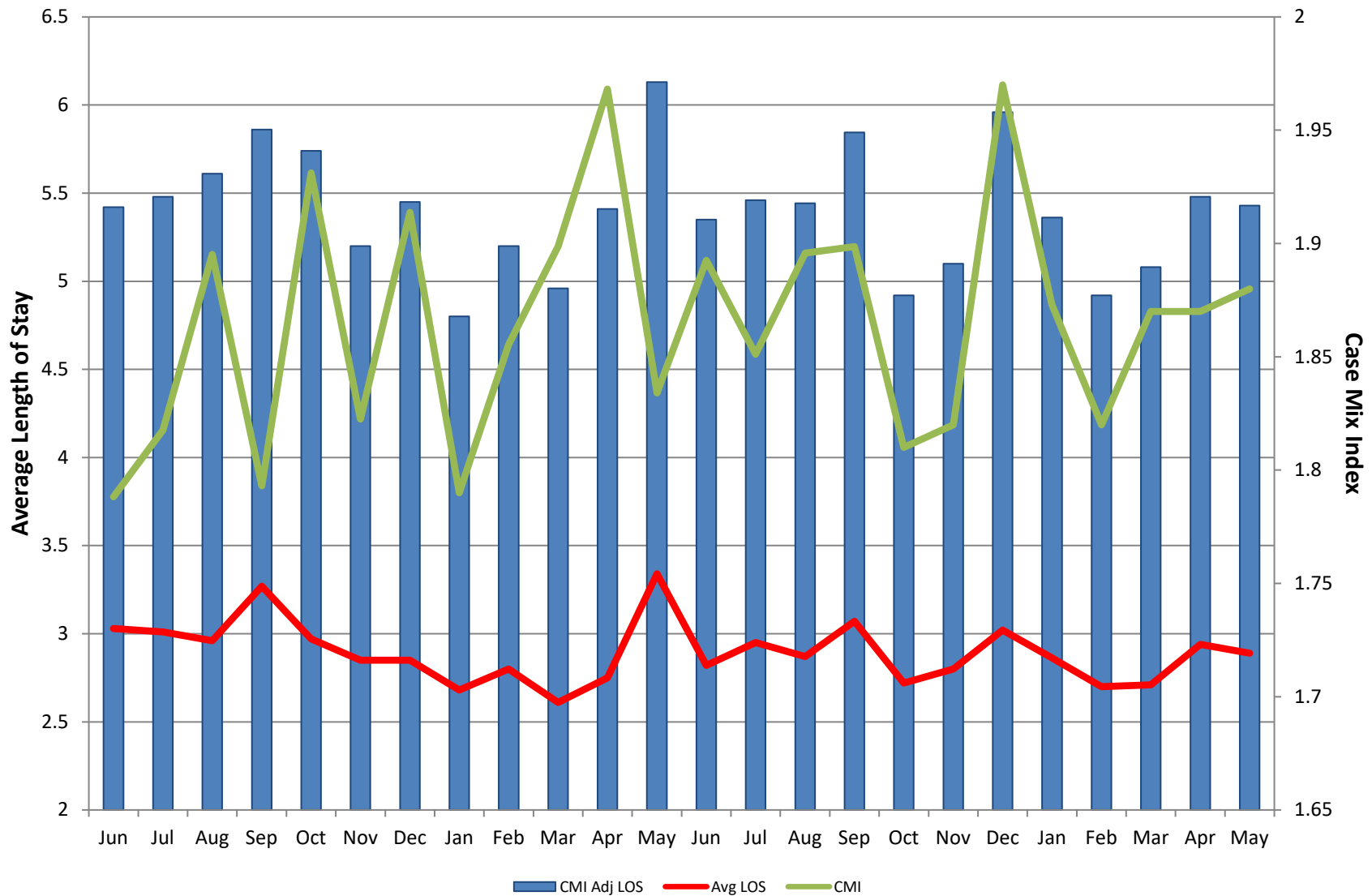
Excludes Newborns and Inpatient Rehabilitation



Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended May 31st, 2019

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



INFORMATIONAL REPORT
June 2019

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

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Bioquell Decontamination System	Environmental Services	Working Capital	\$45,000
Meditech Software - Corporate Management System	Information Technology	Working Capital	\$28,560
Cash Registers for Cafeterias, Café and Gift Shop	Food and Nutrition	Working Capital	\$27,821

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

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Alberto Tineo, Executive Vice President and Chief Operating Officer
DATE: June 14, 2019
RE: Bioquell Decontamination System

Halifax Health Environmental Services is requesting funding to purchase a replacement Bioquell decontamination system.

The Bioquell system is a hydrogen peroxide vapor system that is used to decontaminate patient rooms and other hospital areas. The portable system can also be used at offsite locations.

The project was approved at the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COST \$45,000



Halifax Health Project Evaluation

Bioquell System	
Chief Operating Officer	Alberto Tineo
Assistant Manager, Environmental	Vince Acosta
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of a Bioquell decontamination system.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	

Investment Request for Approval **\$45,000**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer
CC: Tom Stafford, Vice President and Chief Information Officer
DATE: June 14, 2019
RE: Meditech Software - Corporate Management System

Halifax Health Information Technology is requesting funding to purchase software for a Meditech Corporate Management System. The system will allow us to create separate Health Care Information Systems (HCISs) under the corporate management umbrella and propagate dictionaries and builds from our standard content template that sits above the system. The corporate management system will allow us to decide what we will propagate to the different HCISs.

The project was approved at the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COST \$28,560



Halifax Health Project Evaluation

Corporate Management Software for Meditech

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

Summary

Purpose:

This project is for the purchase of software for a Meditech Corporate Management System that will separate Health Care Information Systems (HCISs) under the corporate management umbrella and propagate dictionaries.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$28,560**

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



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Alberto Tineo, Executive Vice President and Chief Operating Officer
DATE: June 14, 2019
RE: Cash Registers for Cafeterias, Café and Gift Shop

Halifax Health Food and Nutrition is requesting funds to purchase six cash registers and related software for the main campus and Port Orange cafeterias, the France Tower Café and the Gift Shop. The current equipment and software is at end of life and is no longer supported.

The project was approved by the Capital Investment Committee meeting on May 15, 2019.

TOTAL CAPITAL COST \$27,821



Halifax Health Project Evaluation

Cash Registers

Chief Operating Officer	Alberto Tineo
Manager, Food & Nutritional Services	Theresa Massie
Financial Analysis	Roxanne Edmonds

Summary

Purpose:

This project is for the purchase of six cash registers and related software to replace the current equipment and software at the main campus and Port Orange cafeterias, the France Tower Café and the Gift Shop that are at their end of life and no longer supported.

Strategic Plan Core Competency Achievement:

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

Cornerstone:

Safety	
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$27,821**

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